

**CENTURY CENTER BOARD OF MANAGERS
WEDNESDAY, AUGUST 20, 2014
8:00 A.M. – SUITE 12/CENTURY CENTER**

Members Present

Dennis Andres, Jr.
Linda Doshi
Greg Downes
Michael Neises
Aaron Perri
Carmen Piasecki
Cathy Roemer
Valerie Schey
David Varner

Members Absent

Staff

Leanna Belew
Chris Kinnard
Scott Herczeg
CC Staff

Others

Aladean DeRose/City Legal
John Murphy/City Controller
Craig Liston/VP, SMG
Steve Ellison/HM Tax Board
Mark Neal/Deputy Mayor
Bill Lamie/Alliance Architects
Joseph Kernan
Karl King
Carolyn Wallace/VSBM
Alison Fox

The meeting was called to order by President Downes. Downes announced Carmen Piasecki's retirement from the board. Mark Neal presented Piasecki with a proclamation from the City of South Bend honoring her 26 years of service to the board, the Center and community. Joseph Kernan and Karl King both expressed appreciation to Piasecki for her years of service noting the Center's accomplishments mostly due to her leadership as President. Downes further expressed appreciation to Piasecki and presented her with a plaque from the Board honoring her service.

APPROVAL OF MINUTES

Downes entertained a motion to accept the minutes of May 21, 2014. With no corrections or changes, Andres moved for approval; seconded by Varner, the motion carried.

APPROVAL OF CLAIMS

Downes called for approval of the claims. Moved by Andres and seconded by Roemer, the motion carried.

FINANCIAL REPORT

Chris Kinnard gave highlights of the financial period ending July 31: busy month with weddings; due to wedding packaging of services, parking and A/V revenue were down. F&B revenues were up \$30,000 to budget for the month due to the Nautic dealer boat show. Expenses were slightly up in several categories in correlation with type of business – such as F&B labor.

The City Council approved the re-appropriation of the funds from capital to the operating budget for the cost of the new freight elevator. Downes commented on the net/gross revenues and pay-out of commission from F&B; there is a positive trend. With no further discussion, Roemer moved to approve the financial report; seconded by Neises, the motion carried.

2015 Budget: Roemer reported the Finance Committee met with staff to develop the preliminary budget draft. The focus was on revenue projections and assumptions. A 13% increase in revenues is considered aggressive and the biggest risk; we are cautiously optimistic that the right mix of business is secured. Downes further noted the high level of cooperation and joint efforts through the SB Alliance group and Visit South Bend that will boost the sales effort.

Andres asked what challenges the staff will face in reaching the revenue goals. Belew discussed how the staff arrived at the revenue projections that includes return business, anticipated short

term bookings, and definite contracts; with the efforts of the SBA and VSBM, she believes the goals are attainable. Some unpredicted facts such as bad weather could impact event schedules; a main challenge is getting the prospective clients in. Downes further commented: the number one challenge is the lack of downtown hotel rooms, the increased level of competition both locally and regional and, continuing to accomplish capital improvements to the building while maintaining operations. Andres suggested the SB Alliance address from a marketing standpoint and focus efforts as a long term issue. Belew stated they will be working with VSBM on creative ideas of bussing for groups. Schey suggested coordinating the use of the hotels' shuttle service.

Roemer highlighted some expense items: 2.5% increase in salaries/benefits; a decrease in liability insurance (reflects usage); small equipment moved from capital list. F&B salary/benefits are less; with cost of goods, the numbers are driven directly to revenues. To note, staff bonuses are included in the salary line item. To note: capital expenditures from operations will not be made if the revenues are not there.

With no further comments or questions, Schey moved to approve the 2015 budget; seconded by Varner, the motion carried.

SMG Contract Amendment

Downes discussed the terms of the contract: it began with July 1 to allow time for a RFP and to establish concurrent ending contract terms with the two existing contractors; however, it becomes a timing issue with the end date of July 1. The new end date of the contract is proposed for December, 2016 in lieu of the July 2016 date. The Executive Committee and SMG officials support the contract extension. Andres moved to approve the new date; seconded by Schey, the motion carried.

COMMITTEE REPORTS

Building & Grounds:

Scott Herczeg reported the following: Convention Hall floor project completed in time for the dealer boat show and show planners were very pleased.. Skywalk support column/sidewalk repairs are in progress. Passenger elevator modernization plans underway – project to take 6-8 weeks. New carpet for lower level suites and corridors are going out for bid. Parking lot sealing/paving and restriping completed. One hundred 66" round tables purchased; more to be procured with funds left after major capital items are completed. West entrance – funds remain to install heat cabinet, paver sealing; and any excess funds can be directed toward landscaping enhancements. Island pavilion – some issues remain with fabric connections - Birdair to return to resolve. They will conduct a fall inspection and annually going forward; an extended warranty of 1 year was offered. Cost to repair the unit was \$350,000 all covered by warranty. Downes recommended the staff take a more aggressive position with pursuing the resolve - perhaps consulting with legal.

The SB Alumni Hall of Fame project planning stage is underway; project to be completed this fall. Ameresco is continuing their analysis of the energy savings; the final plan will include the roof although there is no payback schedule and may require some additional funding; the ceiling is another item with no payback. Downes advised the final figures and scope of the project if completed are to be shared with the Tax Board relative to the Center's capital funding request by their August 27th meeting.

Varner asked if the board should consider extended insurance for the pavilion. Downes stated he believes additional insurance is not required with the appropriate warranty in place and accomplished repair work.

Herczeg reported the skywalk herb garden is filled with plantings and encouraged the board members to visit. There have been some energy savings generated from the lighting upgrades in Convention Hall; more savings will be realized with time. Perri made note of the improvement to the grounds due to the work of Belew and staff members. Belew stated additional improvements are planned with landscaping and other items such as painting of the exterior overhead doors.

Capital Plan

Herczeg reviewed the current capital plan and the 2015 items that were presented to the Hotel-Motel Tax Board for funding totaling \$915,000: lighting upgrades to the remainder of the building, dishwasher, new bars, enhancements to the southwest entrance, masonry repairs. Downes entertained a motion to approve the capital list proposed by staff. Moved by Andres and seconded by Perri, the motion carried.

Green Bridge Growers Contract

Aladean DeRose presented the contract between the Center and Green Bridge Growers for the skywalk herb garden. Some language was added and the terms revised, all approved by Green Bridge President Janice Pilarski. Upon the board's approval, a letter of understanding and approval is needed from the third party – Doubletree/1ST Source property. Andres moved to approve the contract; seconded by Neises, the motion carried.

Marketing:

Chair Michael Neises expressed appreciation to the staff for their efforts with ongoing capital improvements to the building which is the best selling point. The SB Alliance group efforts reflects unity and cooperative efforts with the marketing of the Center and community – an important factor to meeting/convention planners. Belew reported on the FAM trip: hosted by the Center, VSBM, DoubleTree, Morris/Palais, with participation from many of the industry hotels and attractions. The three day event was attended by 12 meeting/show planners and two spouses; activities included meals hosted at various properties, the reception at the Center, tours of local sports attractions including the East Race, and a tour of Notre Dame. The overall event was well received by the guests resulting in two RFP's and several bids. The goal is to host annually and increase to two FAM events a year.

GENERAL MANAGER REPORT

Belew reported July had 5 events with 20+ room nights on peak. Five wedding receptions and ceremonies were held in July. Social media activity has increased greatly compared to last year for the same period. The NPS score for July events is 62% and year to date is 67%. Convention Hall new flooring continues to receive positive feedback from clients. The Center had a successful self-promoted event, Tab Benoit, on the Island introducing the new White Water Wednesday program. Perri noted the Center was one of the caterers for DTSB's On The River event which was a great success.

PRESIDENT'S REPORT

Downes introduced new board member, Alison Fox, who will replace Piasecki.

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

With no further business, it was moved and seconded to adjourn; motion carried.

GD:pp