

RHODE ISLAND CONVENTION CENTER AUTHORITY
FINANCE COMMITTEE MEETING
THURSDAY, JUNE 26, 2025 AT 11:00 AM

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 June 26, 2025. The meeting was held in the McCarvill Boardroom, Second Floor, Rhode Island Convention Center, pursuant to notice at the Rhode Island Convention Center, One Sabin Street, Providence, RI and the Amica Mutual Pavilion, One LaSalle Square, Providence, RI.

Board members in attendance were Ernest Almonte, Jeffrey Hirsh, Dale Venturini, Paul MacDonald, Peter Mancini, Carol Lombardi, and Sarah Bratko

Board members unable to attend included George Nee, Oscar Vargas, Diony Garcia, Esq., and Jennifer Goodrich Coia, Esq.

Others participating were Daniel McConaghy, Linda Maroun, and Melissa, O'Connor, Convention Center Authority; Dan Schwartz and Judy Ferreira The VETS; Lawrence Lepore, Becca Ponder, Christina Montanaro and Bryan Lapis, RI Convention Center and AMP; Michael Crawley, Citrin Cooperman; Bruce Leach, Legal Counsel; and Debra Polselli, Recording Secretary.

1. Call to Order

Mr. Hirsh called the meeting to order at 11:01 a.m.

Chairman Almonte welcomed new Board member, Sarah Bratko. Ms. Bratko thanked Chairman Almonte and stated that she is happy to be a part of the Board. She stated that she spent eight (8) years working with Ms. Venturini and is currently Vice President of Government Affairs and Policy Counsel for the American Hotel & Lodging Association.

2. Announcement of Next Meeting Date

Mr. Hirsh stated that the next meeting will take place on Thursday, July 31, 2025 at 11:00 a.m.

3. Approval of May 2025 Finance Committee Meeting Minutes

Mr. Hirsh requested a motion to approve the May 2025 Finance Committee Meeting Minutes. Upon a motion from **Mr. MacDonald**, which was seconded by **Mr. Mancini**, it was unanimously

VOTED: to approve the minutes of the May Finance Committee meeting.

4. Finance (Month of May 2025)

a. The VETS – Dan Schwartz

Mr. Schwartz reviewed the May 2025 Income Statement, Executive Summary, and Event Listing (see attached). He stated that revenue was up approximately \$86k noting that the RI Philharmonic Orchestra took up a lot of dates in May. He also noted that Theresa Caputo moved from April to May. He stated that direct expenses were \$55k higher than budget due to the additional events. He further noted that indirect expenses were higher than anticipated as well. He stated that the increase in indirect expenses is related to there being a third pay period in the month versus the usual 2 pay periods. He further stated that they will get to where they need to be at year's end coming in slightly higher than the anticipated loss for the year. He noted changes that have been made such as moving dance recitals to weekdays versus the weekend thereby making it possible to book more profitable events on the weekend dates. **Chairman Almonte** questioned what line item the additional show incentive fee is captured, and Mr. Schwartz replied the administration category. He stated that show incentives typically accrue \$12,500 and is usually \$200k-\$240k by year end. **Chairman Almonte** suggested maybe accruing it quarterly so there is not a big jump. **Mr. MacDonald** questioned the food and beverage number stating that we budgeted for \$25k but it came in at \$42k and asked if it was due to when we planned on the event happening, and Mr. Schwartz replied yes.

- b. Rhode Island Convention Center – Lawrence Lepore
- c. Amica Mutual Pavilion – Lawrence Lepore
- d. Innovation District Garage – Lawrence Lepore

Mr. Lepore reviewed the May 2025 Income Statements, Executive Summaries, and Event Listings (see attached) for the RICC, AMP, and IDG. He stated that the YTD actual at the Convention Center is a loss of \$724k but expects it to come in at a \$500k loss once the books are closed. He reported that a lot of time was spent looking at things and there were a number of things they realized that led to corrective changes noting that the budget did not accurately represent ASM vs. OVG salaries, etc. and the budget probably should have been amended when OVG began managing the facilities. He further noted that the vast majority of indirects should have gone to event related costs. He stated that as they prepared for the new budget they went back to look at actual expenses and realized captured expenses correctly. He noted some positions have been eliminated and the scheduling of full time labor will change. He commented that there is a lot in the pipeline that will not hit this year but will affect next year's budget. Mr. McConaghy stated that next year's budget reflects these changes. Mr. Lepore stated that we need to do things differently noting having female laborers working overtime because we need them to work an event cleaning the women's restrooms and we will not close the restroom temporarily while it is being cleaned to alleviate overtime. **Mr. Hirsh** asked if OVG has a template of typical procedures (i.e. how many of this, and how many of that), and Mr. Lepore replied yes. **Mr. Hirsh** asked how we fit into that, and Mr. Lepore replied we probably overstaff, and most buildings just accept numbers whereas we are not only concerned about front of house but also the back of house. Clients always see how clean our buildings are, and we are proud of our cleanliness. Mr. Lepore further commented that they have been having union staffing issues and getting people to work. He said there is a new breed of labor out there that does not want to work more than three (3) days. **Mr. Hirsh** agreed and stated that it is a societal problem. Mr. Lepore stated that they have worked hard to control the overtime. He cited another example of change stating that their event guide currently states needing a captain if an event's attendance reaches a certain point which resulted in the one captain on staff working overtime. He stated that we have changed that language to read "supervisor" instead of "captain" which will alleviate any overtime.

Mr. Lepore then reported on the AMP stating that the AMP is doing great and is expected to have a profit of \$500k, which is approximately \$100k less than budget but it is still a profit. Mr. Lepore stated that we missed budget hosting two (2) Providence Bruins playoff games, and **Mr. MacDonald** questioned why, and Mr. Lepore replied that the rental structure is different and the overhead to maintain the ice is expensive. Mr. McConaghy commented that playoff games typically have lower attendance. **Mr. MacDonald** asked if we ever talked to the team and let them know that we are losing money when there are playoff games, and Mr. Lepore replied that the Providence Bruins bring a lot to us especially January through March when there is no one in the City, they bring people in. **Mr. MacDonald** stated that he completely understands that they keep people working and restaurants open during a very slow time. Mr. Lepore further commented that we capture substantial parking revenue at the Convention Center, and they are the difference of knowing what you have versus what you might get. He stated that you know that the building will be open 39 times. **Mr. MacDonald** stated that he is "all in" when it comes to the Providence Bruins and understands the situation completely. Mr. Lepore further commented that the amount of municipalities that build buildings. He stated that when the Providence Bruins arrived in Providence there were three (3) buildings for people to go and now there are 12 buildings who can host the Providence Bruins noting the Manchester, NH would love to have the team. **Chairman Almonte** questioned the prior period adjustment line item on the events listing, and Mr. McConaghy replied that it was an expense that got pushed to the venue from the NCAA Men's Basketball tournament in March. Mr. Lepore further explained that a tour was conducted, and DHS recommended barricades be place in front of the building and the NCAA came back and stated that it is a venue costs. He further stated that this NCAA contract was done five (5) years ago and was supposed to take place during Covid. Mr. Lepore noted that moving forward we need to be more engaged in the NCAA contract process, so we do not have any surprises.

Mr. Lepore then reported on the IDG stating the YTD budget shows a profit of \$1.9 million and YTD actual came in at a profit \$2.1 million. He stated that he expects to close out the year with a profit of \$2.4 million.

e. Authority and Consolidated – Dan McConaghy

Mr. McConaghy Lepore reviewed the May 2025 Income Statement and Consolidated Income Statement (see attached) for the Authority. He noted that the "economic impact" line has been added to the consolidated statement. He stated that this shows what we are driving and what we are contributing. **Chairman Almonte** agreed about how important it is to have this information.

5. Consultant's Report (Month of May 2025) – Mike Crawley

- a. Statement of Net Position
- b. Advanced Deposit Funding
- c. Accounts Payable Aging
- d. Accounts Receivable Aging

Mr. Crawley reviewed the balance sheets, advance deposits, and aging reports (see attached) taking special note of the advance deposit funding percentages. He then reviewed the payables and Mr. McConaghy commented that we engage with a lot of vendors and it is extremely important that they know they will get paid. **Chairman Almonte** asked what our actual bad debts, and Mr. Crawley replied that you would need to go back at least ten (10) years.

6. Executive Director's Report

a. Review and Consideration of the Revised Budget for FY26

Mr. McConaghy stated that it is that typical time of year when they put forth a revised budget. He noted that the FY26 budget has been revised for internal purposes only, and it does not get sent back to the State. He said the revised budget takes a lot of time and energy and he appreciates everyone's efforts in getting this done. He commented that he feels the process is a healthy one and a thorough one and it is not as conservative as past years. He stated that all things have been put into place, and he would like to present the revised budget to the Board at next week's meeting for approval.

Mr. Schwartz addressed the Committee members and stated that this is the most aggressive budget number they have ever had at The Vets with event revenue anticipated to go up \$400k with a similar number of events. He noted that it is the number of events, not the number of performances. He stated that they are anticipating food and beverage to be down a little with some shows not having an intermission and also the rising costs of items. He further stated that they are trying to determine if now is the time to increase their prices since there is a lot of price resistance already. **Mr. Hirsh** asked Ms. Ferreira if they are experiencing the same at PPAC, and Ms. Ferreira replied yes. Mr. Schwartz mentioned increasing the facility fee from \$4.00 to \$5.00, which has already been implemented with shows recently put on sale. He noted that they have increased the parking rate from \$20 to \$25 in anticipation of the parking tax which will be absorbed in the new rate. Mr. Schwartz noted that there would be approximately \$80k in extra revenue with the facility fee increase, especially with more sold out shows. Mr. McConaghy asked if the comedy festival is definitely happening, and Mr. Schwartz replied yes and that several offers have been submitted to agents and meetings are already taking place to discuss this event. He noted that the \$200k that they received from Commerce for this year's event will not be available next year, but they are willing to work and support us for this event. He commented that there is no need to recreate branding so that will not be an expense for this year. He stated that there are no new hires in the budget, and it will be status quo on indirect expenses. He stated that it all comes down to events. **Chairman Almonte** questioned if the RI Film Commission's office space revenue falls under "other income," and Mr. Schwartz replied yes along with PSE sponsorship fees, and if the hotel next door rents out the parking lot, it goes into "other income." **Chairman Almonte** then asked why they would "eat" the parking tax if it comes to fruition and not pass onto the consumer, and Mr. Schwartz replied they certainly could pass it along to the consumer but thought since they were already increasing the parking rate, they will just absorb it in the increase. **Chairman Almonte** encouraged Mr. Schwartz to see what the Authority has planned for its garages, and Mr. McConaghy stated that they could discuss this topic at a later date. **Chairman Almonte** then questioned the shows that do not have an intermission thereby affecting the food and beverage numbers. Mr. Schwartz replied that the best practice in those cases is to encourage patrons to buy at a different time. He mentioned the "Know Before You Go" that gets posted on social media for every event, which details the run of show and lists if there is an intermission or not. He stated that they also post signs everywhere to let patrons know the timeline for them to make purchases. He stressed the importance of communicating with their patrons.

Mr. Lepore then addressed the Committee members and stated that the rolling forecast at the Convention Center showed a \$634k loss and has been revised to show a profit of \$416k. He stated that he thinks this budget is very much achievable since they have looked at what we have done historically and made adjustments. He stated that if we do not achieve this budget, we are not doing what we are supposed to be doing. He stated that they are watching labor and costs, and it is not the lack of events but rather how we manage them. He noted that before the pandemic the Convention Center hosted events with CVS and Hasbro and that business is not coming back. He stated that the vast majority of the Convention Center's revenue is sports business. He noted that we lost some parties during Christmastime last year due to the renovations and the new bar area. **Mr. Hirsh** noted that during the CVB's board meeting it was asked if there has been any feedback from clients on the renovations, and Mr. Riel replied that people have been very positive about it. **Ms. Venturini** suggested having one of the CVB Board meetings at the Convention Center to show hoteliers and others the renovations. Mr. Lepore noted that it has been a pleasure to work with Mr. McConaghy on the renovations with his vast experience. He stated that things have gone very well and on budget.

Mr. Lepore then addressed the Committee members on the AMP noting 12 concerts along with the Providence Bruins and Providence College. He noted Providence College has made an NIL commitment to get the right kind of players. He commented that they are budgeting for 110 events, and it is a roll of the dice on concert business noting that Cheryl and Deb do a good job. He further noted local promoter, Frank Manfredi, of the Rosendale Group who has done consistent business at the AMP and is very successful promoting events. He then reported on working together with the State Fire Marshal on concession and merchandise sales on the concourse during events. He noted that we are doing things safely and we are on top of things and are in the midst of having a life safety evaluation completed on this topic.

Mr. McConaghy then addressed the Committee members on the IDG noting that the IDG will remain consistent. He then reported on the Authority's budget noting that staff will receive a 3% raise with Board approval. He further reported on additional expenses this fiscal year noting last year was \$625k and next year they expect \$1.8 million in expenses. He stated that it is moderately aggressive that they can get to it if they stay on it.

Chairman Almonte requested a motion to approve the FY26 revised budget. Upon a motion from **Mr. MacDonald**, which was seconded by **Ms. Venturini**, it was unanimously

VOTED: to accept the FY26 revised budget.

b. Review and Consideration of OVG Amendment #1 Related to Parking

Mr. McConaghy reported that the OVG Amendment before the Committee members was an administrative issue that needed to be addressed and has no impact on how we operate the parking garages. Attorney Leach stated that the Amendment is to permit OVG to subcontract its parking obligations to its affiliate, OVG Parking. He noted that if it does not work out we can tell them we want them to terminate the agreement and revert to the original agreement. **Mr. MacDonald** stated that he does not like subcontractors. He asked if our workers currently handle snow and ice removal, and Mr. McConaghy replied yes. **Mr. MacDonald** stated that he does not trust anyone working with us to protect our workers and the Authority is here to protect workers in this building, and no one should have the ability to subcontract work. Attorney Leach noted that in our previous contract with SMG, SMG had the right to subcontract work. He stated that we modeled the new OVG contract based on the SMG contract, so the language has already been in the contract. **Mr. Mancini** asked why we would amend the contract, and **Ms. Venturini** asked if we could clarify our employees. Mr. McConaghy stated that they are all OVG employees. **Mr. Hirsh** asked if we could revisit this issue, and Attorney Leach replied that they would need to speak with OVG's legal counsel on how else we could satisfy an insurance requirement that we need that OVG needs to defer to their affiliate, OVG Parking. Mr. Lepore stated that the collective bargaining agreement addresses the subcontractor issues and if OVG Parking ever tried to outsource snow or ice removal, which he believed they never would have a reason to, the union would say that it is their work so they could not do it anyway. **Ms. Venturini** asked if any of their employees work for that division of OVG, and Mr. Lepore replied yes, Tim Sullivan, falls under OVG Parking. **Chairman Almonte** asked if an amendment was really necessary, and Attorney Leach replied that if the group was not comfortable with the amendment then they will need to figure out the insurance issue another way.

c. Executive Session pursuant to RI General Laws Sections 42-46-5(a)(1) in connection with the performance of OVG Food & Beverage

Chairman Almonte requested a motion to adjourn into Executive Session pursuant to RI General Laws Section 42-46-5 (a)(1) in connection with the performance of OVG Food & Beverage. Upon a motion made by **Ms. Venturini**, which was seconded by **Mr. MacDonald**, a roll call vote was taken:

Chairman Almonte	Aye
Mr. Hirsh	Aye
Ms. Venturini	Aye
Mr. MacDonald	Aye
Mr. Mancini	Aye
Ms. Lombardi	Aye
Ms. Bratko	Aye

With the roll call vote being unanimous, the Committee members adjourned into Executive Session at 12:16 p.m.

Chairman Almonte requested a motion to reconvene into Open Session. Upon a motion from **Mr. MacDonald**, which was seconded by **Ms. Venturini**, it was unanimously

VOTED: to reconvene into Open Session.

With the vote being unanimous, the Committee reconvened into Open Session at 12:23 p.m.

Chairman Almonte requested a motion to close and seal the minutes of the Executive Session. Upon a motion from **Mr. MacDonald**, which was seconded by **Ms. Venturini**, it was unanimously

VOTED: to close and seal the minutes of the Executive Session.

7. Adjournment

With there being no further business to be discussed by the Finance Committee, **Mr. Hirsh** asked for a motion to adjourn. Upon a motion duly made by **Ms. Venturini**, which was seconded by **Mr. Mancini**, it was unanimously

VOTED: to adjourn at 12:25 p.m.