

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 410th  
MEETING OF THE  
BOARD OF COMMISSIONERS August 25, 2016**

**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 August 25, 2016 pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.**

**Board members present were Chairman Bernie Buonanno, Patrick Butler, Stan Israel, George Nee, Paul MacDonald, John Hooper, Catherine Parente, Dale Venturini and Jeff Hirsh.**

**Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore, Pamela Bacon, Amanda Wilmouth and Cheryl Cohen from the Convention Center and the Dunkin' Donuts Center; Tom Reil, PWCVB; Michael Gravison and Dan Schwartz, the VETS; Robert Bromley, Senate Fiscal Office; Alan Chille, PPAC/PFM; Burnell Goldman, Omni Hotel; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary**

**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 July Board Meeting. Upon a motion duly made by Mr. Butler and seconded by Ms. Venturini it was unanimously**

**VOTED: to approve the minutes of the July Board meeting.**

**Mr. Hirsh reported that the Finance Committee had met on Tuesday to go over the FY 17 Revised Budget and FY 18 Proposed Budget.**

**Mr. Hirsh asked Mr. Lepore to briefly update the Board on the Convention Center and Dunkin' Donuts Center budget. The Convention Center is searching for opportunity for growth in Food & Beverage revenue. Mr. Lepore suggested that concessions should be moved to more obvious and visible locations revenue. Mr. Lepore noted that it seems like the economy is improving and patrons are willing to spend more. We must provide more opportunities. Mr. Lepore said that the change to the lobby space as a location for exhibits will improve opportunities. Mr. Lepore noted that we are land locked at the Convention Center making expansion difficult. He noted that one of our best trade shows is outgrowing the space and we are looking at ways to expand inside the facility. Mr. Lepore noted that although the Flower Show was not as popular as it once was the loss will have an impact on the Convention Center. Mr. Lepore noted that the sales team is working hard to fill the space. Mr. Lepore noted that this could be an opportunity to attract a new event. Ms. Venturini suggested merging the Flower Show with the Home Show and grow them together. Mr. Lepore stated said that it seems like we are always one event away from making it big or a failure. Mr. Nee**

commented that the budget is showing a significant increase in utilities. Mr. Israel asked if utilities expense should be lowered considering that we are looking at alternative energy. Mr. Lepore noted that utilities are difficult to budget because transmission charges are up to National Grid and the budget does not include any net metering opportunities. Mr. Lepore said that utility bills could be cut in half if we find the right energy savings opportunity. Mr. McCarvill stated that we would let the State know if there will be changes to the budget but any savings for commodities will not occur until late FY 18.

We Mr. Lepore stated that he has been running the Dunk for a long time and can only recall making a profit once. He said that the Dunk has never made a profit and if we didn't have hockey and PC Basketball we could lock the doors. The concert business is costly and seldom profitable. This area has a great deal of competition with and outdoor venues. Acts are demanding very high guarantees that we cannot meet. Mr. Lepore noted that the Providence Bruins bring a lot of life to the building and the City. He said that area restaurants are packed on hockey days. Mr. Lepore emphasized the economic impact the facility has on the City. Mr. Lepore reminded the Committee that events at the Dunk contribute greatly to the parking garage. Mr. Lepore reported that Sportservice does a good job for us and that they do concessions well. Mr. Hirsh said that we will hope for a couple of wales this year that will put us over the top. Mr. Lepore stated that big concerts are not necessarily the way to go. Mr. Hirsh

said that it would make sense to find talent that is a good fit for the building. Mr. Butler asked about suite revenue. Mr. Lepore noted that the suites are difficult to sell especially with the concert business being slow and for some events the sight line is not the best. Mr. Butler stated that the suites are very convenient.

Discussion ensued regarding parking. Mr. McCarvill reported that under our tax exempt bonds we are limited to the number of spaces that we can contract to local businesses. He also stated that we have several contracts with the State at reduced rates.

Mr. Hooper questioned the budget. He said that he was not available to attend the Finance Committee meeting and did not have time to review the budget in detail. Mr. Hooper stated that he prefers to be conservative. Ms. Parente noted that the budget was carefully reviewed at the Committee meeting and she was comfortable with it. Mr. Hirsh stated that there are a great many unknowns and the Committee looked in depth. Mr. MacDonald stated that he was comfortable with the Finance Committee's recommendation. Mr. Lepore said that he is expecting a big swing in FY 18 but the team continues to work hard to attract business to the facilities. Mr. Lepore noted that the budget can be revised if things change. Ms. Venturini reminded the Board that we have all been looking at FY 18 as a slow year. Mr. Nee stated that the State should recognize that best efforts will be undertaken to bring events to the State. Mr. Lepore noted that id Commerce Corp is willing to assist things could

change drastically. Mr. Hooper said that he has a lot of confidence that everything will be done to exceed expectations. Mr. McCarvill noted that Mr. Lepore has activated a space that was not used often.

Mr. McCarvill presented the budget for the Convention Center Authority noting that that Authority has cut expenses significantly for personnel and the related taxes and benefits. Mr. McCarvill noted that the Authority has retained LGC&D on a consultant basis to assist with the financial operations of the agency. Mr. McCarvill noted that the line item for Administrative Consultants was revised for FY 2017 and remains constant for FY 2018. Mr. McCarvill said that because of the IRS audit an increase in FY 2017 line item for all other counsel was increased and reduced slightly for FY 2018. Mr. McCarvill stated that other expenses items increased because of anticipated higher cost of living. Mr. McCarvill stated that there is not much left for the Authority to cut. Mr. Nee noted the line item for the Downtown Improvement District and asked if everyone had paid their portion of the signage project. Mr. Buonanno responded that most paid. Mr. McCarvill noted that some signs have been replaced.

Mr. Schwartz reported that the proposed budget for the VETS is conservative. Mr. Schwartz noted that more events are scheduled and there are more rentable spaces in the building such as the gallery and the loft. Mr. Schwartz was pleased to note that attendance for the Philharmonic and the Ballet has increased making for more food and beverage income. Mr. Schwartz stated that the VETS has a budget

loss for FY 2018 of (\$65,660). Mr. Schwartz noted that the VETS is keeping programming consistent and when we have access to the parking lot it will put us in positive territory. Mr. Nee informed Mr. Schwartz that he had spoken with Mr. DiBiase who said he would look into it. Mr. Buonanno asked if that indicated that the VETS could break even this year. Mr. Schwartz said yes.

Mr. Hirsh said that after much review he was looking for a motion to approve the FY 2017 Revised and FY 2018 Proposed Budget for submittal to the Budget Office. Upon a motion duly made by Mr. Israel and seconded by Mr. Hooper it was unanimously

**VOTED;** to approval of the FY 2017 Revised and FY 2018 Proposed Budget for submittal to the Budget Office

Mr. Buonanno asked Mr. McCarvill to present the financial information for the month of July. Mr. McCarvill began his report.

Mr. McCarvill reported that for the month of July the Convention Center's net income was (\$227,037) to budget and (\$191,327) to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was (\$227,037) to budget and (\$191,327) to the previous year. Mr. Hirsh questioned the labor amount for an event. Ms. Bacon noted that it was an Indian event and they provided their own food. She said that our labor was in attendance. Mr. McCarvill continued with the income statement for the Dunk. He said that for

the month of July the Dunkin' Donuts Center's net income variance was \$231,986 to budget and \$128,023 to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$231,986 to budget and \$128,023 to the prior year. Mr. McCarvill reported that the Dunk had a good month. He noted that the timing of events, Awakening, WWE and Malala put the Dunk in the black. Mr. McCarvill reported that for the month of July the VETS net income variance was \$46,056 to budget and (\$23,393) to the prior year. Mr. McCarvill said that year to date net income for the VETS was \$46,056 to budget and \$23,393 to the previous year. Mr. McCarvill stated that all events at the VETS have been positive. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of July was \$75,937 to budget and \$45,056 to the prior year. Year to date net income for the Authority was \$75,937 to budget and a variance of \$45,057 to the prior year. Mr. McCarvill said that consolidated net income variance for the month of July was \$126,942 to budget and \$5,146 to the prior year. Consolidated net income for the year was \$126,942 to budget and a variance of \$5146 to the prior year.

Discussion ensued regarding parking and the number of spaces that we have available. Mr. McCaqrville stated that we have bonds that dictate the number of parkers that we must keep available for public parking. Mr. McCarvill noted that our Bond Counsel has determined that in his opinion 600 – 800 spaces are to be used for transient parkers. It was the opinion of the Board that we check with other counsel for their opinion. A name that was mentioned was Jim

**McGuirk. Mr. McCarvill stated that he would contact Mr. McGuirk.**

**Mr. McCarvill reported that Steve Maceroni of PFM had addressed the Finance Committee. Mr. Maceroni distributed an analysis of an opportunity that we have been made aware of to refund our 2009 Series A Bonds. This forward refunding would result in \$7 million gross savings. Mr. McCarvill reported that he has been instructed to run this by the Senate, House, Budget Office and the Treasurer to get their input. Mr. McCarvill said that he would like to keep some of the savings for our much depleted reserves. Mr. McCarvill said that he would keep the Board informed**

**Mr. MacDonald left at 10:15 am.**

**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. Nee it was unanimously**

**VOTED: to accept the financial report as presented.**

**Mr. Buonanno asked Mr. Reil to present the CVB report. Mr. Reil distributed the CVB's monthly report. Mr. Reil stated that the month of July occupancy was lower but rate moved higher. RevPar was lower. Mr. Reil noted that last year Irish Step Dancing was in the building and occupied many hotel rooms. Mr. Reil said occupancy is flat but average daily rate and that RevPar is up for the running 12 months.**

**Mr. Nee asked about the impact of the events at the Convention Center. Mr. Reil stated that July Convention Center Bookings resulted in \$1,602,130 direct by spending**

**Discussion ensued regarding capital projects. Mr. Lepore stated that an RFP has been issued to upgrade our WiFi. Mr. McCarvill stated that several projects are in the planning stage including a new hi-tech scoreboard. Mr. Buonanno commented that it seems that we recently installed the current scoreboard. Mr. McCarvill noted that technology moves rapidly and that our board is almost 10 years old. Mr. McCarvill reported that both facilities are in need of roof replacement and the Dunk roof will require asbestos abatement. He said that the Convention Center roof can be done in sections.**

**Mr. Butler left at 10:25 am**

**Ms. Venturini mentioned the issues that we are having with pan handlers throughout the City. Lengthy discussion took place regarding the problem. Mr. Hooper said that the solution will take the entire community coming together to provide health care, substance abuse counseling, affordable housing and jobs. He said that giving them money will not solve the issue. Mr. Nee noted that we have homeless shelters for the nighttime hours but people are required to leave in the morning and they have nowhere to go and nothing to do. Mr. Israel said that literacy and job training programs are needed. Ms. Parente stated that no one is coordinating programs. Ms. Venturini**

asked who will take the lead the Mayor and the Governor need to step up. Ms. Venturini wondered what we can do as a Board. Mr. Lepore noted that we are selling ourselves as a safe walkable City. Ms. Venturini stated that this Board needs a bigger voice and suggested that we meet with the Mayor. Mr. Nee said that meeting with the Mayor might be a good first step.

Mr. Lepore reported that since Feed 1000 is no longer in existence we are looking for a signature charitable program. Mr. Lepore stated that the Dunk had hosted the Midnight Basketball League last week. Mr. Lepore said that the program aimed at getting kids off the streets and provide interaction with community police. He said that kids and police play basketball on public courts during the Summer months and has received a great deal of interest from other communities such as Pawtucket and Central Falls. Mr. Lepore noted that playing on our floor was an opportunity that many of these kids could never have if they were not part of this initiative.

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. Hooper it was unanimously

**VOTED: to adjourn at 11:05 AM**