

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 370th
MEETING OF THE BOARD OF COMMISSIONERS February 28, 2013**

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 28, 2013 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, Bernie Buonanno, Patrick Butler, Joseph DeLorenzo, Letitia Carter, George Nee, Dale Venturini, Scott Gunn and Stan Israel.

Mr. Hirsh and Mr. MacDonald 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, John McGinn and Nancy Beauchamp, Convention Center; Larry Lepore, Cheryl Cohen, Beth Johnson, Dunkin' Donuts Center; Dan Schwartz, Lynn Singleton and Alan Chille, VETS/PFM; Martha Sheridan and Kristin McGrath, PWCVB; Peter Scoliard and Steve Maceroni, PFM; Normand Benoit, Partridge, Snow & Hahn; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Chairman Bennett called the meeting to order at 9:13 AM. Chairman

Bennett asked for a motion to approve the minutes of the January Board Meeting. Upon a motion duly made by Mr. DeLorenzo and seconded by Mr. Gunn it was unanimously

VOTED: to approve the minutes of the January meeting.

Chairman Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of January the Convention Center's net income variance was (\$342,487) to budget and (\$255,147) to the prior year. Year to date net income variance at the Convention Center was (\$320,341) to budget and (\$145,142) to the prior year. Mr. McCarvill stated that the unfavorable variance is due to unfavorable Event, Food and Beverage and Ancillary Revenues due to the non-occurrence of budgeted events such as the Verizon sales meeting and the Motorcycle Expo. In addition higher labor costs contributed to the negative net income. At the VETS, January's net income variance was \$9,481 to budget and \$17,926 to the previous year. Mr. McCarvill stated that year to date net income variance was (\$80,339) to budget but \$22,193 to the prior year. Mr. McCarvill stated the period loss was mainly attributed to the loss of the originally planned Nutcracker event due to delays in set design. The program mix is getting better and the balance of the year looks promising. Mr. McCarvill reported that for the month of January the Dunkin' Donuts Center's net income variance was (\$2,640) to budget and (\$65,669) to the prior year. Year to date net income variance at the Dunk was (\$118,631) to budget and \$441,229 to the prior year. Mr.

McCarvill said that the Dunkin' Donuts Center's loss for the period was due to unfavorable Ticketmaster rebates. Mr. McCarvill asserted that he remains hopeful that with robust ticket sales by Providence Sports and Entertainment and the exploration of possible new events the Dunkin' Donuts Center will see a positive trend upward; The RI Convention Authority's net income variance for the month of January was \$68,364 to budget and \$38,377 to the prior year. Year to date net income variance is \$152,733 to budget and \$1,068,379 to the prior year. McCarvill stated that consolidated net income variance for the month of January was (\$267,282) to budget and (\$264,513) to the prior year. Consolidated Year to date net income variance is (\$366,870) to budget and \$1,386,666 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 the Vets can rely upon the return of the Nutcracker to the Vets for the next holiday season. Mr. McCarvill stated that with set design underway, the introduction of the Nutcracker on the Vets stage remains hopeful but not certain.

Norm Benoit of Partridge Snow & Hahn addressed the commissioners regarding the opportunity to refund some of the old bonds. Mr. Benoit stated that the purpose of the refunding would be to achieve a 14% savings. Mr. Benoit read the resolution (enclosed) authorizing the Chairman, Vice Chairman and Treasurer to proceed with the refunding. Mr. Bennett asked if the Governor has been made aware of the opportunity. Mr. Benoit stated that the Budget Office is knowledgeable of the refunding and will keep the Governor informed.

Mr. McCarvill noted that the Authority has discussed the refunding with the Budget Office and that the savings will stay with us to fund our renewal and replacement account. Mr. Benoit stated that we need to close on this by April 15th in order to achieve savings this year. Mr. Leach said that this is the way that the process has taken place in the past and it has worked without issue. Mr. McCarvill explained the process. Mr. Benoit reported that we will work with the Budget Office who will bring it to the Governor's attention. Mr. Bennett asked to be kept informed. Mr. DeLorenzo asked what happens if the Governor does not approve. Mr. Benoit said that the refunding would not happen. Upon a motion duly made by Mr. Nee and seconded by Mr. Butler it was voted to adopt the Rhode Island Convention Center Authority Refunding Revenue Bonds, 2013 Series Resolution as presented by Mr. Benoit.

VOTE

Chairman James Bennett – yes

Bernie Buonanno – recused

Patrick Butler – yes

Joseph DeLorenzo – yes

Letitia Carter – yes

George Nee – yes

Dale Venturini – yes

Scott Gunn – yes

Stan Israel - yes

MARKETING

Ms. Venturini reminded the Board that this is an anniversary year for both the Dunkin' Donuts Center (40 years) and the Convention Center (20 years). Ms. Venturini said that plans are being made for a celebration of the occasion. She asked if anyone had any suggestions for the event to please let us know. Mr. Nee suggested that any marketing of this event should emphasize the economic impact that the facilities have on the community.

Ms. Keough reported that the AHL All Star weekend was a great success. She noted that all three venues were utilized for the event. Ms. Keough noted the great press that given to the Boat Show and the Auto Show. Ms. Keough distributed photos of the banners that will be installed on the VETS.

Ms. Martha Sheridan of the PWCVB delivered a positive report regarding the current room statistics and the favorable trend upwards. Ms. Sheridan reported that she had been in New York to sit down with meeting planners. She said that with all of today's technology sometimes a face to face meeting is more productive. Ms. Sheridan noted that Mr. Hirsh had joined her at these meetings. Mr. McCarvill noted that a group that is utilizing the Convention Center, Market America, is not predicted to have as many room nights as in the past. Ms. McGrath stated that they are not using the room block but booking on their own. Mr. Bennett volunteered the Board to be

used on sales calls in their field of expertise.

Mr. Lepore reported that the Dunkin' Donuts Center has an opportunity for a WYFI system in the building that will allow patrons to place food orders from their phones as well as view replays and let friends know of the great experience that they are having at the Dunk.

He stated that Verizon and Sprint have already signed on. Mr. Lepore noted that the company will rent the space for \$10,000 per month and build out the space at no cost to the Dunk. Mr. Lepore reported that Monster Trucks had three sold out performances and the Who put on a great concert that was close to a sell out. Mr. Lepore thanked the staff for doing a great job in cleaning between shows. Mr. Lepore said that a motorcycle show is in the planning stages. Mr. Lepore stated that he has some ideas for an artist to perform for the anniversary event. Mr. Nee commented that it was a great idea to honor the tickets from the canceled show. Mr. Butler mentioned that someone had tried to use a duplicate license to purchase beer and was denied. Mr. Lepore said that Sport Service's insurance does not allow patrons to use a duplicate license.

Mr. McCarvill asked if there were any capital projects in the near future. Mr. Lepore stated that the sound system needs replacing and that an RFP would be issued soon. He also stated that we need a new basketball floor and the roof will need to be replaced in the near future. Mr. McCarvill reported that we will be going to the House for RICAP funds to finance pending projects.

Mr. Bennett asked Mr. Muldoon to update the Board on activity at the Convention Center. Mr. Muldoon reported that there was a lot of positive feedback on the Flower Show although attendance was lower than expected because of Sunday's weather forecast. Mr. Muldoon was pleased to note that the Convention Center is close to contracting with Fidelity for a meeting in June. Mr. Muldoon reported that the sales team is working hard to close the budget gap. He said that he had a great face to face meeting with ReMax.

Mr. Muldoon reported that the North Garage Fire Alarm system upgrade is nearing completion and is on target. Mr. Muldoon also reported that the new sound system should be up and running by next month. Ms. Venturini said that Ambient Sound was very accommodating to her group. Mr. McCarvill stated that the neon art on the building is failing and we are looking at solutions, possibly changing to LED. Mr. McCarvill noted that RISCA put aside \$80,000 for the upkeep of the art but that at today's interest rates the account is not performing as it once did and there are not enough funds left to repair what is there. Mr. McCarvill said that he thinks that we have the option to de-commission the art and return it to the artist. He said that we will have counsel look into it. Mr. Israel asked if LED would also have some energy savings. Mr. Muldoon said that it would.

Mr. Nee departed at 10:25 AM

Mr. Schwartz reported that he is looking for more space for advertising opportunities in the building. He noted that the Spring will be busy with dance competitions, awards ceremonies and community events. Mr. Schwartz was pleased to note that the String Teachers had used the building for a competition while holding their meeting at the Convention Center. Mr. Schwartz stated that he is always searching for entertainment that fits well at the VETS. Ms. Carter inquired if the Russian Ballet has a performance coming up for children. Mr. Schwartz said that they were here in January and children were invited.

Mr. Schwartz noted that the concrete is 70% complete and progress is being made. Mr. Schwartz commented that the banners will be visible from route 95 and people will see what the building is used for instead of a blank wall.

Ms. Carter departed at 10:40 AM

Mr. Bennett stated that we will be getting more aggressive with the Fogarty Building. He noted that we need more meeting space and that would be a good location. Mr. McCarvill reported that Bryant University is doing an economic impact study for the facilities. He said that they may be calling on our partners looking for information. Mr. McCarvill said that he expects that they will do a great job. Bryant has a list of things that they need from the hotels and restaurants.

Chairman Bennett asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Buonanno it was unanimously

VOTED: to adjourn at 10:42 AM