

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 328th
MEETING OF THE BOARD OF COMMISSIONERS May 27, 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 May 27, 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, William Daugherty, Patrick Butler, Jason Fowler and George Nee.

Mr. Gavitt, Mr. Buonanno and Ms. Venturini were unable to attend.

Also present were James P. McCarvill, Executive Director, Betty Sullivan, Ken Mancuso and Kim Keough, Rhode Island Convention Center Authority; Letitia Carter, waiting advice and consent; Bruce Leach, Legal Counsel; Tim Muldoon, Deb Tuton, and Nancy Beauchamp, SMG/RICC; Larry Lepore, Cheryl Cohen, Jodi Duclos, Eleanor San Antonio, SMG/DDC; Lynn Singleton, PPAC/VMA; Neil Schriever and Martha Sheridan; PWCVB; Joseph Solomen, House Policy Office; Tom Crocker, DDC/Sportservice and Eileen Smith, Recording Secretary.

CALL TO ORDER

Chairman Duffy called the meeting to order at 9:08 a.m.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept the minutes of the 327th meeting, May, 2009. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Daugherty 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, June 25, at 9:00 AM.

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill noted that the VMA net income for the month of April was (\$17,825) to budget and year to date net income is (\$21,372) to budget. Mr. McCarvill reported that the number of graduations at the VMA has increased from previous years. Mr. McCarvill reported that for the month of April, Convention Center net income was \$83,205 to budget and \$81,343 to the prior year. Mr. McCarvill noted that the positive variance is the direct result of continued cost cutting measures and favorable event revenue. Mr. McCarvill noted that Year to Date Net Income was (\$510,386) to budget and (\$817,172) to the previous year. He said that the unfavorable variance continues to be the result of reductions in income in the areas of food and beverage, ancillary and parking income. Mr. McCarvill reported that for the month of April the Dunkin'

Donuts Center net income was negative (\$138,023) to budget and positive \$37,618 to the prior year. Mr. McCarvill stated that Year to Date Net Income was (\$237,765) to budget and \$19,786 to the previous year. He said that management continues to reduce costs the lack of revenue producing concerts and events has had a significant impact on the bottom line. Mr. McCarvill noted that management of both the Convention Center and the Dunkin' Donuts Center are doing a good job of controlling expenses. Mr. McCarvill reported that net income for the Convention Center Authority for the month of April was (\$7,870) to budget and (\$8,933) to the prior year. Year to Date Net Income was (\$1,620,672) to budget and (\$1,665,769) to the prior year. Mr. McCarvill stated that the variance is all about the interest expense on the Swap. Mr. McCarvill stated that consolidated net income for the month of April was (\$62,688) to budget and \$110,029 to the prior year. Year to Date Net Income was (\$2,368,813) to budget and (\$2,463,127) to the prior year. Mr. Daugherty asked Mr. McCarvill to explain the Convention Center's year to date indirect expenses. Mr. McCarvill said that indirect expenses are not related to an event. Mr. McCarvill stated that a different formula is now being used for a more accurate distribution of expenses. Mr. McCarvill reported that the bonds were refunded on May 15th. Mr. Duffy said that it is unfortunate that the Swap cost us so much money through no fault of our own. Mr. Duffy noted that the troubled economy has caught up with us. Mr. Muldoon reported that Convention Center revenue is down approximately 4% for the year. Mr. MacDonald asked about the room tax from the Westin. Mr.

McCarvill stated that we still receive it by legislation.

MARKETING COMMITTEE

Ms. Sheridan reported that Travel & Leisure Magazine had been inviting people to vote for the top travel destination city. Ms. Sheridan was pleased to report that Providence is now eligible to be part of the nationwide voting for the top 30 destination cities. Ms. Sheridan stated that all of our competition had significantly higher populations and press support. Ms. Sheridan noted that Positively Providence has been training taxi drivers and working with hotel and restaurant staff to ensure that our visitors have an enjoyable experience in Rhode Island. Mr. Duffy stated that the airport expansion is an important to the business community and tourism industry. He said that we should do what we can to support the expansion.

Mr. Schriever discussed room night production for April and was pleased to report that Amerprise Financial had committed to dates in September. Discussion took place regarding the upcoming Conference of Mayors. Mr. Duffy noted that the Vice President and members of President Obama's cabinet would be participating. Mr. Duffy assured everyone that Ken Mancuso and the security staff had everything under control. He noted that Mr. Mancuso has been meeting with the Providence Police and that the Secret Service will be in charge during Mr. Biden's visit. Mr. Schriever encouraged the

Board to attend the Customer Forum on June 17th and 18th being hosted by the CVB. He said that we will find out what the customer thinks that we are lacking and what they feel we do well. Mr. Schriever stated that customer feedback is a very important tool for the destination. Some of the organizations that have agreed to participate are United Natural Foods, Experient, Athletic Championships, Hanley Wood and Conference & Logistics Association. Ms. Sheridan also invited everyone to attend. She said that we will learn what the customer experiences from their arrival at the airport until they leave. Ms. Sheridan noted that customer service is a priority for us. She also noted that the Rhode Island Convention Center ranks in the top five convention centers in customer service. Ms. Sheridan said that the results of the Customer Forum will be reported at a future committee meeting.

Mr. Duffy stated that the Marketing Committee had a very nice meeting in Newport in May. He noted that there were votes taken at the meeting recommending renewal of the CVB contract and appointments to the CVB Board. Ms. Venturini reported that the Authority's agreement with the CVB was about to expire and stated that the Marketing Committee had voted to renew the contract for two years. She asked for a motion to accept the recommendation. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Nee it was unanimously

VOTED: to renew the Authority's contract with the PWCVB for a two

year period ending June 30, 2011.

Ms. Venturini also reported that two of the Authority's appointments to the CVB Board are about to expire and asked that a motion be made to accept the Marketing Committee's recommendation that Jason Fowler be appointed to replace Mr. Judge upon the expiration of his term and the reappointment of Mr. Hirsh. Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously

VOTED: to reappoint Mr. Hirsh and appoint Mr. Fowler to the PWCVB Board of Directors.

Ms. Keough addressed the Commissioners. She stated that a proof of the Annual Report was expected today and the report would be printed and mailed within the next few weeks. Ms. Keough said that our chef, Tony Haskins will appear on the Rhode Show. She noted that we are fortunate to have gotten coverage of many events from the show. Ms. Keough reported that she has been working with the dog show people to promote that event. Ms. Keough also noted that she had met with Providence College to discuss marketing the NCAA Tournament. Mr. Duffy reminded the Board that the Dunkin' Donuts Center does not have tickets and that we cannot get tickets. Mr. Hirsh asked if we could get more time on the scoreboard during games to advertise other events in the building. Mr. Duffy asked Ms. Keough to keep Mr. Gavitt in the loop and involved while he is not feeling well. Ms. Keough introduced Jeremy Crisp of Nail

Communications. Mr. Duffy gave a brief overview of Nail. Mr. Crisp reported that the creative phase of the project would begin this week. He said that all of partners have been interviewed and said that the RICEC project is well under way. Mr. Nee asked what RICEC is. Ms. Keough responded that it stands for Rhode Island Convention and Entertainment Complex but that has not been made final. Mr. Crisp said that we are hoping to launch the new web-site in September. Mr. Daugherty asked who has a really good web site. Mr. Crisp answered that after vigorous study the staff at Nail like Baton Rouge.

Mr. Muldoon that C&S Wholesale Grocers Tradeshow and the United Natural Foods Northeast Show will be making a decision in early June. He said that they are very impressed with what we have to offer. Mr. Muldoon reported that new meeting prospects include Hollywood Connections, Inc., a dance company that holds events nationwide, NanoTechnology for Defense Conference, a Government/Military Symposium and the RI Federation of Teachers and Health Professionals. Mr. Duffy asked about the big picture for next year. Mr. Muldoon stated that the Convention Center has a good foundation of repeat business and prospects. Mr. Duffy asked if the meetings and convention world is getting any better. Mr. Muldoon said that he is a little more optimistic but still cautious. Mr. Fowler asked the reason that we lost Mathfest. Mr. Muldoon said that we lost to the Sheraton Boston because the entire event could be housed under one roof and that the international air traveler can be accommodated at Logan Airport. Mr. Daugherty asked if a

comparison booking report to date was available. Mr. Muldoon said that is provided to the Marketing Committee. Mr. MacDonald suggested contacting organizations in Rhode Island such as the Lions, the Rotary Clubs and Labor Unions. Mr. Muldoon said that we have had good luck with Labor Unions and that Mr. McGinn is Past President of the Providence Rotary and has helped to open that market. Mr. Muldoon said that Mr. McGinn is also a member of the Knights of Columbus. Mr. Hirsh asked about the wedding business. Mr. Muldoon said that we have issues committing to dates. He said that we have to be careful that we don't miss a trade show because a ballroom is unavailable. Mr. Duffy informed Mr. Muldoon that we are very concerned but understand that the economy is hurting business.

Ms. Cohen explained Restaurant Row. She said that the concept was to sell advertising to area restaurants and that 65 proposals have been sent out. Ms. Cohen reported that Spirit of America would like to participate in Bristol's 4th of July Celebration and, thanks to Mr. Hirsh, she is working with the parade committee to have both Spirit of America and Cirque du Soleil be part of the parade. Ms. Cohen discussed the entertainment for the Mayor's Conference dinner. Mr. Lepore stated that Ringling Brothers Circus will be doing something here that they have not done before. He said that the show will be going on around the dinner guests and that it is meant to be a family event. Mr. Crocker noted that Sportservice is preparing for the event and will be ready. Mr. Lepore reported that the concert business has taken a huge hit in this economy. He said that it may be time for us to

get aggressive and find a local promoter. Mr. Lepore said that big promoters are not interested in second tier cities. Mr. Lepore explained that we are competing with Mohegan Sun and Foxwood and they can give away the house and make up the difference in gambling revenue.

Discussions ensued regarding the types of events that might work for the Dunk and/or the VMA. Mr. Fowler said that we could possibly hold a pre Jazz Festival before the Newport Festival. Ms. Keough said that it is being discussed. Mr. MacDonald asked Mr. Singleton's opinion. Mr. Singleton stated that this is a risky business and that casinos are an issue. Mr. Duffy stated that we are taxpayer funded and can't take the risk. Mr. Lepore noted that as a sign of the times we have a seminar taking place in the Dunk on how to buy foreclosed property.

Mr. McCarvill reported that the management contract with SMG on November 30, 2008 but had a provision for two one year options. Mr. McCarvill noted that discussion of the contract took place during the April meeting. He said that if we are going to exercise our final option notice will have to be given by June 1st. Mr. Duffy asked that a motion be made exercise our option to extend the contract with SMG until November 30, 2010. Upon a motion duly made by MacDonald and seconded by Mr. Butler it was unanimously

VOTED: to exercise our option to extend the contract with SMG until

November 30, 2010.

Mr. Muldoon thanked the Board for their confidence in SMG and the staff at the Convention Center. Mr. Lepore echoed Mr. Muldoon's sentiments.

Mr. McCarvill also reported that our agreement for management of the VMA is about to expire and although there have been conversations with both House and Senate Finance he would like to continue the agreement as is. Mr. McCarvill stated that PFM is willing to extend the current agreement for another year. Mr. Duffy asked for a motion to extend the agreement with PFM for the management of the VMA for another year. Upon a motion duly made by Mr. Nee and seconded by Mr. Butler it was unanimously

VOTED: to extend the agreement with PFM for management of the VMA for an additional one year period.

Mr. Nee departed at 10:25 AM

Mr. Duffy asked Mr. Muldoon and Mr. Lepore to bring to the Board an expense reduction plan. Ms. Tuton reported that there are some National Grid rebate opportunities available that she is looking into. Mr. MacDonald again encouraged the Convention Center to look at solar. Mr. Lepore stated that someone had contact him regarding solar. Mr. Duffy said that perhaps there could be some stimulus

money available for the green initiative. Mr. MacDonald suggested that we speak with Al Durand of the IBEW. Mr. Muldoon said that Atlantic City has gone solar and that he would contact the GM.

Mr. Singleton stated that he was a bit more optimistic. He noted that the Color Purple was doing well.

Mr. Duffy asked Mr. Hahl if we are being hurt because of the condition of the VMA. Mr. Singleton and Mr. Hahl said that the building needs some stuff.

Mr. McCarvill noted that the Veterans Groups and Spirit of America are excited about the plans for the War Memorial. Mr. McCarvill said that he was confident that everything will be fine. Mr. MacDonald asked if the dedication is a Rhode Island event or just Providence. Mr. McCarvill stated that Spirit of America wants everyone but the memorial is only Providence military killed in action. Mr. McCarvill stated that the contract for Public Art is close to completion.

Mr. Duffy asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Hirsh it was unanimously

VOTED: to adjourn at 10:48 AM