

ALBANY CONVENTION CENTER AUTHORITY
Minutes of the ACCA FY 2022 Q-2 Meeting
Capital Room, Albany Capital Center
July 28, 2022

Call to Order:

The meeting was called to order at 9:00 AM by ACCA Board Chair, Michele Vennard noting that a quorum was not present, and that action could not be taken by the ACCA Board at this regularly scheduled meeting.

Members present: ACCA Board Chair, Michele Vennard, ACCA Board Secretary Sarah Reginelli, ACCA Board Members: John T. McDonald II and Michael Hoffman

Member via Audio-Only Link: ACCA Board Treasurer Steven C. Lerner

Member Absent: ACCA Board Vice Chair Daniel C. Lynch

Others Present: Robert Ryan, Meredith Brinkman, BST/CFO, Jay Cloutier, Discover Albany Shannon Licygiewicz, ASMGlobal- Eliza Bianco Baker PR, Rachael Murray, Baker PR, Duncan Stewart, ACCA,

On behalf of the Board, Ms. Vennard expresses the concern for the ability of this Public Authority to function with the current number of vacancies, leaving the board vulnerable to a lack of quorum as is the case today and may be again, such that important actions must be postponed.

Mr. McDonald confirms that he is contact with the Governor's appointment office on a weekly basis. Although there have been changes in personnel there, and there is back log, the ACCA has up for consideration several strong candidates, which likely puts the Authority in a better position.

Approval of Minutes:

4-28-22 Draft minutes of the ACCA FY 2022 Q-1 Meeting

Absent a quorum, Ms. Vennard asked for comments. There were none and approval of the minutes was tabled until a future meeting with a quorum present.

Business Reports:

Ms. Vennard called upon Ms. Brinkman to present the June 2022 Financial Statements.

Ms. Brinkman proceeded with a review of the June Financial statements beginning with the statement of net position for Income and Expense followed by that for assets, liabilities. Ms. Brinkman identified the actual v. budget for both, providing detail that due to the reporting period and timing does not yet reflect the Occupancy Tax that arrived in July. Budget v. Actual for the year parallels expectations however there are instances where Actual exceeds Budget due to accrual. Ms. Brinkman reviews the 2022 Q-2 Occupancy Tax distribution as \$332,000 above the budgeted amount and when contrasting year-over-year, the FY 2022 Q-2 distribution is less than that of FY 2019 Q-2 by \$62, 479.30.

Questions were raised concerning expenses and holding the line on operating overhead. In response ACCA Staff and ASM reviewed the significant impact of increased costs across the board especially for energy and food & beverage, also labor, linens, and the everyday supplies required. It was noted that in many instances bids were tendered and contracts executed last year for this year that were in advance of the current inflationary cycle and did not include escalation clauses. Ms. Licygiewicz notes that current and future proposals are reflective of these increases and that many clients continue to struggle with the increases especially those related to Food & Beverage. Mr. Lerner asks via email if the ACCA/ACC/ASM pay any of the energy costs for the ESP Walkway. The ACCA/ASM/ACC do not.

Albany Capital Center: Operations Updates:

Mr. Cloutier presents the 2022 Q-2 EI Report along with an updated Outlook, previously reviewed by the ACCA EI Committee at its meeting of 7-19-22. Both reports indicate a slow but steady return of activity, but of a different type than before with small meetings and social events more prevalent. Although there were four conventions, the NYSUT event comprised 50% the category value and had the largest number of attendees. In general, the market is experiencing a greater number of smaller sized event with fewer attendees as many organizations have not returned to full operation and for those annual events with predictable attendance numbers, attendee "habits" have been disrupted by the pandemic.

The Outlook graphs an encouraging parallel to that of FY '19, however there are multiple local hotel properties that are in transition, some being sold, some being held for sale and other being converted to either some form of extended stay or apartment use.

The total available room count is less than the total inventory by a greater number of rooms than would normally be the case due to persistent labor shortages and in some instances supply chain disruption. Available room count is a factor when booking room blocks in response to RFP's.

Ms. Reginelli notes that financing is also an issue for many as banks show reluctance to fund in this market, however, 705 Broadway is again active and now has a Summer '23 delivery.

Mr. Lerner emails in that The Hilton Garden Inn @ SUNY is also for sale as it is outside of the geographic management area of the present owner and despite good occupancy rates.

Ms. Vennard states that trends are important, and we need to keep a close watch on the industry. Not having a Headquarter hotel as is the case means that all properties, including the small ones are important and it will need to be determined if more inventory is needed and in what form, those with large room counts or an increase in the number of small properties.

Mr. Hoffman offered that some in the industry regard it as a good time to build a hotel, despite rising Interest rates and the current high cost of construction materials. Key in such a determination is that during the pandemic the value of good properties held, whereas the already underperforming ones did not retain value.

Ms. Licygiewicz reviews the sales and marketing update, highlighting the month-to-month stabilization in both cancellations and postponements, while acknowledging that they remain a factor along with the impact from a shortened booking window and that year over year bookings are below average. November and December of this year are normally booked by this time, but this year the calendar has many openings. Holiday parties are not booking as yet and in many instances the ACC cannot compete for the smaller meetings that fit well within the typical hotel pro forma. Marketing efforts are underway including cold calls to NYS associations and telephone contacts with discounts offered as incentives when booking. The recent phone event yielded three events from the twenty calls made. 2023 calendar is light, but there are some encouraging signs based upon the number of bids, pending contracts and contacts by event planners. However, with the shortened booking window and the need to free updates, some clients for whom dates have been held-over from past years and who cannot commit, are having to either change their date or seek alternatives in continuation of the market compression, especially for small meetings.

Albany Capital Center: Operations Updates (Continued):

Rachael Murray summarizes the media activity on behalf of the facility during the past quarter and the impacts in Total Advertising Value Equivalency, along with visitors to the expanded social media platforms of the ACC and ACCA, press releases and advisories, contributed articles, public relations, and marketing efforts. Details were provided for various metrics and future objectives were outlined to include leveraging the newly developed ACCA social media platform to benefit the community and assist in marketing the destination. 3-1-22 through 4-8-22 noting the significant Advertising Value Equivalent associated with the effort which is actually greater than stated as this summary is derived from internet traffic alone.

ACCA Staff reviews the progress to date on all FY '22 Capital Improvement projects and the schedule for their completion. Staff presented a summary of the existing space review conducted by ASM to identify areas for possible repurposing. Stair 1 in the northwest corner is underutilized and it is recommended to take pricing from a consultant to determine the feasibility of converting the space to marketable event and needed office uses.

Ms. Vennard asks for objections from the members present, there are none for proceeding to accept a proposal without obligation or cost to the ACCA. Mr. Lerner offers his concurrence by email.

Legal Report:

Mr. Ryan summarized four items including the Resolution Repealing and Replacing Its Records Retention and Disposition Schedule, a required action by the ACCA Board to address recent changes in record retention and filing with the NYS Archives, the changes to the open meeting laws related to having a quorum present that is accessible by the Public, the Private Use of public facilities related to sponsorship opportunities available to the ACC, and that the Trademark has been designated for the Supplemental Registry until its use can be determined to be specifically for this facility and the Authority.

Absent a quorum, Ms. Vennard withheld Resolution 08-22, Repealing and Replacing Its Records Retention and Disposition Schedule, tabling discussion and any action until a future meeting with a quorum present.

Other Business:

There was no other business

Adjourn:

Absent a quorum, Ms. Vennard adjourned the meeting at 10:26 AM.

Next Meeting: ACCA Special Meeting: FY 2023 Budget. Thursday, September 29, 2022 @ 9:00 AM

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