**THE RHODE ISLAND CONVENTION CENTER AUTHORITY438th MEETING OF THE**

**BOARD OF COMMISSIONERSDecember 20, 2018**

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 December 20, 2018 pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, Rhode Island.

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

Tony Mendez and John Hooper were unable to attend.

Also present were James P. McCarvill, Executive Director, Rhode Island Convention Center Authority; Larry Lepore, Beth Johnson, Amanda Wilmouth and Cheryl Cohen, the Convention Center and DDC; Tom Riel and Chris Brislin, PWCVB; Dan Schwartz and Michael Gravison, the VETS; Lynn Singleton, PPAC/PFM; Ray Keough, Keough Construction; Michael Crawley, Consultant CFO, Citrin Cooperman; Robert Bromley, Senate Fiscal Office; Bernie Lane, DOA/OMB; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

**Mr. Buonanno** called the meeting to order at 9:00 AM. **Mr. Buonanno** asked for a motion to approve the minutes of the November Board Meeting. Upon a motion duly made by **Mr. Butler** and seconded by **Ms. Aptaker** it was unanimously

**VOTED:** to approve the minutes of the November meeting.

Mr. McCarvill noted the inclusion of the 2019 draft of the meeting schedules. Mr. McCarvill stated that the Operations and Facilities Committee meets sporadically, therefore an annual schedule was not prepared.

**Mr. Buonanno** asked Mr. Keough to update the Board on the construction of the Courthouse Garage. Mr. Keough reported that construction is three months behind because of the delay in getting access to the site and more obstacles were encountered on the site that had to be mitigated. He said that there was an oil tank in the ground that contained oil that delayed the opening. Mr. Keough also noted that we have had 26 inches of rain that has left the site a mud puddle. Mr. Keough stated that so far we have not heard any complaints from court personnel. **Mr. Buonanno** asked if we will have any problems if Wexler completes their project before we are ready. Mr. McCarvill reported that I 195 Commission has the ability to free up contingency lots.

Mr. McCarvill reported that there are opportunities for retail space. He said that besides Enterprise who has expressed an interest, National Grid has also indicated that they might want some space for their innovation hub. Mr. McCarvill stated that he has had a phone call from th new owners of 7 Stars Bakery. Mr. McCarvill stated that Mr. Keough had Dimeo include water and sewer access to the space. **Mr. Butler** asked about terms and investment for the bakery. **Ms. Venturini** said that his would be a place where neighbors would frequent.

**Mr. Buonanno** recognized Tom Riel and asked her to present the PWCVB monthly report. Mr. Riel distributed the report and commented that for the month of November occupancy was down from the same period in 2017. Mr. Riel said that last November two large groups were here and that was the reason that comparison to good. Mr. Riel reported that the CVB has some very impressive and strong tentatives for 2020 and 2021. Mr. Riel noted that UNFI is looking to move from Foxwoods in 2019 and 2020. He said that the sales team has been working for several years trying to get this RI Company to bring their business to the Convention Center. **Mr. MacDonald** asked what is done when you are aware that a group is not returning. Mr. Riel said that significant effort is used to fill the dates. Mr. Riel stated that we always knew that this was not going to be a great year but as it appears now that it is not as bad as expected.

**Ms. Venturini** asked Mr. Riel to bring to the Marketing Committee what other areas are doing. She mentioned working to secure shuttle service to take guests into the neighborhoods.

**Ms. Venturini** noted that Ms. Sheridan had left a phenomenal staff. She said that a search committee has been put together to find her replacement. **Ms. Venturini** stated that the search committee had hired a head hunter. **Ms. Venturini** said that they have an aggressive time line and would like to have someone in place by the end of February.

Mr. Schwartz reported that November was a great month. He said the Vets had 8 great events including 2 self promotes generating over $20,000 in net income. Mr. Schwartz reported that for the month of November net income was for the VETS was $13,264 to budget and $78,228 to the prior year. Mr. Schwartz stated that year to date the VETS net income was $36,139 to budget and $52,045 to the previous year. Mr. Schwartz noted that January is not expected to be as profitable. **Ms. Parente** asked if Sesame Street would be a repeat. Mr. Schwartz stated that this was the first year of a three year contract. **Mr. MacDonald** took this opportunity to inform Mr. Singleton that Mr. Schwartz is a tremendous asset for the facility. He stated that Mr. Schwartz is outstanding.

**Mr. Buonanno** asked Mr. Lepore to address the Committee. Mr. Lepore presented the financial statements for the Convention Center and the Dunkin’ Donuts Center. Mr. Lepore stated that the Convention Center finished the month less than budget because there were two events scheduled that did not materialize although they were replaced with smaller events that did not perform as well. Mr. Lepore noted that the smaller events still required personnel but the revenue was not as budgeted. He said that net income for the month of November was ($217,489) to budget and ($225,845) to the prior year. Year to date net income was $123,473 to budget and $789,009 to last year. Mr. Lepore said that direct event net income was less than budget by ($68,000) primarily attributed to lower attendance for Comic Con. Mr. Lepore also noted that training of the new account manager continues.

Mr. Lepore reported that net income for the Dunk was ($60,638) to budget for the month of November and $25,351 to budget. Year to date net income was $378,732 to budget and ($408,838) to the prior year. Mr. Lepore stated that some events did not happen in November but will occur in December. Mr. Lepore noted that Disney on Ice is selling well, possibly because we did not have an earlier event in September. Mr. Lepore reported that thanks to the Chairman PC has signed their contract. stated that things look to be improving at the Dunk and better monitoring of event labor costs will impact event revenue in the future.

Mr. Lepore stated that Nexgen is installing new equipment, (boilers, furnaces, chillers, water tower). He said that we should see significant energy savings by replacing these inefficient pieces of equipment. Mr. Lepore stated that the gauges on the air handlers have been giving us an inaccurate humidity reading. He said that they the air handlers have now been cleaned out of debris from years of buildup. **Mr. Butler** stated that preventive maintenance is the key to having the equipment work as efficiently and be dependable. Mr. Lepore stated that we have companies that monitor the equipment. **Mr. Nee** asked if there is a way to go back to address the errors made in the past. Mr. Lepore stated that according to Nexgen the original calculations could have worked.

Discussion ensued regarding the garage. Mr. Lepore noted that he is looking at changes to the North Garage. He said that the garage is in need of renovations to the office and there is discussion of moving Peter Pan to that area as well as new space for Enterprise.

Mr. McCarvill presented the Consolidated Financial Statements. Mr. McCarvill reported that for the month ending November the consolidated statements indicate a net income variance to budget of ($220,681) and ($234,231) to the prior year. Year to date consolidated net income was $582,200 to budget and $(1,416,109) to last year. Mr. McCarvill said that we are looking for opportunities to increase revenue and reduce expenses for the second half of the fiscal year. Our focus to increase revenue is in parking. Mr. McCarvill discussed the rolling forecast and stated that he expects that to improve due mostly to improvements at the Dunk and the VETS. Mr. McCarvill stated that the Authority has no income and although we have received some unexpected miscellaneous income we do not think that will continue.

Mr. McCarvill noted the inclusion of the FY 19 Revised Budget and the FY 20 Proposed Budget in today’s package. (attached) Mr. Schwartz reported that there was a printing error on the VETS Budget. He stated that the revenue amount did not print. **Ms. Parente** provided the correct amount. Mr. Lepore stated that the team is looking for every opportunity to increase revenue and contain expenses. He stated that the new Sabin Place space will be utilized for short term and small food & beverage events. Mr. Lepore stated that the Dunk business is short term and difficult to budget. He said that an unexpected event can mean a $300,000 swing. He said that we will chase everything. **Mr. Buonanno** encourage the team to work towards break even. Mr. McCarvill reported that the new garage was included in the budget and is based on a December opening. **Mr. Buonanno** asked for a motion to approve submittal of the Budget to the Budget Office. Upon a motion duly made by **Mr. Nee** and seconded by **Mr. Israel** it was unanimously

 **VOTED:** To approve submittal of the Budget to the Budget Office following correction of the VETS revenue number

Mr. McCarvill reported that he is working on the contract with the Providence Bruins. Mr. McCarvill stated that PSE was extremely helpful in our negotiations with Providence College. He noted that PSE gave up some advertising and other concessions in order to help us with PC. In exchange we will increase the length of the contract term to expire in June, 2029. Mr. McCarvill explained that this increase in the number of years will go a long way for PSE to lock in their relationship with the league and we will be secure that the P Bruins will be staying here. Upon a motion duly made by **Mr. Nee** and seconded by **Mr. Israel** it was

 **VOTED:** to approve the amendment to the PSE contract. **Ms. Venturini** voted no because she did not have enough information to make an informed decision.

**Mr. Buonanno** asked Mr. Crawley to update the Board on the finance department at the facility. Mr. Crawley stated that the internal review of the financials went very well. He said that the URI Parking contract had been signed and we expect to be brought up to date shortly.

Mr. McCarvill reported that there have been no changes in our discussions with SMG. He noted that we expect Harry Cann to be here at the beginning of January.

Mr. McCarvill also reported that we have been in contact with the Budget Office and have reached an agreement on RICAP funds. He said that due to the hard work of Kristen Murphy and Chris Spolidoro and with the help of Bernie Lane we can do the repairs that are necessary. **Mr. Nee** asked if this would be going into the budget. Mr. McCarvill said that most likely it will.

Mr. McCarvill reported that there have been discussions of expansion of the Hilton with the Procaccianti’s. He said that in order for them to keep the Hilton flag they need to add a ballroom and therefore need our help. They would need to expand over Aborn Street. **Mr. Nee** asked what Mr. McCarvill was looking for. Mr. McCarvill said that he wanted the consensus of the Board whether to continue talking with them or not. **Mr. Buonanno** said it can’t hurt to talk with them.

Tom Riel brought to the Board’s attention the Cranston Street Armory. He said that he has been asked if there is any hope to make the building useful as a venue for events. In the opinion of the Board the building will never make money and it will be a nightmare. We would need a lot of money just to get it up to code. **Ms. Venturini** stated that it is a great building with a lot of character. Mr. McCarvill said that it is a great building but he does not see it being of use to us. Mr. Riel said that it might be a good venue for sports. **Ms. Venturini** said that we might want to look down the road 10 years and we should take it over. She said that it has historical value.

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

 **VOTED:**  to adjourn at 11:02 AM