



Durham Convention Center Authority Meeting

Thursday April 27, 2023

On site meeting at Durham Convention Center 11:30

DCC Authority Members Present: ~~Pashara Black~~, Ari Medoff, Alice Sharpe, Joye Speight, ~~Nicole Thompson~~, Matthew Clobridge

Spectra Venue Management (SVM) Present: Rebecca Bolton by zoom, My Tran, 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. Alice called the meeting to order at 11:46am. A quorum was established and the February 23, 2023 meeting minutes and the minutes were approved; however, the minutes were amended so will need to approve minutes in June Board meeting.

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
Total	\$ 348,608	\$ 160,637	\$ 348,608

III. SPECTRUM VENUE MANAGEMENT (SVM) UPDATE:

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV(UNFAV) VARIANCE</u>
NO OF EVENTS	10	19	(9)
ATTENDANCE	1,485	2,200	(715)
DIRECT EVENT INCOME	49,780	25,977	23,803
ANCILLARY INCOME	105,031	55,128	49,903
TOTAL EVENT INCOME	<u>154,812</u>	<u>81,105</u>	<u>73,707</u>
OTHER INCOME	4	417	(413)
INDIRECT EXPENSES	148,112	159,353	11,241
NET INCOME (LOSS)	<u>6,704</u>	<u>(77,831)</u>	<u>84,535</u>

The Durham Convention Center's February 2023 financials.

10 events were hosted in February, grossing \$243,380. This resulted in an overall net gain of \$6,704, a \$84,535 positive variance to budget.

Notable events included:

NC Counseling Assoc	\$	47,774
Horizon3.ai	\$	44,503
Southern Div.-Am. Psychopathological Society	\$	40,634
PrimeTime Dance	\$	39,901
NC Specialty Hospital LLC	\$	32,752
Avalara Inc	\$	29,507

YTD net loss stands at (\$314,405), a \$438,065 positive variance to budget.

With gross revenue running at 172% of budget YTD, indirect expenses have been managed to only 95% of budget, allowing for the positive year to date variance.

The rolling forecast projects ending the year with a net loss of (\$488,332), a \$360,292 positive variance to budget.



CITY OF DURHAM
 GENERAL SERVICES DEPARTMENT
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DURHAM CONVENTION CENTER FUND
 For the Month Ended February 28, 2023

	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)	\$ (314,405)	\$ (488,332)
Other Revenue:			
Interest Income	\$ 3,011	\$ 8,456	\$ 8,456
Air Lease	\$ 170,000	\$ 212,151	\$ 212,151
Owner Contribution-Durham County	\$ 458,000	\$ 267,169	\$ 458,000
Owner Contribution-City of Durham	\$ 458,000	\$ 229,000	\$ 458,000
Total Other Revenue:	\$ 1,089,011	\$ 716,776	\$ 1,136,607
Other Expense:			
Staff Salary & Benefits	\$ 46,960	\$ 13,154	\$ 46,960
Buildings	\$ 348,608	\$ 160,637	\$ 348,608
Performance Incentive	\$ 32,886	\$ -	\$ 32,886
Other	\$ 15,000	\$ 14,350	\$ 15,000
Total Other Expense:	\$ 443,454	\$ 188,141	\$ 443,454
Net Income/(Loss):	\$ (203,067)	\$ 214,230	\$ 204,821
Fund Balance - Ending	\$ 571,617	\$ 988,914	\$ 979,505
Capital Budget FY23 - Buildings:			
Additional Fireproofing (carryover from FY22)	\$ 81,629	\$ 15,758	\$ 81,629
Rock of House Project (Code Compliance requirements)	\$ 218,203	\$ 164,879	\$ 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
Total	\$ 348,608	\$ 160,637	\$ 348,608



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DURHAM CONVENTION CENTER FUND
 For the Month Ended March 31, 2023

	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)	\$ (162,382)	\$ (420,631)
Other Revenue:			
Interest Income	\$ 3,011	\$ 12,919	\$ 12,919
Air Lease	\$ 170,000	\$ 250,517	\$ 250,517
Owner Contribution-Durham County	\$ 458,000	\$ 305,336	\$ 458,000
Owner Contribution-City of Durham	\$ 458,000	\$ 229,000	\$ 458,000
Total Other Revenue:	\$ 1,089,011	\$ 797,771	\$ 1,179,435
Other Expense:			
Staff Salary & Benefits	\$ 46,960	\$ 16,504	\$ 46,960
Buildings	\$ 348,608	\$ 164,716	\$ 348,608
Performance Incentive	\$ 32,886	\$ -	\$ 32,886
Other	\$ 15,000	\$ 14,350	\$ 15,000
Total Other Expense:	\$ 443,454	\$ 195,570	\$ 443,454
Net Income/(Loss):	\$ (203,067)	\$ 440,019	\$ 315,350
Fund Balance - Ending	\$ 571,617	\$ 1,214,703	\$ 1,090,034
Capital Budget FY23 - Buildings:			
Additional Fireproofing (carryover from FY22)	\$ 81,629	\$ 15,758	\$ 81,629
Rock of House Project (Code Compliance requirements)	\$ 218,203	\$ 164,958	\$ 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	\$ 164,716	\$ 348,608

IV. DURHAM CONVENTION CENTER AUTHORITY

Alice asked Darlene to amend the February minutes to reflect the two items that were voted on electronically on 3/6/23 once that is done will send the updated minutes out to group. **DCCA Board Vacancies: Welcome to new member Matthew Clobridge** to DCCA, he is filling the City vacancy. Matthew is the Director of IT with Transition Life Care in Raleigh. Prior to his current job in Raleigh, he worked with the Durham County Library in IT. He has been in Durham for 10 years. A fun fact, he went to Space Camp and used what he learned to start a program at the Durham County Library. Alice mention that we still have 1 seat vacant with the County which closes on 4/30/23, right now there are several applicants. Ari asked, what profile are you looking for? Per Alice, someone that understands the Convention Center and Downtown areas. **Owners Report**, the City/County internal meeting was canceled but they view DCCA as routine established funds and have been approve by City/County Administrations...good job. Becky went over the Budget numbers a few items mentioned the FY24 Air Lease is higher than the FY23 Air Lease. The Performance Incentive was approved. Becky will be meeting with Matthew to go over reports so he has a better understanding. **Capital Budget**, Trish and Becky went over items of where DCCA is at on projects. Back of House project is done and we had some savings, the HVAC in the Lobby (DCC paid for), Main Water Pump is done, Loading Dock Drain the amount came in less than expected, C1 & C2 are shared allocation with Shainer, Coil Replacement was paid by DCC, the computers have been ordered from Dell and looking at purchasing with Microsoft it will be a total of 15 desk and 5 surface computers (Becky is very excited). A few questions came up 1) Ari asked how did we come under budget with the Back of House project? Per Becky, contractor did not have to remove all the fire protection material so that was a savings. Jina mentioned we now need to make sure that money gets encumbered. March financials are \$400,000 for FY23. Credited it to Nick booking a lot of Dance Competitions. FY23 current state \$2.6 million, 20% upside if Nick books a show. Dance Competitions Items to note DCC had \$60,000 in concessions and the wear/tear of leaning on the wall with the bronzer makeup. AV looking at start contracting out. David asked is the AV capability in house? Jina mentioned it is not recommended in house. Becky also added that you have hire technicians and resources for part-time technicians. DPLEX which is the DCC, Armory, Durham Council, Caroline Theater would like to pull resources to have a one stop shop instead of having multiple contracts the Vendor would only have one contract. David added that the City/County Managers are ready to vote on the budget as it was presented. **Discover Durham** did an Economic Impact Study on how the DCC impacts Durham. The study was completed on 3/31/23 with the DI (Destinations International) of where the multiplier came from on the study the study reflects 2019 events numbers. Ari asked why did the study not report on FY22. Jina thought looking at FY19 was a good place to start since it was pre-COVID. Becky stated the EC Impact is the overall benefits that the DCC brings to Durham from airfares, transportation, hotels, food, and etc. Joye added that there is a ton of work that goes into this report, she applauds for the efforts being made for such a report and it is a good way to see where the DCC is at in the industry. Jina mentioned she would like to see how Durham DCC compares to other cities in size. Jina ask would Discover Durham be comfortable

continuing to do this report or is this something to look at contracting out? Per Becky, once Discover Durham gets the information they should be ok to handle. David mentioned that it would be good if the data was used for other venues such as DPAC, Durham Sports, and other. Ari asked are we gathering information from planners? Becky said there are a lot of assumptions based on the how many actual rooms are booked. Becky mentioned that we want to *let everyone know who we are, what we are, and what we could be*. Alice said she was surprised the Marriott is not opened for lunch. **DCC Staffing issues:** hired 2 new Event Managers: Michael Tarzwell and Zach Schloemer; and still need to hire an Operations Manager, Banquet Captain and Servers. **Things to mention** per Jina 1) would like to make sure My and Darlene have the same distribution list, 2) timing of financials if sending out on Monday before the board meeting is enough time for everyone to look over, will talk about this more later 3) DCCA minutes to be sent out 2 weeks after the board meeting. **Finance Committee,** Alice said at this time there is not a need to meet prior to the Board meeting since the same information is shared. Right now the Finance Committee will only meet as needed. **Passing of John Allore:** Lastly, Alice mentioned the contributions that John Allore made to the City. She has known John for a long time and it was very sad of his passing.

The meeting adjourned at 12:48pm.