

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 325th
MEETING OF THE BOARD OF COMMISSIONERS February 26, 2009**

A meeting of the Board of Commissioners of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on February 26, 2009 at 9:00 a.m. pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David Duffy, Commissioners, Paul MacDonald, Jeff Hirsh, Patrick Butler, George Nee, Bill Daugherty, Dale Venturini and Jason Fowler. Letitia Carter was in attendance but has not yet been confirmed by the Senate.

Mr. Buonanno and Mr. Gavitt were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan and Kim Keough, Rhode Island Convention Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton, Nancy Beauchamp and Kathy Masino, SMG/RICC; Larry Lepore, Cheryl Cohen, Lisa Coelho and Jodi Duclos, SMG/DDC; Steve Habl and Doreen Vitale, VMA; Maureen Gurghigian, First Southwest; Normand Benoit, Partridge Snow & Hahn; Robert Bromley, Senate Fiscal Office and Eileen Smith, Recording Secretary. CALL TO ORDER

Chairman Duffy called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept the minutes of the 324th meeting, January, 2009. Upon a motion duly made by Mr. Nee and seconded by Mr. Butler it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail. Mr. Duffy announced that the next meeting would be held on Thursday, March 26th at 9:00 AM

Mr. Duffy thanked Mr. MacDonald for serving as Chair for the January meeting. Mr. Duffy welcomed Letitia Carter, Former Chair of the VMA Foundation, who is awaiting confirmation from the Senate of her appointment to the Rhode Island Convention Center Authority Board.

Mr. Duffy noted that Norm Benoit, our Bond Counsel, and Maureen Gurghigian, our Financial Advisor were in attendance. Mr. McCarvill reported that a copy of the Bond Resolution had been sent to all Board members for review. Mr. Benoit distributed the final resolution that the Board would be asked to approve. Mr. Daugherty wanted it noted that the State had encouraged the Swap that is now causing us problems. Mr. Nee asked if this issue had been discussed with the Budget Office. Mr. Duffy said that the Budget Office as well of the

Finance Committee is aware. Mr. Benoit noted that the probability of refunding was discussed in July, 2008. Mr. Benoit noted that until 2008 the Swap Agreement had performed well. Discussions ensued regarding the Refunding Resolution. Mr. Benoit discussed whether the borrowing would be taxable or tax exempt. Mr. Benoit read the Series Resolution. Upon a motion duly made by Mr. Hirsh to adopt the Rhode Island Convention Center Authority Refunding Revenue Bonds, 2009 Series Resolution in the form presented by Mr. Benoit. The motion was seconded by Mr. Butler and unanimously

VOTED: to adopt the Rhode Island Convention Center Authority Refunding Revenue Bonds, 2009 Series Resolution in the form presented by Mr. Benoit.

Mr. Duffy – yes

Mr. Nee – yes

Mr. Daugherty – yes

Mr. MacDonald – yes

Mr. Butler – yes

Ms. Venturini – yes

Mr. Hirsh - yes

Jason Fowler - yes

Mr. Daugherty departed at 9:30 AM

Mr. Duffy asked Mr. McCarvill to present the consolidated financial

review. Mr. McCarvill reported that for the month of January, Convention Center net income was (\$340,635) to budget and (\$359,030) to the prior year. Mr. McCarvill noted that the negative variance in net income for the month was the direct result of budgeted events that did not occur and the timing of three large events that will be accounted for in upcoming months. Mr. McCarvill noted that Year to Date Net Income was (\$518,033) to budget and (\$1,110,300) to the previous year. He said that the unfavorable variance in net income is the result of lower than expected food & beverage and parking revenue. Mr. McCarvill said that strong rent and services billed helped reduce the impact on the bottom line. Mr. McCarvill reported that for the month of January the Dunkin' Donuts Center net income was positive (\$230,435) to budget and (\$45,835) to the prior year. Mr. McCarvill noted that the current economic condition has played a major role in lower attendance. Mr. McCarvill stated that Year to Date Net Income was (\$282,176) to budget and positive \$151,618 to the previous year. He said that low attendance for events contributed to the unfavorable variance. Mr. McCarvill said that management is committed to bringing new promoters and events to the Dunk that will be successful. Mr. McCarvill reported that net income for the Convention Center Authority for the month of January was (\$137,366) to budget and (\$31,984) to the prior year. Year to Date Net Income was (\$1,532,611) to budget and (\$1,439,553) to the prior year. Mr. McCarvill stated that the variance is mainly due to debt service payments and interest expense. He noted that the Authority's variance is all due to the Swap. Mr. McCarvill stated that

consolidated net income for the month of January was (\$708,437) to budget and (\$436,850) to the prior year. Year to Date Net Income was (\$2,332,813) to budget and (\$2,398,228) to the prior year. Mr. McCarvill noted that the VMA net income for the month of January is (\$20,588) to budget and year to date net income is \$24,969 to budget. Mr. McCarvill reported that management continues to seek creative ways to sell and use the building.

DUNKIN' DONUTS CENTER

Mr. Lepore noted that there were some events that were budgeted that did not happen in the month that they were budgeted. He noted that WWE was budgeted for January and will not happen until April. Mr. Lepore stated that WWE is a great production and will most likely sell out. Mr. Lepore noted that when people begin to be more confident in the economy we will see an upturn in ticket sales. He said that the family show market continues to do well. Mr. Lepore noted that Providence College Basketball and the Providence Bruins are attracting more fans because they are playing well. He noted that PC beating Pitt resulted in the facility receiving some very good exposure. Mr. Butler noted that security for the game was great. Mr. Lepore reported that Monster Trucks and Midget Car Racing will be at the Dunk on successive weekends. Mr. Lepore highlighted a few upcoming events. Cirque Du Soleil and American Idol are looking at dates in the Summer. The Spirit of America, a U.S. Military group will be performing in September. Mr. Lepore stated that Spirit of America

is an incredible event with U.S. Government active duty personnel. He said that they will be paying full rent and the performances are free to the public. Mr. Lepore stated that they would like to dedicate the War Memorial while they are here. Mr. Butler commented that at the last event that he attended the lines at the concession stands seemed to be moving slowly. He asked that Sportservice look into ways to speed up service. Mr. Butler said that one problem is that a license has to be shown each time a beer is purchased which takes time. Mr. Lepore said that it is an insurance issue, but that he would look into ways improve the process.

Mr. Duffy asked Mr. McCarvill to update the Board on the War Memorial and Public Art. Mr. McCarvill said that he would be presenting the plans to the Douncity Design Review Committee in March. Mr. Leach stated that we are waiting to hear from Berkley Investments on when we will have access to the space. Mr. McCarvill stated that we will have a problem meeting the target date of Memorial Day if we don't get moving on the project. Mr. McCarvill reported that the art would be selected on March 6th. He said that he has informed RISCA that our goal is something functional and fits the look of the facility. Mr. MacDonald asked if we have veto power over the Arts Council. Mr. Duffy answered that we do not.

CONVENTION CENTER COMMITTEE

Mr. Hirsh reported that the Convention Center Committee had met on

Tuesday. Mr. Hirsh informed the Board that Kathy Masino would be presenting new menus. Ms. Masino passed around the new menus and said that the food and beverage department is working hard to improve revenue. Ms. Masino stated that the Convention Center has always had a wonderful menu but that people were not aware of just how much our staff can do. Mr. Duffy asked how the new material will be marketed. Ms. Masino replied that right now the sales staff will make the material part of their sales kit. Mr. Muldoon announced that the material will be included in the Rhode Island Monthly when the publication will target the wedding market. Mr. Fowler commented that the Legislative Luncheon had received good reviews. He asked if a booth could be set up at other events to hand out brochures. Mr. MacDonald and Mr. Duffy noted that they have heard good things about the food at the Convention Center.

Mr. Muldoon reported that the timing of events had a significant impact on the financial statements. He noted that although the Boat Show took place mostly in January they closed in February. Therefore the revenue for the show will be accounted for in February. Mr. Muldoon stated that the sales staff is working to get Math Works back into the building. He said that this year they went to a warmer place. Mr. Muldoon reported that REMAX had cancelled their date. He noted that we are working on a date for October but that will be in the next fiscal year. Mr. Muldoon assured the Board that February would show improvement. Mr. Duffy asked how the public shows are doing. Mr. Muldoon said that they are doing well. He noted that

parking was up on Saturday during the Flower Show and the PC game. Mr. Muldoon also noted that the Golf Show was a success and benefited the Boys & Girls Club. Mr. MacDonald reported that the event planner for the Boys and Girls Club was impressed with the service that she received from the Convention Center staff. Mr. Butler asked how much it cost to park over the weekend because the lot across the street went from \$15.00 to \$20.00. Mr. Muldoon replied that the Board has asked that our family rate be \$10.00 and that is the rate that was charged for the weekend.

Ms. Tuton reported that she has developed a relationship with the complex's energy consultant and utility provider. She noted that seven projects have been completed which resulted in \$175,000 in rebates and should save \$100,000 in annual energy savings. Mr. MacDonald asked if we have had an energy audit. Mr. Muldoon reported that National Grid has been very helpful and made several suggestions on energy savings. He said that he thinks we are doing a good job without paying for an audit.

VMA

Mr. McCarvill reported that PPAC is assisting Mr. Hahl in putting together a plan to renovate the facility. Mr. Nee suggested that an attempt should be made to get the capital plan into the stimulus package. He said that jobs would be created for work on the building as well as employment for theater staff over the long run. Mr. Duffy

said that he had already spoken with the Governor. Mr. Nee said that he would do whatever he could to bring attention to the project. Mr. Habl noted that the theater could be a serious economic engine. Mr. Habl reported that he and his staff have been putting posters up for the Philharmonic and the Ballet all over the State. He said that they are reaching out to new promoters to fill dark days. Mr. Habl noted that the Philharmonic is up slightly. Mr. Habl reported that he has been in contact with GPS companies because our dwelling doesn't show up on any navigation system. Mr. MacDonald asked what if anything has been done about parking. Mr. Habl responded that patrons are using the Mall.

Mr. Nee departed at 10:25 AM

MARKETING COMMITTEE

Mr. Muldoon noted that cheerleading has become a very important category of business for the Convention Center. He stated that the groups normally require dates when there are other things going on in the building. Mr. Muldoon said that the sales team is looking at cheerleaders that hold competitions later in the year when there are more open dates. Mr. Muldoon noted the importance of Trade Shows to the facility and said that we are working hard to keep those shows coming back.

Ms. Cohen reported that WWE is selling very well and will most likely

sell out. Ms. Cohen noted that Monster Trucks Sunday show is sold out. Ms. Cohen reported that companies are cutting back on advertising. Mr. Butler said that advertising is still on the scoreboard for Twin River. Ms. Cohen said that the staff is looking for another sponsor for the sign. Mr. McCarvill asked if the signage report (attached) was all cash or if it included trade deals. Ms. Cohen answered that it was all cash.

Ms. Keough reported that the group responsible for a decision on web design will narrow the field to three or four. Ms. Keough stated that she has been working with the VMA to promote attendance at the Philharmonic and the Ballet. She noted that she has reached out to music and dance schools to get kids interested. Mr. MacDonald suggested that the effort be extended across the border to Massachusetts and Connecticut. Ms. Keough also reported that work has begun on the Authority's Annual Report.

Hearing no other business Chairman Duffy sought a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. MacDonald it was unanimously

VOTED: to adjourn at 10:35 A.M.