

ALBANY CONVENTION CENTER AUTHORITY
AUDIT & FINANCE COMMITTEE MEETING #3 of 2022 MINUTES
Albany Capital Center
September 29, 2022, 9:00 AM

ATTENDEES

Present: Audit & Finance Committee Chair, Steven C. Lerner, Members: Michele Vennard, Sarah Reginelli, Assembly Member John McDonald, Daniel C. Lynch, Francisco Calderon

Connected via ZOOM: Dominick Purnomo

Absent: Michael Hoffman

Others: Amy Thompson, Robert Ryan, Shannon Licygiewicz, Jenifer Cioffi, Duncan Stewart

CALL TO ORDER AND ROLL CALL

Attendance was noted and that a quorum was physically present. The meeting was called to order at 9:01 AM by Chair Steven C. Lerner who then summarized the items before the committee and asked Ms. Thompson to proceed.

FY 2023 BUDGET REVIEW

2023 Albany Capital Center Operations Budget:

Ms. Thompson called upon Shannon Licygiewicz ASM General Manager to review the Draft Albany Capital Center Operations Budget for FY 2023 prepared by ASM as facility operator. Ms. Licygiewicz reviewed for the committee those revenue and expense projections for an improving market with multi day events beginning to return as is being reflected in the bookings. The projections are based upon national trends with information provided by ASM corporate. Certain revisions contained in this budget include Shared Services Agreement shifting responsibility to the ACC, while certain importance functions, Finance, Payroll, and Human Resources will continue to be shared with the MVP Arena (former Times Union Center). The approach taken regarding event numbers, revenue levels and related assumptions continues to be conservative especially for the return of meeting business.

Mr. Lerner: Difference Rental Income v. Service Income?

Ms. Licygiewicz: Rental Income = physical location(s) in use within the ACC. Service Income = Guest Services, Rigging and related supporting functions that are either direct costs or subject to commission when provided by one of the preferred vendors.

After holding costs through the pandemic, out of necessity ASM has begun a planned increase in the rate structure, which from client feedback is being understood including room rental, parking, and related items falling under Rental Income.

Ms. Reginelli: How are these projections developed, on what basis?

Ms. Licygiewicz: We have relied upon the quarterly averages from FY 2019, taking into account the slow start we experienced in the first quarter of this year which caused us to have few events for the year as a result the cancellations and the combination of moved events and the shorter booking window which reduced the number of available dates in Q-2 through Q-4.

By way of good news, once again there is increasing interest and more bookings of multi day conferences as businesses and organizations return to a normal meeting schedule. This poses some challenges when planning projects for FY 2023 including the refinishing of the basketball courts.

Mr. Lynch: When refinishing, can the ACCA logo be incorporated?

Ms. Licygiewicz: Possible, but ASM will need to review and advise. For example it may need to be removeable to meet the needs of certain types of events.

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2023 Albany Convention Center Authority Budget:

Ms. Thompson presents the Albany Convention Center Authority Budget for FY 2023, developed by BST/CFO and ACCA Staff based upon the information provided by ASM contained in the Operations Budget, and those direct discussions with Discover Albany regarding the hotel occupancy projections by Smith Travel Research (STR) and projected impacts to the hotel tax receipts.

Ms. Thompson reviews the assumptions made by the ACCA regarding revenue and expenses, drawn from the information provided by ASM, from Discover Albany and as impacted by depreciation expenses and those planned expenditures for Capital Improvements including set asides for carpet replacement in 2024.

Ms. Thompson summarizes the approach taken last year as appropriately conservative and for this coming year the proposed budget reflects those improvements in the market conditions, modest increases in the Occupancy Tax receipts, and event revenue, such that subsidy is stable and once again approaching the levels of FY 2019 and Q-1 of 2020.

Ms. Thompson highlights those incremental adjustments within the budget year over year and the addition of Line Item 6500 to cover the anticipated shared cost for upkeep of the ESP Walkway.

2022 ABO Budget:

Ms. Thompson reviews the ABO Budget Report which includes FY 2021 actual and estimates through 2026, highlighting the addition of Note: 9 having to do with the upkeep of the ESP WW.

Mr. Stewart clarifies this note and line 6500 in the ACCA Budget as in anticipation of the ACCA annual shared cost under a 3 way agreement including the ACCA, Albany County and NYS to provide cleaning, regular maintenance and meet the utility costs for operating the ESP WW.

Mr. Lynch summarizes the positive exchanges between NYS OGS and Albany County to date as a good start to this process and toward a shared outcome for the future.

Ms. Thompson confirms that in addition to legal and accounting fees the professional services line also includes the Quantitative/Qualitative Incentive fee to the operator based upon the metric based analysis in the Contract.

FY 2022 Audit Engagement Letter

Mr. Stewart reviews cost range and confirms required 5 year change in lead Auditor as Brian Kearns.

Mr. Lerner asks Counsel if one motion for all three budget items is acceptable.

Mr. Ryan confirms, stating that the engagement letter should be considered separately.

FY 2023 Budget Items:

A motion was requested by the Chair and offered by Mr. McDonald; seconded by Mr. Lynch to recommend to the board that it adopt the 2023 Albany Capital Center Operations Budget, the 2023 ACCA budget, and The ABO Budget, at the ACCA Special Meeting to follow. The motion carried unanimously.

FY 2022 Audit; UHY Engagement Letter:

A motion was requested by the Chair and offered by Ms. Reginelli seconded by Ms. Vennard to recommend to the board that it authorize the 2022 Audit Engagement Letter 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. Lynch. The motion carried unanimously

The meeting adjourned at 9:35 AM

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