

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 377th
MEETING OF THE BOARD OF COMMISSIONERS October 24, 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 October 24, 2013, pursuant to notice, at the Rhode Island Convention Center Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Jim Bennett, Patrick Butler, George Nee, Joseph DeLorenzo, Jeffrey Hirsh, Paul MacDonald, Letitia Carter and Tony Mendez.

Ms. Venturini, Mr. Israel and Mr. Gunn were unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Tim Muldoon, John McGinn, Kathy Masino and Nancy Beauchamp, Convention Center; Larry Lepore, Cheryl Cohen, Beth Johnson and Robert Cappalli, Dunkin' Donuts Center; Dan Schwartz, The VETS; Kristin McGrath, PWCVB; John Velez, Sportservice; Alan Chille and Lynn Singleton, PFM; Bruce Leach, Legal Counsel; Joseph Solomon, House Policy office; Bob Bromley, Senate Fiscal office and Eileen Smith, Recording Secretary.

Mr. Bennett called the meeting to order at 9:13 AM and asked for a motion to approve the minutes of the September Board Meeting. Upon a motion duly made by Mr. Butler and seconded by Mr.

MacDonald it was unanimously

VOTED: to approve the minutes of the September Board meeting.

Mr. Bennett also asked for a motion to approve the minutes of the September Audit Committee meeting. Upon a motion duly made by Mr. Hirsh and seconded by Mr. Nee it was unanimously

VOTED: to approve the minutes of the September Audit Committee meeting.

Discussion ensued regarding the November Board meeting. Mr. McCarvill said that the Convention Center Committee and the Dunkin' Donuts Center Committee would be meeting on Wednesday, November 20th at 9:00 AM. Mr. Bennett suggested that we hold the next Board meeting at the VETS. He said that following the meeting the Commissioners could tour the facility and view the renovations. It was decided to hold the Board meeting at the VETS on November 21st at noon.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of September the Convention Center's net income variance was (\$20,727) to budget and (\$192,179) to the prior year. Year to date net income for the Convention Center was (\$2,012) to budget and \$38,081 to the prior year. Mr. McCarvill stated that strong food and beverage contributed

to the favorable variance. Mr. McCarvill reported that the VETS net income for the month of September was (\$13,301) to budget and (\$23,921) to the prior year. Year to date net income was \$11,333 to budget and (\$63,101) to the prior year. Mr. McCarvill reported that the VETS accounting has changed and they are now showing indirect expenses on their books. Mr. McCarvill reported that for the month of September the Dunkin' Donuts Center's net income variance was (\$45,300) to budget and (\$85,827) to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was \$5,786 to budget and (\$109,963) to the prior year. Mr. McCarvill noted that the Dunk variance was due mostly to timing issues. The RI Convention Authority's net income variance for the month of September was \$38,687 to budget and \$5,501 to the prior year. Year to date net income for the Authority was \$35,192 to budget and \$85,642 to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of September was (\$40,641) to budget and \$87,932 to the prior year. Year to date consolidated net income was \$50,298 to budget and (\$49,347) to the prior year. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Butler it was unanimously

VOTED: to accept the financial report as presented.

MARKETING

Ms. Keough reported that the Marketing Committee had not met on

Tuesday but that the internal committee got together to let everyone know what is being done to promote events at the facilities. Ms. Keough noted that the group is working on the contract for our web site upgrade and PSE and the P Bruins have asked to be included. She said that this will make for a more inclusive site and easier for the patron to access everything that is happening at the buildings. Ms. Keough stated that the banners on the Convention Center are being replaced. Mr. MacDonald asked what the banners will cost and what company has been awarded the contract. Ms. Keough stated that the banners will cost approximately \$9,000 and are being made by AA Thrifty Signs. She noted that AA Thrifty Signs is a Rhode Island Company and they produced the banners that are being replaced because of wear. She noted that they have been hanging for many years. Ms. Keough also stated that decals are being manufactured to be placed on the exterior doors of the Convention Center. Ms. Keough reported that we are working on a video tour of the VETS. She said that we are planning a celebration for the grand reopening of the VETS. Providence College branding of the corridor is being discussed.

Mr. Bennett recognized John Velez of Sportservice. Mr. Velez distributed the State of the Season Report for management review of operations at the Dunk and Sportservice's business plan for the upcoming season. Mr. Velez noted that a 10% growth was enjoyed during the last fiscal year and explained the steps that will be taken to ensure that growth continues. Mr. Velez emphasized the training

programs that all staff members participate in. He noted that guest service and alcohol compliance are the major areas of training. Mr. Velez reported that secret shoppers have shopped the concessions and restaurant and the facility has received a perfect score. Mr. Velez reported that portables have been added in an effort to eliminate long lines. He also noted that the addition of craft beers has been a huge success. Mr. Velez stated that Blue Bunny ice cream will be offered this season and there are new menu items for the suites.

Mr. Butler noted that he has heard only good reports regarding food and beverage from patrons at events. He thanked Mr. Velez for his report and noted that the handout was informative and well done. Mr. MacDonald echoed Mr. Butler's comments. Mr. Mendez inquired about price increases. Mr. Velez stated that there have been no increases.

Mr. Bennett asked Mr. Velez to report on contract compliance. Mr. Velez reported that equipment has been upgraded, replaced and added to as well as upgrades to security. Mr. Velez stated that Sportservice is looking to accommodate Dunkin' Donuts Brand to expand their presence in the building. Mr. McCarvill noted that we still have room for Dunkin' Donuts expansion.

Mr. Bennett asked Mr. Velez to explain the revenue split. Mr. Velez said that the concession split is a 60/40 agreement and less in the suites and restaurant.

Discussion ensued regarding attendance and the makeup of patrons depending on the event. Mr. Lepore stated that Sportservice is a concession company and they are good at it.

Mr. Lepore addressed the unfavorable variance to budget for the period and stated that the timing of events that were budgeted for September did not happen until October. Mr. Lepore reported that he was pleasantly surprised at the attendance for the Celtics pre-season game. Mr. Lepore noted that we continue to talk to the promoter regarding Wrestlemania. Mr. Lepore stated that there are very few good seats available for the Elton John Concert and the Donnie & Marie Christmas show has reached the guarantee. Mr. Lepore noted that Providence College Basketball is about to get started. Mr. Lepore said that the games will be televised on the Fox Network. Mr. Butler asked if the games will be on a pay station and Mr. Lepore answered that Fox is available with basic cable. Mr. McCarvill said that we should be more aware of game time and attempt to capture and entice patrons to use our own food outlets and park in our garage.

Mr. Lepore reported that the new basketball floor is here. Mr. Lepore stated that the security gates have been installed.

Mr. Lepore reported that the year is off to a great start. He noted that all touring acts are being looked at including Katie Perry, Bruno Mars and Cher.

Mr. Nee commenting on the Event Revenue Report asked why there was a (\$13,000) net event revenue related income on the first P. Bruins game. Mr. Lepore answered that the first game expenses required a change over for making ice. Mr. Lepore noted that the Day Glow show paid for taking the ice out and putting it back for their event. Mr. Butler asked about food and beverage for the past weekend event. Mr. Velez stated that the numbers were up from the foam party but that no alcohol was sold. Mr. Lepore said that the crowd was not legally old enough to drink alcohol. Mr. MacDonald asked if the P. Bruins had stopped complaining about the lighting. Mr. Lepore said that the vendor has adjusted some of the lights and added more. He said the lighting was fine for basketball but there were shadows from the dashers for hockey.

Mr. Lepore announced that the reception for the 40/20 celebration has been canceled. He said that there did not seem to be a great deal of interest and that we had only a few people that responded.

Mr. Muldoon reported that the Convention Center is on budget and on track for a good year. Mr. Muldoon stated that national Grid has rebates available for upgrades to the air handlers and chillers. Mr. Muldoon said that the Convention Center staff is investigating a new dance floor. He noted that the design of new floors will make installation easier and less labor intensive. Mr. Muldoon reported that he expects a large crowd for Comic Con and that the box office at the

Dunkin' Donuts Center will be used because it can handle the crowd and will free up space at the Convention Center

Mr. Schwartz was pleased to report that November will be the busiest month for the VETS in years. He said that Spank, Chris Cornell, Aaron Lewis and Disney are expected to do very well. Mr. Schwartz distributed a tri-fold brochure that was created for the VETS and highlights upcoming events. Mr. Schwartz reported that Chazz Palminteri's "A Bronx Tail" will be performed in March and offers have been made to Brit Floyd and the sequel to "Spank the Musical", "Spank Harder". Mr. Schwartz stated that there is a great deal of activity scheduled at the VETS for the Winter and they are working on events for the Spring.

Mr. Schwartz reported that Phase II of the renovations is wrapping up and the state inspection of the elevators was successful. Mr. MacDonald congratulated Mr. Schwartz saying that he had done a great job working through a difficult Phase II renovation. Mr. Schwartz said that it was a struggle keeping the tenants happy but we pushed through. Mr. Schwartz said that hopefully we do not have the same issues with Phase III.

Mr. McCarvill informed the Commissioners that the bids for Phase III had been received and a spreadsheet had been included in today's handout indicating the firms that bid and a breakdown of costs. Mr. Hirsh stated that a discussion was held during the Convention Center

Committee meeting and the Committee recommends that the contract be awarded to Ahlborg Construction. Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously

VOTED: to award the Phase III renovation contract to Ahlborg

Mr. Bennett announced that a table has been purchased for the Lifespan dinner that is being held at the Convention center on November 16th. He said that if anyone is interested in attending please contact Eileen.

Mr. 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. Nee it was unanimously

VOTED: to adjourn at 10:27 AM