



Durham Convention Center Authority Meeting

Thursday, May 28, 2015

Durham Convention Center

11:30 AM (Lunch)

The meeting was called to order at 12:00 PM with the following representatives present:

Authority: Patrick Byker, Bill Kalkhof, Dawn Paffenroth, Alice Sharpe and Darah Whyte.

Owners: Drew Cummings, Sharon DeShazo, Donna Maskill, Jina Propst, and Al Walker.

Management Company (Global Spectrum): Andrea Gliatta. *Shaner:* Bill Hoy and John Knutson.

A quorum was established for meeting minutes approval. Dawn Paffenroth made a motion to approve the April 2015 meeting minutes. Bill Kalkhof seconded, and the minutes were voted and approved by all members present.

Executive Summary/Major Discussion Items:

- Bill Hoy, Vice President Design Construction, Shaner presented lobby renovations for discussion.
 - *Great Room concept for the lobby area.*
 - *Revolving doors for Foster Street front entrance.*
 - *Concierge level will move to the lobby.*
 - *Upgrade existing lobby area restrooms to meet ADA and material standards.*
 - *Remove interior water fountains to replace with other features.*
 - *Shaner to propose a reduced shared space from 6410 sq. ft. to 4903 sq. ft.*
 - *Three months to complete project (December 2015 - March 2016)*
 - *Upgrade signage once great room project is complete.*
 - *Renderings are available to display within the DCC.*
 - *DCC will notify events of Shaner's renovations that may coincide with bookings.*
- City of Durham General Services will provide an update on DCC Plaza Water Fountain maintenance operations and costs.
- The City of Durham Parks and Recreation will continue to manage the Armory building (located across Foster Street from the DCC) by recommendation of City of Durham Administration and consultation with City Council. Phase II of Armory project will begin August 2015 for the exterior (windows and doors). Alice Sharpe requested data on Armory bookings to compare with the DCC.

- Donna Maskill, General Services Senior Project Manager/Energy Manager was introduced at the meeting to provide further insight on the PFC supplemental heat project.

Durham City/County Administration Update:

PRIORITY ITEMS:

- The construction bid for the PFC Heaters is currently in the bidding phase, with bids due on Tuesday May 26. The projected timeline for installation is planned late August/September 2015. Coordination of events will be scheduled with Global Spectrum.
- The Owners will meet with Shaner for a review on the proposed lobby renovations to include reduction to the shared space and utility costs in determining the proper algorithm for utility sharing (based on sub-meter data). Both entities are reviewing MBP’s proposal for resolution.

Plaza Fountain:

- The contractor performed a dye test early May and found minor leaks on coating.
- Warranty work for fountain coating is scheduled for May 29.
- The Owners anticipate releasing the DCC Plaza fountain to Global Spectrum on July 1, 2015.
- Concrete work to correct settling in the Plaza within two areas is planned for May 26 through May 30.

FMP:

- The first round of inspections was conducted late April - early May.
- General Services Facilities Operations Division is working with the Project Management Division and MBP to complete the scope for utility split between the hotel and the DCC.
- A written report of the DCC HVAC inspection is available and Gerard Fiette, FMP Facilities Manager, communicated with Jen regarding some major findings. Gerard will meet with the Comfort Engineers, HVAC contractor, Shaner Facilities Operations Manager and the DCC Facilities Operations Manager regarding inconsistencies in the preventive maintenance on some equipment.

Global Spectrum (GS) Update:

EVENTS FOR THE MONTH OF APRIL

GS held 25 events with 40 event days booked and 17,389 guests.

Notable events:

	<u>Guests</u>
▪ Blue Cross Blue Shield (two separate events)	700
▪ Full Frame Film Festival	1200
▪ Duke Alumni Affairs	500
▪ DCVB Tribute Luncheon	400

OCCUPANCY: For the month of April is 55%.

CURRENT FINANCES FOR THE MONTH OF APRIL

	Actual	Budget	Variance
Gross Revenues	\$241,571	\$208,256	\$33,316
Less Event Expenses	(\$96,055)	(\$84,233)	(\$11,822)
Less Indirect Expense	(\$129,114)	(\$122,701)	\$6,413
Net Income (Loss)	\$16,808	\$2,322	\$14,487

Year to Date

	Actual	Budget	Variance
Gross Revenues	\$1,835,596	\$1,703,127	\$132,469
Less Event Expenses	(\$727,287)	(\$705,801)	(\$21,436)
<u>Less Indirect Expense</u>	<u>(\$1,153,116)</u>	<u>(\$1,243,429)</u>	<u>\$90,313</u>
Net Income (Loss)	(\$44,807)	(\$246,103)	\$201,296

Sales Pace: FY2014/15: Current Sales Bookings as of May 7, 2015.

- Definite/Actual: \$2,195,656 (100% of annual gross revenues for the year)
- Tentative: \$4,000
- Proposals: \$36,300
- TOTAL \$2,235,794 vs. Budget of \$2,100,548.
- 2015/16 – Sales pace is currently \$533,465 versus \$366,820 – ahead of pace from last year at this time.

CUSTOMER SURVEY SCORES: Currently 4.55 out of 5.

STAFFING: Two positions are available to be filled:

- Events Manager
- Sous Chef

The Director of Operations position has been filled with Don Lewis, a Global Spectrum employee from another facility.

GS PUBLIC RELATIONS:

- Weekly Rotary Club meetings.
- Social Media Facebook/Twitter/Pinterest and website updates.
- NCCU Hospitality Advisory Board & Marketing Sub-Committee.
- Triangle Business Journal – Where to meet edition and book of lists ad placement.

WEBSITE ACTIVITY:

- Visitors: 1,768 New: 83.71%
- Demographic: 1,089 Google organic, 231 Direct, 439 Referral, and 9 Social
- Page views: 4,318
- Page Visits: 2.44
- Duration: 1.32 minutes

Durham Convention Center Authority (DCCA):

The Authority requested quarterly financial reporting more in sync with the City of Durham Finance Department’s analysis.

Dawn Paffenroth made a motion for the DCCA to elect Bill Kalkhof as the new chairman replacing Patrick Byker. Darah Whyte seconded, and the motion was voted and approved by all. Dawn Paffenroth will remain vice-chairperson for a second consecutive fiscal year. Alice Sharpe made a motion for chairman-elect Bill Kalkhof to begin effective August 1, 2015. Dawn Paffenroth seconded, and the motion was approved by all.

The DCCA will take a group photo prior to July 31, 2015.

Subcommittees:

- **FINANCE COMMITTEE:** *Al Bass, Dawn Paffenroth, and Richard Ford*
City and County staff, the Finance Committee and members of Global Spectrum reviewed and discussed the DCC April 2015 monthly financials.

- **FACILITY NEEDS COMMITTEE:** *Bill Kalkhof, Alice Sharpe, and Patrick Byker*
No update to report.

- **MARKETING & SALES COMMITTEE:** *Darah Whyte, Richard Ford, and Patrick Byker*
No update to report.