



Durham Convention Center Authority Meeting

Thursday, February 28, 2013

Durham Convention Center Meeting Room II

11:30 AM

The meeting was called to order at 11:30AM with the following representatives present:

Authority: Al Bass, Patrick Byker, Richard Ford, Bill Kalkhof, Rosemarie Kitchin, Dawn Paffenroth and Billy Ruffin. *Owners:* Drew Cummings, Sharon DeShazo, Jina Propst, Joel Reitzer, Al Walker, and Karmisha Wallace. *Management Company* (Global Spectrum): Andrea Gliatta, and Jen Noble. Mr. Ford made a motion to approve the January 31, 2013 meeting minutes, Mr. Bass seconded, and the minutes were approved unanimously.

Action Items: *(Comments italicized)*

- Exterior signage to identify and market the Durham Convention Center.
Details are forthcoming once the pre-function corridor project has been closed. Signage will need approval from the Historic Preservation Commission. Rosemarie Kitchin suggested providing signage for the back of the building (facing Chapel Hill Street) which is not included in the current scope of work. We may need consideration for mounting signage from Shaner, depending on placement of sign.
- Joel Reitzer, General Services Department (GSD) Director, and Al Walker, GSD Financial Manager to discuss an independently functioning (enterprise) fund for the Durham Convention Center (DCC) with City of Durham Finance.
General Services met with the City Finance department to collaborate on DCC fund balance reporting. A format is in process and staff will be able to provide a report approximately in April 2013. Discussions are ongoing.

Durham City and County Administration:

- *Design and Construction Update:*
 - Pre-function Corridor doors:
95% design CDs submittal due March 1, 2013. Architects are doing construction drawings for the pre-function corridor doors; awaiting submittal. The Owners anticipate getting bids ready for installation by July or August as not to interfere with the fall events schedule. An installation date will be determined by Global Spectrum.
 - Exterior Signage:
The drawings are scheduled for completion by the end of March. Staff will need the Historic Preservation Commission's approval since the building is located in the Downtown Historic District. The targeted submittal date is April 3.
 - Wall Sconces were installed on February 19, 2013.

- Fireproofing investigation is forecast for March 2013.
- The heat in the pre-function corridor has issues due to set points. This is a design issue. General Services is working with the engineers and Skanska to resolve.
- Documentation on the Convention Center's accounts receivables of \$277,962 with Shaner was forwarded in January 2013. The Owners will determine whether this issue will be included with the counter claim to the lawsuit.
- *Financial Operations:*
 - Global Spectrum noted YTD financial performance is under budget by \$190,848, but the budget forecast for the FY 2013 is under budget by \$223,175.
 - YTD actual \$1,231,445 (booked for the year, within the year)
 - YTD projected/booked \$860,166
 - YTD forecast \$12,000
 - FY 13 budget \$1,655,332
 - The DCC Finance Sub-committee will provide its analysis in committee reports.
 - City of Durham submitted the proposed DCC operating budget during the week of February 18. The FY2013/14 budget proposed by Global Spectrum was for \$382,334. Owners are proposing the FY 2014 budget as follows:

Operating Contribution by Owners:	\$382,334
Operating Contingency:	\$75,000
Incentive Fee	\$103,150
Total FY 2014	\$560,484
Reference FY 2013 total	\$680,127

We are decreasing the budget by \$120,000 (year on year).
- The administrative offices move-in is complete, except for signage.
- Contract Amendment for Global Spectrum's incentive payment to modify the first operating year for meetings from twelve months to ten months was approved on February 25, 2013; on City Council consent agenda for March 4, 2013.
- Drew Cummings commented on a need for City and County Finance to discuss details regarding the enterprise fund for common understanding. A meeting was held with GSD staff and City Finance to discuss the enterprise fund and its process for reporting. Part of that discussion revealed that the reconciliation process with Durham County should be adjusted. Joel Reitzer suggested amending the interlocal agreement as part of this initiative.
- City General Services staff in conjunction with MBP, an engineering firm with expertise in building maintenance systems completed a Facilities Maintenance Plan for the City of Durham. The DPAC was used as the pilot for this plan. The DPAC plan is complete and will be included in the operating agreement. The plan has been reviewed by the City Manager. The City will contract with MBP to build a facilities maintenance initiative for City owned buildings. The plans will provide a responsibility guide for preventive maintenance of City facilities. It is an interactive platform. A similar plan will be developed for the DCC. GSD Project Management has assembled all DCC plans and specifications for a proposal from MBP. The City has currently invested approximately \$16,000 on the development of the platform and the plan. The size of each facility will dictate costs for each plan. Joel Reitzer provided a demonstration at the DCCA meeting

using the plan developed for the DPAC as an example. Joel and staff will provide a more detailed explanation of the plan to Global Spectrum.

Global Spectrum Report:

- In January, the DCC hosted 15 events with 5,639 guests and 24 event days. February currently has 20 events with an estimated 5,213 guests and 30 event days. Customer survey scores are 4.42 out of 5.
- Notable events:
 - Duke Electrical and Computer - 200 guests; DCC Revenue - \$28,957.50.
 - Hendricks Kickoff Meeting – 250 guests; DCC Revenue - \$13,828.80.
 - Duke Model UN Conference – 1950 guests; DCC Revenue - \$30,304.40; Room Revenue - \$41,531.
 - NC Augmentative Community Association – 440 guests; DCC Revenue - \$19,962.65.
 - Duke Fraternity/Sorority – 4,000 guests; DCC Revenue - \$53,891.11.
- Sales bookings for fiscal year 2012/13.

	Beginning 07/26/2012	As of January 2013
○ Actualized:		\$1,349,535.66
○ Definite:	\$706,838	\$584,195.00
○ Tentative:	\$138,612	\$49,270.00
○ Proposals:	\$214,760	\$62,250.00
○ Grand Total:	\$1,060,210	\$2,045,250.66
- Global Spectrum Public Relations:
 - Smart Meetings Magazine for the March issue.
 - Potential Cinco de Mayo event using the Plaza.
 - Attending Rotary Club on weekly basis.
 - Updated Facebook and website.
 - Internet availability has been a challenge in working with large events. Global Spectrum is currently working with Adcom to resolve this issue. Global Spectrum would like to add to FF&E, a device that will enhance capacity/prioritization for on-line availability. There is a cost increase to provide greater capacity online. Rosemarie Kitchen encouraged Global Spectrum in its activities to resolve this problem.
- Website activity: (December)
 - Visitors: 1,688 (New: 758)
 - Demographic: NC, GA, VA, NY
 - Page views: 2.94
 - Duration: 1.42 minutes
- Durham Convention Center Staffing:
 - No new hires to report. Global Spectrum now fully staffed is considering additional part-time staff to decrease temporary staff costs.
- Occupancy for January 2013 was at 26%. There is slightly lower occupancy this month; however, Global Spectrum is pleased with the percentage of larger spaces being used.
- Budget: January 2013

○ Net Income (loss) for January:	(\$50,475)
○ January Budget Variance:	\$26,876
○ Year-to-date Budget Variance:	\$190,847

- Year-to-date Actual: (\$86,156)
- Total Event Income (Actual): \$68,576
- Total Event Income (Budget): \$36,192
- Total Event Income (Variance) \$32,384
- Total Annual Budget: (\$573,046)

The DCC is slightly behind pace by one year out bookings.

Durham Convention Center Authority (DCCA):

- The Authority (DCCA) expressed interest in members attending the DCVB long range planning retreat on March 26. Rosemarie Kitchin will forward a correspondence to request the number of attendees.
- The DCCA would like to sponsor a table at the annual tribute luncheon honoring Shirley Caesar on April 24 at the committee members' expense to increase the Convention Center's visibility. Jen Noble will coordinate the table, which will include visibility for the Global Spectrum. Bill Kalkhof said that if DCCA sponsors the DCVB annual program, DCCA will be expected to support Downtown Durham Inc. and the Durham Greater Chamber of Commerce's annual meetings as well. Rosemarie Kitchin commented that would be a good idea if those events were held at the Convention Center.
- The City of Durham's downtown parking study will be ready for public review in less than one month. Locations have been specifically identified for new parking decks in relationship to the DCC. One location has been unanimously agreed upon (lot 8). Downtown will be moving to paid parking in the City Center district. Recommendations will be made for public comments.

Subcommittees:

- Finance Committee:
 - The adjusted time for the Finance Committee meetings is at 11:00AM the last Thursday of each month (thirty minutes prior to the DCCA meetings). The next Finance Committee meeting will be held on March 28 at the Convention Center.
- Hotel Task Force:
 - The Concord Hotel business transaction remains in discussion with forming a public/private partnership. Bill Kalkhof is a proponent for this venue. The plan anticipates going public in March. The Authority passed a resolution to support a public/private partnership and a letter can be sent to the City and County officials if the need arises.
- Public Relations:
 - The team is working to increase collaboration between the DCC and major downtown destinations. Patrick Byker has volunteered to contact Casey Steinbacher (Durham Greater Chamber of Commerce). He also plans to contact Tom Bonfield, City Manager to discuss formalizing a relationship between the Convention Center and the Armory for increased usage.

New Business:

- None to report.