

THE RHODE ISLAND CONVENTION CENTER AUTHORITY
FINANCE COMMITTEE MEETING

April 24, 2023

A meeting of the Finance Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on April 24, 2023. The meeting was held in the McCarvill Boardroom, Second Floor, Rhode Island Convention Center, pursuant to notice, at the Rhode Island Convention Center, One Sabin Street, Providence, RI 02903 and the AMP, One LaSalle Square, Providence, Rhode Island.

Board members participating were Jeffrey Hirsh, Peter Mancini, Ernie Almonte, Patrick Butler, Steve Iannazzi and Edward Feldstein.

Also in attendance were Dan McConaghy, Dana Peltier, Linda Maroun and Melissa Lasko O'Connor, RI Convention Center Authority; Dan Schwartz, Vets; Larry Lepore, Rhode Island Convention Center and AMP; Michael Crawley, Citrin Cooperman and Bruce Leach, Legal Counsel.

Mr. Hirsh called the meeting to order at 10:30 AM. He asked for approval of the March Finance Committee meeting minutes. Upon a motion duly made by Mr. Butler and seconded by Mr. Mancini it was unanimously

VOTED: to approve the minutes of the March Finance Committee meeting.

Mr. Hirsh announced that the next meeting date would be May 23, 2023.

Mr. Hirsh asked Mr. Schwartz to report on the financial statements of the Vets (attached). Mr. Schwartz reported that March was a strong month with performances by comedian Matt Rife and a couple of dance competitions. Matt Rife performed two shows to nearly sold-out audiences. Event income was up significantly over budget and the resultant net operating margin exceeded budget by \$50k. F&B continues to outperform the budget and generated over \$40k to gross margins. Dan McConaghy explained the adjustment to the monthly financials under the heading "Non-operating Income". Each facility has been allocated its share of SFRF funds provided by the State. Several months ago, the State changed the characterization of the SFRF funds to be an operating subsidy which required the Authority to recognize income in FY23. Mr. Butler asked if more SFRF funds were coming to which it was answered, "no". Mr. Leach asked about the demand for the ancillary space within the Vets over the past year. Mr. Schwartz answered that space does get used occasionally, but not quite as much as pre-covid. (Financial Statements attached)

Mr. Lepore reported on the March financial statements for the Convention Center, AMP and Clifford Street Garage. Mr. Lepore stated that the Convention Center rebounded nicely in March with several high performing events such as JLC Live, RI Saltwater Anglers and NERCOMP.

Once again, sports related events were very successful in the Convention Center as seen through the results from Spiritfest. Mr. Lepore stated that despite parking continuing to struggle, he expects the Convention Center to lose roughly \$200k to possibly breaking even by year end. This is a greatly improved position from a few months ago. Mr. Feldstein noted that the Providence Journal did not list RICC as a possible parking location for patrons of Waterfire this season.

Mr. Lepore reported another very strong month at the AMP. Two PC basketball games and the success of the P Bruins this season helped. In addition, Jurassic World and WWE were great successes. Lil Durk performed at the beginning of the month and the results of that show were stronger than anticipated. F&B continues to exceed expectations and more than doubled its budgeted revenue for the month. This could end up being the most successful financial year in the building's history with profitability exceeding \$1m.

Clifford Street Garage continues to be a success. The fit-up of the Dunkin Donuts retail space is well underway and should be complete in the next month or so. Monthly parking and transient parking continue to increase. Occupancy averages roughly 60% during the month. (Financial statements attached)

Mr. McConaghy reported on the Authority and the consolidated financial statements. He spent time clarifying again the allocation of the SFRF event incentive fund of \$1m to each facility and the resultant reduction of that \$1m from the Authority's income statement. Mr. McConaghy said that all in all this is a positive report.

Mr. Crawley presented the March Statement of Net Position, Advanced Deposit Funding, Accounts Payable Aging and Accounts Receivable. Discussion ensued regarding Advanced Deposit Funding for the facilities and noted that we are in a strong financial position. Our March balance sheet indicates a current ratio of 2.51 which is remarkable. The DPO results have improved month over month. We are still pursuing the \$5,000 wedding receivable and have engaged counsel to pursue payment. (Financial statements attached)

Mr. McConaghy presented a review and consideration for award for the Finance Committee to recommend to the Board on Thursday. A report was included in the package for the consultant who will be engaged to study the deficiencies in the North and South parking structures at the Convention Center. After a full RFP process and interview of shortlisted firms, the selection committee has put forth Walker Consultants as the firm to engage with the Authority. After a short discussion, a motion was made to recommend Walker Consultants and seconded. A vote was held with 5 Commissioners (Mr.'s Hirsh, Feldstein, Iannazzi, Almonte and Mancini) voting in the affirmative and one voting no (Mr. Butler):

VOTED: to recommend to the Board Walker Consultants to perform the parking study for the North and South parking structures at the Convention Center.

Mr. McConaghy then presented a second review and consideration for award to the Finance Committee to recommend to the Board on Thursday. A report was included in the package for the firm who will provide the Authority's new ERP system. This system is required due to

extracting the financial management responsibilities from ASM Global. ASM's current system is very manual, inefficient, and archaic in many ways. The Authority engaged the support of Citrin Cooperman to help manage this technical RFP process. In the end, three firms responded. All employees impacted by the ultimate deployment of this system were allowed to weigh in on each proposed solution. It was a highly collaborative effort. In the end, the team recommended Oracle NetSuite as the preferred solution provider. Several Commissioners, including Mr. Nee and Mr. Almonte, commented on the thoroughness of the selection process by including all team members, as well as the necessity of upgrading the Authority's ERP system. A motion was made to recommend Oracle NetSuite as the Authority's ERP provider and seconded. A vote was held, and all Commissioners voted unanimously:

VOTED: to recommend to the Board Oracle NetSuite as the Authority's ERP provider.

Mr. Hirsh asked if there was any new business. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Mancini it was voted unanimously:

VOTED: to adjourn at 11:35 AM