

CENTURY CENTER BOARD OF MANAGERS
WEDNESDAY, AUGUST 19, 2015
8:00 A.M. – SUITE #15

MEMBERS PRESENT

Dennis Andres, Jr.
Linda Doshi
Greg Downes
Alison Fox
Michael Neises
Aaron Perri
Valerie Schey
David Varner

MEMBERS ABSENT

Cathy Roemer

STAFF

LeAnna Belew
Scott Herczeg
Chris Kinnard
Crista Thompson
Jesse Vogel
Pris Phillips

OTHERS

Adalean DeRose, City Legal
John Murphy, City Controller
Bill Lamie, Alliance Architects
WNDU

The meeting was called to order by President Downes at 8:00 a.m.

CONSENT AGENDA

Downes entertained a motion to approve the items in the Consent Agenda. Moved by Andres and seconded by Doshi, the motion carried.

1) Minutes – May 20, 2015 2) Claims April-July 2015 3) Financial Report – July 2015

2016 BUDGET APPROVAL

Alison Fox, Finance & Personnel Committee, reported on behalf of Treasurer, Cathy Roemer. The committee met and conducted a careful review of the 2015 budget and the proposed 2016 budget. The budget reflects a more realistic projection with relevant factors such as revenues and expenses, and downtime due to improvements. Downes noted the budget is the first complete full SMG budget based upon SMG actual data and some historical information. Although there are some challenges, all is moving in the right direction. Belew stated we now have a good picture of the walk-in business, and rotation of business in and out. The 2016 budget shows some growth but is lower than the 2013 figures; 2015 budget was more aggressive. Kinnard noted there is a 7.5% overall growth; expenses were adjusted to correlate with revenues; one added position is an Event Manager who would be providing express coordination of an event from start to finish. Belew stated it will be an entry level position; it will help to relieve the heavy work load of the two Event Managers and catering sales.

Downes noted the operating subsidy from the Hotel-Motel Tax Board remains the same as last year; it was hoped for that the Center could request a lower subsidy for 2016 but with taking rooms off market with capital work going on, our revenues will be impacted. The Tax Board Allocation Committee gave its support of the budget and it must next be approved by the full board at their next meeting on August 26th. Downes further noted that the parking projections reflect a more realistic figure based upon actual revenues recorded historically - \$100,000. Kinnard stated due to the work, walk-in business is reduced from 30 % to 15%; the Ameresco work will continue for the next 8-9 weeks.

Schey asked if the Center would lose the Sports Development Funds associated with the Hall of Fame and what impact will that have on the budget. Downes stated the Center no longer receives those funds. Belew noted savings from utilities were built into the budget. Downes stated the budget will go before the City Council Finance Committee and then on to the full Council in the next several weeks. With no further discussion, Downes entertained a motion to approve the 2016 budget. Andres moved for approval; seconded by Neises, the motion carried.

GENERAL MANAGER'S REPORT

Building & Grounds: Chair Aaron Perri requested Scott Herczeg to give an update on capital projects. Herczeg reported all seven roofs have been completed. Base lighting is in progress and anticipated to be completed this week. Ameresco has assisted with the Center's application for an I&M rebate of \$26,000; process to be finalized upon the completion of the entire project. Ceiling tile replacement in the suites is in process with Suites 1-3 completed; lighting instruments and controls in the suites will be installed and then the new ceilings. Next phase of lighting is Suites 12-15; last phase is the Great Hall and galleria to be done in October. New motors, drives, and controls will be installed. Belew noted all the lights are motion sensed. Belew shared a press release covering the Ameresco project and energy savings details. To note: the roof is ready for installation of the three solar panels from the \$60,000 grant submitted by Therese Dorau of the City; install is anticipated in October. Anchors for window cleaning will be installed on the roof as well. Downes noted he and the staff will plan to meet with the SB Tribune editorial board on the project.

Belew reported work should begin in October on the south entrance; the wall was changed to match the patio materials off Discovery Ballroom. Masonry repairs to the building will start in October. Purchasing the new dishwasher will take more time and more cost due to work to bring the area up to code requirements.

Capital Request to Hotel-Motel Tax Board: staff attended the Allocation Committee meeting and presented a list of items that total \$563,000 – less than last year; the request was supported by the committee. Improvements to the dock & dumpster area; switch gear and electric panel replacement; air wall fabric replacement; painting of skylight beams; upgrading of Suite 17 and CEO Suites I & II - includes a formal board room; carpet and stage upgrades in Recital Hall.

Varner asked if the work on the south entrance work and dumpster area takes in consideration the Smart Street plans. Belew stated the staff has met with Community Investment and the work would be accomplished up to the sidewalk at the street and will not be compromised by the City's plans. Perri discussed the timeline of the Smart Streets project: St. Joseph and Main street will be changed to two way in the fall of 2016, Recommendations to move the parking booth will not be addressed in this phase of work.

Downes reported there were problems with the west race and white water rapids drying up over the last two weeks; all are back on line. Herczeg explained the nature of the problem: Carl Littrell (former Engineer with the City) and the current City Engineering department were consulted on the fix. The problem involved the diverter - wood planks and concrete tiles came loose at the point of the structure which caused the water to go under the rapids. A contractor was brought in to replace the wood planks and reinstall the concrete slates; also, the containment gate had to be closed and reopened but had to be cleared of heavy debris. The fix is a short term solution; Lawson-Fisher and City Engineering will be consulting on the long term resolution. Downes noted he requested DeRose/City Legal to research whose responsibility it is to maintain and pay for the fix and any future work.

Belew announced the installation of the new Sightline art pieces; the board will be invited to a reception with the artists in September.

Downes commented on the budget: all is moving in the right direction financially with the booking pace up, revenues up, room nights up, and the staff continuing to manage expenses..

Marketing: Chair Michael Neises requested Crista Thompson to report. Thompson reported the Center's website is undergoing improvements: more appealing graphics; better tie-ins to downtown and Visit South Bend; expect completion by the new year. Belew noted ads and articles in several publications. Other highlights: room nights are up 9% over last year; events with 20+ rooms up by 7%; attendance is up. The NPS year to day is 76% vs. 66% of the previous year.

Belew announced F&B Manager, Tom Roberts will be taking a new position with the Elcona Country Club in Elkhart at the end of August.

Doshi noted an USA article stating conventions are leaning toward smaller tier cities and venues. Thompson stated the SB Alliance discussed the subject; the trend is promising for the Center. The Center is anticipating 8000 room nights by year end.

Perri noted the staff was requested to break out all self-promoted events in the budget and financial report. Kinnard will be adding to the both documents starting with the new year.

PRESIDENT'S REPORT

Downes reported on a meeting with JSK Development. Regarding the request for parking in the Center's lot, the immediate request is for 20 spaces for construction crews in the Spring; once the hotel is up and running, a total of 50 spaces is proposed mostly for staff on a daily basis from 7am – 7pm. More details are forthcoming. They have been made aware that the Center's lot would not be available about 12 days out of the year. Downes requested the board's approval for himself, Perri, Belew, and Herczeg to negotiate the pricing for the parking spaces with JSK once they are at that point. Andres recommended the group pursue the most beneficial remuneration for the spaces that could include in-kind contributions or trade-offs such as reduced room rates. Downes concurred. With no further discussion, Andres moved for approval; seconded by Doshi, the motion carried.

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

With no business, Downes entertained a motion to adjourn. It was moved and seconded, and the motion carried.

GD:pp