

**ALBANY CONVENTION CENTER AUTHORITY
FY 2023 Q-4 & ANNUAL MEETING MINUTES
Albany Capital Center
January 25, 2024**

Present:

Committee Chair and ACCA board Chair, Michele Vennard, ACCA Board Treasurer, Steven C. Lerner, Sarah Reginelli, ACCA Board Secretary, Dominick Purnomo, ACCA Board Member, Jahkeen Hoke, ACCA Board Member, Hon. John T. McDonald III RPH, ACCA Board Member.

Via Zoom:

Michael Hoffman, ACCA Board Member

Also present: Mark Opalka, BST, Shannon Licygiewicz, ASM GM, Jay Cloutier, Discover Albany, Jill Delaney, Discover Albany, Monica Kurzejewski, ACCA Staff, Robert Ryan, Harris Beach.

Absent:

Joseph Bonilla, ACCA Board Member

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 10-31-23 Governance Committee and the minutes of the 2023 ACCA Q-3 Meeting on 10-31-23. Both sets of minutes were presented for a single vote.

A motion was made by Ms. Reginelli, seconded by Mr. McDonald, to approve the Draft minutes of the Governance Committee Meeting and the Q3 Meeting, The motion was carried unanimously.

Treasurer Report:

Mr. Lerner called upon Mark Opalka of BST to present the 2023 YE Financials and report on the present financial condition of the ACCA.

Mr. Opalka reviewed the December 2023 Financials, noting that they are unaudited. They don't expect any major GASB or OPED adjustments. Cash position was reviewed comparing 2022 to 2023. Have not received the Q4 HOT funding yet, so there will be an adjustment. Reviewed assets and liabilities. On page 3 of the financial statements, a summary of revenue/expenses of ACC noting the increased revenues and expenses coming in under budget. Discussion followed regarding the ACCA noting that total income and expenses remained flat resulting in a combined budget of \$1.2 million in surplus instead of a budgeted deficit. HOT is to be transferred today. Ms. Delaney seconded that statement.

Economic Impact Committee Report: presented by Jay Cloutier, Discover Albany

Mr. Cloutier reviews the Executive Summary of the 2023 Q-4 Economic Impact Report presented to the Economic Impact Committee on 1-23-24 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:

FY 2023 Q-4 & Life of the Facility Economic Impacts:

IMPACTS	FY 2023 Q-4	3-1-2017 – 12-31-2023
Visitor Spending:	\$2,578,570.00	\$79,730,148.00
NYS Sales Tax:	\$68,690.00	\$4,233,938.00
Albany County Sales Tax:	\$83,617.00	\$4,644,688.00
Total Sales Tax:	\$152,307.00	\$8,876,626.00
Attendees:	24,200	539,259
Hotel Room Nights:	1,903	114,029
Events:	39	967
Full Time Supported Jobs:	47	28,215

The FY 2023 Q-4 Report highlights the 2 conventions, 21 meeting events, 3 public and 10 social events this quarter. Visitor attendance and spending remain strong in all sectors.

Strong on social – Regeneron Holiday Party their spend was significantly higher than last year. Another Christmas party added to the quarter. Based on trends that we are seeing 2024 and beyond will be excellent for the building.



Quarterly Year over Year Direct Spending by Category:

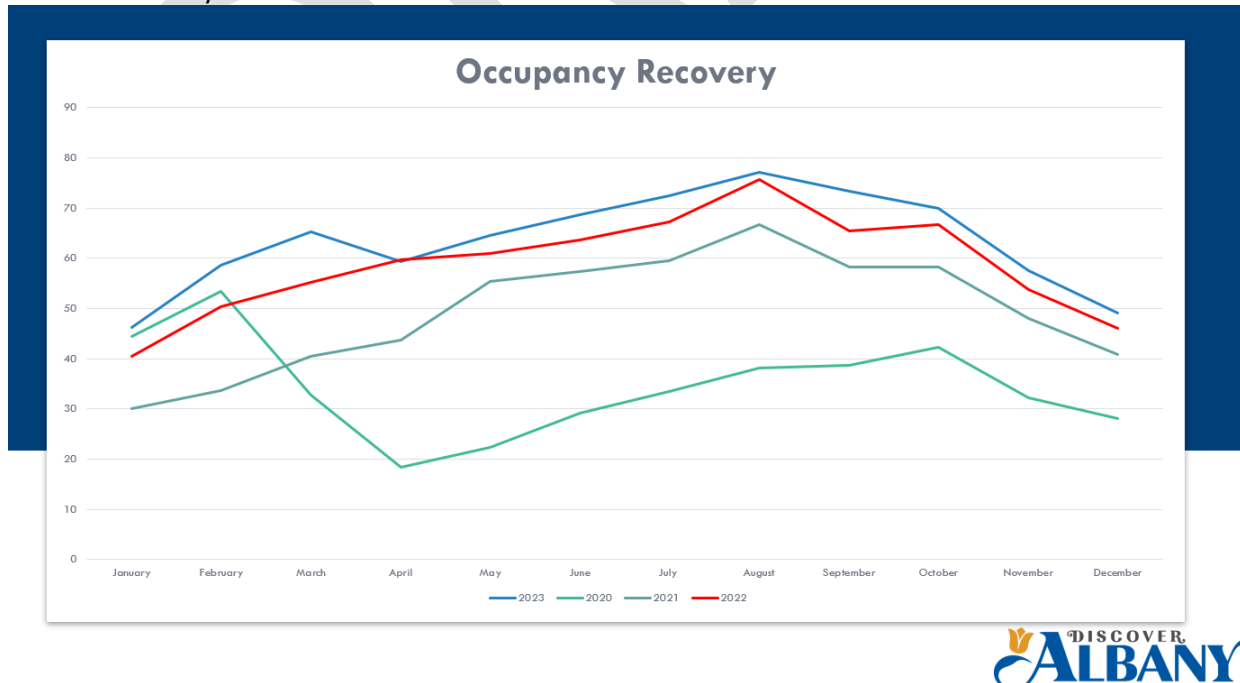
Year-over-year sales numbers; FY '22 Q-4 v. FY '23 Q- 4 show spending increases across all categories.



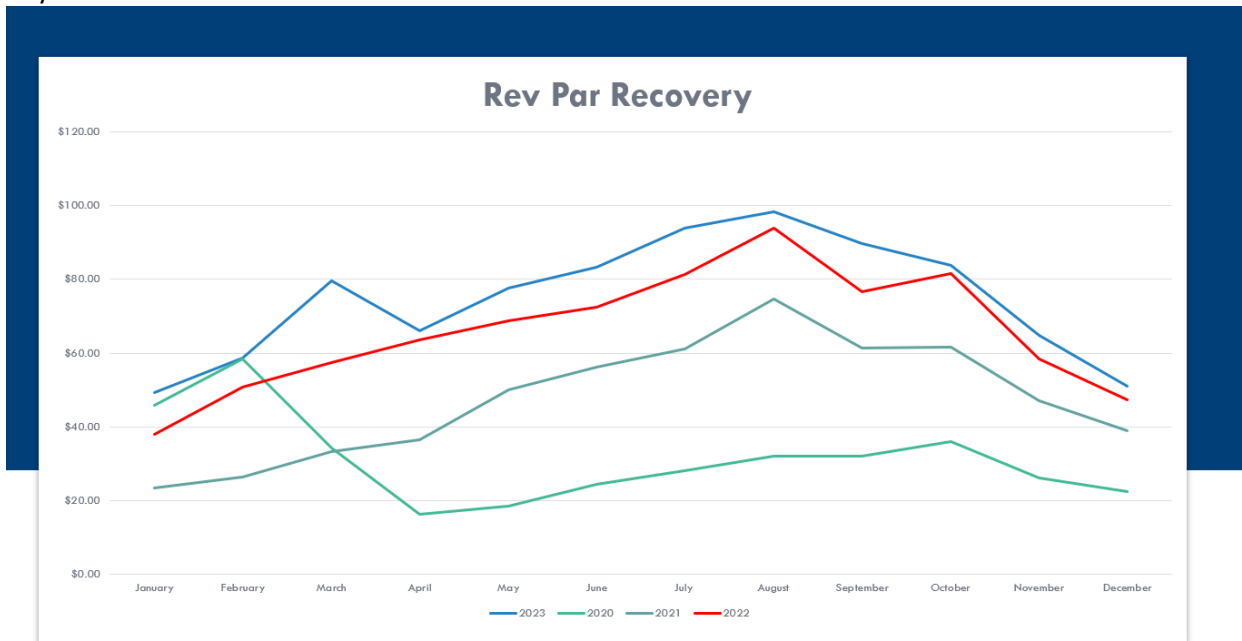
Meetings were stronger as well as the other categories. There were no conventions in Q4 of 2022 so it was a natural increase.

Year Over Year Hotel Occupancy Trends:

FY 2023 Q-4 occupancy levels shown in “blue” exceeding the comparison year results and continue to trend with those pre-pandemic levels recorded by STR. A quick look back to 2018 and 2019 numbers showed that 2023 exceeded those years as well.



Rev Par – universal measurement across hotels. It’s an industry standard that allows hotels to compare success equally. Again beating year over year, so recovery is positive. The question becomes, why. Supply is smaller now than it has been. 2023 versus 2019 inventory has shrunk. Revenues are increasing due to supply and demand. There is a concern about difficulty in finding guest rooms for 2024. The expense can be mitigated also concerning is 15 hotels have changed hands which makes relationship building difficult. There are challenges going forward. Current data tells us we are looking to 2025. 2024 will be on the terms of the hotel instead of the buyer.



Ms. Vennard – bit of a conundrum. Hotels are making good money, so it is harder for ACC to get a room block. Feels like we are jumping over 2024 to get to 2025 on the heels of the pandemic where you couldn’t get anyone to do 60 days out. For the destination, we need to keep our eyes on the hotel industry.

Mr. Hoffman – Hotel business, like all businesses’ costs have gone up dramatically. Believe there are also lesser quality rooms. Unless you spend significant money those are hard to fix. Wonder if other municipalities are going through the same things. Jay said it well. Fewer room and rates are up; there is a short booking window which allows your hoteliers not to give up rooms too early, the demand hasn’t even arrived yet. Agrees with Jay we are working on 2025. There are some opportunities coming. It is a weird time in the hotel business. I’m also optimistic about the hotel business in Albany for 2024.

Ms. Vennard – very strange.

Mr. Cloutier – In conference planners are attendance is squishy right now. Some attendees are also booking outside of the blocks to save money.

Ms. Delaney – similar issue is DC. Cities that host conferences are running into similar trends.

Ms. Vennard – Traditionally, you book early to get a better rate. Often now, the least expensive rate is at the last minute.

Mr. Purnomo – Is this a situation where our bookings for 2024 won’t have availability?

Ms. Licygiewicz – No, we have some more to do. Just seeing compression so the dates and looking for hotels will be a struggle because of the compression.

Mr. McDonald – Is the new hotel downtown doing well?

Ms. Delaney – Yes, the first week they were booked. Also resulting in the parking lot is full.

ASM Annual Report:

Ms. Licygiewicz began with presenting the complete 2023 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.

ASM started 2023 with only 75 events in the books. Ms. Licygiewicz sat down with the team and looked at goal setting. The market was still turning around. Items to focus on included maximizing revenues with events already on the books, new avenues of revenue and operating costs. Found great success with these three pillars.

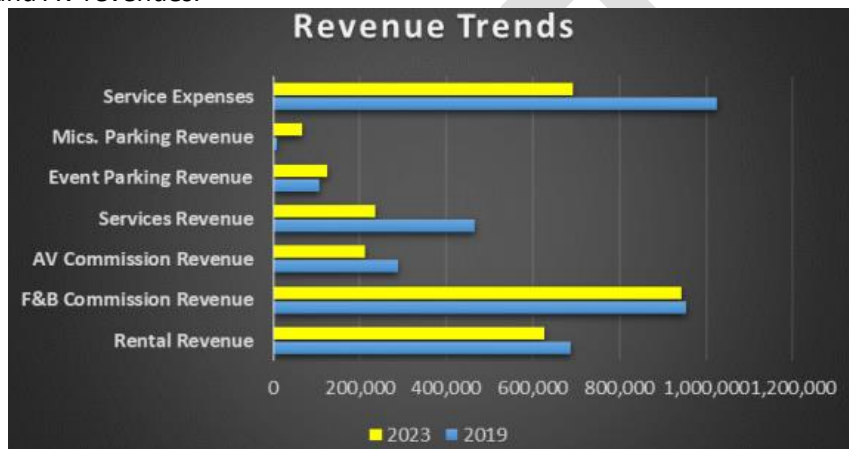
A review of the financials included increased rental income, services expenses under budget, catering revenues increased, repairs were inline and savings under utilities. Combined everything resulted in a great finish to the year.

INCOME STATEMENT		
For the Twelve Months Ending December 31, 2023		
	Year to Date Actual	Year to Date Budget
EVENT INCOME		
Direct Event Income		
Rental Income	\$ 623,686	\$ 432,015
Service Revenue	237,005	364,500
Service Expenses	(693,052)	(719,150)
Total Direct Event Income	167,639	77,365
Ancillary Income		
F & B Concessions	0	0
F & B Catering	942,753	649,732
Total Ancillary Income	1,329,352	1,023,267
Total Event Income	1,496,991	1,100,632
OTHER OPERATING INCOME		
Advertising	78,381	96,000
Other Income	68,061	29,500
Total Other Operating Income	146,442	125,500
Adjusted Gross Income	1,643,433	1,226,132
INDIRECT EXPENSES		
Salaries & Wages	1,143,979	1,059,749
Payroll Taxes & Benefits	325,442	332,836
Net Salaries and Benefits	1,469,421	1,392,585
General and Administrative	270,466	317,064
Operating	74,569	75,806
Repairs & Maintenance	262,340	279,756
Operational Supplies	11,314	7,500
Insurance	44,562	37,278
Utilities	254,250	298,004
Other	0	0
Depreciation	18,740	31,000
Total Indirect Expenses	2,405,662	2,438,993
Net Operating Income (Loss)	(762,229)	(1,212,861)
SMG Management Fees	100,833	95,940
Net Income / (Loss)	(\$ 863,062)	(\$ 1,308,801)

ASM tracks trends – event specific and one of the trends not performing as well as previously is conventions. They are striving to bring that back. Meetings are back, public shows went up and we are now shifting to our new business. Focusing on these trends helps narrow our focus with the sales teams.



Taking a look at the revenue charts, comparing 2023 to 2019 it is a balance of reducing expenses and increasing revenues or keeping in line. Parking revenue was a new revenue that was one of the items looked at to offer parking during down times to the community coming in for neighboring venues and businesses. Areas to work on include -service and AV revenues.



Human Resources – ASM Global is operating at a 64% MW/EEO participation rate. The ACCA policy indicates a target goal of 60%.

Ms. Licygiewicz highlighted ASM Global’s support to ACC including new partnerships because of their procurement services. One included their Digital Media Network and an advertising opportunity with Clorox and a NYS Health Plan Association. These opportunities can become additional revenue sources for ACC.

Ms. Licygiewicz spoke of her involvement in the community; ASM’s commitment to their communities and the events they participated in including E-waste collection, Adopt a Family, and Food recovery efforts partnering with Mazzone Hospitality.

Highlighted the 2023 sales. Started the year with 75 and were thrilled to get to 153. It was an aggressive year that led to great results.

Ms. Licygiewicz also reviewed the ASM generated leads. Most of the leads for ACC come from ASM ACC sales team but also partners with Corporate, CVENT and partner referrals. After a cool down during the pandemic, their database is starting to grow again. Part of this lead networking is traveling to conferences to help build contact lists.

After giving 100% of the marketing to Baker PR in 2023, a little over \$63k was spent on marketing. 40% of that dollar went to experiential opportunities with ACC events to partner or give back to give them something extra.

Adding little touches in a year where budgets were tight meant a lot to the events and created positive impact. Baker PR security a total of 150+/- media placements for ACC which created a total dollar impact value of over \$450k. ACC was also a recipient of 2 awards and a STAR certification for its facilities.

Ms. Licygiewicz provided video testimonials for the board to view.

Mazzone Hospitality brought on a new team member, Jacquelyn Stallmer. She hit the ground running. Looking at strategies with them to move forward in all areas. Goals with Mazzone include expanding concession experience with events. Extra touches that will deliver return.

Ms. Licygiewicz provided an operational highlight. It is a busy year. Competition is out there. Facilities are looking to be upgraded, so it is important for us to maintain that path. Thank you to the ACCA board and Executive Director for the support to upgrade our facilities. Those upgrades and additions include both operational and facility work; chair rails installed in spaces to protect the walls; upgrading lighting and equipment; now removal equipment; new trash receptacles; new classroom tables to attract and maintain the BAR exam and storage areas.

Survey results were reviewed. The response number came in at 37.5%, 12% over industry standard which was a great result.

Any questions:

Mr. Hoke – With the news of the activities in Schenectady, how with that affect Discover Albany and the ACC?

Ms. Delaney – News just broke this week. We don't have all the details. We do lose smaller business to Schenectady at the Landing. We don't look at it as a negative to the region – as Schenectady is part of the destination. We use their hotels frequently. Cities are going to build what they want. I think our region can withstand additional structures coming in. We are still attracting visitors due to the easy access to Albany. Once we get the details – we can look at the strategy.

Ms. Cloutier – Schenectady has occupancy issues as well. Proctor's drives usage. There are cooperative opportunities and looking at the regional stuff.

Ms. Delaney – Sports – we have grant to look at opportunities and growth. Helps all six of the areas, but Albany, Schenectady and Saratoga will be able to participate. We look at it as an opportunity, a friendly competition. Their model in Schenectady of Economic Development is different than ours. Metroplex is a different model and poses a challenge for us due to that.

Ms. Licygiewicz – It's a great question. Our team deals with competition all the time. Comes down to what the customer wants. Gives us a good reason to maintain the facility and invest. It will be interesting to see the specs for the project.

Ms. Licygiewicz provided a quick recap of 2023 Q3 they were just shy of their goal. Onward to 2024, they have an additional 25 events since Q3 which include a mixture of all categories. She reviewed the current 2024 stats and feel they are in a wonderful place heading into the year. They are at 57% of event goals.

Current Contracted Events for 2024:

- Total of Contracted Events for 2024 is **97 Events**
- Total of Event Days impacted by the 97 Events is **180 Days**
- Total of Estimated Guests from the 97 Events is **51,477 People**
- Total Hotel Room Nights impacted for 2024 is estimated at **8,641**
- Additional Contracts have been issued **16**

ACC is continuing to work 2025 and out years. Working with the compression that is occurring and filling the calendar in outer years.

Current Contracted Events for 2025:

- Total of Contracted Events for 2025 is **14 Events**
- Total of Event Days impacted by the 14 Events is **34 Days**
- Total of Estimated Guests from the 14 Events is **22,042 People**
- Total Hotel Room Nights impacted for 2025 is estimated at **2,974**
- Additional Contracts have been issued **5**

Ms. Licygiewicz review attendance trends and video testimonial from ACES and videos highlighting the Regeneron Holiday party.

Month to Date for December:	Year to Date:
<ul style="list-style-type: none"> December 2023 is 73% ahead 2019 attendance numbers. December 2023 is 8.5% behind 2022 attendance numbers. 	<ul style="list-style-type: none"> Year 2023 is 22% behind 2019 attendance numbers. Year 2023 is 14% ahead 2022 attendance numbers.

Questions:

Mr. Purnomo – How many years have they (Regeneron) locked into? Or are they year to year?

Ms. Licygiewicz – This past year was July 3rd. They’ll have the three-night pattern for the next couple years. The expense of 4 nights would be tough financially for the event. They take their time to go through planning, so it creates a moving target. We tend to hold days just in case, send a wish list to their planner. If we get something that would compete for days, we let them know. There is a risk, but with the strength of the market coming back it is doable.

Mr. McDonald – They (Regeneron) look on it as an investment in the region.

Annual Meeting:

Ms. Vennard moved the agenda forward to the Annual Meeting. She would like to add a Tab 9 to the agenda and requested that the board members stay after adjournment.

Mr. Ryan proceeded to review the items on the agenda starting with the resolution for the election of officers for the year and revisit committees. Those committees include Audit and Finance, Governance, and the Economic Impact Committee.

Resolution 01-2024 Electing Officers of the Authority with a slate comprised of:

- Michele Vennard, Chairperson
- Jahkeen Hoke, Vice Chair
- Steven C. Lerner, Treasurer
- Sarah Reginelli, Secretary

Ms. Vennard requests a motion to approve Resolution 01-2024 electing the slate of officers as presented.

A motion was made by Mr. McDonald, seconded by Mr. Purnomo, to accept the ACCA 2024 Slate of Officers; The motion carried unanimously.

Resolution 02 – 2024 Authorizing the adoption and restatement of an Investment Policy was presented.

Ms. Vennard requests a motion to approve Resolution 02-2024 re-stating the Investment Policy:

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

Ms. Vennard requests a motion to approve Resolution 03-2024 re-stating the Property Disposition policy:

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

Mr. Ryan confirmed that the Economic Impact Committee met on 1-23-25 to review the Operator Performance/Productivity and Quality Incentive Fee for FY 2023 but due to a lack of quorum the committee was only able to forward no objections to the incentive fee. As summarized in the memo provided to ASM by ACCA Staff working with ACCA Counsel, Mr. Ryan 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. As a result, for FY 2023, the Performance/Productivity fee that ASM is eligible to receive will be \$20,301.60, and, the Quality Incentive fee will be \$50,754.00, for a total of \$71,055.60.

Ms. Vennard requests a motion to approve Resolution 04-2024 Authorizing an Operator Incentive Fee:

A motion was made by Ms. Reginelli, seconded by Mr. Hoke to authorize the Operator Incentive Fee; The motion carried unanimously.

ACCA Operations:

Ms. Kurzejeski provided a brief summary of projects being worked on and an update on the transition of work with Mr. Stewart.

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. Purnomo; seconded by Mr. McDonald to adjourn the meeting; The motion carried unanimously.

The meeting adjourned at 10:13 AM

Next Meeting: Special Meeting Audit

Thursday, March 28, 2023, 9:00 AM

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