

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 399th
MEETING OF THE
BOARD OF COMMISSIONERS September 24, 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 September 24, 2015, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, Joseph A. DeLorenzo, George Nee, Patrick Butler, Stan Israel, John Hooper, Paul MacDonald and Jeff Hirsh.

Letitia Carter, Tony Mendez and Dale Venturini were unable to attend.

Also present were James P. McCarvill, Executive Director, Kim Keough and Donald Nadeau Betty Sullivan, Rhode Island Convention Center Authority; Larry Lepore, John McGinn, Kathy Masino, Amanda Wilmouth, Pamela Bacon, Danielle Pestana, Beth Johnston and Cheryl Cohen from the complex; Michael Gravison and Dan Schwartz, the VETS; Martha Sheridan, PWCVB; Joshua Bloom and Nikoleta McTigue, Blum Shapiro; Chantale Sarasin, House Finance; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary

**Mr. Buonanno called the meeting to order at the meeting at 9:08 AM.
Mr. Buonanno asked for a motion to approve the minutes of the**

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

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

Mr. Buonanno asked Mr. McCarvill to present the financial information for the month of August. Mr. McCarvill reported that the Convention Center's net income for the month of August was (\$57,238) to budget and \$232,801 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$12,074 to budget and \$659,546 to the previous year. Mr. Buonanno asked why we did better this year. Mr. McCarvill stated that new events occurred in July and August that resulted in an increase in rent, food & beverage and parking revenue. Mr. McCarvill reported that for the month of August the Dunkin' Donuts Center's net income variance was \$107,771 to budget and \$116,881 to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$186,174 to budget and \$146,285 to the prior year. Mr. McCarvill noted that indirect costs are down and that the Dunk staff is doing a good job at controlling costs. Mr. McCarvill reported that for the month of August the VETS net income variance was (\$10,802) to budget and \$16,425 to the prior year. Mr. McCarvill said that year to date net income for the VETS was (\$216) to budget and \$22,959 to the previous year. Mr. McCarvill reported that the VETS staff was also doing a good job controlling costs. Mr. Buonanno asked the rotation of Eddie Izzard noting that the show had done very well. Mr.

Schwartz stated that Eddie Izzard is normally on a three year cycle. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of August was \$18,159 to budget and (\$22,982) to the prior year. Year to date net income for the Authority was \$57,830 to budget and a variance of \$632 to the prior year. Mr. McCarvill stated that consolidated net income variance for the month of August was \$57,890 to budget and \$343,125 to the prior year. Consolidated net income for the year was \$255,864 to budget and a variance of \$829,425 to the prior 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. Butler it was unanimously

VOTED: to accept the financial report as presented.

Mr. Buonanno stated that our Audit Firm would be presenting the Fiscal Year 2015 Audit that was recently completed. Nikoleta McTigue and Joshua Bloom of the Audit Firm Blum Shapiro presented the audit report. Ms. McTigue and was pleased to report that they had issued a clean opinion on the financial statements of the Rhode Island Convention Center Authority. Ms. McTigue explained how the audit was performed and noted that all parties were cooperative and helpful during the audit. Ms. McTigue stated that there were no disagreements with management during the audit. Discussion ensued regarding some accounting regulations and how

it applies to the Authority. Mr. Bloom reported that the easement for the Mall connector is recorded at historical costs. Mr. MacDonald asked shouldn't it grow in value. Mr. Bloom stated that it is treated the same as land and does not increase and rarely decreases in value unless there is a transfer of the asset land. Ms. McTigue reported that our operating reserve and renewal and replacement account is insufficient and not in compliance with our debt covenants. Mr. Hooper questioned the non-compliance in operating reserve and asked what we can do to rectify the situation. Mr. McCarvill stated that Bond Council has advised that as long as payments are met we will be fine. Mr. McCarvill noted that any reserves that we had at one time were adsorbed by the State. Mr. Hooper said that he would like to see if there is anything that can be done to put us in compliance with our debt covenants. Mr. Nee said that at the end of the day and in spite of insufficient funds in reserve we are OK. Ms. McTigue stated that yes the Authority is OK. Mr. Buonanno noted that a vote was necessary to accept the audit subject to review by the Auditor General. Upon a motion duly made by Mr. Hirsh and seconded by Mr. Nee it was unanimously

VOTED: To accept the audited financial report as presented with the understanding that the audit is subject to review by the Auditor General and the State Controller's Office.

Mr. Hirsh explained that there were some revisions to the budget that management thought should be made. Therefore the Fiscal Year

2016 revised and Fiscal Year 2017 proposed budget is not yet complete. He stated that the State requires the budget to be submitted on October 1st and no extensions are permitted. Mr. Hirsh asked that approval of the budget be delegated to the Finance Committee that will meet on Thursday, October 1st. Following approval the budget can be hand delivered to the Budget Office on the date that it is due. Upon a motion duly made by Mr. Hooper and seconded by Mr. Nee it was unanimously

VOTED: To, at their discretion, approve the budget and remit to the budget office for their review.

Mr. Buonanno invited Ms. Sheridan to address the Board. Ms. Sheridan distributed the CVB's report and stated that for the month of August the rate was up 6.3% over the same time last year although occupancy was only up slightly. Ms. Sheridan stated that definite bookings for the Convention Center include Golbin 2016 Fall Tradeshow, SMG's 2016 Management Meeting and New England League of Middle Schools. Ms. Sheridan reported that the sales team had traveled to Pittsburgh to attend the Connect Tradeshow. She said that several appointments and meetings with customers occurred and the team had hosted many appointments with association customers and many sports related customers. Ms. Sheridan stated that the CVB had traveled to Detroit and attended the ASAE Annual Meeting and Tradeshow in conjunction with the Convention Center Sales Team.

Mr. Buonanno asked about the hotel room rate in July. Ms. Sheridan stated that we had Irish Dance Competition in the City in July and all hotel rooms were occupied. She said that normal July occupancy is considerably lower therefore there was a significant increase year over year. Mr. MacDonald asked how Providence hotels are doing in comparison to other destinations. Ms. Sheridan stated that our growth rate is exceeding regional and national trends. Ms. Sheridan cautioned that she expects September's numbers to be lower because of a late Labor Day.

Mr. Buonanno noted that he had a call from Barnaby Evans who would like to work with the Convention Center. Mr. McCarvill and Ms. Sheridan said that we work with Mr. Evans often. If all the hotels in Providence are showing growth in occupancy and rate then more people are attending meetings and conferences but fewer are using official room blocks.

Mr. McCarvill reminded the Board of a workshop scheduled for Friday. He said that we have had some input recently that indicates that we are falling behind not only for required space but also upgrades. Mr. McCarvill said that we will look at ways to increase available space and improve the client experience. Mr. McCarvill said that ideas and discussions from the sales team will be invaluable because they have the most direct contract with meeting planners. We would like to come up with a wish list that we could narrow down

to what is actually feasible.

Mr. Schwartz reported that things at the VETS are good. He said that the Philharmonic season will begin on Friday. Mr. Schwartz distributed a brochure highlighting upcoming events and stated that this looks to be a very good year for the Theater. Mr. Schwartz noted that Sarah McLaughlin had declined our offer.

Mr. Schwartz reported that the stage floor renovation is complete and it looks great.

Mr. Lepore reported on events at the Convention Center and the Dunkin' Donuts Center. Mr. Lepore reported that the Boston Bruins played an exhibition game at the Dunk that was well attended. Mr. Lepore said that Disney's Fall show was a disappointment and we are looking at changing the date from September to October. Discussion ensued regarding Spirit of America and the chance that it will return in the future. Mr. Lepore was pleased to report that Janet Jackson has agreed to perform at the Dunk. Mr. DeLorenzo asked if this was a self promote. Mr. Lepore stated that it is a Live Nation show. Mr. Lepore said that right now his focus is on ComicCon. He said that we have addressed the issues from last year. Mr. Lepore said that the event will be closely monitored by our security plus police and fire personnel that will be in attendance. Mr. Lepore said that we are working closely with the promoter to make sure that the event goes off without a hitch. Mr. Lepore reminded the Board that this year both

buildings will be utilized. Ms. Sheridan cautioned that the media will be looking for any problems. Mr. MacDonald asked if we are looking towards the future with this event. Mr. Lepore said that we are looking at tents and space in the hotel. Mr. McCarvill asked what the chances are that RIDOT will help us by removing some of the barrels. Mr. Lepore said that he will meet with RIDOT to come up with a plan.

Mr. Lepore reported that the carpeting in the suites has been replaced and the next project would be painting. Mr. Butler asked if any thought has been given to replacing urinals with water free urinals. He said that the money saved in the first year would pay for the project. Mr. Lepore said that he would have operations look into it.

Mr. McCarvill asked Ms. Keough about the Annual Report. Ms. Keough said that it is almost complete and just needs a little tweaking before sending it to print. Ms. Keough also stated that she was looking at an update to the Economic Impact Study.

Mr. McCarvill reported on the Garrahy Courthouse Parking Garage project. He said that Walker Parking Consultants is about to do a traffic study surrounding the parcel. Mr. McCarvill reported that Bruce and Ray Keough are working on a contract for the work that we think is necessary before moving forward. Mr. Nee asked if our discussions with RIPTA had included the Bond money for Intermodal upgrades. Mr. McCarvill said there is some confusion regarding RIPTA. We think maybe yes and RIPTA says maybe no. Discussion

have also taken place regarding inside or curbside. Discussions are ongoing. Mr. Buonanno said that he doesn't want to do this garage if we are going to lose money.

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. Israel and seconded by Mr. Butler it was unanimously

VOTED: to adjourn at 10:35 AM