

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 395th
MEETING OF THE
BOARD OF COMMISSIONERS May 28, 2015**

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 28, 2015, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, George Nee, Paul MacDonald, Joseph DeLorenzo, Dale Venturini, Stan Israel and Jeff Hirsh.

Letitia Carter, John Hooper, Tony Mendez and Patrick Butler were unable to attend. Mr. Hooper was in court and Mr. Butler and Mr. Mendez were ill.

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, Rachel Martelly, Howard Allen, Pamela Bacon, Cheryl Cohen and John Ciolfi from the complex; Dan Schwartz and Michael Gravison, The VETS; Martha Sheridan and Kristin Adamo, PWCVB; Norbert Mongeon, PFM; Harry Cann and Gregg Caren, SMG Corp; Paul Grimaldi, Projo; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary

During the meeting a cameraman arrived to film for

Mr. Buonanno called the meeting to order at the meeting at 9:00 AM. Mr. Buonanno asked for a motion to approve the minutes of the April Board Meeting and the Finance meeting held to select our new auditing firm. 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.

Upon a motion duly made by Mr. MacDonald and seconded by Mr. Hirsh it was unanimously

VOTED: to approve the minutes of the Finance Committee meeting to select our new auditing firm.

Mr. Buonanno asked Mr. McCarvill to present the financial information for the month of March. Mr. McCarvill reported that the Convention Center's net income for the month of April was \$140,809 to budget and \$195,107 to the prior year. Year to date net income for the Convention Center was (\$1,572,388) to budget and (\$2,097,269) to the prior year. Mr. McCarvill stated that during the month of April there were some new events that contributed to the positive variance for the month. Mr. McCarvill reminded the Board that we began the fiscal year behind because we were holding several weeks for the

anticipated Grand Prix and other tentative bookings we were not able to make up the revenue when the events did not occur. Mr. McCarvill said that next fiscal year will be better. McCarvill reported that for the month of April the Dunkin' Donuts Center's net income variance was (\$144,497) to budget and \$82,055 to the prior year. Mr. McCarvill noted that year to date net income for the Dunkin' Donuts Center was (\$363,189) to budget and \$283,700 to the prior year. Mr. McCarvill reported that the year to date unfavorable variance is in part the result of the high guarantee for Neil Diamond. Mr. McCarvill reported that the Dunk will be the site of three college graduations in May. Mr. McCarvill reported that for the month of April the VETS net income variance was (\$68,077) to budget and (\$40,214) to the prior year. Year to date net income for the VETS was (\$187,819) to budget and (\$101,947) to the prior year. Mr. McCarvill stated that event and event days are up for the VETS. He stated that the small theater that is headed in the right direction. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of April was \$31,216 to budget and \$43,518 to the prior year. Year to date net income for the Authority was \$407,032 to budget and \$675,645 to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of April was (\$40,549) to budget and \$280,466 to the prior year. Year to date consolidated net income was (\$1,717,183) to budget and (\$1,240,691) to the prior year. Mr. McCarvill stated that we will close the gap with the re-funding but we must find ways to increase revenue in the new fiscal year.

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

VOTED: to accept the financial report as presented.

Mr. Buonanno asked Mr. MacDonald to report on the Garrahy Courthouse Parking Garage Committee meeting. Mr. MacDonald reported that the Committee had met on Tuesday, May 19th. He said that the purpose of the meeting was to short list the candidates for Architect/Engineering Services for the project. Mr. MacDonald said that the short list of firms was Desman Parking Associates, Walker Parking Consultants and Blount Bennett Construction. Mr. MacDonald reported that a lengthy meeting had been scheduled for June 15th at 9:00 AM at which time the three candidates will make their presentations and answer questions from the Committee and Keough Construction Consultants, our Program Manager. Mr. Nee noted that the new Johnson & Wales Parking Garage has an issue with the entrance and exits. He said that they are not in the right place making intake and egress difficult. Mr. MacDonald noted that Mr. Lepore has stressed the importance of ease of entrance and exit. Discussion continued on the importance of getting this right for the courthouse patrons, pedestrians and buses. Mr. MacDonald stated that this project will be carefully vetted.

Ms. Keough reported that with the help of Patrick Butler, who

delivered copies of the Economic Impact Study to the Legislature, the study has been distributed to all interested parties. Ms. Keough noted that Mr. Mendez had requested a comparison of the current month's number of events and attendance to the same period last year. Ms. Keough distributed a breakdown of that information. Mr. Buonanno asked why attendance was down significantly this year at the Convention Center. Mr. McGinn said that he was unsure but would look into it and get back to the Board. Mr. McCarvill stated that it was most likely due to an event that happened in April or May 2014 that took place at a different time in 2015.

Ms. Keough reported that Providence Business News had asked Mr. McCarvill to participate in their 5 question feature. Ms. Keough said that Mr. McCarvill had answered the 5 questions and they should be published in the Jun 1st or June 8th edition. Ms. Keough noted that Ian Donnis of RI National Public Radio has contacted us to set a time and date for an interview with Mr. McCarvill. Ms. Keough reported that a planning meeting will take place for the NCAA Men's Basketball Tournament.

Ms. Sheridan was asked to address the Board. Ms. Sheridan stated that she and Mr. Caren work together often and well to secure events for the Complex. Ms. Sheridan distributed the CVB report and was pleased to point out that according to Smith Travel Research data we are well ahead of last year in occupancy, rate and RevPar. Ms. Sheridan reported on room night production and highlighted the

definite bookings related to the Complex. Ms. Sheridan speculated that the hotels will see a 17% increase for the year. Ms. Sheridan noted that INFORMA Exhibitions (JLC Live) has booked their trade show for March, 2017. Ms. Sheridan commented that JLC Live is a great group and they continue to use the facility because the building and staff perform so well. Ms. Sheridan reported on sales activity for the month that included a trip to Washington, DC where the CVB exhibited at the Annual Springtime in the Park Tradeshow and received three proposals that are currently in tentative status. Ms. Sheridan stated that over 50 meeting planners were in attendance at the PWCVB's Meetings Quest conference and tradeshow. City tours were conducted with three of these planners who work with 9 different groups. Ms. Sheridan said that the CVB participated in in the Northeast CVB Reps customer events in NY and NJ and attended the 2015 Annual Meeting of the Organization of American Historians in St. Louis, Mo. The 2016 meeting will be held at the Convention Center. Mr. MacDonald stated that the Teamsters are hosting a bakery event at the Biltmore and asked if anyone had contacted the CVB. Ms. Sheridan said that she was unaware of any contact but she would check with her staff. She asked Mr. MacDonald to let them know that she would be happy to help if needed.

Gregg Caren of SMG presented a report that highlighted the advantages that the facilities enjoy because of their association with SMG. Mr. Caren reported that SMG works closely with national and regional organizations to promote SMG facilities. He stated that the

portfolio of meeting planners and organizations that take advantage of SMG facilities because of their commitment to customer service is impressive. Mr. Caren stated that customer service is the highest priority. Mr. Caren noted that along with the sales staff of the Complex, SMG works with the CVB to promote the buildings and attract new trade shows, conferences, sporting events and family events. Mr. Caren presented visuals of industry events where SMG and the CVB have combined forces to promote our facilities. Mr. Caren said that we work together to increase event days in Providence. A discussion ensued regarding the methods used for enticing groups to use our buildings. Mr. Caren reported on the events that were booked from hosting the CESSE group. Mr. Nee asked how we are doing in comparison to other buildings. Mr. Caren stated that convention centers don't ordinarily make money. He said that they are meant as a stimulus for the area. Mr. Caren referenced the economic impact study that was recently completed for the facilities that show our effect on the quality of life and financial well-being of our employees and surrounding businesses. Mr. Nee asked how often a study should be done. Mr. Caren said that they are used to validate the need for the facilities. Ms. Sheridan reported that the CVB uses an impact calculator that quantifies the direct spending. She noted that it is a conservative approach that is used as a base line for anticipated future needs. Mr. Buonanno asked Mr. Caren how we are doing in comparison to Hartford. Mr. Caren said that we are well above Hartford in activity and economic impact.

Mr. Schwartz addressed the Board and presented a Fall preview of events. Mr. Schwartz reported that two time GRAMMY nominee Tommy Emmanuel will be appearing in September. Mr. Schwartz stated that Memories of Elvis would return in October and Zoltan Maga will perform at the theater in October. Mr. Schwartz said that also in October Last Comic Standing will be here following the Summer TV show.

Mr. Schwartz stated that thanks to a grant from the Champlin Foundation signage will be installed at the rear of the building as well as a video board along the side that will advertise upcoming events.

Mr. Schwartz noted that this is a busy time at the VETS. He said that there are several graduations scheduled as well as children's shows.

Mr. Lepore and Mr. Cann addressed the Board and indicated that the House Republican Policy Group's report was distributed in the meeting packages today as well as e-mailed on Wednesday. Mr. Lepore said that we will address some of the concerns of the group but some we can't answer because we do not understand what they are searching for. Mr. Lepore stated that he and Jim McCarvill met with one of the members of the Policy Group to answer his questions and educate him on the operations of a facility this diverse. Lengthy discussion ensued regarding the many inaccuracies in the report. Mr. Cann stated that the report is very misleading. He said that Summer is never a busy time for the arena and it appears that the

group did not credit us for adjusting staff levels to need. Mr. McCarvill said that the report is full of misinformation. Mr. Israel said that we should be proud of what we do and what we have created. Mr. Israel stated that he was proud to be on this Board. Mr. Nee said that we should create an analysis of the report. He said that we do not know who did the research but this is a bunch of crap. Mr. Nee stated that we have been meeting our responsibilities to the people of Rhode Island by providing good jobs, a place for events like the Circus and economic stimulus to the area. Mr. Hirsh asked who Mr. McCarvill and Mr. Lepore had met with. Mr. McCarvill stated that they had met with 1 staff person and Mr. Lepore said that he had initiated the meeting. Mr. DeLorenzo asked Mr. Lepore to share the conversation that they had regarding the cost of labor at the Dunk. Mr. Lepore said that we were compared with Manchester regarding stagehands. Mr. Nee stated that Manchester does not have a casino. Mr. MacDonald said that he has been around since the beginning and this building was built in part to bring good middle class jobs to the state. He said that we have an answer to every one of these points. Mr. MacDonald commented that it is his opinion that the report is a political piece of junk. Ms. Venturini said that she would like to see a photograph of then and now. Mr. DeLorenzo stated that in an op-ed in 1989 David Barricelli stated that the Convention Center would show a profit of \$11,000,000 per year. Mr. Nee said that forecast was based on information available at the time. Mr. Nee commented that we should remember that it was never our plan to sell the hotel and buy the Dunk. That was the legislature and governor mandate. Mr.

Buonanno assured the Board that we will address this report. Mr. Nee stated that this report is a minority opinion and we should not put much stock in it.

Mr. Cann reported that marketing plans are adjusted to reflect market conditions and changing demographics. Mr. Cann stated that the staff works very hard to please the patron. He noted that in customer surveys there are very few complaints and any that are brought to our attention are addressed immediately. Mr. Lepore noted that travel and entertainment are a significant part of our marketing efforts. He stated that we need to maintain our customer service. Mr. Buonanno stated that we will have a positive response to the report.

Mr. Lepore continued his report and stated that the sales team had entertained William Morris at the Volvo Sailing event in Newport. Mr. Lepore stated that we will be remembered when an event can be booked in the facilities. Mr. Lepore stated that the second session of the Johnson & Wales Graduation was over filled and the suites had to be opened to handle the overflow crowd. He noted that a third session is being contemplated for next year.

Mr. Buonanno asked if there was any other business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. MacDonald and seconded by Ms. Venturini unanimously

VOTED: to adjourn at 10:33 AM