

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY
FINANCE COMMITTEE MEETING
February 25, 2020**

A meeting of the Finance Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on February 25, 2020 pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, Rhode Island.

Board members present were Bernie Buonanno, Paul MacDonald, Catherine Parente, Jeff Hirsh and Patrick Butler.

Also present were James P. McCarvill, Executive Director, Rhode Island Convention Center Authority; Dana Peltier, RICCA; Larry Lepore, Beth Johnson and Kristin Murphy, Rhode Island Convention Center; Dan Schwartz, PFM/ VETS; Michael Crawley and Lidea Moreno, Citrin Cooperman and Eileen Smith, recording Secretary.

Mr. Hirsh called the meeting to order at 12:03 PM, and asked for a motion to approve the minutes of the January and November Finance Committee meeting. Upon a motion duly made by **Mr. Butler** and seconded by **Ms. Parente** it was unanimously

VOTED: To approve the minutes of Finance Committee meetings for November and January

Mr. Hirsh asked Mr. Schwartz to address the Committee. Mr. Schwartz reported that the VETS had two less events than budgeted. Mr. Schwartz stated that the events that were held were highly successful although we still had a loss for the month. Mr. Schwartz said that the shortfall will be made up and the outlook is much better going forward. **Mr. Buonanno** noted that the rolling forecast continues to indicate a loss and asked where he thinks things will end up. Mr. Schwartz said that February and March look great but it is difficult to make up for the Fall months. Mr. Schwartz stated that January 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 reported that some unexpected HVAC repairs were necessary. **Mr. Butler** asked what was needed to repair the HVAC. Mr. Schwartz explained that the building remains a State building and he calls on the state contractors and vendors whenever possible. Mr. Schwartz noted that Convention Center does work on the facility and the Convention Center bills for their time. **Mr. MacDonald** stated that the VETS is a State building but we are responsible.

Mr. Lepore presented the financial information for the Convention Center and the Dunkin' Donuts Center. Mr. Lepore stated that the Convention Center is tracking better than last year even though there were some events budgeted for the period that did not occur but will happen in future months. Mr. Lepore noted that concessions are under performing. He said that space is being rented in the Mall to sell merchandise to attendees at Cheer and Dance events. This hurts

both the RICC Food and Beverage and the event sponsor. 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. He said that he would check with the City. Mr. Lepore reported that for the month of January Net Income 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 prior year. The rolling forecast indicates that the year will end at \$1,560,848 for the Convention Center.

Mr. Lepore reported that 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 indirect expenses were better than budget primarily due to savings in utilities. The timing of events contributes to the variance at the Dunk. A concert that was budgeted to happen in February will not occur until April. Mr. Lepore stated that we had budgeted for 4 PC games and we only had 3 and we budgeted 9 Providence Bruins games when in reality there were only 7. He said that these games will happen but the timing is off. Mr. Lepore reported that there is a press conference on Wednesday to talk about the synchronized skating event. He noted that it should be good publicity.

Mr. Lepore stated that with the departure of some staff members he is trying to reorganize without any new hiring. He noted said that we will hold off until 2021.

Mr. Lepore shared a photo of three over doses that were found by a security guard in the stairwell of the garage. Mr. Lepore stated that without intervention by our security person and the quick response of Providence rescue we would have had deaths in our garage.

Discussion ensued regarding the new garage. Mr. McCarvill stated that everyone is working hard to get it open. Mr. McCarvill explained the problems that exist. He reported that the elevators will not be installed on time. Mr. McCarvill said that a Temporary Certificate of Occupancy can be obtained. The plan is to have handicap parking on the first level. Mr. McCarvill stated that the Court is not enthusiastic about opening before elevators are operational but we have a commitment to others to be open. **Mr. MacDonald** asked why we were not informed about the elevators. Mr. McCarvill said that is was mentioned but not emphasized at the last meeting. **Mr. Butler** said that we have been asking the question if we would open on time and never told that none of the elevators would be installed. Mr. McCarvill noted that the issue is with getting qualified personnel to work on the project. He said that the people at the state were not surprised because they have an issue at other job sites. **Mr. MacDonald** admitted that there is a shortage of elevator installers. **Mr. Butler** asked about the water pump. Mr. Lepore stated that the pump is running all the time and that could mean long term maintenance for us and said that we should have a backup in case of failure.

Mr. McCarvill reported on the Authority and the Consolidated Financial Statements. He stated that the Authority's has little revenue. He reported that 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.

The consolidated results for the month of January were (\$240,480) to budget and \$13,350 to the prior year. Year to date Net Income for January is (\$192,021) to budget and \$225,080 to last year. Mr. McCarvill noted that we are getting closer to break even.

Mr. Hirsh asked if there was a way to recognize the security guard that found the over doses.

Mr. Crawley reported that we met with Gene Bernardo and Steve Maceroni to discover ways to take out our tax exempt bonds. Mr. Crawley stated that we could reduce the annual debt service and potentially free up some money for our reserves. Mr. Crawley noted that anything we do would require legislative approval. He said that Mr. Bernardo would look at the best chance for success. Discussion ensued on the advantages of the refinancing. Mr. McCarvill said that we might have an opportunity to do more with Enterprise and the Omni deals if we did not have tax exempt bonds. **Mr. Buonanno** said that he would like to see a comparison of Enterprise over the years.

Mr. Hirsh asked if there was any other business for the Finance Committee. 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 1:25 PM