

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
420th MEETING OF THE
BOARD OF COMMISSIONERS
June 29, 2017

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 June 29, 2017 pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, Rhode Island.

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

Mr. Mendez was unable to attend.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore, Amanda Wilmouth, Arlene Oliva and Pamela Bacon, the Convention Center; Cheryl Cohen and John Ciolfi the Dunkin' Donuts Center; Martha Sheridan, PWCVB; Dan Schwartz and Michael Gravison, the VETS; Alan Chille, PPAC/PFM; Michael Crawley, Citrin Cooperman; Robert Bromley, Senate Fiscal Office, Burnell Goldman, Omni Providence; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary; Stephen Maceroni and Peter Scoliard of PFM arrived at 9:55; Ray Keough, Keough Construction arrived at 10:10.

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

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

Mr. Buonanno stated that the next meeting would be held on Thursday, July 27th at 9:00 AM.

Mr. Buonanno asked Mr. Schwartz to present the financial and operations information for the VETS. Mr. Schwartz was very pleased to announce that the VETS finished the month in the black. He said that for the month of May Net Income was \$30,153 to budget and \$26,778 to the previous year. Mr. Schwartz stated that year to date net income was \$78,428 to budget and \$115,547 to the prior year. Mr. Schwartz noted that attendance is up significantly. Mr. Schwartz reported that there were several profitable events during the month of May and the future looks good. **Mr. Hirsh** congratulated everyone at the VETS noting that revenue is up and expenses are down. **Mr. Buonanno and Mr. Hirsh** said great work.

Mr. Buonanno recognized Mr. Lepore and asked that he update the Board on the financial statements regarding the Convention Center and the Dunk. Mr. Lepore reported that the

Convention Center net income for the month of May was (\$254,862) to budget and (\$153,954) to the prior year. Year to date net income is (\$564,274) to budget and (\$1,364,097) to the prior year. Mr. Lepore stated that he expects that things will pick up in June and the financial statements will improve. **Mr. Buonanno** noted that revenue was \$200,000 lower than budget in May and asked Mr. Lepore to explain. Mr. Lepore stated that the timing of events and the kind of groups that we are hosting has changed. Mr. Lepore said that cheer and dance groups are more likely to go to the Mall than frequent concessions outlets in the Convention Center. Mr. Lepore reported that June will be better due to CVS events. Mr. Lepore explained the Crave event saying that it was a food show and many local restaurants participated. Mr. Lepore said that everyone that he has spoken to was extremely impressed. Celebrity Chefs prepared great food and demonstrated their skills. Mr. Lepore said that it was a 1st class event that provided great exposure for local restaurants. Mr. Lepore reported that the CVS Gala was held at the Dunk because the Convention Center was booked. Mr. Lepore noted that most food was prepared at the Convention Center and some prep took place in the Dunk kitchen. Mr. Lepore stated that CVS had gone all out in converting the space from an arena into a spectacular special event venue.

Mr. Lepore continued with the income statement for the Dunk. He said that for the month of May the Dunkin' Donuts Center's net income was \$286,109 to budget and \$283,344 to the prior year. Mr. Lepore reported that year to date net income for the Dunk was (\$161,601) to budget and (\$72,571) to last year. Mr. Lepore noted that the final circus performances resulted in a very large profit. He stated that he thinks that at some time in the future Feld may bring back a scaled down version of the circus. Mr. Lepore brought to the Board attention the fact that NCAA Hockey had a profit of \$176,000. **Mr. Hooper** said that he was under the impression that Mr. Lepore was not looking to make any money and was going in the direction of not doing the event in the future. **Mr. Hooper** asked if we are still looking at giving up. Mr. Lepore said that the NCAA had paid for all expenses and rented the building which resulted in a profit. **Mr. Hooper** asked if that meant that we owe Brown University. Ms. Bacon said that we do not owe Brown because the NCAA paid all expenses. Mr. Lepore reported that financially the Dunkin' Donuts Center is in great shape. Discussion turned to HASCON and Mr. Lepore stated that the challenge is to make the area as secure as possible. He said that there will be street closings with concrete barriers. Mr. Lepore noted that this family event will take place both in the buildings as well as outside with stages set up for entertainment with a festival atmosphere. Mr. Lepore stated that Hasbro executives from all over the world will be in attendance. **Mr. MacDonald** asked if it will be possible for people to participate in some of the activities without purchasing a ticket. He said he asks because some families are just not in a position to spend money on entertainment. Ms. Wilmouth stated that the logistics are still being worked out but that she would make **Mr. MacDonald's** concerns known.

Mr. McCarvill Reported on the financial statement of the Authority and the consolidated financial statements. Mr. McCarvill stated that for the month of May the Authority was \$1,266 to budget and (\$10,387) to the prior year. Year to date the Authority results are \$235,929 to budget and \$3,763 to last year. The consolidated results for May were \$62,666 to budget and \$145,781 to the prior year. Year to date consolidated was (\$411,523) to budget and (\$1,316,734) to prior year. Mr. McCarvill took the opportunity to recognize the building staff and all those

involved in events over the past weekend. Mr. McCarvill reported that we had prepared 15,000 meals. Mr. McCarvill said that it was a great effort.

Ms. Venturini announced that there would not be a Marketing Committee meeting in July. She said that because it takes time to gather all the information necessary to move forward with the renovations the Marketing Committee would meet on August 22nd. **Ms. Venturini** asked that all Commissioners make an attempt to attend this meeting. Mr. McCarvill stated that we are providing CSL with current information for their update of the Economic Impact Study.

Ms. Venturini asked Michael Gravison to briefly present the marketing efforts at the VETS. Mr. Gravison distributed a card with highlights of booked events for the upcoming year. Mr. Gravison stated that our tenants, the Philharmonic, Festival ballet and First Works are doing well and appreciate the attention that has been given to the venue. Mr. Gravison stated that we try to bring a diverse range of entertainment to the theater.

Ms. Cohen distributed a one page handout that listed the events that are on sale now. The Wicked Awesome 80's Show, WWE Smackdown Live, Disney on Ice – Dream Big, HASCON, Janet Jackson and RI Comic Con. Ms. Cohen announced that she and Mr. Ciolfi had come home with awards from the recently held 2017 SMG Marketing Summit. The awards were for the Best Public Relations Idea and the Best Trade Ad. Ms. Cohen said that she was the proud recipient of the WWE Slammy Award. Ms. Cohen reported that SMG has a newly developed survey. The Turnkey Survey Portal will provide an analysis of events at each SMG facility. Ms. Cohen said that this will enable us to see where we stand in comparison to other venues and show us where we should concentrate our efforts to improve. **Mr. Nee** asked who and how many individuals responded to the survey. Ms. Cohen stated that she was unsure because this information was just released and that she is just getting up to speed.

Mr. MacDonald commented on security and asked if any attendees or potential groups have questions regarding security do they voice their concerns. Ms. Cohen stated that she would include Jim Demers in conversations to answer security questions. Mr. Lepore noted that we also have great City police and an exceptional Police Chief. Mr. Lepore also noted that we will have a bomb sniffing dog on staff in the Fall. Conversations continued regarding Police Chief, Hugh Clements and building security.

Arlene Oliva updated the Board on marketing efforts at the Convention Center. She distributed the recent event activity including groups that the sales team have been in contact with and we have submitted bids to host their events. The National Association of Sports Commissioners is seriously considering Providence for their event in April of 2019 and the Libertarian Party 2020 Presidential Nominating National Convention is interested in the building for July 2020. Ms. Oliva reported that Gordon Food Service and the National Grid Annual Leadership Conference have signed contracts as well as the National Association of State Treasurers and several other groups. Ms. Oliva reported that the Great Schools Partnership Meeting previously held annually in Hartford would be moving to Providence. Ms. Oliva reported on the sales strategies that are utilized at the Convention Center. She noted that contacts are made from existing relationships and word of mouth recommendations. Ms. Oliva reported on business travel of the sales department.

Mr. Nee departed at 10:10

Mr. Buonanno recognized Steve Maceroni and asked that he update the Board on our recent RFQ for the refunding of the Series 2009A bonds. Mr. Maceroni distributed his Executive Summary of the Proposals and the Takedowns proposed by the respondents. *Mr. Maceroni suggested a team that would include JP Morgan as the lead, Morgan Stanley, Janney and Ramirez.* **Mr. MacDonald** asked what the risks are. Mr. Maceroni said that the only risk would be no savings at all. Mr. McCarvill stated that we would only act upon this when the numbers are in our favor and we could save a substantial amount. **Mr. Buonanno** called for a motion to proceed with the refunding of the Series 2009 A bonds at a time when the market is right for significant savings. Upon a motion duly made by **Mr. MacDonald** and seconded by **Mr. Butler** it was

VOTED: to proceed with the refunding of the Series 2009 A bonds at a time when the market is right for significant savings for the Authority. The team suggested by PFM was approved.

VOTE:

Bernie Buonanno - yes

Paul MacDonald – yes

Catherine Parente – yes

Stan Isreal – yes

Dale Venturini – yes

Patrick Butler – yes

Jeff Hirsh – yes

John Hooper – recused because his law firm does business with the recommended team

Mr. Butler left at 10:20

Martha Sheridan distributed the CVB report and stated that she was very pleased to report that she expects a very strong occupancy for July and August. **Mr. MacDonald** referencing direct spend numbers on the CVB report asked Ms. Sheridan to inform the Board on what this amount refers to. Ms. Sheridan stated that this is the amount that our guests spend in the market at restaurants, the Mall, hotels, etc. Ms. Sheridan reported that the CVB had taken a hit with the proposed budget and it came as an unwelcome surprise. **Mr. MacDonald** stated that the CVB has friends here that could have given you support. Ms. Sheridan said that she appreciates the sentiment but she was unaware of the decision to reduce the funding.

Mr. Buonanno asked Mr. Crawley to address the Board. Mr. Crawley reported that the transition to Webster Bank has been completed and is working well. He stated that all accounts were transferred before the new fiscal year and all amounts are now collateralized.

Mr. Crawley reported that for preparation for the upcoming audit **Ms. Parente** had asked that he review documentation to support the implementation of controls noted in the 2016 audit findings that was submitted to the State. Mr. Crawley stated that some of the requested information has

yet to be provided. **Ms. Parente** asked if it is too soon to comment on the information that has been provided. Mr. Crawley stated that he cannot speak to that until everything is ready for review. **Ms. Parente** asked if everything had met with Mr. Crawley's expectations. Mr. Crawley answered that it has not. Lengthy discussion occurred regarding the reasons that all requested information has not been provided. Mr. McCarvill asked Mr. Lepore and Ms. Bacon when we could expect the remainder of the information. Ms. Bacon answered that she would have it by the end of June. Mr. McCarvill observed that would only give her one day. She said that she would do her best to provide the information by next week. Mr. Crawley stated that we have a responsibility to the State and RICCA has indicated that the audit comments had been addressed in a response to the Bureau of Audits.

Mr. Buonanno asked Ray Keough to update the Board on the Garrahy Courthouse Parking Garage. Mr. Keough distributed the latest time line and their agenda for moving forward. Mr. McCarvill stated that we need a decision soon if we want to begin construction before the weather turns cold. Mr. McCarvill noted that we need to stay with the current design and if there are any changes it will cost money. Mr. Keough said that we need the variance to eliminate retail along the A Street. He said that we were led to believe that it would not be an issue but the Design Review Committee appears to have had a change of heart. Mr. Keough stated that we also need to get title to the land. Mr. McCarvill stated that Bruce is working on that. **Mr. Hirsh** commented that we still can't build this because of Wexford. Mr. McCarvill indicated that Bruce is working a several issues and Wexford is one. Mr. Leach said that he had some good news regarding the land acquisition and sub division. He said that the Court has signed the application. The Department of Administration said that they signed and it is in the mail. **Mr. Buonanno** asked what the chances are that we can get around retail. Mr. Leach stated that we relied on the beginning meetings that led us to believe that we could get a variance. He said that now there is a difference of opinion on the retail space. Mr. McCarvill said he thinks we should go ahead with the current design. He said that the Legislation was changed to take retail out. Lengthy discussion took place on what our next steps should be. **Mr. Buonanno** suggested that we arrange a meeting with the Mayor. Mr. Keough noted that the longer we wait the higher the costs for construction and materials.

Mr. Buonanno reported that a meeting had taken place with place last week with himself, Jim McCarvill, Father Shanley and Bob Driscoll. He said that the meeting was productive and that he thinks that a great deal of progress was made.

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

VOTED: to adjourn at 11:35 AM