

**ALBANY CONVENTION CENTER AUTHORITY**  
**AUDIT & FINANCE COMMITTEE MEETING MINUTES**  
**Albany Capital Center**  
**September 24, 2020, 9:00 AM**

**ATTENDEES**

Audit & Finance Committee Chair, Steven C. Lerner, and members: Michele Vennard, Michael Skrebutenas, Megan Daly, Assembly Member John McDonald, Sarah Reginelli, Michael Hoffman, Joseph Rabito, Daniel C. Lynch Others: Lynn Zeronda, Robert Ryan, Duncan Stewart

**CALL TO ORDER AND ROLL CALL**

Attendance was noted and that a quorum was present. The meeting was called to order at 9:04 AM by Chair Steven C. Lerner, who joined by Zoom audio Link with all other ACCA Board Members present, Mr. Lerner then summarized the items before the committee and asked Ms. Zeronda to proceed.

**2021 BUDGET REVIEW**

**2021 Albany Capital Center Operations Budget:**

Ms. Zeronda reviews the Albany Capital Center Operations Budget for FY 2021 submitted by ASM, the facility operator, noting the cost control measures in place and the conservative approach to revenue projections necessary given the uncertainty in the market. Importantly retaining those investments in Sales & Marketing while preserving the physical plant. Revenue from events projections increase over the year but will remain below those prior to the COVID-19 impacts, likely into the following year and beyond.

**2021 Albany Convention Center Authority Budget:**

Ms. Zeronda presents the Albany Convention Center Authority Budget for FY 2021, developed by BST/CFO and ACCA Staff based upon the information provided by ASM contained in the Operations Budget, hotel occupancy projections by Smith Travel Research (STR), direct discussions with Discover Albany and in consultation with the hotel and hospitality industry in the Capital Region and elsewhere.

The Albany County Hotel Motel Occupancy Tax (H.O.T.) is calculated at 50% of the estimate carried in the 2020 budget

Ms. Vennard clarifies that the 50% refers only to the budgeted amount, not directly related to hotel occupancy and other than direct event revenue, the H.O.T. is the only source available to the ACCA to meet operation costs.

The budget contains cost and limits expenditures to be within the estimate resources and preserves those required reserves and set asides for capital improvements, and "rainy day" expenses.

Mr. Rabito requests clarification of required reserves. ACCA Staff offers that the Operator Agreement sets a minimum of \$500K and a maximum of \$1 M to be held in reserve and capital Improvements set asides are based upon a 2%-3% of building cost.

Mr. Lerner, requests clarification regarding the history of reserves. ACCA Staff reviews the deposit schedule which began in 2017 with the opening, continuing through this past year.

Mr. Lerner requests clarification for H.O.T. determination. Ms. Vennard notes that it is based upon STR research and that there are

**2021 Albany Convention Center Authority Budget (continued):**

Mr. Hoffman cautions that while occupancy is important, rate is a critical part of this calculation, both must recover if the tax collections are to be restored to previous levels.

Ms. Vennard speaks to the difficulties of developing these estimates given the unknowns and the need to increase communications, including with this committee. Ms. Zeronda reviews the increased schedule for review and notes that occupancy is estimated to not recover until possibly 2023 and rates not until 2025. The on-going use of cash flow projections to remain with budget by ACCA Staff and BST/CFO is discussed.

**2012 ABO Budget:**

Ms. Zeronda reviews the 2021 ABO Budget Report which requires estimates through 2024 and presents additional challenges given the significant uncertainty of the current economy. Specifically, it is noted that the outlying years are therefore based upon the 2021 estimates, carried forward. Ms. Zeronda explains the changes in values related to estimated reductions in revenue, capital expenditures, and the transfer of land.

**2020 Audit; UHY Engagement Letter:**

ACCA Staff notes that the current audit team is to remain, and the estimated cost is reduced from that of the previous year due to the land transfer and resolution of other issues.

Ms. Vennard notes the terms are on page 5 of the letter, including the time frame for completion. Mr. Lerner asks if UHY will meet the schedule for completion and expresses a concern for the range in hours. ACCA Staff offers that cost containment resulting from advance preparation by ASM, BST/CFO and the ACCA has proven to reduce auditor field time and assure the on-time completion of the Audit for submission, in this instance, by 3-31-21. Ms. Zeronda confirms that in her experience auditors include a range to cover unknowns and that she will work diligently to control costs.

Upon the advice of Counsel, Mr. Lerner called for two motions.

***A motion was requested by the Chair and offered by Mr. Rabito; seconded by Mr. McDonald to recommend to the board that it authorize the 2021 Audit Engagement Letter at the ACCA Special Meeting to follow. The motion carried unanimously***

***A motion was requested by the Chair and offered by Ms. Daly; seconded by Mr. Rabito to recommend to the board that it adopt the 2021 Albany Capital Center Operations Budget, the 2021 ACCA budget, and The ABO Budget, at the ACCA Special Meeting to follow. The motion carried unanimously***

No other business was conducted by the Audit & Finance Committee

**ADJOURN**

***A motion to adjourn was requested by the Chair and offered by Mr. McDonald, seconded by; Mr. Hoffman The motion carried unanimously. The meeting adjourned at 9:39 AM***