

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
452nd MEETING OF THE
BOARD OF COMMISSIONERS
June 25, 2020
Special Zoom Meeting

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 25, 2020 via Zoom, 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, Dale Venturini, John Hooper, Patrick Butler, Tony Mendez, and Jeff Hirsh.

Also present were James P. McCarvill, Executive Director, Rhode Island Convention Center Authority; Dana Peltier, RICCA; Larry Lepore, Beth Johnson, Cheryl Cohen, Chris Spolidoro and Kristin Murphy the Convention Center and DDC; Daniel Schwartz, the VETS; Alan Chili, PFM; Kristen Adamo and Tom Riel, PWCVB; Mike Crawley, Citrin Cooperman; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Also on call: Mark Liff, Chantale Sarrison and Elizabeth Duncan.

Mr. Buonanno called the meeting to order at 9:10 AM. **Mr. Buonanno** asked for a motion to approve the minutes of the May meeting. Upon a motion duly made by **Mr. Butler** and seconded by **Mr. Nee** it was unanimously

VOTED: to approve the minutes of the May meeting as presented.

Mr. Buonanno invited Kristen Adamo and Tom Riel to present an update on the current state of the industry. Ms. Adamo stated that the news is not good. She reported that hotel occupancy continues to be down and the hotels could have some serious problems. Ms. Adamo noted that the CVB is working on a three step plan for recovery.

Mr. Riel reported that he had received nine new leads so the news is not all bad. Mr. Riel stated that Textron is looking to hold a Town meeting at the Vets in July. He said that would be contingent upon the Governor relaxing the number of people allowed to meet in phase 3. Mr. Riel reported that meeting planners are starting to shop which is very good news.

Ms. Cohen mentioned a program called Venue Shield. She stated that it is a comprehensive program that deals with theaters, restaurants and other gathering places. Ms. Cohen stated that Venue Shield's safety protocol looks at employee safety as well as attendees. Ms. Cohen said that should be part of our recovery plan. We need a plan that defines how we will re-open. Ms. Cohen reported that she has prepared maps for social distancing at different capacities. Using

Ticket Master will enable us to sell in pods. Ms. Cohen said that some tours are ready to perform. We are waiting to get word on when we can open.

Mr. Buonanno recognized Mr. Schwartz and asked that he update the Board on how things are at the Vets. **Ms. Aptaker** asked that Mr. Schwartz just let us know what is taking place at the Vets rather than going reading the financial statement. Mr. Schwartz noted that the Philharmonic will be submitting their social distancing plan for an anticipated season beginning in September. Mr. Schwartz said that National tours are not beginning until 2021. Mr. Schwartz stated that a work share program has started. **Mr. Mendez** asked how many employees are taking part in the work share program. Mr. Schwartz reported that four are involved and that now he is the only full employee. Mr. Schwartz noted that three full timers and all part timers were laid off. Mr. Schwartz said that the Governor has been holding her press briefings at the Vets and the State has agreed to pay rent to cover the costs of production. Mr. Schwartz reminded the Board that the Vets Foundation still exists and they applied for a Champlin Foundation grant to cover some upgrades at the theater such as air conditioning in the green room.

Mr. Lepore reported on the number of employees that have been laid off and those working two or three days per week. **Mr. Buonanno** asked him to explain why there are still full time people. Mr. Lepore said that we need limited staff in the finance department, human resources, marketing, operations and security. Mr. Lepore stated that Net Income for the month of May at the Convention Center was \$187,652 to budget and \$358,886 to the prior year. Year to Date Net Income was (\$397,271) to budget and \$95,749 to the prior year. The rolling forecast indicates that the Convention Center will finish the year at \$1,063,110. Mr. Lepore noted that direct event net was better than budget due to the Alternate Care Facility. Mr. Lepore reported that significant events that cancelled were US Finals, WERC, NBM, UTC and RISD Graduation. Food & Beverage and Parking was down to budget because of cancelled events.

Mr. Lepore reported that the Dunk Net Income for the month of May was \$128,140 to budget and (\$46,826) to the prior year. Year to date Net Income was \$121,569 to budget and (\$331,242) to last year. Mr. Lepore stated that 10 graduations were scheduled for May and 3 other events including Baby Shark. Mr. Lepore noted that because of layoffs and lower utility costs there has been a drop in indirect expenses for both buildings except there has been an increase in insurance costs.

Mr. Lepore reported that the Alternate Care Facility management will be transitioning from the National Guard to RI Emergency Management. Mr. McCarvill said that he will be meeting with DOA to discuss the best way to put the building back together when allowed. Mr. McCarvill voiced his concern that we will not be in the same or better condition than we were in March.

Mr. Lepore reported that there is a possibility that we have a tenant for the retail space at the Clifford Street Garage.

Mr. Lepore also announced that Kristin Murphy has accepted a position with Lifespan and will be leaving us in mid July. He said that Kristin worked closely with Lifespan management and they concluded that she would be a good fit for their organization. Kristin will be missed and we wish her well.

Mr. Buonanno asked Mr. McCarvill and Mr. Lepore to report on their meeting with PC. Mr. McCarvill reported that PC has an opportunity to play at Mohegan if the Dunk is not available. He said that Mohegan does not have to follow the Governor's social distancing rules because of their status as a sovereign nation. Mr. McCarvill said that he asked Bob Driscoll to delay the decision for a few weeks in the event that games will be allowed here at reduced capacity. If they are given the go ahead to play, Mr. Driscoll would like the rent reduced. Mr. McCarvill stated that the URI game that usually takes place in December and the Big East schedule are important to us. **Mr. Butler** noted that a good deal of PC's revenue is generated by televising games and not attendance.

Mr. Lepore reported on a conversation that he had with Live Nation. He said that Live Nation is in a very difficult financial position and has reduced their staff drastically. Mr. Lepore stated that this virus has had a devastating impact on the entertainment industry. **Mr. Hooper** suggested that we might look into bringing someone from Live Nation to join our team. Mr. Lepore said that more artists are negotiating their own deals and we are in contact with agents that are planning a tour when it is safe. **Mr. Mendez** asked if it will be difficult to find those independent agents. **Mr. Hooper** continued that it might be a good idea and we could get ahead of the curve. Mr. Lepore responded that our team has a good relationship with managers.

Mr. McCarvill presented the financial information for the Authority. Mr. McCarvill commented that the Authority does not have income except for interest and occasional refunds. He reported that Net Income for the month of May was (\$168,017) to budget and (\$1,713) to the prior year. Year to date Net Income was \$80,413 to budget and (\$225,810) to last year. Consolidated Net Income for the month was \$128,898 to budget and \$282,064 to last year. Year to Date Net Income was (\$953,128) to budget and (\$647,439). The consolidated rolling forecast was (\$1,285,369).

Mr. McCarvill reported that he has had a conversation with the Department of Administration concerning their plans for our recovery of the Convention Center. Mr. McCarvill said that Mr. Mullaney informed him that a decision has not been made on the duration of Lifespan's occupancy and most likely it will be several more months before we can hold events. Mr. McCarvill stated that we have been told that RICAP may not happen. Therefore, we are looking at a way to do some refunding and borrowing. Mr. Lepore noted that the source of funds is complicated. Some expenses are covered by RIEMA some FEMA and others by the Covid funds from the State. **Mr. Buonanno** said that he understood that Senator Reed was adding Quasi's to a federal grant program.

Mr. Hirsh questioned the reported increase in insurance. Mr. McCarvill said that we will look into it.

Mr. Crawley noted that because the buildings are closed Citrin Cooperman has been unable to perform their monthly review although a solution is being considered. Discussion ensued regarding accounts receivable.

Mr. McCarvill reported that a new contract with Green Energy has been negotiated that will solve issues for both parties. He said that we will relinquish the turbines and switch to solar.

Mr. Leach noted that this is a new entity and the contract was re-stated. Upon a motion duly made by **Mr. Butler** and seconded by **Ms. Aptaker** it was unanimously

VOTED: That the Chairman and Executive Director are each authorized to execute and deliver a retated and amended Net Meter Credit Sales Agreement with an affiliate of our current providers in order to switch from wind energy to solar and an appropriate sublease as to the premises where the solar facility is located at Nooseneck Hill Road in West Greenwich, Rhode Island. Both to be similar to the Authority's present agreement and subleases respectively. to approve the re-stated contract with Green Energy.

Mr. Buonanno invited **Ms. Venturini** to address to Board. **Ms. Venturini** said that this has come at people from so many angles. She said that its been super tough and super disappointing. It is heartbreaking. **Ms. Venturini** said that on top of everything that the businesses are going through customers are mean and ugly. She said that we are following the directives and not making the rules. **Mr. Buonanno** referenced an ice cream shop that is considering shutting down because of the rude and unkind treatment of employees most of whom are high school and college students. **Ms. Aptaker** commented that this is the cost of entitlements.

Ms. Adamo noted that some good has come from this and people are beginning to understand the value of the Convention Center and the Dunk. Mr. Lepore asked Ms. Adamo to keep us in mind when speaking with the hospitality network and let them know that we are having homeless issues. Mr. Lepore said that he has never been afraid to be alone in the City before. Following the protests, the Convention Center was vandalized and we had windows broken. Mr. Lepore said that our staff replaced the windows with hockey glass. They were very creative.

Mr. Hooper noted that when this is over it will be a different world. He suggested that we form a committee to seek opportunities to bring corporate meetings here. He said that a Board level approach might have success.

Mr. Buonanno thanked everyone for participating and asked for a motion to adjourn. Upon a motion duly made by **Ms. Aptaker** and seconded by **Mr. Butler** it was unanimously

VOTED: to adjourn at 10:20 AM