

**ALBANY CONVENTION CENTER AUTHORITY
FY 2022 Q-4 & ANNUAL MEETING MINUTES
Albany Capital Center
January 26, 2023**

Present:

ACCA board Chair, Michele Vennard, ACCA Board Treasurer, Steven C. Lerner, ACCA Board Vice-Chair, Daniel C. Lynch Esq., ACCA Board Members, Dominick Purnomo and Jahkeen Hoke.

Via Zoom:

Hon. John T. McDonald III RPH, ACCA Board Member, Michael Hoffman, ACCA Board Member

Also present: Amy Thompson, BST, Shannon Licygiewicz, ASM GM, Ana Messina ACC Sales Manager, Duncan Stewart, ACCA Staff

Absent: Sarah Reginelli, ACCA Board Secretary.

Call to Order:

The meeting was called to order at 9:10 AM by ACCA Board Chair Michele Vennard, attendance was noted and that a quorum was present.

Approval of Minutes:

Ms. Vennard requests a motion to accept the minutes from 10-27-22 Governance Committee.

A motion was made by Mr. Lerner, seconded by Mr. Hoffman, to approve the Draft minutes of the Governance Committee Meeting, The motion carried with one abstention, by Mr. Hoke as he was not in attendance.

Ms. Vennard requests a motion to accept the minutes from 10-27-22 ACCA FY 2022 Q-3 Board Meeting.

A motion was made by Mr. McDonald, seconded by Mr. Lynch, to approve the Draft minutes of the ACCA Board FY 2022 Q-3 Meeting, The motion carried with one abstention, by Mr. Hoke as he was not in attendance.

Treasurer Report:

Mr. Lerner called upon Amy Thompson of BST to present the December Financials and report on the present financial condition of the ACCCA.

Ms. Thompson reviewed the December 2022 Financials, beginning with the summary of revenue/expenses followed by the changes in net position noting that the ACCA position is sound, with revenue and expenses consistent with budget. The ACCA share of 2022 Q-4 Hotel Occupancy Tax was received and receipts continue to be above the forecast provided by Discover Albany when developing the annual budget. The end of year financials which have been presented to the Auditor, reflect the increases in the occupancy tax FY Q-2 through Q-4, a reduced FY 2023 Q-1 funding request from ASM due to increases in FY q-4 event revenue than had been projected, and interest income from the placement of funds for future needs of the Albany Capital Center in secured CDARS instruments with Capital Bank.

In reviewing the improving cash position, Ms. Thompson outlines certain of the set asides in progress that will be needed for planned capital improvements in FY 2022 and as discussed, those significant expenditures in FY 2024 to replace the carpet and upgrade adjacent floor surfaces.

Treasurer Report (continued):

As reviewed in the Audit & Finance Committee meeting the FY 2022 Audit is in progress, on schedule, and it is anticipated to be complete for review by this Board prior to the Special Meeting Audit, 3-23-23.

Economic Impact Committee Report:

Ms. Vennard reviews the Executive Summary of the 2022 Q-4 Economic Impact Report presented to the Economic Impact Committee on 1-24-23 by Discover Albany, including detail comparing past year performance quarter over quarter, year over year, along with the end of year and life of the facility impacts, breakdown as follows:

2022 Q-4 over 2021 Q-4

IMPACTS	2022	2021	DIFFERENCE
Spending	\$1,178,026.00	\$494,974.00	\$683,052.00
Sales Tax	\$70,049.00	\$31,751.00	\$38,298.00
Visitors	16,990	12,530	4,460
Hotel Room Nights	439	328	111
Events	31	33	<2>
FTE Jobs	30	11	19

2022 / 2021 'Year-over-Year'

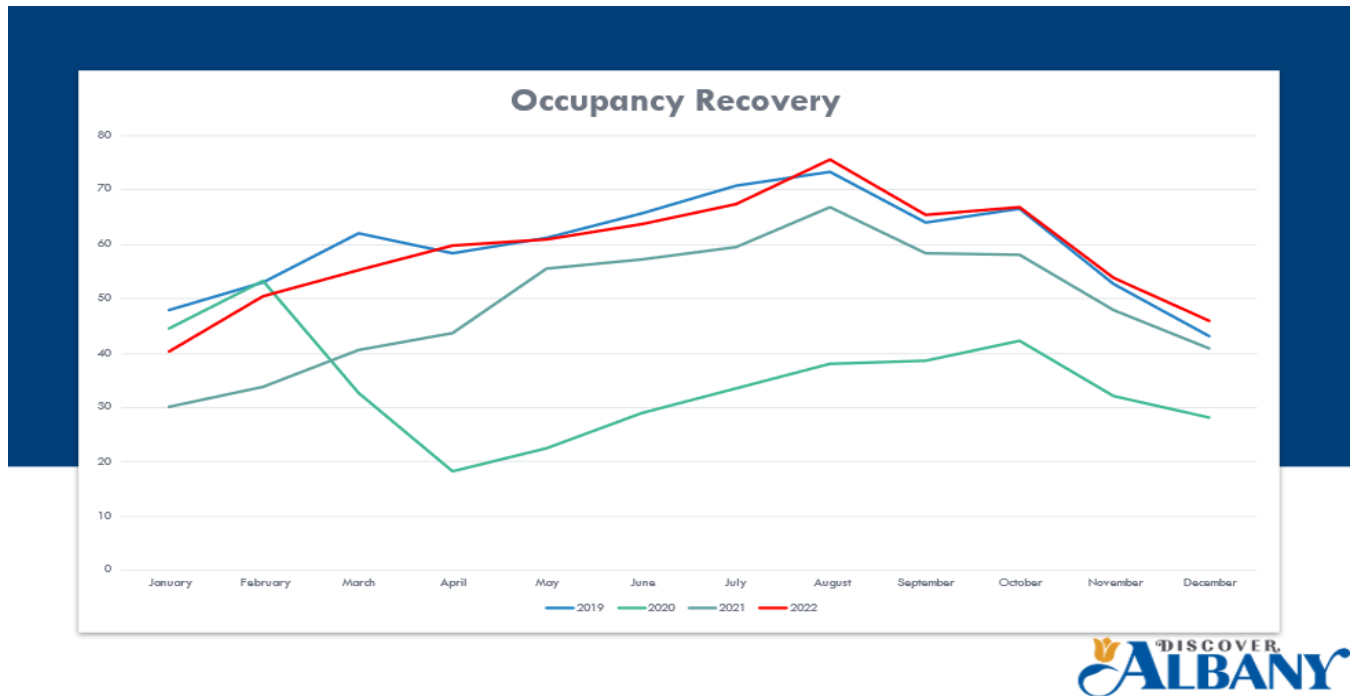
IMPACTS	2022	2021	DIFFERENCE
Spending	\$6,954,802.00	\$6,308,342.00	\$646,460.00
Sales Tax	\$636,099.00	\$578,577.00	\$57,522.00
Visitors	62,225	45,464	16,761
Hotel Room Nights	7,904	15,175	<7,271>
Events	135	106	29
FTE Jobs	104	95	9

3-1-2017 through 12-31-2022 'Life of the Facility'

IMPACTS	TOTALS
Spending	\$62,145,145.00
Sales Tax	\$7,061,560.00
Visitors	424,985
Hotel Room Nights	94,330
Events	832
FTE Jobs	27,958

Economic Impact Committee Report (continued):

Ms. Vennard reviewed the recovery in Hotel Occupancy, year-over-year as reported by Discover Albany with information sourced from Smith Travel Research (STR):



ASM Annual Report:

Ms. Licygiewicz presents the complete 2022 Annual Report produced by ASMGlobal Albany, operator of the Albany Capital Center, then highlighting for the ACCA Board those challenges, responses, and accomplishments of this past year.

In 2022 ASMGlobal managed the return of traditional event types in greater number and with more attendees than during the pandemic. In FY 2022 Q-1 the frequency of cancellations and postponements experienced during the pandemic ended making way for traditional in-person meetings, expanded trade shows, a return of convention business and importantly, a full holiday party calendar for the first time since Q-4 of 2019.

As a result, despite holding fewer events, revenue exceeded budget and through a concerted management effort, expenses were under budget.

ASMGlobal has modified the Shared Services Agreement with the MVP Arena to better reflect the needs of the Albany Capital Center, engaging Baker Public Relations to assist in the management of social media, ad content, and communication with existing and potential clients. This expanded contract has resulted in significant advertising value equivalent (AVA), estimated at \$291,148.00 in '22.

The outlook for this year and beyond is the strongest it has been since pre-pandemic, and while event numbers are increasing it remains to be seen if attendee numbers will continue to rise, or be lower as was the case with both NYSUT and NY State Craft Brewers this past year, impacting hotel room nights as well.

ASM Annual Report (continued):

Mr. Hoke: Baker's work appears hyper focused on local business. Does ASM also have a national advertising/PR consultant it works with?

Ms. Licygiewicz: Not at this time, but the ACC benefits from the assistance of ASM Corporate which has hired a VP to focus on convention centers specifically.

Mr. Hoke: What national outreach/exposure is being created for this facility?

Ms. Licygiewicz: While much of the effort is local, a broader presence is achieved through the publications that the center has been featured.

Mr. Hoke: Does Discover Albany also present this information to the ACCA is it a resource?

Ms. Licygiewicz: Yes, to the EI Committee and ASM works directly with DA, sharing information, leads, cooperative ad buys, and travel schedules.

ASM continues its commitment to the communities of Albany reporting participation in Earth Day, in support of Mental Health awareness, and Albany County Adopt a Family as examples with several hands-on opportunities being considered for 2023.

Mazzone continues to evolve, developing new and seasonal menus, creatively responding to the increasing number of events to assure the best customer experience.

The customer testimonials and end-user surveys demonstrate the continued high standards that are being maintained by the on-site staff and our key partners, Mazzone and ACES in particular. The participation rate is 26%, which is one point above the industry average, something that we are working on ways to improve.

Mr. Lynch: What role with the Albany Capital Center have during the NCAA tournament?

Ms. Licygiewicz: The ACC will be used for practice, deploying one full size court for the duration and will host the retirement party for MAAC director, Richard Ensor.

Mr. McDonald: You mention increases in energy, insurance, and the expense of carpet. Is the issue with energy the cost per unit or the usage, or both? Is the Insurance the property and casualty or the liability? Will the carpet be replaced in kind?

Ms. Licygiewicz: The energy cost is mainly due to the cost per unit.

Mr. Stewart: That is supported by the year over year BTU and KW numbers which are lower in many instances.

Ms. Licygiewicz: The insurance issue is mainly related to property and casualty.

Mr. Hoffman: The cost of replacement materials is driving these numbers, seen in the hotel business as well.

Mr. Stewart: The ACCA is up for renewal, and we are receiving the same information from AJ Gallagher. The carpet type will likely be the same as it has performed well, has a high recycle content and that over time it has proven to wear well and clean better.

Mr. Hoffman: Has there been any consideration for participating in a solar program?

Mr. Stewart: As part of the original design consideration was given to on-site array and the building has that capacity, but it did not prove out having to do with the existing street infrastructure. We can look into the benefit of joining a program.

Annual Meeting:

Ms. Vennard acknowledged that ACCA Counsel Robert Ryan could not be present today, then summarized the tasks coming before the Board today, and in Mr. Ryan's absence directed Mr. Stewart to continue.

Mr. Stewart referenced the memo prepared by ACCA Counsel for the purpose this Annual Meeting including the election of officers and the restatement of certain policies, each requiring a separate action by the Board through resolution as follows:

Resolution 01-2023 Election of Officers with a slate comprised of:

- Michele Vennard, Chairperson
- Daniel C. Lynch, Vice Chair
- Steven C. Lerner, Treasurer
- Sarah Reginelli, Secretary

Ms. Vennard requests a motion to approve Resolution 01-2023 electing the slate of officers as presented.

A motion was made by Mr. McDonald, seconded by Mr. Purnomo, to accept the ACCA 2023 Slate of Officers; The motion carried unanimously.

Ms. Vennard offered her thanks to the officers for accepting the positions.

Mr. Stewart confirms that the Governance Committee met to review the Investment policy and Property Disposition Guidelines, that there were no changes to either in 2022. The recommendation of the Committee is for the ACCA Board to re-state both policies.

Ms. Vennard requests a motion to approve Resolution 02-2023 re-stating the Investment Policy:

A motion was made by Mr. Lynch, seconded by Mr. McDonald to adopt, and restate the Investment Policy; The motion carried unanimously.

Ms. Vennard requests a motion to approve Resolution 03-2023 re-stating the Property Disposition policy:

A motion was made by Mr. McDonald, seconded by Mr. Lynch to adopt, and restate the Property Disposition Policy; The motion carried unanimously.

Mr. Stewart confirmed that the Economic Impact Committee met on 1-24-23 to review the Operator Performance/Productivity and Quality Incentive Fee for FY 2022. As summarized in the memo provided to ASM by ACCA Staff working with ACCA Counsel, Mr. Stewart reviewed the criteria and the metric based formula, including the survey information, also provided to the ACCA Board, upon which the calculation is based in accordance with the current contract with ASM through 12-31-2025. It is noted that this is the second consecutive year using the metric based formula of the amended contract. As a result, for FY 2022, the Performance/Productivity fee that ASM is eligible to receive will be \$19,080.00, and, the Quality Incentive fee will be \$47,700.00, for a total of \$66,780.00.

Annual Meeting (continued):

Ms. Vennard requests a motion to approve Resolution 04-2023 Authorizing an Operator Incentive Fee:
A motion was made by Mr. McDonald, seconded by Mr. Hoffman to authorize the Operator Incentive Fee; The motion carried unanimously.

ACCA Operations:

Mr. Stewart reviews the purpose and concept for re-purposing Stair 1 and presents the Recommendation to Award (RTA) to CHA for specialized Architectural and Engineering services in the amount of \$92,140.00.

Ms. Vennard requested a motion to approve Resolution 05-2023 authorizing Architectural and Engineering Services related to the re-purposing of Stair 1 per the approved Concept Plan.
A motion was made by Mr. Purnomo, seconded by Mr. Hoffman, to approve engaging CHA to provide Architectural and Engineering services related to Stair 1; The motion carried unanimously.

Mr. Stewart presented an outline of the proposed FY 2023 Capital projects.

Other Business:

There was no other business before the ACCA Board

Adjourn:

Ms. Vennard requested a motion to adjourn.

A motion was made by Mr. Lynch; seconded by Mr. Lerner to adjourn the meeting; The motion carried unanimously.

The meeting adjourned at 10:13 AM

Next Meeting: Special Meeting Audit
Thursday, March 23, 2023, 9:00 AM

-###-