



## **Durham Convention Center Authority Meeting**

Thursday, June 25, 2015

Department of General Services

2011 Fay Street

11:30 AM (Lunch)

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

*Authority:* Al Bass, Patrick Byker, Bill Kalkhof, Dawn Paffenroth, Richard Ford and Darah Whyte.

*Owners:* Drew Cummings, Sharon DeShazo, Jina Propst, and Karmisha Wallace.

*Management Company (Global Spectrum):* Andrea Gliatta and Jen Noble.

A quorum was established for meeting minutes approval. Bill Kalkhof made a motion to approve the May 2015 meeting minutes. Dawn Paffenroth seconded, and the minutes were voted and approved by all members present. Richard Ford abstained due to his absence.

- *May 2015 meeting minutes clarification:* Bill Kalkhof requested financial reporting be submitted on a quarter basis to the DCCA. The City's DCC report is contingent upon financial data received from Global Spectrum prior to the report being finalized (financial data provided from Global Spectrum is one month behind the date of the DCCA meetings). A recommendation was made for the City's Finance Department to provide quarter reporting beginning August 2015 and after that every three months.

### **Executive Summary/Major Discussion Items:**

- City of Durham General Services Department will transition the DCC Plaza Water Fountain operations to Global Spectrum in FY2015/16 once the City completes final maintenance issues.
- The Owners have received an update from Shaner on lobby retrofit design and schedule; staff will review and report to the DCCA.
- Shaner has agreed to participate in a 50/50 cost share with Owners on the HVAC chillers; in addition, the Owners are reviewing issues regarding the loading dock fire sprinkler systems.

### **Durham City/County Administration Update:**

#### **PRIORITY ITEMS:**

- Diversified Mechanical is currently under contract for the PFC Heaters project at \$35,086 to install seven baseboard electric heaters. The construction kick-off meeting has been scheduled for July 9. Technical submittals were delivered to the engineer prior to ordering materials. Coordination of events will be scheduled with Global Spectrum.
- A walk-through with the Owners and Global Spectrum at the Convention Center Plaza is scheduled to document existing issues needing repair prior to transferring responsibility to Global Spectrum in FY2015/16.

- A discussion of scheduling coordination to retrofit the lobby and the impact that construction will have on guests and events is planned.
- Discussions will continue regarding utility costs to assist in determining the proper algorithm for the utility sharing. Meetings with MBP and Shaner to review proposals are ongoing to finalize next steps.
- Both Shaner and General Services' facility engineers have been working together with Comfort Engineers (DCC facility HVAC contractor) on logistics and maintenance for the mechanical equipment. Recommendations are expected to follow a detailed inspection performed by General Services' facility engineer on the mechanical equipment.
- The Owners have asked MBP to update the DCCA on the utility allocation at the August meeting.

**Global Spectrum (GS) Update:**

**EVENTS FOR THE MONTH OF MAY**

GS held 30 events with 39 event days booked and 8,685 guests.

**Notable events:**

	<u>Guests</u>
▪ Duke Hooding graduation event	1,600
▪ Duke Bio Medical graduation event	500
▪ Duke Cell graduation event	500
▪ Nationwide Insurance	240

**OCCUPANCY:** For the month of May is 47%.

**CURRENT FINANCES FOR THE MONTH OF APRIL**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Gross Revenues	\$270,064	\$243,933	\$26,132
Less Event Expenses	(\$93,734)	(\$107,144)	(\$13,410)
Less Indirect Expense	(\$163,215)	(\$148,715)	\$14,500
Net Income (Loss)	\$13,115	(\$11,926)	\$25,042

**Year to Date**

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
Gross Revenues	\$2,105,660	\$1,947,060	\$158,601
Less Event Expenses	(\$821,021)	(\$812,945)	(\$8,075)
Less Indirect Expense	(\$1,316,332)	(\$1,392,144)	\$226,338
Net Income (Loss)	(\$31,692)	(\$258,036)	\$226,338

**Sales Pace: FY2014/15:** Current Sales Bookings as of June 22, 2015.

- Definite/Actual: \$2,274,366
- Tentative: \$0
- Estimated Pick-up: \$0
- TOTAL \$2,274,366 vs. Budget of \$2,100,548 or \$181,521 over gross budgeted revenues.
- **2015/16** – Sales pace is currently \$681,917 versus \$615,917 – ahead of pace from last year at this time.

▪ Definite Total	▪ \$681,917.25
▪ Tentative Total	▪ \$217,514.40
▪ Proposal Total	▪ \$403,675.00
▪ Grand TOTALS	▪ \$1,303,106.65

**CUSTOMER SURVEY SCORES:** Currently 4.6 out of 5.

**STAFFING:** Position to be filled:

- Director of Events

**GS PUBLIC RELATIONS:**

- Weekly Rotary Club and Board Meetings.
- Social Media Facebook/Twitter/Pinterest and website updates.
- Duke Magazine and Duke Magazine Summer issue.
- Durham Relocation Guide
- Triangle Business Journal – Where to meet edition and book of lists ad placement.

**WEBSITE ACTIVITY:**

- Visitors: 2,237 New: 83.46%
- Demographic: 1,100 Google organic, 237 Direct, 805 Referral, and 5 Social
- Page views: 5,068
- Page Visits: 2.27
- Average duration: 1.23 minutes

The DCC experienced a substantial increase in convention requests for proposals from events during the past fiscal year compared to prior years. Collaboration with the Durham Conventions and Visitors Bureau (DCVB) increased leads for more bookings.

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

The Authority inquired about the possibility of funding being forecast for DCC marketing purposes.

**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 May 2015 monthly financials. The discussion included the upcoming FY2014/15 audit and incentive payment.
- **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.