



Durham Convention Center Authority Meeting

Thursday June 22, 2023

On site meeting at Durham Convention Center 11:30-1:00

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

Spectra Venue Management (SVM) Present: *Rebecca Bolton, 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. MEETING CALLED TO ORDER AND APPROVAL OF MINUTES

Rebecca called the meeting to order at 12:00pm. The April 27, 2023 minutes were approved and accepted by the Board with a motion by Ari and second motion by Joye. The February 23, 2023 minutes were approved and accepted by the Board with a motion from Joye and a second by Nicole.

II. DURHAM CITY/COUNTY ADMINISTRATION UPDATE:

Capital Budget FY23 - Buildings:	<u>Budget</u>	<u>Expended</u>	<u>Projected</u>
Back of House Project (Code Compliance requirements)	299,832	237,053	299,832
Lobby HVAC (Shared allocation)	10,000		10,000
Dock can wash drain-emergency repair (Shared allocation)	11,659		11,659
Main Water Pump (Shared allocation)	27,117		27,117
Total	\$ 348,608	\$ 237,053	\$ 348,608



CITY OF DURHAM
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DURHAM CONVENTION CENTER FUND
 For the Month Ended April 30, 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)	\$ (184,270)	\$ (366,327)
Other Revenue:			
Interest Income	\$ 3,011	\$ 15,159	\$ 15,159
Air Lease	\$ 170,000	\$ 292,770	\$ 292,770
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	\$ 842,265	\$ 1,223,929
Other Expense:			
Staff Salary & Benefits	\$ 46,960	\$ 19,854	\$ 46,960
Buildings	\$ 348,608	\$ 237,053	\$ 348,608
Performance Incentive	\$ 32,886	\$ -	\$ 32,886
Other	\$ 15,000	\$ 14,350	\$ 15,000
Total Other Expense:	\$ 443,454	\$ 271,257	\$ 443,454
Net Income/(Loss):	\$ (203,067)	\$ 386,737	\$ 414,148
Fund Balance - Ending	\$ 571,617	\$ 1,161,421	\$ 1,188,832
Capital Budget FY23 - Buildings:			
Back of House Project (Code Compliance requirements)	<u>Budget</u> 299,832	<u>Expended</u> 237,053	<u>Projected</u> 299,832
Lobby HVAC (Shared allocation)	10,000		10,000
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III. SPECTRUM VENUE MANAGEMENT (SVM) UPDATE:

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>FAV(UNFAV) VARIANCE</u>
NO OF EVENTS	14	34	(20)
ATTENDANCE	4,240	7,750	(3,510)
DIRECT EVENT INCOME	94,962	64,669	30,293
ANCILLARY INCOME	99,240	97,630	1,610
TOTAL EVENT INCOME	194,202	162,298	31,903
OTHER INCOME	6	416	(410)
INDIRECT EXPENSES	216,296	162,721	(53,575)
NET INCOME (LOSS)	<u>(22,089)</u>	<u>(6)</u>	<u>(22,082)</u>

The Durham Convention Center's April 2023 financials are attached.

14 events were hosted in April, grossing \$281,981. This resulted in an overall net loss of (\$22,089), a (\$22,082) negative variance to budget.

Notable events included:

ShowBiz National Talent	\$	51,150
Blue Ridge Power	\$	48,873
Cognitect	\$	36,821
AKA Gala	\$	27,736
American Heart Association	\$	23,433
ATA International	\$	21,855

YTD net loss stands at (\$184,270), a \$615,020 positive variance to budget.

With gross revenue running at 167% of budget YTD, indirect expenses have been managed to only 99% of budget, allowing for the positive year to date variance.

The rolling forecast projects ending the year with a net loss of (\$366,295), a \$482,329 positive variance to budget.

IV. DURHAM CONVENTION CENTER AUTHORITY

Financials, Rebecca went over the Fund Balance for April 2023. Ari had a question on the staff salary being backend accrued. Rebecca said it was forecasted. April mentioned that GSD puts in the funds as the work is done. Jina clarified it was an accounting issue and will work with AI to make sure the funds are accruing. Ari also had a question on the Air Lease cap. Jina stated the amount should be higher when the funds are accrued (FY24 \$300,000). Becky added that it is based on when Shaner sends their information. Capital Budget FY2023 looking over the budget. Joye asked about the Security not added. Rebecca said the Security will be in the July 1 budget. Jina added the FY24 budget will be finalized by July 13, 2023. The April financials are \$22,000 short net income but \$600,000 ahead for the year. Rolling forecast a loss of \$360,000 but ahead \$480,000. Ari had a question about Delta. Per Rebecca that is the annual employee incentives that showed as outstanding not approved. My mentioned the amount was accrued. Becky said all the money should not be in April will need to further discuss. **End of Year Projects:** 1) Grand Ballroom 1500 sq. ft. painted, 2) Floors, the carpets cleaned professionally, a deep clean by DCC staff on the other floors, 3) Items Noted-End of Year loss of \$312,000 but profit of \$2.8 million these numbers align with 2019; however, we need \$3.5 million to earn a profit, 4) DCC is ahead with year out bookings, 5) DCC has up their marketing presence a lot more on social media, on TV, and with the new digital signage inside & outside hope to sell the DCC product better, 6) Collateral-sales and marketing team has done a good job freshening up the information, 7) Menus have been updated with new items, properly pricing items out. The **Feasibility Study** was approved and Discover Durham will take the lead since they already had a contractor in place all that is left to do is interlocal agreement signature to finalize which should happen soon. MMGY is the contractor with the sub-contractor as Humdrum. Jina stated that Shainer had been canceled, Discover Durham to manage. Ari asked if the Board Members would be able to meet with the subcontractor. Jina and Rebecca both said yes. Becky said the timeline, benchmarks, scope of work which will take about three months. Jina said she would send the Agenda Item out to the Board so they can read over. **Staffing Changes/Open Positions:** Director of Operations will soon be posted Rebecca is working on the Job Description. However, the current Director of Operations took a job in Florida to be closer to his family but has agreed to stay on part-time to help during this void. He can do a lot even though he is Florida currently manages the HVAC, contract vendors, keeps schedules and managers projects. Geneva is moving to Sales. **Event:** Blood Drive on June 27 and July 20. Becky gave us all a flyer and ask us to post at work. DDI will be giving away a spendable gift card, American Red Cross will give away an e-gift card and a backyard theatre package. Joye ask Nick to send flyer by email for the Red Cross Blood Drive Event. Ari asked how is event volume doing. Rebecca said that May and June were slower than budgeted 20 events total. Since Duke is having most of their events on campus it has hurt business examples Duke Graduation normally \$150K to \$180K this year only \$35K 60% of business went to Duke; Comp Science had an event but took the food out they want to go back to Cameron. Nicole said that businesses are struggling since Duke has pulled back. Joye asked about RTP Business interest. Rebecca said that Lenovo had an event recently. Nick added there are a lot of projects going on in RTP so just have to see how it goes and noted it was good that GSK has moved closer. Pashara mentioned that Fidelity has their own space on site with an already approved vendor makes the process easy where you want to stay on campus but she feels that there is value and people are more engaged off campus. Pashara also mentioned the idea of having an event for meeting Event Planners to develop a relationship so DCC retain business with them. Joye added it is relationship based and there is a ton of business out there just need to maybe show some love to the Event Planners. Joye gave ideas that may create business such as host an event for Event Planners so they can experience the food, space that is available and more. Becky mentioned DCC did that in the past hosting a family dinner event for Event Planners, a March Madness event, and ANAC spring event. Ari asked about the lottery for Durham Armory maybe have a booth/table setup outside for those that did not get picked so they see what DCC has to offer. Pashara mentioned her father was with the Mason's would be nice to have a community driven space to offset the cost somehow due to DCC price. Becky said she would reach out to Joy Guy in DPR with the Durham Armory Lottery. Joye mentioned that presenting in the Armory is not good, the money you spend to outfit the place with ½ chairs broken, need to paint a picture that DCC has the space with everything ready may have to spend more but you are getting more. Joye also mentioned that Umstead Park offered a \$3000 discount due to booking an event at the last minute where there was nothing on the calendar so at least some money was made, might be an idea that DCC would want to incorporate. Joye gave some businesses that DCC might want to introduce themselves to such as RDU takeoff coalition-Avelo Airlines & Breeze Airways, RTP Blacks & Techs, and others

will send Becky and Nick a list. Pashara added MPI has a new president may want to reach out to host an Event Planners at DCC

Last: DCC will need to meet in July date and time to come due to 1) Alice Sharpe's last day with DCC is 7/31/23 so would like to have time to give a proper farewell, and 2) to vote on the new Chair Person, Joye Speight's name was mentioned by Ari to take on the Chair Persons role.

Meeting adjourned at 12:55pm with a motion by Ari and a second by Matthew