

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 368th
MEETING OF THE BOARD OF COMMISSIONERS December 20, 2012**

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 December 20, 2012 at 9:00 am at the Rhode Island Convention Center, pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman James Bennett, Commissioners, Patrick Butler, Joseph DeLorenzo, Letitia Carter, Jeffery Hirsh, Paul MacDonald, Scott Gunn and Stan Israel.

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

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Tim Muldoon, Debbie Tuton, Kathy Masino and Nancy Beauchamp, Convention Center; Larry Lepore, Cheryl Cohen, Beth Johnson, Hank Abate and Harry Cann, Dunkin' Donuts Center; Michelle Hamilton, VETS; Martha Sheridan and Kristin McGrath, PWCVB; Steve Maceroni and Peter Scoliard, PFM Group; Bob Bromley, Senate Fiscal Office; Michael Nugent, House Fiscal Office; Bruce Leach, Legal Counsel; and Eileen Smith, Recording Secretary. Chairmen Bennett called the meeting to order at 9:10 AM. Chairman Bennett asked for a motion to approve the minutes of the November

Board Meeting. Upon a motion duly made by Mr. Butler and seconded by Mr. Gunn it was unanimously

VOTED: to approve the minutes of the November meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of November the Convention Center's net income was (\$28,002) to budget and \$65,234 to the prior year. Year to date net income at the Convention Center was \$127,084 to budget and \$226,813 to the prior year. Mr. McCarvill stated that the unfavorable variance is due to the non occurrence of events as well as higher payroll related costs. At the VETS, November net income was (\$37,663) to budget and (\$3,033) to the previous year. Mr. McCarvill stated that year to date net income was (\$9,951) to budget but (\$24,820) to the prior year. Mr. McCarvill stated that although the market is soft the program mix is getting better and the balance of the year looks promising. Mr. McCarvill reported that for the month of November the Dunkin' Donuts Center's net income was (\$146,530) to budget but \$46,011 to the prior year. Year to date net income at the Dunk was \$73,647 to budget and \$316,296 to the prior year. Mr. McCarvill said that the Dunkin' Donuts Center is obviously trending better than last year and we see positive results in the same soft concert market. The RI Convention Authority's net income for the month of November was (\$29,599) to budget and (\$663,435) to the prior year. Year to date net income is \$71,209 to budget and \$1,059,840 to the prior year. McCarvill stated that

consolidated net income for the month of November was (\$241,794) to budget and (\$555,223) to the prior year. Consolidated Year to date net income is \$261,700 to budget and \$1,578,139 to the prior year. Mr. McCarvill said that although events and attendance are up all venues remain almost flat to last year. Ms. Carter asked if ticket prices are too high. Mr. McCarvill said that with Rhode Island's economy being so poor patrons are thinking twice about the cost of entertainment.

Discussion ensued regarding the opportunity to remarket some of the Authority's bonds. Mr. McCarvill said that we issued an RFP/Q for a remarketing agent and received 5 responses. Mr. McCarvill noted that we have had conversations with Bond Council and Steve Maceroni from PFM, a financial advisory firm. Mr. McCarvill explained the problem with using First Southwest and noted that First Southwest will be involved because of their relationship with the State. Mr. McCarvill reported that we could see a 15 or 17% savings. Mr. Israel asked what banks would be involved because some board members may have issues with certain banks. Mr. Gunn asked what the selection criteria will be for a remarketing agent. Mr. McCarvill answered that we will choose more than one and they will be selected on their sales ability, familiarity with our debt, distribution and if they will buy and they can't sell. Upon a motion duly made by Mr. DeLorenzo and seconded by Mr. Hirsh it was unanimously

VOTED: to proceed with the next steps to refund our bonds.

Mr. Lepore introduced our new SMG representative, Harry Cann, who will be replacing Hank Abate. Mr. Cann discussed his history with SMG and stated that he sees a light at the end of the tunnel by the end of 2013. Mr. Butler voiced his concern in the change of representation noting that Mr. Abate was very familiar with Providence. Mr. Butler said that we don't want Providence to be overlooked. Mr. Cann assured the Board that Providence will remain very important to SMG. Mr. Butler asked Mr. Cann if SMG was concerned about the loss of some venues. Mr. Cann stated that SMG has won more than they lost and retain 90% of their contracts. Mr. Bennett said that he would like to see some reason to keep SMG and asked for a value synopsis. Mr. Bennett asked why we could not manage the facilities on our own.

Mr. Lepore reported that the concert business remains weak. Mr. Lepore said that the bright spots at the Dunk are the Providence Bruins. Mr. Lepore noted that Providence College is doing better. Mr. Lepore reported that attendance for Disney on Ice is trending up. Mr. Gunn asked what happened to Adrea Bocelli. Mr. Lepore said that the promoter and Alex & Ani could not reach an agreement and the deal fell apart.

Mr. Lepore reported that labor negotiations are underway with the stage hands. He said that we are working on a contract that will be fair to them and reasonable for us. Mr. Lepore said that we need to

be more competitive. Discussions ensued regarding the stage hand contract with other venues. Mr. Lepore noted that the rate is reasonable but changes in work rules need to be negotiated.

Mr. Bennett asked Mr. Muldoon to update the Board on projects at the Convention Center. Mr. Muldoon stated that the façade restoration is nearing completion. Mr. Muldoon also stated that work continues on the alarm system in the North Garage. Mr. Muldoon noted that as previously reported there was a sound system failure that needed to be addressed by hooking up a portable system. He reported that Ambient Sound has been helping us out and that we are limping along. He commented that our system is 20 years old and has served us well but with new technology it is time for an upgrade. Mr. Muldoon said that an RFP has been issued.

Mr. Muldoon noted that November was a good month. Mr. Muldoon thanked his staff for working through Hurricane Sandy. Mr. Muldoon said that Comic Con was promoters were very good and put together a quality show. Mr. Muldoon reported that Fidelity has come back. Mr. Muldoon reported that Feed 1000 was a huge success and that over 1500 people were fed. Mr. Muldoon noted that at least three Board members and a great many staff volunteered their time. Mr. Muldoon said that there was representation from all the unions and several schools also sent volunteers. Mr. Bennett asked Mr. Muldoon to explain the program. Mr. Muldoon said that the program began last year when a Pawtucket company wanted to do something other than

a Holiday party for their employees. Instead they put together volunteer vendors and staff. The program grew into Feed 1000 people. This was a major undertaking. Mr. Butler said that it is unbelievable the number of families that take advantage of a nice meal. He noted that there are other services that are provided like flu shots and blood pressure checks, coats and winter clothes, as well as Santa and toys for the children. Mr. Muldoon reported that there was even a photographer taking pictures of the children sitting on Santa's lap that were given to the families. Mr. Muldoon said that this event came about because a small company wanted to do something other than have a Christmas party for their employees. Mr. Muldoon said that the company's employees all participate. Mr. Muldoon said that we could not do this without our employees and vendors who volunteer their time to make this happen.

Mr. Bennett called upon Dan Schwartz to address the board. Mr. Schwartz reported that ticket buying continues to be slow. Discussion ensued regarding the stage hands. Mr. Israel stated that the workers are not the cause of our losing business. Mr. Mungeon noted that the crews are very qualified. Mr. McCarvill stated that some of the work rules need to be addressed and that he is certain that an agreement can be worked out.

Mr. Bennett noted that this is the last meeting of the year. He said that there are great things going on in Providence and Rhode Island. We have been voted number best in food and we have the most

beautiful woman.

Mr. Bennett asked if there was any other business. Hearing none Mr. Bennett 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 10:30 am