



Durham Convention Center Authority Meeting

Thursday, November 29, 2012

Durham Convention Center Meeting Room II

11:30 AM

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

Authority: 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. Kalkhof made a motion to approve the October 25, 2012 meeting minutes, Ms. Kitchin seconded, and the minutes were approved unanimously.

Action Items: *(Comments italicized)*

- Interior and exterior signage to identify and market the Durham Convention Center.
Included in prioritized construction related expenses. Project in process.
- A Public Relations program is in process.
- The Authority requested staff compute the incentive fee due to Global Spectrum comparing the twelve month term to the ten month actual, as the DCC did not open until construction was completed in September 2011. *(completed)*

Durham City and County Administration:

- On behalf of the Durham Convention Center Authority (DCCA), Patrick Byker, chair, delivered a presentation on November 13 to the Joint City/County Committee outlining Convention Center financials, assets and marketing opportunities. The presentation was well received by the Owners. In addition, the DCCA noted the importance of securing a voting seat on the Durham Convention and Visitor's Bureau board (DCVB). As requested, the County Attorney's office forwarded a recommendation to add two seats that will maintain an odd number to avoid tie votes. Currently there are 11 seats. Per the recommendation, two seats are relevant to the DCCA, one to represent the City and County, and one for the DCCA. If seats were added to the DCVB Board, it would require an amendment to the interlocal agreement between the City and the County. Joel Reitzer suggested extending an invitation for the DCVB to attend DCCA meetings. On behalf of the DCCA, Mr. Kalkhof made a motion to move that the DCCA officially request one voting seat on the DCVB board designated to the DCCA, Ms. Kitchin seconded, and the motion was approved unanimously. Joel Reitzer and Drew Cummings agreed to draft correspondence regarding the motion made.

- Joel Reitzer and Al Walker will meet with the City of Durham, Director of Finance to work on the DCC balance sheet and discuss a fund that will function independently.
- Global Spectrum ordered the following FF&E authorized at the October 25, 2012 meeting.
 - Two double ovens \$23,000 (saved approximately \$11,000 on purchase)
 - Wireless Firewall \$6,500
 - Security System \$12,000
 - Total approved \$41,500
- An interior signage purchase order was issued for \$15,429. The project was value engineered to assume savings. Installation is scheduled for January 2013.
- A contract amendment was issued to RND for design of external signage and the pre-function corridor entrance doors at \$14,500. Funds are available through the capital improvements project.
- New carpet for the DCC administrative offices is scheduled for installation. Cost has not been determined. Existing attic stock will be reserved for replacement as needed.
- The meeting rooms' curtains and ballroom wall sconces are scheduled for installation in December 2012.
- The Convention Center and Carolina Theatre door hardware has been painted, installed and completed.
- The additional work with Periscope on sub-metering and trash piping interference is scheduled for January 2013.
- Approximately \$60,000 has been spent over the past two fiscal years on reconstruction and resealing of the water fountain system in the Plaza. This cost does not include an additional \$3,500 for the lower pool liner. The fountain is currently turned off for repairs and annual winterization.
- A past due notice for Shaner's remaining phase II project reimbursement to the Owners at \$277,962 was forwarded on November 28, 2012.
- The incentive payment to Global Spectrum per the FY2011/12 contract term is \$72,091. Reference is made to Article 3.2 Incentive Fee. Global Spectrum will remit the cash reserve balance of \$157,689 back to the Owners, less the approved purchases for FF&E. Staff will remit the incentive payment to Global Spectrum's corporate office per the contract. The DCCA's motion to approve the incentive amount plus the balance is subject to a required contract amendment to be considered by the elected boards, upon request to the contract administrator from Global Spectrum.

Global Spectrum Report:

- In October, the DCC hosted 30 events with 9,148 guests and 47 event days. November currently has 18 events with an estimated 7,243 guests and 22 event days. Customer survey scores are consistent at 4.49 out of 5.
- Notable October and November events:
 - NC Housing Officers - 450 guests; DCC Revenue - \$17,598.80; Room Revenue - \$23,800.00.
 - Puryear/Laronda Wedding – 240 guests; DCC Revenue - \$16,125; Room Revenue - \$17,259.75.
 - Duke Medical Marketing and Communications – 190 guests; DCC Revenue - \$20,169.40.
 - SECAC – 950 guests; DCC Revenue - \$31,004.40; Room Revenue - \$58,625.

- Friends of Nursing – 850 guests; DCC Revenue - \$50,173.31; Room Revenue - \$2,780.
- Sales bookings for fiscal year 2012/13.

	Beginning 07/26/2012	As of October 2012
○ Definite:	\$706,838	\$1,512,526
○ Tentative:	\$138,612	\$108,793
○ Proposals:	\$214,760	\$52,125
○ Grand Total:	\$1,060,210	\$1,673,444
- Global Spectrum Public Relations:
 - Duke Magazine.
 - Advertisement with Carolina Theatre playbill.
 - Attending Rotary Club on weekly basis.
 - Updated Facebook and website.
 - DCC to receive a Reader’s Choice Award from Convention South Magazine. Louise DePaul will be recognized as a “planner to watch”.
 - Collaborating with the Department of Parks and Recreation for a coop event at the Armory.
- Durham Convention Center Staffing:
 - No new hires to report. Global Spectrum is fully staffed.
- Budget: October 2012

○ Net Income (loss) for October:	\$28,649
○ Year-to-date Budget Variance:	\$ 115,317
○ Year-to-date Actual:	(\$66,146)
○ Total Event Income (Actual):	\$ 139,204
○ Total Event Income (Budget):	\$ 97,016
○ Total Event Income (Variance)	\$ 42,188
○ Total Annual Budget:	(\$573,046)

DCCA:

- Rosemarie Kitchin suggested Global Spectrum contact the Herald Sun newspaper for an opportunity to promote the 2012 New Years Eve event. Global Spectrum is partnering with the hotel to host this event.
- The DCCA discussed meeting with the DPAC in 2013 on joint marketing initiatives.

Subcommittees:

- Finance Committee:
 - Global Spectrum noted that year to date financial performance is under budget by \$115,317 and the forecast for FY2012/13 is under budget at \$54,300.
 - FY2012/13 gross revenues includes:

▪ YTD Actual	\$355,690
▪ YTD Projected/booked	\$1,169,000
▪ YTD Forecast	\$1,813,535
▪ YTD Budget	\$1,655,332
 - DCC Finance Committee will provide its analysis in committee reports.
- Hotel Task Force:

- The forecast provided by Bill Kalkhof indicates that within two years, downtown Durham will have up to 501 additional hotel rooms available due to the 21c Hotel (125 rooms) and Holland Hotel (52 rooms).

New Business:

There was no new business to report.