

Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, May 8, 2013

Jasper Boardroom, Savannah International Trade & Convention Center

Members present: Center, Jackson, Marinelli, Monsees, Quattlebaum, Smith. **Members absent:** Baxter, Bazzard, Cutter, McAlister, Polote, Green. **Also present:** GIMTCA Counsels Tom Gray and Jon Pannell, Jeff Hewitt, Linda Cramer, Michael Kaigler, Howard Helmken and SITCC staff Bob Coffey, Ronnie Hickman, Armelle Kelly, Stephen Hall, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:01am.

Mr. Smith noted a quorum, and asked for approval of April 2013 Minutes and Treasurer's Report; moved by Ms. Quattlebaum; seconded by Mr. Center and approved by unanimous voice vote.

Mr. Smith asked for a review of April 2013 financial reports; Mr. Hall reported a favorable variance to the Center budget for April, and forecasted an unfavorable budget at year-end. Mr. Hall explained that although additional cost savings measures have been implemented, due to lack of short-term revenues the FY13 budget will not be met. Mr. Hall clarified Mr. Center's question regarding the variance to the FY13 budgeted amount. Mr. Hall replied to Mr. Marinelli's question with regards to the definition of service revenue by stating examples of event-specific part time staff such as Security, Housekeeping and Operations Set Up. Mr. Coffey replied to Mr. Center's question that there are no additional charges to the clients if a larger number of attendees arrive than was expected. Mr. Coffey further explained that there will be extra ancillary revenue if a larger than expected number attends. Mr. Hall further explained that more events not budgeted will increase the service revenue. Mr. Marinelli asked if the events entailed fewer requests for meals or if the client is spending less money on meals to which Mr. Parks replied that the clients have been trending towards concessions which presents difficulties in estimating staffing and supplies. Mr. Coffey offered the example of a recent Saturday event for which there was little prior public notice of an afternoon seminar program; concessions needed to be staffed/stocked for heavy lunch volume, but under-utilized because so many guests chose to leave after the celebrity keynote speaker.

Mr. Hall then reported that the Water Transportation shows an unfavorable variance for April; year-end currently projected to be unfavorable to budget. Mr. Center asked who invoices the \$136k federal matching contribution which has not yet been paid to which Mr. Hall replied that GDOT invoices CAT, who invoices GIMTCA. Mr. Coffey commented on the increased maintenance expenses and the possibility of CAT applying for a grant on behalf of the Authority to offset maintenance costs.

Mr. Hall then reported a favorable variance to the Authority's budget for April; with year-end currently projected to be unfavorable due to two unbudgeted rental credit events (GA TAC and YMCA Gymnastics Championships); reduced interest income, and building and water ferry forecasts. Hotel/Motel tax is projected to be favorable at year end. Mr. Hall commented that City of Savannah H-M tax numbers have surpassed budgeted levels since the beginning of FY2013; and surpassed all prior years dating back to 2001. Mr. Smith suggested to Mr. Hall to accrue the property insurance month-to-month rather than estimating when the insurance will be invoiced, to which Mr. Hall agreed. Ms. Quattlebaum asked who the property insurance was insured with to which Mr. Hall replied the State of Georgia. Mr. Coffey replied to Mr. Center that there is no sovereign immunity on property insurance. Mr. Smith commented that the property insurance covers flood, wind and other losses. Mr. Smith asked Mr. Hall if the Hotel/Motel tax was year to date actual with the remaining fiscal months forecasted to which Mr. Hall replied that staff uses budget numbers rather than forecasting. Mr. Smith asked Mr. Hall if the Authority's deficit had the potential to decrease after the additional Hotel/Motel tax for the remainder of the fiscal year was calculated, to which Mr. Hall allowed the possibility. Mr. Monsees asked if there have been any requests

for payment of the \$136k federal match to which Mr. Coffey replied no; but after CAT and GDOT have issued a contract for the grant, the Authority will be invoiced for the local match.

Mr. Smith asked for Counsel's Report. Mr. Gray responded no report at this time.

Mr. Smith asked for the Sales and Marketing Report. In Ms. Brady's absence, Ms. Kelly reported 26 bookings in April, including 14 definites. Ms. Kelly highlighted the Association County Commissioners of Georgia (ACCG) 2015 Annual Meeting in April 2015; and the tentative booking of the Savannah Kennel Club for November 2013. Ms. Kelly reviewed the year-over-year room night production report. Mr. Monsees asked if Savannah has a good chance to book the Vietnam Veterans of America event in 2017; Mr. Marinelli replied that although it is in a slower season, Savannah's hotel rates are still high compared to other cities, and therefore unlikely that Savannah will be chosen. Mr. Center asked if the ACCG is booked in 2014 or 2015 to which Mr. Marinelli replied that the event is booked in April 2014.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed Savor...Savannah's Customer Feedback Report for March--which had a 50% return rate, and an above average combined score of 4.10 out of 4. Mr. Parks commented on positive feedback from JCB (which had its first event at Trade Center); the annual Hibernian Dinner and the 11th Circuit Court of Appeals conference.

Mr. Smith asked for the Operations Report. Mr. Hickman reviewed the Operations Update memo, highlighting a successful annual Fire Extinguisher inspection, preventive maintenance and inspection of the 700 & 900-ton chillers which reported back in good condition. Mr. Hickman also commented on the major repairs to the kitchen freezer in addition to capital project updates such as the ballroom dimming system and the Exhibit Hall Floor Post-Tensioned Cable repair. Mr. Smith replied to Mr. Center's question that the floor was showing exposed PT cables which were incorrectly installed. Ms. Quattlebaum asked if the repairs could be covered by insurance or liability; Mr. Coffey replied that it could not.

Mr. Smith asked for the General Manager's Report. Mr. Coffey highlighted a memo regarding the Historic Marker Dedication of the "SS James Oglethorpe and the Battle of the Atlantic" at the Trade Center on Wednesday May 22, 2013 at 5:30pm.

Mr. Coffey then reviewed the FY 2014 Center, GIMTCA and Water Transportation Budgets. Mr. Coffey highlighted pages 7-8 which emphasized certain expenses that will not be incurred unless the revenue is available. Mr. Marinelli asked about the current-year vs. budgeted Hotel/Motel tax numbers; Mr. Hall replied that the current year forecast has improved; reflect a 1.2% decrease. Mr. Coffey reviewed the FY2014 Water Transportation budget which reflects no changes to the funding structure, and no operating reserve; and directed board attention to budget details on page 2 of the package. Mr. Smith asked if the \$100k improvement in bottom line performance requested at the May 15 budget workshop is reflected in the budget under discussion; Mr. Hall responded yes. Mr. Smith questioned the budgeted Hotel Motel tax figure, which is lower than current year forecast and FY12 actual; and commented that FY2014 revenues should be higher, due to the opening of new hotels. Mr. Smith asked that the FY2014 HMT budget figure be revised to approximate FY12 actuals. Mr. Monsees asked whether the budgeted federal match could be expensed in FY2013 pending receipt of the CAT/GADOT invoice; Mr. Hall and Mr. Coffey responded that the expense could not be booked until actually incurred.

Mr. Center asked if he is able to extend an invitation to the May 22 Historical Marker Dedication to the Pine Gardens neighborhood that was built around the shipyard to which Mr. Coffey replied affirmatively.

Mr. Smith asked the board for a motion to adopt the FY2014 budget subject to the changes discussed; Moved by Mr. Marinelli and seconded by Mr. Jackson. Motion passed by unanimous voice vote.

Mr. Smith requested any further business; and hearing none adjourned the meeting at 11:52am.

Respectfully submitted,


George Jackson, Secretary