

**Durham Convention Center Authority Meeting**

Thursday, September 29, 2016

Durham Convention Center

301 West Morgan Street

11:30 AM (Lunch)

**DCC Authority Members Present**: *Jason Friday, Richard Ford,* *Bill Kalkhof, Gerry Link, Lew Myers and Darah Whyte.*

**Former DCC Authority Members Present:** *Al Bass, Rosemarie Kitchin, and Dawn Paffenroth.*

**Spectra Venue Management (SVM) Present**: *Andrea Gliatta and Jen Noble.*

**City and County Representatives Present**: *Drew Cummings,* *Sharon DeShazo, Carl Deckard, Jina Propst, Todd Tingler, Karmisha Wallace, and David Boyd.*

1. The meeting was called to order at 12:00 PM by Bill Kalkhof, DCCA chairperson.
2. A quorum was established with meeting minutes approval. Richard Ford made a motion to approve August 25, 2016, meeting minutes; seconded by Lew Meyers, motion carried; minutes approved.
3. DCCA Meeting dates established for remaining holiday months (November and December):
	* November 2016 meeting confirmed for December 1, 2016
	* December 2016 meeting confirmed for January 5, 2017
4. **Election of DCCA Chair and Vice Chair Positions:**
	* Richard Ford made a motion to nominate Bill Kalkhof to continue as Authority chair for an additional year; Lew Meyers seconded, motion carried and approved by all.
	* Lew Meyers made a motion to nominate Richard Ford as vice chair for a full year term; Darah Whyte seconded, motion carried and approved by all.
5. **JEN NOBLE’S RESIGNATION:**

Due to personal circumstances, Jen Noble, Spectra Venue Management’s General Manager for the Durham Convention Center bided a tearful farewell to the Durham Convention Center Authority and Owners. September 29, 2016, was her final DCCA meeting. Her departing words emphasized the positive aspects as well as the challenges experienced in building DCC successes and financial accomplishments gained under her reign with the assistance of a winning team. Jen’s innovative leadership has been incredibly impactful in the growth of the Durham Convention Center as she will be sorely missed.

The Authority and Owners articulated their appreciation to Jen for a job well-done. She provided over five years of excellence to the Durham Convention Center and was presented with tokens of high esteem.

The Owners met with Bill Kalkhof to discuss the future of the DCC regarding a replacement for the general manager’s position. Jen has identified key staff to fulfill certain roles during the search period. The Owners will have a strong presence in this process to select a candidate who will continue with the current level of expertise. Bill requested recommendations for desired qualifications from the Authority members.

1. **HOTEL SHARED LOBBY IMPROVEMENTS:**
	* **First, Floor Lobby renovation of Shaner leased space and shared public space:**

The project is broken into four Phases and includes a full renovation of leased lobby spaces and elevators, as well as the ninth-floor Concierge Lounge.

**Shaner Leased Space:**

**Phase I:** The Lobby renovation is 98% complete. A punch-list walk-through was held on September 27 with Shaner and MGAC to review and inspect the work. The overall Project is expected completion mid-November.

**Phase II:** The Main Registration Desk, Administrative Offices, Market Area and Fitness Room (September 27- October 24). A temporary Registration Desk will be erected in the current bar area until the Phase is complete.

**Phase III:** The Bar area, Business Center and Bellman’s Closet (October 24 - November 21)

**Phase IV:** Both elevator interiors will be fully upgraded and modernized one-at-a-time to limit the impact on hotel guests. This work will be scheduled off-hours during the other three Phases as it can be completed independently.

**Shared Public Space**:

Scheduled pre-bid meeting was held on September 14 with six general contractors attending. The bid opening is Thursday, October 6. Due to the timing of the work (holiday), a contract is issued in early October to allow the contractor ability to procure materials, seek approved shop drawings, receive permits and schedule the project; however, work will not begin until mid-January 2017. Work is not expected to impact Marriott/DCC customers.

Construction period: Mid-January 2017 through April 1, 2017.

1. **Durham City/County Administration Update: PRIORITY ITEMS**
* **FIREPROOFING DELAMINATION:** No new update to report. Todd Tingler, GSD Project Management will initiate next steps with this project. The contract with Terracon has been executed and design specifications finalized. Given extensive work and disruption with lobby improvements and scheduled events, it was recommended that work be initiated in July/August 2017 with pre-identified black-out dates so entire PFC can be turned over to the contractor**.**
* **GRAND BALLROOM DOORS:** The project is substantially complete with kick-plates remaining for installation
* **RETRO-COMMISSIONING:** The Facility Maintenance contract, currently managed through Comfort Engineers is a high priority item recommended for upgrades per the report. City staff contacted Heery, Inc., and Skanska (from the Phase II renovation project in 2013) regarding several HVAC items identified in the MBP final report. City staff is reviewing the action items and attendant cost recommendations for further discussion with MBP and Shaner.
	+ **UTILITIES ANALYSIS:**

The electrician was on-site September 27 to add Ethernet hubs to combine the cable runs for the BTU meters which were necessary for complete communication. The Owners are meeting on September 29 to finalize plans for potential software upgrades for the system. The programming and testing of the algorithm is planned through October and November to share the electricity cost accurately.

* **FACILITY MAINTENANCE PLAN DCC AND SHARED EQUIPMENT:**  The reconciliation facility maintenance is on-going, and reconciliation of facility maintenance plan is in progress and in conjunction with capital replacement plan work. The Request For Proposal (RFP) process for mechanical equipment services to be initiated in coordination with MBP. There are new contracts to be issued based on a maintenance plan for the DCC, the Marriott and shared equipment. The Owners and Shaner agreed that one HVAC contractor would hold all three agreements. The contract is a three-way split to allocate scope of work to be completed. This work is on-going.
* **CAPITAL REPLACEMENTS PLAN:**

MBP prepared a draft, and final revisions are being made along with final scrutinizing of FFE inventory as part of a replacement plan. First draft review meeting occurred August 4, 2016. A meeting with DCC and City Staff to review draft plan is scheduled for October 4, 2016. MBP will present its findings at the October DCC meeting.

**VII. Spectra Venue Management (SVM) Update:**

**EVENTS FOR THE MONTH OF AUGUST 2016**

SVM held 20 events with 28 event days’ booked and 5,058 guests.

**Notable events: Guests**

* + - * Durham Committee on the Affairs of Black People 550
			* Esposito Quincernera 400
			* Summit Church 500

**OCCUPANCY**: For the month of August 2016 is 20%.

**CURRENT FINANCES FOR THE MONTH OF AUGUST**

 **Actual Budget Variance**

Gross Revenues $152,915 $90,530 $62,530

Less Event Expenses ($59,373) ($36,610) ($21,763)

Less Indirect Expense ($122,546) ($135,710) $13,164

Net Income (Loss) (27,395) ($80,957) $53,562

**Year to Date**

**Actual Budget Variance**

Gross Revenues $272,591 $175,267 $97,324

Less Event Expenses ($107,941) ($69,095) ($38,746)

Less Indirect Expense ($242,788) ($275,368) $32,580

Net Income (Loss)  **(**$76,588) ($167,530) $90,943

**Sales Pace: FY2015/16**: Current Sales Bookings as of September 26, 2016.

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| --- | --- |
|  |  |
| * + Definite Total
 | * + $1,171,999.18
 |
| * + Tentative Total
 | * + $125,500.00
 |
| * + Proposal Total
 | * + $168,490.00
 |
| * + Grand TOTALS
 | * + $1,465,989.18
 |

**CUSTOMER SURVEY SCORES:** There are no results thus far to report for the current fiscal year.

**STAFFING:**

* Currently, looking for a Director of Sales and Marketing.

**SVM PUBLIC RELATIONS:**

* Weekly Rotary meetings and Board meetings
* Social media Facebook/Twitter/Pinterest and website updates
* Annual Report is complete and ready for distribution
* Beginning stages of New Year’s Eve event
* Interview with Venues Today regarding year end results

**WEBSITE ACTIVITY:**

* + Visitors: 2622 New: 76.47%
		- * Demographic: 1156 Google organic, 1079 Direct,

377 Referral, 0 emails and 9 Social

* + Page views: 7,164
	+ Pages/Session: 2.73
	+ Average Session duration: 2.14 minutes

Spectra is working on updating the website through the corporate office; currently in the final stages.

**VIII. Durham Convention Center Authority (DCCA):**

* **PARKING ISSUES:** No update to report.

**VIX. SUBCOMMITTEES**

* **FINANCE COMMITTEE**: *Lew Myers, Richard Ford, and Jason Friday*

City and County staff, the DCCA Finance Committee and members of SVM reviewed and discussed the DCC August 2016 financials.

* **MARKETING & SALES COMMITTEE***: Bill Kalkhof, Darah Whyte, Alice Sharpe, and Gerry Link*
* Bill Kalkhof will invite Shelly Green to a future Authority meeting to discuss the DCVB’s marketing efforts for Durham and the Convention Center.