



**Durham Convention Center Authority Meeting**

Thursday, August 27, 2015  
Durham Convention Center  
301 West Morgan Street  
11:30 AM (Lunch)

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**DCC Authority Members Present:** *Bill Kalkhof, Gerry Link, Lew Myers, Dawn Paffenroth, Alice Sharpe and Darah Whyte*

**DCC Authority Member Absent:** *Richard Ford*

New members:

**Gerry Link** – County representative; joined the Sales and Marketing subcommittee

**Lew Myers** – Mayoral appointee; joined the Finance subcommittee

Both provided a brief summation of their experiences.

**Spectra Venue Management Present:** *Andrea Gliatta and Jen Noble*

**City and County Representatives Present:** *David Boyd, Drew Cummings, Sharon DeShazo, Henri Proseri, Jina Propst, Karmisha Wallace and Al Walker*

- I. The meeting was called to order at 12:00 PM by Bill Kalkhof, DCCA chair.
- II. A quorum was established for meeting minutes approval. Alice Sharpe made a motion to approve the July 2015 meeting minutes; seconded by Lew Myers, motion carried; minutes approved.
- III. **Executive Summary/Major Discussion Items:**
  - City of Durham Finance Department Director, David Boyd, attended the meeting to update the committee on the DCC Fund Balance. It is set up as a joint venture between the City and the County with each entity having 50% ownership. It is a subsidy to support the DCC operating loss and shall only be used for capital expenditures or unanticipated operating deficits that exceed the projected operating deficit (if any) during a fiscal year. The Fund Balance will be managed at a threshold of \$500,000. It is funded based on positive operating results or cash from the Owners to the management company.
  - Cost of items at \$20,000 or less have flexibility at the discretion of Spectra Venue Management; any amount over that will need approval from the City and County Officials. Two Fund Balance documents were distributed; one depicting FY2014/15 ending balance - \$955,320, and the other for the month ending July 2015 - \$395,679.
  - The Owners have received an update from Shaner on lobby retrofit design and schedule; staff will review and report to the DCCA.

- Spectra Venue Management and the DCCA discussed and will respond to Project Graduation correspondence regarding booking conflict. The group wishes to maintain a positive partnership with Project Graduation.

**IV. Durham City/County Administration Update:**

**PRIORITY ITEMS:**

- Diversified Mechanical is currently under contract for the PFC Heaters project to install seven baseboard electric heaters. Installation began August 24 with completion anticipated by September 2. Coordination of the project is scheduled with Spectra Venue Management.
- The Plaza fountain transition to Spectra Venue Management is complete.
- Discussions are ongoing regarding coordination of scheduling to retrofit the lobby, and how the renovation will affect upcoming DCC holiday events. Architectural drawings were received on August 4 and Shaner provided a preliminary schedule on August 7. An internal design review meeting was scheduled on August 27 with the City attorney’s office to discuss revised lease based on the proposed square footage revisions and other legal issues related to the improvements.
- Shaner and General Services’ continue to work together with Comfort Engineers (DCC facility HVAC contractor) on logistics and maintenance for the mechanical equipment. The preventive maintenance contract is currently held in Shaner’s name and submitted to Spectra Venue Management for reimbursement. Preparations are underway to issue a Request for Proposal (RFP) for competitive pricing for future maintenance contract work coordinated with and between Shaner, Spectra Venue Management and the Owners.
- A utilities meeting with MBP, Shaner, General Services and Spectra Venue Management was held on August 7. MBP provided understanding on the sub-meter algorithm and a proposal to further sub-meter the chiller electrical use, which is 20-30% of the total electrical use of the facility. Data is being prepared for electrical use of the facility per the sub-meter reports in an effort to proceed with utility allocation. Shaner received a copy of the draft Memorandum of Understanding for the 50 – 50 cost share of retro-commissioning of chillers.
- Spectra Venue Managements’ self-evaluation has been submitted to the Owners and is currently under review. The incentive payment is due to SVM 30 days after the acceptance of the audit.

**V. Spectra Venue Management (SVM) Update:**

**EVENTS FOR THE MONTH OF JULY**

SVM held 20 events with 28 event days booked and 5,035 guests.

**Notable events:**

	<u>Guests</u>
▪ AENC (highest attended AENC event in several years)	435
▪ NHAGNA/New Hope (3 day event)	1600
▪ NC Public Charter Schools Assoc.	700
▪ Patel Garg Wedding	520

**OCCUPANCY:** For the month of July is 42%. (largest amount in the last 4 years).

**CURRENT FINANCES FOR THE MONTH OF JULY**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Gross Revenues	\$152,331	\$93,764	\$58,566
Less Event Expenses	(\$71,479)	(\$34,960)	(\$36,519)
Less Indirect Expense	(\$120,074)	(\$141,939)	\$21,865

Net Income (Loss) (\$39,052) (\$82,635) \$43,583

**Sales Pace: FY2015/16:** Current Sales Bookings as of August 17, 2015.

- Slight increase in pace (\$30,000) projected for FY2016/17.

▪ Definite Total	▪ \$1,165,255.04
▪ Tentative Total	▪ \$155,356.40
▪ Proposal Total	▪ \$457,575.00
▪ Grand TOTALS	▪ \$1,778,186.44

**CUSTOMER SURVEY SCORES:** Currently 4.53 out of 5.

**STAFFING:**

- Two candidates have been offered positions.
- 1 additional event manager position remains to fill.

**SVM PUBLIC RELATIONS:**

- Weekly Rotary meetings and Board meetings
- Social media Facebook/Twitter/Pinterest and website updates
- Small Meetings Market
- AENC Conference - (successful event)
- MPI (successful event – hosting fifty planners)
- Triangle Business Journal – Sponsorship for August event

**WEBSITE ACTIVITY:**

- Visitors: 1,761 New: 82.23%
- Demographic: 1,084 Google organic, 262 Direct, 390 Referral, and 18 Social
- Page views: 4,709
- Page Visits: 2.67
- Average duration: 1.49 minutes

**VI. Durham Convention Center Authority (DCCA):**

The committee will resume discussion of the below agenda items at the September 24 DCCA meeting.

- “In America” marketing proposal
- Proposed Sports Commission update

**Subcommittees**

- **FINANCE COMMITTEE:** *Lew Myers, Dawn Paffenroth, and Richard Ford*  
City and County staff, the Finance Committee and members of Global Spectrum reviewed and discussed the DCC July 2015 monthly financials. All are pleased with the results. The discussion also included the DCC Fund Balance, the FY2014/15 audit and Spectra Venue Management’s incentive payment.
- **FACILITY NEEDS COMMITTEE:**

The group discussed and agreed to discontinue this committee.

- **MARKETING & SALES COMMITTEE:** *Darah Whyte, Bill Kalkhof and Gerry Link*  
No update to report.