

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
450th MEETING OF THE
BOARD OF COMMISSIONERS
February 27, 2020

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 February 27, 2020, pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, Rhode Island.

Board members present were Bernard Buonanno, Peri Ann Aptaker, Catherine Parente, Paul MacDonald, George Nee, Patrick Butler, Tony Mendez, Stan Israel and Jeff Hirsh.

Dale Venturini and John Hooper, were unable to attend.

Also present were James P. McCarvill, Executive Director, Rhode Island Convention Center Authority; Dana Peltier, RICCA; Larry Lepore, Beth Johnson, Chris Spolidoro, Cheryl Cohen and Kristin Murphy the Convention Center and DDC; Kristen Adamo, PWCVB; Daniel Schwartz and Michael Gravison, the VETS; Rick Hall, Keough Construction; Bernie Lane, Department of Administration; Mark Liff, UBS; Michael Crawley, Citrin Cooperman; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Mr. Buonanno called the meeting to order at 9:05 AM. **Mr. Buonanno** reported that the next meeting would be held on March 26th at 9:00 AM. **Mr. Buonanno** asked for a motion to approve the minutes of the January Board Meeting. Upon a motion duly made by **Mr. Butler** and seconded by **Ms. Parente** it was unanimously

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

Mr. Buonanno asked Mr. Hall to present his report on the construction of the 75 Clifford Street Garage. Mr. Hall noted presented a video of the almost complete garage. Mr. Hall said that all items are being addressed and the design team is doing their final inspections. Dimeo is addressing any punch list items. Mr. Hall noted that training of ASM/SMG personnel in the operation of new equipment has been scheduled. Mr. Hall said that construction continues on the exterior fencing and other wrap up items. Mr. Hall stated that a soft opening is scheduled for March 2nd contingent on our securing a temporary certificate of occupancy which we are working on. Mr. Hall said that the Judges elevator is scheduled to be complete on March 27th with stair B elevators on April 3rd and stair elevators A on June 12th. **Mr. Butler** asked why we are only now hearing that the elevators will not be operational at the scheduled opening and who will pay for the delay. Mr. Hall said that it has been noted in past meetings that completion of the elevators on time was questionable. Mr. Hall noted that he has not addressed the issue of penalty payment as of this meeting. **Mr. Buonanno** asked that Mr. Hall to explain the elevator problem. Mr. Hall said that every job in the state is behind because there are not enough qualified elevator installers to complete all the ongoing projects. He noted that some jobs are on

hold for longer than ours. **Mr. Nee** asked about Wexford. Mr. McCarvill stated that Wexford does not need as many spaces as they thought at the present time. **Mr. Mendez** wanted to know if the Judges elevator could be used by everyone. Mr. Hall said that it cannot. The Judges elevator will only operate from level 1 to the Judges area. **Mr. MacDonald** had questions about the pump. Mr. Hall said that the pump is only pumping run off from the upper levels. **Mr. MacDonald** asked what would happen if the pump failed. Mr. Hall stated that there is an alarm system. **Mr. MacDonald** suggested that we purchase a backup. **Ms. Aptaker** said that she visited the site and it looks great. Mr. Lepore said that he has some safety concerns for pedestrians. He said that the traffic exiting on Clifford Street will have an obstructed view and we should look into a solution. (report attached)

Mr. Buonanno asked Ms. Adamo to address the Board. Ms. Adamo reported that there has been a slight uptick in definite booking. She said that January looked a little bleak but February and March will look much better.

Discussion ensued regarding the Corona Virus and steps that the State and City are taking to address the threat. Ms. Adamo stated that she would send a link so that potential groups can view.

Mr. MacDonald left at 10:00

Mr. Buonanno asked Mr. Schwartz to address the Board. Mr. Schwartz reported that historically January is a quiet month but the February numbers will be phenomenal and we have dance competitions in March. Mr. Schwartz said that they have some great stuff for the next fiscal year. Schwartz stated that for the month of January the VETS Net Income was (\$13,132) to budget and \$12,833 to the prior year. Year to date Net Income was (\$164,800) to budget and (\$173,287) to the prior year. Mr. Schwartz stated that Sesame Street is loading in for the weekend. **Mr. Hirsh** asked about the variance to food and beverage numbers. Mr. Schwartz stated that some artists or shows do not have an intermission. He said that Paula Poundstone does ninety minutes straight without intermission. He said that it is all up to the artist.

Mr. Lepore stated that we are on track to beat budget for both buildings. He said that he is concerned about Corona Virus and has a large group that is considering postponing an April event because many of the attendees are world travelers. He said that he will be aggressive and add as many hand sanitizers for both the Convention Center and the Dunk as we can get.

Mr. Lepore reported that Net Income for the Convention Center for the month of January was (\$162,377) to budget and \$116,501 to the prior year. Year to date Net Income was (\$28,339) to budget and \$454,668 to the prior year. Mr. Lepore noted that indirect expenses were better than budget due to saving of \$31,000 for electricity.

Mr. Lepore noted that concessions are under performing. He said that space is being rented in the Mall to sell merchandise. Mr. Lepore reported that our patrons are leaving the facility to go to the Mall where merchandize costs less and then they frequent the food court. **Mr. Butler** stated that he thinks that according to the agreement with the City space has to be rented for a year. **Mr. Butler** noted that the City will look into the regulations.

Mr. Lepore reported that there is even better news at the Dunk. He said that events for the month of January Net Income at the Dunk was (\$66,972) to budget and (\$83,350) to the prior year. Year to Date Net Income was (\$60,100) to budget and \$52,425 to the previous year. Mr. Lepore stated that a couple of PC games that were budgeted for January will occur in February and the sales team is negotiating an additional 5 potential shows in this fiscal year. Mr. Lepore said that PC attendance is up. He noted that PC plays at noon and we have a hockey game at 7:00. Mr. Lepore said that the P Bruins should make the playoffs.

Discussion ensued regarding the Enterprise contract that has 1 more year before it expires. Mr. Lepore said that they would need a 10 year lease in order for them to build out a store front and make other expansion plans. Mr. Lepore noted that Enterprise consists of other rental companies.

Discussion ensued regarding capital projects. Mr. Lepore reported that the new risers would be replaced in July. He said that the ones that we have now are very heavy and labor intensive. Mr. Lepore reported that we have had an injured worker while installing the current risers. Mr. Lepore stated that an RFP has been advertised for a design build for the P. Bruins locker room.

Mr. Lepore reported on an incident where a security person encountered 3 overdoses in a stairwell at the North Garage. Mr. Lepore said that thanks to the security guard and the EMT's that were called the individuals were administered Narcon and recovered. **Mr. Hirsh** asked if the police have indicated that this is happening anywhere else in the City. Mr. Lepore said that he spoke with Hugh Clemence who said that the homeless have moved behind the building. **Mr. Nee** asked if social services could help. Mr. Lepore stated that this is an issue everywhere and we have to have a sensitive solution. Ms. Adamo noted that meeting planners are concerned but in the grand scheme Providence is a safe City. Mr. Lepore said that security is doing a fine job.

Mr. Lepore reported that we are readjusting the staff and we will not be hiring anyone at this time to replace those that are no longer employed by ASM/SMG. **Mr. Butler** was had concerns regarding security at the new garage and asked if the cameras could be viewed in our security locations in the Convention Center and Dunk. Mr. Lepore said that they will be watched here and included in inspections.

Mr. McCarvill reported on the Authority and the Consolidated Financial Statements. He stated that the Authority's net income for the month of January was \$2,001 to budget and (\$32,634) to the prior year. Year to date net income was \$61,218 to budget and (\$108,726) to last year. Mr. McCarvill reported that insurance expense is up. He noted that our advisor was able to find savings in the past but this year we are up about 5%.

Consolidated results for January were (\$240,480) to budget and \$13,350 to the prior year. Year to date Consolidated results are (\$192,021) to budget and \$225,080 to last year.

Mr. Buonanno invited Mr. Crawley to present his report. Mr. Crawley stated that the finance department is working well and all reporting is being reviewed and signed by the appropriate person. Mr. Crawley noted that we continue to investigate refinancing our tax exempt bonds. Mr. McCarvill said that he and Mike had a good meeting with our Bond Counsel, Gene Bernardo

and our Financial Advisor, Steve Maceroni. Mr. McCarvill noted that if we refinance the tax exempt bonds we would have some options that would take care of the audit finding concerning our operating reserve. He stated that we would need the support of the Governor and the Legislature. **Mr. Mendez** asked what would be the downside. Mr. Crawley said that we would extend the debt.

Lengthy discussion ensued regarding the ongoing press coverage. **Mr. Nee** stated that they keep repeating the same story. **Mr. Hirsh** said that don't they realize that without the Convention Center there would be no new hotels. **Mr. Nee** commented that the Journal has become somewhat irrelevant and this is our opportunity to pretend that they don't exist. He continued that most news is shared on social media. **Mr. Israel** stated that we are one of the biggest job creators in the State. **Mr. Nee** suggested that we take the Executive Summary from the last Economic Impact Study and send it to all media outlets. Mr. McCarvill noted that the results are even better today. He said that the CVB provides us with spending directly related to us. **Mr. Butler** asked if it was \$20 million in two months. Ms. Adamo said that the CVB will work with us to deliver the message that we provide a valuable economic engine for the people of Rhode Island.

Mr. McCarvill informed the Board that the press will not drop the request for employee names and salaries. Mr. McCarvill stated that they are not Authority employees and we do not have that information. He said that possibly ASM/SMG would be willing to clarify how many full time and FTEs from each department. **Ms. Aptaker** asked about the industry standard in letting that information out. Mr. Lepore said that ASM is looking into how this issue was dealt with in other venues. Bruce was asked his opinion. He stated that if you read the Transparency Act we do not need to comply although the Open Meetings Act is not as clear. Mr. Leach continued that it depends on whose records are they, is it confidential information, and are they acting on our behalf. **Mr. Butler** suggested that we ask for an opinion from the Attorney General. Mr. Leach said that we might not want to do that yet because then we would have to take his opinion as the final say. **Mr. Butler** asked if ASM/SMG give us the names. **Mr. Mendez** said that ASM/SMG should be the spokesperson. He stated that this looks like we are trying to hide something. Discussion continued. Mr. McCarvill reported that this could have major implications. **Mr. Nee** said that we should stay the course and let Mr. Leach do more research. He continued that we have to be more concerned about the people this could effect.

Mr. Hirsh said that the Authority should work with Kristen Adamo to get our story out. **Mr. Nee** agreed saying that Kristen might be a better way to get it out. He noted that it might be better coming from a different entity.

Mr. McCarvill reported that we will have a soft opening of the new garage will take place on March 2nd. He noted that the courts are opposed because the elevators are not ready. **Mr. Nee** said if the Department of Administration is willing to have parkers there and pay us it is an easy decision. **Mr. Butler** stated that a penalty for the elevator delay should be investigated. Mr. McCarvill said that we will continue to look into a possible penalty although the dollar figure per day is low.

Mr. Buonanno asked if there was any new business. **Mr. Buonanno** asked for a motion to adjourn. Upon a motion duly made by **Mr. Nee** and seconded by **Mr. Butler** it was unanimously

VOTED: to adjourn at 11:20 AM