

**GREATER RICHMOND CONVENTION CENTER AUTHORITY**  
**MEETING**  
**May 26, 2022**  
**Greater Richmond Convention Center**  
**Administrative Offices**  
**401 N. 3<sup>rd</sup> Street, Richmond, VA 23219**  
**10:00 a.m.**

Dr. Joe Casey, Chairman, called the Greater Richmond Convention Center Authority Meeting to order at 10:00 a.m. A quorum was present.

**APPROVAL OF MINUTES**

The Authority reviewed the minutes from the March 18, 2022 Annual Meeting. A motion was made by Ms. Nancy Thomas, which motion was seconded by Mr. John Vithoulkas. **The Board approved the motion by the following vote:**

<b>Ayes:</b>	<b>Budesky, Casey, Saunders, Thomas, Vithoulkas</b>
<b>Nays:</b>	<b>None</b>
<b>Absent:</b>	<b>None</b>

**REPORTS OF COMMITTEES**

**Finance**

Mr. Brandon Hinton, chair of the Finance Committee, reported on the hotel lodging taxes. For FY 2022, the first ten months hotel tax remittances exceeded budget by \$7,714,701 or 44.5% and were greater than prior year's collections by \$10,834,351 or 76.2%. Jurisdiction results compared to prior year collections are as follows: Chesterfield 44.4%; Hanover 87.1%; Henrico 71.2%; and Richmond 125.5%. As a region, in May we collected the highest amount of occupancy taxes (through March) to date and in May the City remittance was greater than \$1 million for the first time.

Fitch has completed their internal review and did not make any changes to the current "AA-" rating on the Authority's Series 2015 Bonds and revised its Rating Outlook to Stable from Negative. Current ratings by the agencies are: Fitch "AA-" stable outlook; Moody's "Aa3"; S&P "AA-" stable outlook. Ms. Baicy was commended for working extremely hard with the rating agencies.

Mr. Hinton reported that the Fiscal Agent Agreement will be addressed in the Legal portion of the meeting and also a closed session will be held regarding an update on the hotel situation.

**Legal**

Mr. Brennen Keene, legal counsel, reported on the Amended Agreement to Provide Fiscal Services to the Authority. In 1998 the Authority designated Chesterfield County to act as the fiscal agent and entered into an agreement for those services. The agreement has been amended multiple times over the years to modify the annual fee paid to Chesterfield County. To minimize the number of amendments to the agreement, the Finance Committee is recommending that the Agreement be modified as follows:

The FY23 Fee will be set at \$134,890.00. For future fiscal years, the Fee will be increased by 2.5% above the Fee applicable for the prior fiscal year.

Mr. John Vithoulkas made a motion to adopt the following Resolution which authorizes the

Chairman of the Authority to execute the amended Agreement. The motion was seconded by Mr. John Budesky. **The Board approved the motion by the following vote:**

<b>Ayes:</b>	<b>Budesky, Casey, Saunders, Thomas, Vithoukas</b>
<b>Nays:</b>	<b>None</b>
<b>Absent:</b>	<b>None</b>

*Note: The resolution allows the chair, with advice of counsel, to make decisions about minor modifications to the agreement, and it was decided that the Vice Chair would sign since Dr. Casey is with Chesterfield County.*

**RESOLUTION OF GREATER RICHMOND CENTER CONVENTION AUTHORITY  
APPROVING AMENDED AGREEMENT TO PROVIDE FISCAL SERVICES**

WHEREAS, pursuant to that “Amended Agreement to Provide Fiscal Services” (the “Agreement”) dated July 1, 2018 the Greater Richmond Convention Center Authority (the “Authority”) and Chesterfield County, Virginia (the “County”), the County agreed to serve as the fiscal agent for the Authority relative to the Authority’s ownership of the Greater Richmond Convention Center (the “Center”); and

WHEREAS, the Authority and the County desire to amend the Agreement to provide that the County will also provide that the County will also provide management services, financial advisory services and audit services to the Authority.

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

1. The Authority hereby directs Dr. Joseph P. Casey, chair of the Authority's Board, to execute and deliver, on behalf of the Authority, the Amended Agreement to Provide Fiscal Services (the “Amended Agreement”) in the form attached hereto. Any changes in the form of the Amended Agreement shall be approved by Dr. Casey 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 26<sup>th</sup> day of May, 2022.

**Spectra Venue Management**

Mr. Michael Meyers, General Manager for Spectra Venue Management, reported that he visited the Convention Center in Columbus, Ohio when he traveled to that city as part of the Chamber’s InterCity Visit. The Columbus Convention Center was designated as an alternate care facility during the pandemic, but the facility was never utilized for such care.

Mr. Meyers also reported that he has not heard anything regarding the appeal with the Department of Taxation. An appointment has been made with the new Secretary of Commerce so that they are updated.

The past weekend was busy with a dance and cheer event, which is expected to be an annual event

going forward. Mr. Meyers reported that for March, 11 events were held vs. 19 budgeted. Over 42,000 attendees were in the facility and revenue was under budget by \$51,000. Expenses for the month of March were also under budget. For April, 21 events were held vs. a budget of 15. 36,000 attendees and revenue was up \$24,000. Expenses were under budget for April. Year to Date, finances are \$1.4 million ahead of budget due to vacancies and maintenance on the building. Staffing struggles continue to be a major issue.

### **Aramark**

Mr. Blaine Scalard, General Manager for Aramark, reported on activity for March and April and noted that March was a challenging month. For March sales came in at \$286,000, over \$86,000 better than budget. \$173,000 in concession sales from US Field Hockey, USA Fencing and Galaxy Con. Subcontractors were brought in for Galaxy Con and over \$200,000 in sales over (3) days was realized. Cost of Sales was up 2.1% to budget and payroll was down 12.8% to budget. Profit for the month was \$53,982, up \$36,000 to budget. For April, it was our busiest & toughest month of the year. Sales were \$324,000, up \$223,000 to budget. In comparison, for April 2019, sales were just \$152,000 (-\$172,000). In 2018, sales were \$296,000. In April we had a lot of Cheer & Dance events, some of the biggest we have ever hosted. Some first-time events were Va Assoc. of Commonwealth Attorneys and HRVA 2022 Annual Conference. Both groups will be with us again next year. We also hosted a good number of annual/repeat groups. For April, Cost of Sales was down 7.3% to budget. Payroll was down 48%. Payroll was \$114,000 this year Vs. \$95,000 in 2019 on sales that were \$172,000 less. Profit for the month was \$169,000, up \$203,000 to budget. For the year, sales are up \$732,000 and profit is \$641,000.

### **Richmond Region Tourism**

Mr. Jack Berry, President & CEO of Richmond Region Tourism, reported that both January and April were record months for hotel occupancy collections. Eight out of 10 months this fiscal year have been record breaking due largely to leisure, sports and family/friends business. The \$2.4 million in ARPA funds that will be used for the regional image campaign have started to be allocated to Richmond Region Tourism and Mr. Berry thanked Michelle Lovatt for her efforts with the logistics of the funds. The RFP for the campaign is out for consideration and is expected to be awarded later this summer.

The Tourism Improvement District (TID) work is underway thanks to the efforts of Katherine O'Donnell. Meetings have been held with hotels and the attorneys from the localities. Dr. Casey inquired about the TID timeline. Mr. Berry stated that he would share the TID information with the Authority as well as information regarding the RFP of the image campaign.

## **NEW BUSINESS**

### **Proposed Operating Budget Presentations for FY23:**

**Aramark:** Mr. Scalard presented the FY23 F&B Budget:

- FY23 Revenues \$3,119,0740 compared to FY22 \$1,401,992
- FY23 Total Operating Expenses \$2,584,921 compared to FY22 \$1,686,700
- Convention Center Profit \$365,222
- Discussed staffing challenges with 90% of hourly staff not returning after the pandemic
- Currently at 6 vacancies in staff (mainly with Chef and kitchen); paying \$16 - \$18.50 per hour for supervisory positions
- Discussed supply chain issues and higher F&B costs

The Authority discussed the salary issues and made suggestions and Brandon Hinton, chair of the Finance Committee, re-committed the support for what is needed in regard to salary and wages that need to be amended.

**Spectra Venue Management:**

Mr. Meyers presented his FY23 budget presentation:

- FY22 events: budgeted 184; projected 184. Attendance budgeted at 311,598; projected to be 274,671
- FY22 Revenue Projections – budgeted \$2,643,348; projected \$2,853,971
- FY22 Expense Projections – budgeted \$6,034,721; projected \$5,437,518
- FY22 Operating Subsidy – budgeted \$3,394,372; projected \$2,585,046
- FY23 Budgeted 235 events with attendance at 405,721
- License fee waivers FY23 budgeted \$861,896 compared to FY22 budget of \$865,885
- FY22 significant event waivers total \$882,707
- FY23 Revenue Budget \$3,587,596 compared to FY22 Budget \$2,643,348
- FY23 Expense Budget \$6,974,505 compared to FY22 expense budget \$6,034,721
- Operating subsidy for FY23: \$3,389,909
- Capital Expenditures \$1,209,284
- Refrigeration issues with units on the roof and garage – repairs will be needed
- Discussed staffing challenges. A salary compensation study was completed this fiscal year
- Authority supported making any wage changes that were necessary to keep staff in place.

**GRCCA Budget Presentation**

Ms. Baicy distributed the GRCCA budget presentation to the Authority but did not present the budget detail. Highlights include:

- Total Revenue FY23 Budget \$30,038,975 compared to Projected FY22 \$29,163,641
- Total Expenses FY23 Budget \$28,690,453 compared to Projected FY22 \$29,782,641
- Hotel Tax Remittances FY23 Budget \$28,710,900 compared to FY22 Projected \$28,890,000

Mr. John Vithoukas made a motion to adopt all three budgets for FY23 as presented and distributed. The motion was seconded by Mr. John Budesky. **The Board approved the motion by the following vote:**

<b>Ayes:</b>	<b>Budesky, Casey, Saunders, Thomas, Vithoukas</b>
<b>Nays:</b>	<b>None</b>
<b>Absent:</b>	<b>None</b>

CLOSED SESSION  
GREATER RICHMOND CONVENTION CENTER AUTHORITY  
General Meeting  
26 May 2022

Pursuant to Sections 2.2-3711(A)(3), (5), and (6), and Section 2.2-3712 of The Virginia

Freedom of Information Act, I move that the Board go into closed session to consult with legal counsel and staff for the following purposes:

- (1) Consultation with legal counsel and staff regarding the possible acquisition or disposition of real property;
- (2) Consultation with legal counsel and staff regarding a prospective business or industry; and
- (3) Consultation with legal counsel and staff regarding the potential investment of public funds where competition or bargaining may be involved.

Motion -- Mr. John A. Budesky

Second – Ms. Nancy C. Thomas

Vote:

	<u>Ayes</u>	<u>Nays</u>
John A. Budesky	<u>X</u>	_____
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: None

#### 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, 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	<u>X</u>	_____
Joseph P. Casey	<u>X</u>	_____
Lincoln Saunders	<u>X</u>	_____
Nancy C. Thomas	<u>X</u>	_____
John A. Vithoukas	<u>X</u>	_____

Absent during session: None

There being no further business to discuss, the meeting adjourned at 11:30 a.m. The next meeting will be held on Friday, July 15, 2022 at 10:00 a.m.