

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 401st
MEETING OF THE**

BOARD OF COMMISSIONERS November 19, 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 November 19, 2015, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Chairman Bernie Buonanno, Dale Venturini, Tony Mendez, Patrick Butler, Stan Israel, Paul MacDonald and Jeff Hirsh.

George Nee, John Hooper, Joe DeLorenzo and Letitia Carter were unable to attend.

Also present were James P. McCarvill, Executive Director and Kim Keough, Rhode Island Convention Center Authority; Larry Lepore, John McGinn, Kathy Masino, Amanda Wilmouth, Rachel Martelly, Pamela Bacon, Jim Demers, Jon Ciofi, Jillian Cosgrove and Cheryl Cohen from the complex; Harry Cann, SMG Corporate; Michael Gravison and Dan Schwartz, the VETS; Tom Reil, PWCVB; Alan Chille, PFM; Ray Keough and Rich Hall, Keough Construction; John Velez, Sportservice; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary

Mr. Buonanno called the meeting to order at the meeting at 9:02 AM. Mr. Buonanno asked for a motion to approve the minutes of the October Board Meeting. Upon a motion duly made by Mr. Butler and seconded by Mr. Israel it was unanimously

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

Mr. Buonanno asked Mr. McCarvill to present the financial information for the month of October.

Mr. McCarvill began the financial statement review. Mr. McCarvill stated that the Convention Center's net income for the month of October was \$363,323 to budget and \$620,449 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$576,833 to budget and \$1,467,016 to the previous year. Mr. McCarvill stated that the Convention Center had a great month and has seen an increase of \$2 million in revenue for the year. He said that food & beverage as well as parking revenue is up significantly. Mr. McCarvill continued with the Income Statement for the Dunk. He said that for the month of October the Dunkin' Donuts Center's net income variance was \$62,042 to budget and \$22,724 to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$303,116 to budget and (\$297,684) to the prior year. Mr. McCarvill again stated that the Disney Show Frozen that was very successful last year is negatively affecting the variance to prior year. Mr. McCarvill reported that for the month of October the VETS net income

variance was (\$21,116) to budget and \$64,863 to the prior year. Mr. McCarvill said that year to date net income for the VETS was (\$2,605) to budget and \$119,174 to the previous year. Mr. McCarvill reported that the VETS staff was also doing a good job controlling costs. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of October was \$12,160 to budget and (\$32,885) to the prior year. Year to date net income for the Authority was \$122,014 to budget and a variance of (\$2,690) to the prior year. Mr. McCarvill said that consolidated net income variance for the month of October was \$416,409 to budget and \$675,151 to the prior year. Consolidated net income for the year was \$999,362 to budget and a variance of \$1,285,819 to the prior year. Mr. Buonanno asked what is budgeted for the Authority. Mr. McCarvill responded that the Authority is mostly overhead. Mr. McCarvill also reported that in the New Year room tax revenue would be going away. Mr. McCarvill noted that the rolling forecast for the Dunk is moving in the right direction. Mr. Mendez asked about debt service payments and if they are recorded on the Authority's financials. Mr. McCarvill answered yes, in November and May. Discussion ensued on the look of the statements. Mr. McCarvill stated that Ms. Bacon is in the process of reformatting the statements and she is attempting to improve them for easier reading and interpretation.

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. John Velez of Sportservice presented a State of the Season report (attached). Mr. Velez reported on changes made during the season and noted that an upgrade had been done to the credit card terminals and four additional beverage locations were added to the concourse concessions that improved transaction speed. Mr. Velez also noted that training for servers is ongoing. Mr. Velez presented revenue comparisons from 2013/14 to 2014/15 that indicate significant growth.

Mr. Velez also included a breakdown of revenue by department as well as event. Discussion ensued regarding secret shoppers and Mr. Velez was pleased to report that Providence Sportservice received the highest GuestPath overall scores in the company. Mr. Velez also reported that Providence Sportservice had received the Award of Excellence and the Unit of the Year Award for 2015. Mr. Velez reported that Capital Investment includes upgrades to concessions, suites and the Budweiser Bar and Grill. Mr. Velez said that Grab and Go stations are now available for those patrons that only want non-alcoholic beverages. Discussion regarding price points at our concessions. Mr. Velez stated that our price points are in line with other venues. Mr. Buonanno asked how does our per cap compare. Mr. Velez said that are per cap is also in line although we had some concerts last year where we couldn't sell alcohol. Mr. Butler congratulated Sportservice and Mr. Velez for their awards. Mr. McCarvill asked about revenue for ComicCon. Mr. Velez stated that

they had extended their points of sale and the staff worked twelve hours where they are used to working only four.

Ms. Venturini stated that in regards to the taxi situation that was discussed at the last Marketing Committee Meeting she had reached out to her contact who assured her that the issue would be addressed. Mr. Venturini also said that she and Mr. Reil had gone to the PUC to see if a training program could be offered to drivers that would help them to promote the great opportunities in Rhode Island. Mr. Lepore explained that an incident had occurred where someone had taken a taxi from the airport to Providence and the driver had only disparaging things to say about the City. Mr. Mendez suggested that the training be offered in Spanish as well as English. Ms. Venturini said that training in Spanish is a great idea. She also noted that the PUC cannot mandate that the drivers attend the training. Mr. MacDonald asked how we are going to get them to go to training. Ms. Venturini agreed that it will be difficult and perhaps the PUC will require participation.

Ms. Venturini explained to the Board the recent workshop that many RICC staff, CVB sales people and Heather from her office had attended. Ms. Venturini asked Mr. Reil to address the Board regarding lost business. Mr. Reil stated that according to CSL we will see more years that do not exceed \$77 thousand than over \$1 million. Mr. MacDonald asked who or what is CSL and if they have the knowledge that we need. Mr. McCarvill said that CSL is the firm that conducted

our Economic Impact Study. Mr. McCarvill stated that at one time the issue with booking the larger conventions and trade shows in the building was not enough hotels to satisfy the room blocks. He said that we solved that problem and we now have enough hotel rooms to attract larger groups but our facility does not have the space required in today's environment. Mr. Cann said that CSL is the best at what they do. Ms. Venturini noted that there have been several suggestions on how to solve the problem but it is still a work in progress. Ms. Venturini said that she would keep everyone informed.

Mr. Reil distributed the CVB report. He noted that although there has been an aggressive marketing strategy for the period 2018 does not look promising. Mr. Reil said that by this time more groups are normally booked. He said that the CVB will continue to concentrate their efforts on 2018. Mr. Reil reported on bookings for the Complex and their associated room nights. Mr. Reil noted that year over year performance for the month of October was positive in all three categories, rate, occupancy and RevPar. Mr. McCarvill asked if the Fogarty Building projected extended stay property would have any affect. Mr. Reil stated that he does not think that an extended stay property will have a great impact for the Convention Center. Mr. Hirsh said that we would like a list of five competitive cities and see what they are doing. Discussion ensued regarding how hotels control rates.

Ms. Venturini asked Mr. McGinn to begin his presentation. Mr. McGinn reported that the year is looking to be very good. He noted that at this time last year we had only \$7.8 million in sales and this year we are already over \$10 million and we will probably reach \$10.5 million. Mr. McGinn stated that we turn down approximately \$200,000 per month in business because we don't have the space necessary for certain groups. Mr. Mendez said that last year was a bad year and asked if we turned away groups. Mr. McGinn said that we did but it is because we don't have the configuration that they were looking for.

Mr. Schwartz distributed the VET's report. Mr. Schwartz noted that there are Holiday parties scheduled for the gallery. Mr. Schwartz reported that things at the VETS are good. He said that this is the best October they have ever had. Mr. Schwartz reported that an RFP for heating and cooling of the room where the piano is stored was posted to the State Purchasing web-site and a walkthrough is scheduled for next week. Mr. Nee asked what is going on with the parking next to the theater. Mr. Schwartz stated that the lot has been cleared and construction has begun. He said that state employees used the lot during the day and we will be allowed access at night and charge for parking.

Mr. McCarvill stated that the contract with PFM and the lease with the State for the VETS that expire in June 2016 and requires that the State and PFM be notified by January 31, 2016 if they intend to extend the

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

VOTED: to notify the Department of Administration of our intention to extend the VET's lease for a term of five years to expire June 30, 2021 on the same terms and conditions set forth in the lease.

Ms. Venturini and Mr. Hirsh departed at 10:35. Their departure produced a lack of quorum.

The remainder of the meeting was informational only.

Mr. McCarvill reported on the Garrahy Courthouse Parking Garage project. He said that Walker Parking Consultants is doing a traffic study that they will be available to report on at the next committee meeting. Mr. McCarvill reported that Bruce Leach and Ray Keough are working on a contract for the work that we think is necessary before moving forward.

Conversations regarding ComicCon ensued. Mr. Lepore reported that the staff did an excellent job and that everyone worked very hard to make this event safe, fun and successful. Mr. MacDonald noted that the conference room was set up like a war room with cameras and security all over the building and watching for any incidents. He said that everyone did a great job.

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. Butler and seconded by Mr. MacDonald it was unanimously

VOTED: to adjourn at 10:40 AM