



Durham Convention Center Authority Meeting

Thursday February 24, 2022
Telecom Meeting via Zoom

DCC Authority Members Present: *Pashara Black, Ashley Ferrett, Marian Dillahunt, Richard Ford, Lew Myers, Alice Sharpe and Joye Speight*

Spectra Venue Management (SVM) Present: *Rebecca Bolton*

City and County Representatives Present: *David Ades, Drew Cummings, Tim Flora, April French, Carlos McCall, Trish Creta, Jina Propst, Fallon Thompson, Karmisha Wallace, and Shaunecie Wardick*

- I. A quorum was established for meeting minute’s approval. Lew Myers made a motion to approve January 6 meeting minutes; seconded by Richard Ford, motion carried; minutes approved.

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

<u>Capital Budget FY 23</u>	<u>Budget</u>
Back of House Project (Code Compliance Requirements)	\$159,965.79
Fireproofing Project (Carry forward)	\$58,237.11
Lobby HVAC (Shared Allocation)	\$10,000.00
Main Water Pump (Shared Allocation)	\$27,117.00
Loading Dock Drain (Shared Allocation)	\$6,000.00
Total	\$261,319.90

III. **SPECTRA VENUE MANAGEMENT (SVM) UPDATE:**

SVM had 50 event days from July to December 2021.

Rolling Forecast

	ACTUAL JUL-DEC 2021	PROJECTED JAN-JUN 2022	TOTAL ACT/PROJ FY 2022	ORIG BUDGET 6/30/22	VARIANCE \$ FAV(UNFAV)
# OF EVENT DAYS	50	48	98	203	(105)
DIRECT EVENT INCOME GROSS	115,679	126,483	242,162	380,303	(138,141)
ANCILLARY INCOME GROSS	202,406	505,934	708,340	1,122,724	(414,384)
TOTAL EVENT INCOME GROSS	318,085	632,417	950,502	1,503,027	(552,525)
OTHER INCOME	35	32	67	5,000	(4,933)
SERVICE EXPENSE	36,593	59,447	96,040	130,473	34,433
ANCILLARY EXPENSE	77,557	202,374	279,931	492,277	212,346
TOTAL EVENT EXPENSE	114,150	261,821	375,971	622,750	246,779
EXECUTIVE	98,898	103,344	202,242	215,075	12,833
SALES/MARKETING	59,554	85,191	144,745	218,248	73,503
FINANCE	67,514	47,938	115,452	133,921	18,469
EVENTS	20,868	56,158	77,026	109,176	32,150
OPERATIONS	147,230	181,020	328,250	396,106	67,856
FOOD & BEVERAGE	3,979	83,654	87,633	186,497	98,864
OVERHEAD	153,795	162,700	316,495	333,400	16,905
TOTAL INDIRECT EXPENSES	551,838	720,005	1,271,843	1,592,423	320,580
OPERATING NET INCOME (LOSS)	(347,868)	(349,377)	(697,245)	(707,146)	9,901

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IV. DURHAM CONVENTION CENTER AUTHORITY:

Jina Propst stated the focus of this meeting would be to review the budget for this fiscal year. Trish Creta presented the Owners Report. The Back of House project that was required for code compliance is budgeted at \$159,965.79. The Fireproofing carry-forward amount is \$58,237.11. Other projects include the Lobby HVAC at \$10,000, the Main Water Pump costing \$27,117 and the Loading Dock Drain project at \$6,000. All of these projects are shared allocations with the Marriott Hotel. From the \$250,000 that Spectra Venue gave the Durham Convention Center (DCC) about \$30,000 is left after purchasing the new carpet. The DCC would like to use the balance to update their website. New features will make the website more interactive and reinforce the new brand. Since the website is usually the first introduction for clients, the DCC wants it to help sell. The Board agreed with using the \$30,000 for the website updates and asked that the DCC use equitable means when soliciting vendors. The DCC is projecting to reach \$950,569 in revenue for the fiscal year.

March-June the DCC has four dance competitions and seven conventions booked. March is budgeted to make \$278,527. The return of conventions and conferences to the DCC is a welcomed sight. The American Public Works Association (APWA) conference will be hosted end of March early April at the DCC. DCC employees saved money by painting the pre-function area instead of hiring vendors to do the work. The quotes received for the painting job ranged from \$18,000 to \$25,000. A significant savings! The DPLEX project is in full swing. Local group, Withers-Ravenel, Wilson, and Signature Design, were chosen for the design of the DPEX project. The team will generate strong narrative concepts that resonate with local meanings and transcend the familiar. Initial concepts were shared with the Board.

Rebecca Bolton shared the DCC operational subsidies and presented the fiscal year 2023 proposed budget to the Board. The fiscal year 2020 loss was \$423,230, fiscal year 2021 loss was \$697,245 and the proposed budget loss for fiscal year 2023 is \$844,148. Prices have increased across every faction which explains the jump in proposed revenue from 2022 (\$1,508,027) to 2023 (\$1,903,073). Joye Speight made a motion to approve the fiscal year 2023 budget. Marian Dillahunt seconded the motion. All board members were in favor. The motion passed and the fiscal year 2023 budget was approved.

**Convention Center
2021 Proposed Budget**

	FY 2023 Budget Proposal	FY 2022 Projection	FY 2022 Budget	FY 2022 Variance
Direct Event Revenue	\$ 474,728	\$ 242,162	\$ 380,303	\$ (138,141)
Ancillary Revenue	\$ 1,423,345	\$ 708,340	\$ 1,122,724	\$ (414,384)
Other Revenue	\$ 5,000	\$ 67	\$ 5,000	\$ (4,933)
Gross Income	\$ 1,903,073	\$ 950,569	\$ 1,508,027	\$ (557,458)
Direct Events Expenses	\$ (744,728)	\$ (375,971)	\$ (622,750)	\$ 246,779
Indirect Expenses				
Administrative	\$ 426,283	\$ 317,694	\$ 348,996	\$ (31,302)
Sales & Marketing	\$ 281,232	\$ 144,745	\$ 218,248	\$ (73,503)
Events	\$ 250,615	\$ 77,026	\$ 109,176	\$ (32,150)
Operations	\$ 487,337	\$ 328,250	\$ 396,107	\$ (67,857)
Overhead	\$ 213,350	\$ 204,495	\$ 221,400	\$ (16,905)
Food & Beverage	\$ 227,196	\$ 87,633	\$ 186,498	\$ (98,865)
Fixed Management Fee	\$ 116,480	\$ 112,000	\$ 112,000	\$ -
Total Indirect Expenses	\$ 2,002,493	\$ 1,271,843	\$ 1,592,425	\$ (320,582)
Net Income/(Loss) from Operations	\$ (844,148)	\$ (697,245)	\$ (707,148)	\$ 9,903

Pashara Black, Richard Ford, and Lew Myers have served three terms with the Durham Convention Center Authority board. Their terms expire July 31, 2022. All members are encouraged to help recruit new members.

V. SUBCOMMITTEES

- **FINANCE COMMITTEE:** *Marian Dillahunt, Lew Myers, and Richard Ford*
The DCC currently does not have a Director of Finance. Rebecca Bolton noted that the projected loss figures for January are not reflected on the Fund Balance. April French presented the Fund Balance. The beginning balance shows a net loss of \$348,060 and projected year to date loss of \$738,077. Air lease from the Marriott is \$88,969 and their occupancy rates have stayed around 50% since some of the COVID-19 restrictions have lifted. The County continues to pay their contribution on a month to month basis totally \$190,833. The City contribution stands at \$458,000 and the DCC received \$250,000 from Spectra Venue. The \$13,500 under Other Expenses is for the County audit fees. Total Expenses come to \$167,081. The ending fund balance is \$819,524 and we are projected for FY 22 to end at \$469,493.

- **MARKETING & SALES COMMITTEE:** *Ashley Ferrell, Alice Sharpe and Joye Speight*
Spectra Venue (OVA) and members of the Marketing and Sales committee continue to collaborate on OVA's DCC marketing plan.