

**GREATER RICHMOND CONVENTION CENTER AUTHORITY
MEETING
May 17, 2024
Greater Richmond Convention Center
Administrative Offices
401 N. 3rd Street, Richmond, VA 23219
10:00 a.m.**

Mr. John Vithoukaskas, Chairman, called the Greater Richmond Convention Center Authority Meeting to order at 10:06 a.m. A quorum was present.

APPROVAL OF MINUTES

The Authority reviewed the minutes from the March 15th meeting. A motion was made by Ms. Nancy Thomas, which motion was seconded by Mr. Lincoln Saunders. **The Board approved the motion by the following vote:**

Ayes:	Casey, Saunders, Thomas, Vithoukaskas
Nays:	None
Absent:	Budesky

REPORTS OF COMMITTEES

Finance

Mr. Brandon Hinton, chair of the Finance Committee, reported on the first ten months of FY 2024, hotel tax remittances exceeded budget by \$3,655,994 or 13.9% and were greater than prior year’s collections by \$808,318 or 2.8%. Jurisdiction results compared to prior year collections are as follows: Chesterfield 6.2%, Hanover 9.1%, Henrico 7.4% and Richmond (7.3)%. March was the best month for collections at 11.5% up for just the single month.

Legal

Mr. Brennen Keene stated that there will be a closed session following the agenda items and one item of business to discuss. In January the Authority approved a resolution for a contract for Mr. Berry to continue as the contract administrator. The contract has been drafted and the terms have been agreed upon between the Sports Authority for Henrico County and GRCCA. Mr. Hinton stated that if Mr. Berry decides he no longer will act as Contract Administrator, then GRCCA will need to determine if Henrico keeps the responsibility of finding a new Contract Administrator. The agreement will be signed by Nancy Thomas representing the Authority and Mr. Bickmeier, representing the Henrico Sports Authority. Dr. Casey noted that space should be made available inside the facility for Mr. Berry and Ms. Baicy when they need to work from the facility.

Mr. Lincoln Saunders made a motion to approve the following resolution, seconded by Dr. Joe Casey. **The Board approved the motion by the following vote:**

Ayes:	Casey, Saunders, Thomas, Vithoukaskas
Nays:	None
Absent:	Budesky

**RESOLUTION OF GREATER RICHMOND CENTER CONVENTION AUTHORITY
REGARDING OPERATIONS CONTRACT SUPERVISION AGREEMENT**

WHEREAS, the Greater Richmond Convention Center Authority (the “Authority”) and

Global Spectrum, L.P., currently doing business as OVG 360 (the “Operator”) entered into a contract dated May 8, 2012, as amended and extended from time to time (the “Operations Contract”), pursuant to which contract the Operator is responsible for the day-to-day management and operation of the Greater Richmond Convention Center (the “Center”); and

WHEREAS, the Authority and ARAMARK Sports and Entertainment Services, LLC (the “Food Services Manager”) entered into that certain Food Service Management Agreement dated June 30, 2008, as amended and extended from time to time (the “Food Services Contract”), pursuant to which contract the Food Services Manager is responsible for providing food services at the Center; and

WHEREAS, the Authority has no employees, and given the complexity of the Operations Contract and the Food Services Contract, neither the Authority’s Board of Commissioners (the “Board”) nor the Authority’s existing committees can properly monitor and supervise the day-to-day performance of these contracts; and

WHEREAS, the Authority and the Richmond Metropolitan Convention Center and Visitors Bureau, doing business as Richmond Region Tourism (“RRT”) entered into that Amended and Restated Operations Contract Supervision Agreement dated March 17, 2017 (the “A&R Contract Supervision Agreement”), pursuant to which contract RRT is responsible for monitoring and supervising the Operator’s and Food Services Manager’s performance under the Operations Contract and the Food Services Contract, respectively, on behalf of the Authority; and

WHEREAS, pursuant to the terms of the A&R Contract Supervision Agreement, the Authority and RRT agreed to designate Mr. John F. Berry, Jr. (“Mr. Berry”), RRT’s President and Chief Executive Officer as the individual to fulfill RRT’s obligations under the A&R Contract Supervision Agreement and to provide for the Authority to compensate Mr. Berry for performance of such obligations; and

WHEREAS, the A&R Contract Supervision Agreement provides that if Mr. Berry is no longer employed as RRT’s President and Chief Executive Officer, the Authority has the right approve RRT’s designated replacement for Mr. Berry or to terminate the A&R Contract Supervision Agreement; and

WHEREAS, Mr. Berry is scheduled to retire from RRT on or before June 30, 2024; and

WHEREAS, the Sports and Entertainment Authority of Henrico County, a political subdivision of the Commonwealth of Virginia (the “County”) is hiring Mr. Berry as a County employee, and Mr. Berry’s employment with County will commence on or about the date that he is scheduled to retire from RRT; and

WHEREAS, the County is willing to designate Mr. Berry to continue to monitor and supervise the Operator’s and Food Services Manager’s performance under the Operations Contract and the Food Services Contract, respectively, on behalf of the Authority; and

WHEREAS, in accordance with a resolution of this Board dated January 19, 2024, the Authority’s Finance Committee has approved a Operations Contract Supervision Agreement prepared by counsel to the Authority and accepted by the County, a final version of such agreement is attached to this Resolution (the “Agreement”), pursuant to which Agreement the County will provide certain Monitoring Services to the Authority with Mr. Berry as the designated Contract Administrator; and

WHEREAS, the Board for the Authority desires to approve the Agreement in the form attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE GREATER RICHMOND CONVENTION CENTER AUTHORITY AS FOLLOWS:

1) The Board hereby directs Ms. Nancy Thomas, Vice Chair of the Authority's Board, to execute and deliver, on behalf of the Authority, the Agreement in the form attached hereto. The Board also hereby directs Ms. Thomas to execute and deliver, on behalf Authority, the Termination of Amended and Restated Operations Contract Supervision Agreement with the RRT (the "Termination" a copy of which is attached hereto), to formally terminate the A&R Contract Supervision Agreement. Any changes in the form of either the Agreement or the Termination shall be approved by Ms. Thomas and counsel to the Authority prior to execution thereof.

2) All acts of the officers and commissioners of the Authority that are in conformity with the purposes and intent of this resolution, whether such acts occurred before or occur after the adoption of this resolution, are hereby ratified, accepted, confirmed and approved.

3) This resolution shall take effect immediately upon adoption.

ADOPTED the 17th day of May 2024.

OVG360

Mr. Jeremy Phillips, Interim General Manager of OVG360, reported that February was slow. 14 events were held vs. a budget of 21. Attendance was down 9,000. Most business was repeat business and some events happened in different months than what was originally planned for when budgeting. Overall for the month, revenue was up and expenses were \$43,000 under budget. For March notable events included the Trump Rally, dance competitions, Galaxy Con weekend and National Council on Education for the Ceramic Arts. Mr. Phillips discussed a new initiative that OVG360 will launch called Pacer AI, which will track cell phone data and be able to share statistics of visitors in real time that are visiting the facility. For March, 18 events were held vs. a budget of 15. Attendance was up 16,000 and revenue was also up while expenses were down. The month ended with a positive variance of \$45,000 and looking to finish the fiscal year strong. Dr. Casey stated that the Pacer AI project would be worthy of a stand-alone meeting to see a presentation of its capabilities.

Aramark

Mr. Blaine Scalard, General Manager of Aramark, reported that March and April were some of the best months with sales at almost \$600,000 with another \$100,000 in revenue well over budget. Groups included Galaxy Con with lots of sports and cheer & dance groups on all the other weekends. Other returning groups was the Teen Summit and World of Oddities as well as U.S. Field Hockey. Payroll was down by 9.1% and for the convention center for the month, sales were up \$242,000 and profit came in at \$220,000 which was up \$120,000 to budget.

April was also another very strong solid month with sales at \$445,000, which is well above a normal April. Some groups were VUU annual Scholarship Dinner, HRVA Annual Conference returned with better attendance, close to 900 people in total. The Boy Scouts Annual Dinner returned and was about 600 people this year still growing back from pre-covid numbers. Cost of sales was down by 7.9% to budget and payroll was down 18.4% to budget. For the convention center for the month, sales were up \$195,000 to budget and profit was \$207,000 up, \$184,000 to budget. Year to Date sales is \$2,874,000 up and profit is tracking at \$530,000 up. The remainder of the year also looks strong. Mr. Scalard stated that his current management positions are the best since the last 5-7 years but that chef positions continue to be hard to fill and

retain. Cindy Wyllie, office manager for Aramark will be retiring after 40 years and we are currently working towards a transition to hire a replacement.

Richmond Region Tourism

Mr. Jack Berry reported that with both the Trump Rally and the recent VCU graduations that Chris Denby, facility Director of Safety & Security did an outstanding job. Mr. Berry shared the Smith Travel occupancy trends with the Authority and noted that Richmond Region Tourism has partnered with Blue Room Research to report on the market trends. The region is still anticipating a record-breaking year for occupancy tax collections.

The Authority reflected on Jack's tenure with Richmond Region Tourism and thanked him for his service to the community.

NEW BUSINESS

Proposed Budget Presentation for FY25

Mr. Jeremy Phillips reviewed the highlights for the FY25 operating budget which included key comparisons of events, attendance, waivers, revenue and expenses. The revenue comparisons were also reviewed. Proposed capital improvement projects were discussed such as food court window film, office chairs, water heater and escalator replacements. Mr. Phillips reported that he has been meeting with Debbie Baicy to clean up the capital improvement items that were approved in the past budget years but have not come to fruition.

- FY25 Proposed events 215
- FY25 Proposed revenue \$4,122,678
- FY25 Proposed expenses \$7,456,028 with a subsidy of \$3,333,350

Mr. Blaine Scalard reviewed the highlights of his FY25 food service budget, which is a conservative budget.

- FY25 \$3,665,878 Revenue
- FY25 \$3,215,828 Expenses
- FY25 \$250,050 Convention Center Profit

Capital improvement projects were discussed such as a new point of sale computer/software ordering system.

The Authority also received the FY25 GRCCA budget which represents \$36,559,350 in total revenue and \$35,308,181 in total expenses.

Mr. Lincoln Saunders made a motion to approve all of the FY25 budgets, which was seconded by Dr. Joe Casey. **The Board approved the motion by the following vote:**

Ayes:	Casey, Saunders, Thomas, Vithoukas
Nays:	None
Absent:	Budesky

CLOSED SESSION
GREATER RICHMOND CONVENTION CENTER AUTHORITY
General Meeting
17 May 2024

Pursuant to Sections 2.2-3711(A)(3), (5), (6), (8) and (29) and Section 2.2-3712 of The Virginia Freedom of Information Act (Code of Virginia Section 2.2-3700 *et. seq.*), I move that the Board go into closed session to consult with legal counsel and staff for the following purposes:

- (1) To discuss the possible acquisition or disposition of real property;
- (2) To discuss a prospective business or industry;
- (3) To discuss the potential investment of public funds where competition or bargaining may be involved; and
- (4) To discuss specific legal matters requiring the provision of legal advice by counsel.

Motion -- Nancy C. Thomas

Second – Lincoln Saunders

Vote:

	<u>Ayes</u>	<u>Nays</u>
John A. Budesky	_____	_____
Joseph P. Casey	<u> X </u>	_____
Lincoln Saunders	<u> X </u>	_____
Nancy C. Thomas	<u> X </u>	_____
John A. Vitoulkas	<u> X </u>	_____

Absent During Meeting: John A. Budesky

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Board of Commissioners (the “Board”) for the Greater Richmond Convention Center Authority (the “Authority”) convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which

this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed, or considered by the Authority.

The following roll call vote was taken:

Vote:

	<u>Ayes</u>	<u>Nays</u>
John A. Budesky	_____	_____
Joseph P. Casey	<u> X </u>	_____
Lincoln Saunders	<u> X </u>	_____
Nancy C. Thomas	<u> X </u>	_____
John A. Vithoukaskas	<u> X </u>	_____

Absent during session: John A. Budesky

Immediately following the closed session, Mr. Saunders made a motion to extend the term of each of the Convention Center Operating Agreements between the Greater Richmond Convention Center Authority and OVG Group and the Food Service Management Agreement between the Greater Richmond Convention Center Authority and ARAMARK Sports and Entertainment Services, LLC from the current expiration date of each such contract of June 30, 2025 for a period of two years to June 30, 2027, and to authorize the Board Chair (in consultation with the Authority's Finance Committee and counsel to the Authority) to approve and execute any the documents required to evidence and memorialize the extension of each such agreement. **The Board approved the motion by the following vote:**

Ayes:	Casey, Saunders, Thomas, Vithoukaskas
Nays:	None
Absent:	Budesky

There being no further business to discuss, the meeting was adjourned at 11:30 a.m. The next meeting date is scheduled for Friday, July 19, 2024 at 10:00 a.m.