



**Durham Convention Center Authority Meeting**

Thursday February 23, 2023

On site meeting at Durham Convention Center 11:30

**DCC Authority Members** Present: *Pashara Black, Marian Dillahunt, Ari Medoff, Lew Myers, Alice Sharpe, Joye Speight, and Nicole Thompson*

**Spectra Venue Management (SVM)** Present: *Rebecca Bolton and Nick Hancock*

**City and County Representatives** Present: *David Ades, Trish Creta, Tim Flora, April French, Al Walker, Jina Propst, Karmisha Wallace, Shaunecie Wardick, and Darlene Dollar*

- I. Call to Order and Approval of minutes:** Alice called the meeting to order at 11:59a.m. A quorum was not established for February 23, 2023 meeting. A motion was made by Pashara Black to accept the minutes and seconded by Joye Speight.

**II. DURHAM CITY/COUNTY ADMINISTRATION UPDATE:**

Capital Budget FY23 - Buildings:	<u>Budget</u>	<u>Expended</u>	<u>Projected</u>
Additional Fireproofing (carryover from FY22)	\$ 81,629	\$ 15,758	\$ 81,629
Back of House Project (Code Compliance requirements)	218,203	144,879	218,203
Lobby HVAC (Shared allocation)	10,000		10,000
Project TBD	6,000		6,000
Dock can wash drain-emergency repair (Shared allocation)	5,659		5,659
Main Water Pump (Shared allocation)	27,117		27,117
<b>Total</b>	<b>\$ 348,608</b>	<b>\$ 160,637</b>	<b>\$ 348,608</b>

### **III. SPECTRUM VENUE MANAGEMENT (SVM) UPDATE:**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV(UNFAV) VARIANCE</u>
<b>NO OF EVENTS</b>	12	7	5
<b>ATTENDANCE</b>	1,944	700	1,244
<b>DIRECT EVENT INCOME</b>	23,654	5,789	17,865
<b>ANCILLARY INCOME</b>	69,456	47,515	21,941
<b>TOTAL EVENT INCOME</b>	93,109	53,304	39,805
<b>OTHER INCOME</b>	4	417	(413)
<b>INDIRECT EXPENSES</b>	197,621	199,848	2,228
<b>NET INCOME (LOSS)</b>	<u>(104,508)</u>	<u>(146,127)</u>	<u>41,620</u>

The Durham Convention Center's December 2022 financials are attached.

12 events were hosted in December, grossing \$151,169. This resulted in an overall net loss of (\$104,508), a \$41,620 positive variance to budget.

Notable events included:

Debutante Ball	\$	31,717
Banks Rogers & Williams Law Firm	\$	23,615
Durham County	\$	23,153
The River Church	\$	20,989
Renaissance Education Group	\$	18,486

YTD net loss stands at (\$235,850), a \$306,973 positive variance to budget.

With gross revenue running at 162% of budget YTD, indirect expenses have been managed to only 96% of budget, allowing for the positive year to date variance.

The rolling forecast projects ending the year with a net loss of (\$705,595), a \$143,029 positive variance to budget.



CITY OF DURHAM  
 GENERAL SERVICES DEPARTMENT  
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**DURHAM CONVENTION CENTER FUND**  
**For the Month Ended DECEMBER 31, 2022**

	FY 2023 Budget	Year to Date Actual	FY 2023 Projected
<b>Fund Balance - Beginning</b>	\$ 774,684	\$ 774,684	\$ 774,684
<b>Net Income/(Loss) from Oak View Operations:</b>	\$ (848,624)	\$ (235,850)	\$ (775,447)
<b>Other Revenue:</b>			
Interest Income	\$ 3,011	\$ 3,466	\$ 3,466
Air Lease	\$ 170,000	\$ 169,991	\$ 170,000
Owner Contribution-Durham County	\$ 458,000	\$ 190,835	\$ 458,000
Owner Contribution-City of Durham	\$ 458,000	\$ 229,000	\$ 458,000
<b>Total Other Revenue:</b>	\$ 1,089,011	\$ 593,292	\$ 1,089,466
<b>Other Expense:</b>			
Staff Salary & Benefits	\$ 46,960	\$ 6,486	\$ 46,960
Buildings	\$ 348,608	\$ 160,637	\$ 348,608
Performance Incentive	\$ 32,886	\$ -	\$ 32,886
Other	\$ 15,000	\$ -	\$ 15,000
<b>Total Other Expense:</b>	\$ 443,454	\$ 167,123	\$ 443,454
<b>Net Income/(Loss):</b>	\$ (203,067)	\$ 190,319	\$ (129,435)
<b>Fund Balance - Ending</b>	\$ 571,617	\$ 965,003	\$ 645,249
<b>Capital Budget FY23 - Buildings:</b>			
Additional Fireproofing (carryover from FY22)	\$ 81,629	\$ 15,758	\$ 81,629
Back of House Project (Code Compliance requirements)	218,203	144,879	218,203
Lobby HVAC (Shared allocation)	10,000		10,000
Project TBD	6,000		6,000
Dock can wash drain-emergency repair (Shared allocation)	5,659		5,659
Main Water Pump (Shared allocation)	27,117		27,117
<b>Total</b>	\$ 348,608	\$ 160,637	\$ 348,608



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DURHAM CONVENTION CENTER FUND  
 For the Month Ended October 31, 2022

	FY 2023 Budget	Year to Date Actual	FY 2023 Projected
Fund Balance - Beginning	\$ 774,684	\$ 774,684	\$ 774,684
Net Income/(Loss) from Oak View Operations:	\$ (848,624)	\$ (144,641)	\$ (844,527)
Other Revenue:			
Interest Income	\$ 3,011	\$ (1,081)	\$ 3,011
Air Lease	\$ 170,000	\$ 99,703	\$ 170,000
Owner Contribution-Durham County	\$ 458,000	\$ 152,668	\$ 458,000
Owner Contribution-City of Durham	\$ 458,000	\$ -	\$ 458,000
Total Other Revenue:	\$ 1,089,011	\$ 251,290	\$ 1,089,011
Other Expense:			
Staff Salary & Benefits	\$ 46,960	\$ -	\$ 46,960
Buildings	\$ 348,608	\$ 15,758	\$ 348,608
Performance Incentive	\$ 32,886	\$ -	\$ 32,886
Other	\$ 15,000	\$ -	\$ 15,000
Total Other Expense:	\$ 443,454	\$ 15,758	\$ 443,454
Net Income/(Loss):	\$ (203,067)	\$ 90,891	\$ (198,970)
Fund Balance - Ending	\$ 571,617	\$ 865,575	\$ 575,714
Capital Budget FY23 - Buildings:			
Additional Fireproofing (carryover from FY22)	\$ 81,629	\$ 15,758	\$ 81,629
Back of House Project (Code Compliance requirements)	218,203		218,203
Lobby HVAC (Shared allocation)	10,000		10,000
Project TBD	6,000		6,000
Dock can wash drain-emergency repair (Shared allocation)	5,659		5,659
Main Water Pump (Shared allocation)	27,117		27,117
Total	\$ 348,608	\$ 15,758	\$ 348,608



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**DURHAM CONVENTION CENTER FUND**  
 For the Month Ended NOVEMBER 30, 2022

	FY 2023 Budget	Year to Date Actual	FY 2023 Projected
<b>Fund Balance - Beginning</b>	\$ 774,684	\$ 774,684	\$ 774,684
<b>Net Income/(Loss) from Oak View Operations:</b>	\$ (848,624)	\$ (131,388)	\$ (648,835)
<b>Other Revenue:</b>			
Interest Income	\$ 3,011	\$ 1,345	\$ 3,011
Air Lease	\$ 170,000	\$ 140,307	\$ 170,000
Owner Contribution-Durham County	\$ 458,000	\$ 152,668	\$ 458,000
Owner Contribution-City of Durham	\$ 458,000	\$ -	\$ 458,000
<b>Total Other Revenue:</b>	\$ 1,089,011	\$ 294,319	\$ 1,089,011
<b>Other Expense:</b>			
Staff Salary & Benefits	\$ 46,960	\$ 1,697	\$ 46,960
Buildings	\$ 348,608	\$ 160,637	\$ 348,608
Performance Incentive	\$ 32,886	\$ -	\$ 32,886
Other	\$ 15,000	\$ -	\$ 15,000
<b>Total Other Expense:</b>	\$ 443,454	\$ 162,334	\$ 443,454
<b>Net Income/(Loss):</b>	\$ (203,067)	\$ 597	\$ (3,278)
<b>Fund Balance - Ending</b>	\$ 571,617	\$ 775,281	\$ 771,406
<b>Capital Budget FY23 - Buildings:</b>			
Additional Fireproofing (carryover from FY22)	\$ 81,629	\$ 15,758	\$ 81,629
Back of House Project (Code Compliance requirements)	218,203	144,879	218,203
Lobby HVAC (Shared allocation)	10,000		10,000
Project TBD	6,000		6,000
Dock can wash drain-emergency repair (Shared allocation)	5,659		5,659
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<b>Total</b>	\$ 348,608	\$ 160,637	\$ 348,608

#### IV. DURHAM CONVENTION CENTER AUTHORITY

**DCC Incentive** request is earned on an annual bases of course last year the financial performance was not met; hopefully, everyone had time to read over the OVG 360 report that Becky provided. FY2024 budget from June 2023 to July 2024 the budget is \$848,000.00 with a total gross revenue of \$292,000.00. Pre-Covid the gross revenue was \$2.9 million so that is our benchmark to get back to with more events happening. Always good to look at the economic impact pre-Covid to see where we were. Total event expenses were \$1million higher this year (43%) due to maintenance, repairs, and salaries the hope is to get the percentage back to 38%. Audit has been completed and make a recommendation to move forward. Jina mentioned that the FY Customer Service Metrics reporting of financials should stay current and up to date. Becky noted that the performance to date as of December shows \$41k ahead of budget. Spring seem to have more social business (work and schools) scheduling. DCC hopes the Fall sessions will come back strong. Cancelations seem to happen more frequent with various reasons a lot dealing with change in Vendors staffing. DCC will take the lead 30 days prior to an event to keep things on track with the Vendors. Nick added that Fall events demand was back but different and that Duke has been slow to schedule. David mentioned that Duke was holding smaller events and hosting these on campus. Joye asked if the budget was a conservative budget? Per Becky it is a descent stretch but did not hold back on the budget. Nicole wanted to know were events more Bio and Science generated by Durham or coming from other cities? Per Becky both and Nick added that since GSK has moved some of their offices to the ATT campus some business from them. Jina added she would like to see more marketing and social presents. Becky stated that there is a social media calendar that is updated monthly by Genevieve and Nick but looking at hiring a person for that reason. Pashara noted that a social media person would be great to get interest. Joye asked was it baked in the sales strategy to hold mixers to see the new energy especially with the political campaigning coming up? Becky noted that the community would like to see more community events with DPLEX and on the Plaza area. Nicole asked about a marquee that welcomes the group/vendor/event at DCC. Becky stated that is a great idea but most events want to remain private. Becky added that the convention business next year looks the best ever. **Capital Project requests:** HVAC, Bathroom updates, Security System and Security plan in place, furniture that functions, food and beverage presentation updates, kitchen phase 3 (back hallway), replace monitors in hallway, fire safety section (will be talking with the Fire Marshal), Feasibility Study, Server replacement for the network. The blue section on the 360 report are the phase 2 projects. Jina asked that the members review items on the list in yellow to get end of year progress and we want to prioritize the items that can be done. Pashara asked do we lose the money if a project does not get done? Per Jina no that money will rollover. Jina recommend that the members vote on incentive, the budget and capital improvement list. Alice asked that this information be sent to the members with a vote deadline date of March 9. The budget presentation will be in April. A shout out to Ari for putting Nick in contact with Russ who is over the NC Craft Brewers Guild the group is hoping to rotate between Durham and Winston-Salem with hopes of having a DPLEX event on the Sunday during their event. Please note that the bi-weekly meetings will be from 11:30am to 1:00pm with lunch at 11:30am and the meeting starting at 11:45am. Alice mentioned that the report was great and also thank members for showing up to the meetings. The DCC Board has one vacancy and it is currently being posted until 3/16/23. The meeting adjourned at 12:57pm.