

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
FINANCE COMMITTEE MEETING
TUESDAY, OCTOBER 29, 2024, AT 10:30 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 October 29, 2024. 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 02903 and the AMP, One LaSalle Square, Providence, Rhode Island.

Board members in attendance were Paul MacDonald, Ernie Almonte, Peter Mancini, Stephen Iannazzi, Jeffrey Hirsh and Carol Lombardi.

Missing board members were Oscar Vargas, Diony Garcia, George Nee, Dale Venturini and Jennifer Goodrich Coia.

Also attending were Daniel McConaghy, Dana Peltier, Linda Maroun, Melissa O'Connor and Trish Verrecchia, the Authority; Dan Schwartz, Judy Ferreira, The Vets; Lawrence Lepore and Christina Montanaro, RI Convention Center and AMP; Michael Crawley, Citrin Cooperman; and Bruce Leach, Legal Counsel; Robert Bromley, RI State Senate.

1. Mr. MacDonald called the meeting to order at 10:33 AM. Mr. Hirsh arrived late.
2. Mr. MacDonald announced the next meeting will take place on Thursday, November 21, 2024, at 10:30 AM.
3. Approval of July 2024 Finance Committee Meeting Minutes

Mr. Hirsh requested a motion to approve July 2024 Finance meeting minutes. Upon a motion duly made from Mr. Iannazzi, which was seconded by Mr. Mancini, it was unanimously

VOTED: to approve the minutes of July 2024 Finance Committee meeting

4. Finance Reports – July 2024 (Vets, RICC, AMP, IDG, Authority & Consolidated) – See attached

Mr. Schwartz reported for the Vets stating that they did well for the month of July. Total revenue was \$141K, which was \$23,500 better than budgeted. There was 1 extra concert that was not budgeted for which led to direct expenses being over budget. Indirect expenses were \$6k less than budgeted. Working on moving local events, dance recitals etc. to weekdays instead of weekends. Dance Factory moved to Tuesday and Wednesday from Friday and Saturday. Because of this we were able to secure Sarah Millican for that weekend, which is a sold-out event. We continue to work on moving other shows to weekdays with success.

Mr. Lepore reported on the RI Convention Center stating that overall operating income came in lower than what was budgeted. The good news was that Event and Food & Beverage revenue came in higher than budgeted. The two main events for the month of July were NATIA and PEARC. Parking was under what was budgeted due to the South

Garage being closed for construction and a drop in monthly parking. Things are moving in the right direction, especially having a new parking manager who is addressing operational issues. During large events, traffic is being redirected when exiting and more police details are helping to move traffic along. Mr. MacDonald asked if we have considered E-Z Passes. Mr. Lepore stated that RI plates are hard to read. Mr. Almonte questioned revenue totals for Event and Food & Beverage vs direct expenses. Why were expenses so high? Mr. Lepore said he would have to follow up with details. Mr. Almonte also questioned if we would be able to make up for the loss with the garage being closed.

Mr. Lepore reported on the AMP stating that there were no events in July due to the seat replacement project. Even though there was a loss, it was not as great of a loss as budgeted and Indirect Expenses were also less than expected. Late Night Madness was a huge success that came with some challenges with the students and the State Fire Marshall. The students have a problem with throwing things. A meeting is taking place with the Bruins to work on negotiating other ways of creating revenue for AMP.

Mr. Lepore moved onto the Innovation District Garage and stated once again how well it continues to do. Mr. McConaghy mentioned that next year there will be a boost with the State Lab completion. Mr. Almonte also mentioned that he is on the Life Sciences Board, and they will be taking the whole 4th floor with a minimum of 100 people. Will also need to work on exiting strategies after events. There were some operational issues that are being addressed that involve some of the joints in the upper floors of the garage. Luckily these are under warranty.

Mr. McConaghy reported on the Authority and Consolidated stating the Authority was right on budget. The rolling forecast is showing a strong year for the Authority Consolidated.

5. Consultant's Report – July 2024 (Mike Crawley-Citrin Cooperman) – See attached

Mr. Crawley began with the Balance Sheet and noted that we are still showing an incredible cash position. Mr. Crawley mentioned that a new line was added to the Balance sheet under noncurrent assets. The new item is – Right to use subscription asset in progress. The ratio metrics continue to be strong. All three buildings are strong in Advanced Deposit Funding.

6. Executive Director's Report – Mr. McConaghy – Review and Consideration of Approval for the FY26 Budget – See Attached

Before Mr. McConaghy began, Mr. Crawley thanked the team and noted all the hard work & time that has gone into the attached budget. Mr. McConaghy began by noting that this Thursday, Oct. 31st they are required to submit the FY26 budget to the State. Mr. McConaghy wants to bring the budget to the Board meeting on 10/31/24 for approval.

Mr. Schwartz began with The Vets. There are 71 events scheduled. FY26 is projected to have a similar level of events as FY25. Will be working on moving community events to weekdays or to pay a higher fee for prime weekend dates. F&B is expected to increase with additional concerts and menu offerings. Parking will have a slight increase. Indirect expenses are budgeted to increase with labor with 4% salary increases and annual contractual increases to PFM fees. Mr. Hirsh questioned why graduations are so low. Mr. Schwartz stated they fall under community service. We are not losing money. In total, the Vets is showing a loss of \$36k, which is better than the previous year.

Mr. Lepore began by stating that Oakview Group gave us a pro forma on what they thought they would do in FY26. We prepared the FY26 budget based on what we received from them. There are increases in Event, F&B and Parking. One of the Indirect expenses that increased was to add an assistant general manager, which increased the budget by \$178k. They are also showing a decrease in security due to not paying OT or using a private company. Operations were also evaluated so costs would be allocated to the correct building. It is being split up based on percentage of workload in each building. ADP will eventually have it broken out for us. There are opportunities in F&B, especially with all the capital investments being made in the building.

Mr. Lepore reported on the AMP stating that Oakview Group needed to increase concerts, which is reflected in the budget. This was based on adding 6 additional concerts having a total of 14. The PC contract is about to expire. Right now, they are doing well, and we need to make sure we can always make revenue even when they are not doing well. Capital improvements at the AMP have made a difference in how we operate and have created more opportunities. Mr. Iannazzi questioned how the PBruins played 41 games, and our profit was only \$23,405. Mr. Lepore mentioned that even though the numbers do not look great it brings 41 nights of people to Providence.

Mr. Lepore mentioned that IDG is doing great and expected to continue that way. More good news is that the retail space may be rented out to a hair salon.

Mr. McConaghy stated the Authority had some increases in insurances and adding a new position to help the team. There were not many other changes for FY26.

Mr. Hirsh asked for a motion to approve the FY26 Budget and present it to the board this Thursday, Oct. 31, 2024. Upon a motion duly made by Mr. Mancini, which was seconded by Mr. MacDonald, it was unanimously

VOTED: to approve and recommend the FY26 Budget to the Board.

7. Adjournment

Mr. Hirsh asked for a motion to adjourn. Upon a motion duly made by Mr. Iannazzi, which was seconded by Mr. Mancini, it was unanimously

VOTED: to adjourn at 11:55 AM