

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 384th
MEETING OF THE BOARD OF COMMISSIONERS May 29, 2014**

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 29, 2014 pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Jim Bennett, Paul MacDonald, Letitia Carter, Scott Gunn, Joe DeLorenzo, George Nee and Jeff Hirsh.

Dale Venturini, Tony Mendez and Patrick Butler were unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Betty Sullivan, Rhode Island Convention Center Authority; Larry Lepore, John McGinn, Kathy Masino, Amanda Wilmouth, Nancy Beauchamp, James Demers, Cheryl Cohen, John Ciolfi, Robert Cappalli and Beth Johnson, Complex; Dan Schwartz, The VETS; Lynn Singleton, PFM; Martha Sheridan, CVB; John Hooper, Guest; John Verrancia, New England Ambulance; Bruce Leach, Legal Counsel; Robert Bromley, Senate Fiscal Office; Robert Eaton, State Budget Office and Eileen Smith, Recording Secretary.

Mr. Bennett called the meeting to order at 9:05 AM and asked for a motion to approve the minutes of the April Board Meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. DeLorenzo it was unanimously

VOTED: to approve the minutes of the April Board Meeting.

Mr. Bennett asked Mr. McCarvill to present the financial information. Mr. McCarvill reported that for the month of April the Convention Center's net income variance was (\$83,450) to budget and (\$148,150) to the prior year. Year to date net income for the Convention Center was (\$348,342) to budget and \$78,442 to the prior year. Mr. McCarvill stated that higher than anticipated salaries, benefits and operational labor continue to impact net income. Mr. McCarvill reported that lower than expected parking revenue is contributed to the negative variance. Mr. McCarvill stated that the Convention Center will most likely meet budget expectations for the year. He also noted that as the building gets older upkeep is more costly. Mr. McCarvill reported that the VETS net income for the month of April was (\$51,716) to budget and (\$55,353) to the prior year. Year to date net income was (\$80,067) to budget and (\$101,589) to the prior year. Mr. Gunn asked if moving direct expenses into the VETS budget next fiscal year will have an impact. Mr. McCarvill answered that it will. Mr. McCarvill reported that for the month of April the Dunkin' Donuts Center's net income variance was (247,608) to budget and (\$52,169) to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was (\$652,846) to budget and (\$317,858) to the prior year. Mr. McCarvill reported that decreased rent, food and beverage income, facility fees and suite income continue to affect the Dunk

budget. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of April was \$8,853 to budget and \$99,438 to the prior year. Year to date net income for the Authority was \$214,435 to budget and \$146,159 to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of April was (\$373,921) to budget and (\$156,234) to the prior year. Year to date consolidated net income was (\$866,813) to budget and (\$194,847) to the prior year. Mr. McCarvill stated that the Authority's variance to the prior year is due to higher insurance payments in November. Mr. McCarvill stated that March was a fairly good month. Mr. Gunn asked how we could turn this around. Mr. McCarvill said that we need more business at the Dunk and further cut expenses. Mr. Hirsh asked how we made out with the Circus. Mr. McCarvill stated that communication with our patrons that they would be reimbursed for their tickets in the manner in which they were purchased helped to ensure an orderly disbursement of the crowd. Mr. Hirsh asked if we would be reimbursed for food and beverage loses. Mr. DeLorenzo asked what the extent of our liability would be. Mr. McCarvill stated that the Circus has 100% of the risk. He stated that the Dunk staff is not allowed to touch Feld's stuff. Mr. McCarvill said that as far as settling the account for the canceled shows Mr. Cappalli is still working with Feld. Mr. MacDonald asked if the performers were Circus employees or independent contractors. Mr. McCarvill said that he did not know. Mr. Nee said that he understood that they were circus employees. Mr. Bennett thanked everyone for doing such a great job. He said that the response team was

knowledgeable and professional. Mr. Bennett stated that Larry Lepore, Steve Pari and New England Ambulance did a fantastic job.

Mr. McCarvill noted that a snapshot of the 2015 revised 2016 proposed budget is included in the board package that was previously distributed. Mr. McCarvill said that it was to have been presented earlier in the week but because of a conflict the meeting was canceled. Mr. McCarvill suggested that Mr. Hirsh chose a more convenient date for the committee to meet.

Mr. Bennett asked for a motion to accept the financial report as presented. Upon a motion duly made by Mr. Nee and seconded by Mr. MacDonald it was unanimously

VOTED: to accept the financial report as presented.

Mr. McCarvill stated that Angell Pension Group has restated the Authority's Premium Only Plan to be in compliance with the new health law. He asked for a motion that the Authority adopt and approve the restatement. Upon a motion duly made by Mr. Nee and seconded by Mr. Israel it was unanimously

VOTED: To adopt and approve the restatement of the Authority's Premium Only Plan as prepared by Angell Pension Group.

Ms. Keough addressed the Board and reported that after much

research CSL was chosen to perform an Economic Impact Study for the facility. Mr. DeLorenzo asked why we are considering the study. He said that an economic impact study is usually completed when a firm is contemplating expansion or building. Discussion ensued regarding the usefulness of a study. Mr. Gunn said that personally he wanted to know if the taxpayers are getting a good deal. Mr. Nee said that the facilities contribute a great deal for the citizens of Rhode Island and he would like everyone to be aware. Mr. DeLorenzo asked if we are being questioned by the legislature. Mr. McCarvill said that they have been asking questions. He said that the House and Senate Finance are interested and send representatives to our meetings. Mr. Bennett said that we could use to study as a tool for future projects. Upon a motion duly made by Mr. Hirsh and seconded by Mr. Nee it was

VOTED: to award CSL the contract to complete an Economic Impact Study for the Complex

Yes votes were Jim Bennett

Paul MacDonald

Letitia Carter

Scott Gunn

George Nee

Jeff Hirsh.

Mr. DeLorenzo abstained

Mr. Bennett left at 9:35 and Mr. Nee assumed the position of chair.

Mr. McCarvill reported that the CVB and Dunkin' Donuts Center submitted a bid for the Atlantic 10 Conference Basketball Tournament.

Ms. Sheridan reported that we have received some great publicity and have been named one of the coolest small cities. Ms. Sheridan noted that occupancy is up although the room block does not reflect the trend because of on-line reservations. Mr. Nee asked if an economic impact study will capture that information. Ms. Sheridan said that it will depend on the cooperation and research of the hotels. She said that the CVB can do an internal analysis. Ms. Sheridan stated that she is pleased that Water Place is being utilized. Mr. MacDonald asked if we should be excited about an extended stay property across from the Convention Center. Ms. Sheridan said that we might be able to absorb the extra rooms but we would like to see a Starwood Flag on the property. She stated that we are missing that flag.

Mr. Nee recognized Mr. Schwartz and asked that he address the Board. Mr. Schwartz stated that the theater is about to close for the season and getting ready to wrap up the year. Mr. Schwartz said that the theater will finish up with a sold out performance by Yo Yo Ma and several graduations. Mr. Schwartz said that the Fall bookings are

going well and that next year appears to be shaping up well. Mr. MacDonald said that he wanted Mr. Singleton to know how pleased we are with the performance of Mr. Schwartz.

Mr. Lepore reported that he was very proud of the staff's response during the Circus emergency. He said that senior staff was in the building at all times and responded in a manner that eased a very traumatic situation. Mr. Lepore said that it was reported that first responders arrived within 9 minutes. Mr. Lepore reported that New England Ambulance was in the arena within seconds. Mr. Lepore noted that the firm normally over staffs for events and at this performance there were 4 EMTs and Fire personnel with medical training in the building. Mr. Lepore thanked John Verrancia for the great job that he and his staff do at every event but especially in time of serious injury. Mr. Lepore noted that without the presence of New England Ambulance the situation could have been worse. Mr. Lepore stated that Feld also recognized the response of the team.

Mr. Lepore reported that we were approached and asked if the Complex could operate the Waterplace restaurant that was operated for several years as a restaurant and night club but recently has not been occupied. Mr. Lepore said that we were asked to operate the facility for special events and Waterfire nights. Mr. Lepore said that we opened for the first time on Saturday and although there seemed to be a great deal of potential the rains came on business was not good. Discussion ensued regarding a deal that could be structured

for us to operate during Waterfire evenings and possibly concerts at Station Park. Mr. McCarvill said that he would like to get the sense of the board on weather or not we should proceed with this opportunity. Upon a motion duly made by Mr. Israel and seconded by Mr. DeLorenzo it was unanimously agreed that the Complex should cautiously pursue this opportunity.

Mr. Lepore reported that James Taylor has been booked for the Fall and Disney on Ice will present Frozen that is expected to sell out several shows.

Mr. Gunn suggested that the meetings that were canceled earlier in the week be rescheduled for sooner rather than later. Mr. Gunn also said that the complex did an exemplary job during the Circus. Mr. Nee thanked Ms. Keough for keeping everyone informed regarding the Circus.

Mr. Nee asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Gunn and seconded by Mr. DeLorenzo it was unanimously

VOTED: to adjourn at 10:18 AM