

# Georgia International and Maritime Trade Center Authority

Minutes of the Regular Meeting of the Board of Directors  
**Wednesday, September 11, 2013**

Jasper Boardroom, Savannah International Trade & Convention Center

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**Members present:** Baxter, Center, Jackson, McAlister, Monsees, Polote, Quattlebaum and Smith.  
**Members absent:** Bazzard, Cutter, Green, Marinelli. **Also present:** GIMTCA Counsel Tom Gray, Howard Helmken, Michael Owens, Marty Johnston, Marc Friday, Cort Atkinson, Jody McIntyre, Mary Mayle, Mark Spadoni, Chris Lightle and SITCC staff Bob Coffey, Ronnie Hickman, Fredia Brady, Stephen Hall, Jamie Parks and Gail Terrell.

Chairman Smith convened the meeting at 11:01am and requested a moment of silence in remembrance of September 11, 2001.

Mr. Smith introduced Cort Atkinson, CEO Ocean Exchange. Ms. Atkinson commented on the event's new name, Ocean Exchange and highlighted the features of the new website. Ms. Atkinson reviewed the purpose and mission of the Ocean Exchange and the upcoming conference in September/October 2013.

Mr. Smith noted a quorum, and asked for approval of July/August 2013 Minutes; moved by Mr. Baxter; seconded by Mr. Polote and approved by unanimous voice vote. Mr. Smith asked for approval of the Treasurer's Report; moved by Mr. Baxter, seconded by Mr. Jackson and approved by unanimous voice vote.

Mr. Smith asked for the July/August 2013 financial reports; Mr. Hall introduced Mr. Chris Lightle from Karp Ronning & Tindol, Auditors, for a review of the audited FYE 2013 financial statements. Mr. Lightle reviewed the Authority's audit findings and the operating statement of the water ferry fund. Mr. Lightle reminded the board members that GIMTCA activities are now reported in 3 separate funds: General Fund, CIP (Capital Improvement Program) Fund including construction projects and the Water Transportation Fund. Mr. Lightle commented on the General Fund and CIP funds, stating that the General Fund is very consistent to the prior year. Mr. Lightle commented that the Water Ferry Fund had an increased operating loss of approximately 30k. Mr. Smith questioned the Water Ferry Fund net loss amount of (\$191k) which Mr. Lightle confirmed. Mr. Center questioned what comprises water ferry operating revenues to which Mr. Smith and Mr. Hall replied Convention District ("POR") fees, a small property tax, and Westin, City and GIMTCA contributions. Mr. Lightle replied to Mr. Smith's question confirming the \$697k net cash flow amount for FYE13 for the Authority. To Mr. Smith's question regarding the increased GIMTCA Operating Account balance compared to last year, Mr. Hall confirmed the increase is mainly due to reimbursement to the fund from outstanding ferry grants; and increased hotel-motel tax collections. To Mr. Smith's question, Mr. Lightle responded that any adjustments would account for minor variations in hotel/motel tax collections. Mr. Smith asked Mr. Coffey if a vote was necessary to approve the audited FYE 2013 financial statements: Mr. Coffey responded that past practice has been to accept the report; and direct any questions thru staff to the Auditor. Mr. Smith asked members to review the audits and forward any questions or concerns for review and response.

Mr. Hall reported an unfavorable variance to the Center budget for August, and forecasted year-end to be on budget. Mr. Hall reported that Water Transportation shows an unfavorable variance for August; year-end projected to also be unfavorable. Mr. Center asked if the water ferry hours can be reduced to which Mr. Coffey explained that the high proportion of fixed (overhead) charges, compared to actual operating expenses (personnel, fuel, supplies etc) means any reduction in operating hours to offset the budget shortfall would have a disproportionate negative effect on service. Mr. Hall continued the review of the financials and reported that the Authority shows an unfavorable variance for August and an unfavorable year-end. To Mr. Smith's question, Mr. Hall stated that the budgeted hotel-motel tax projects an increase over last year of 2- 2 ½ %. Mr. Hall noted that July financials are in the board packet; and then reviewed

the GIMTCA Insurance Program memo. Mr. Smith asked how the Authority is protected if a person is injured while attending an event. Mr. Coffey stated that event insurance is required and would cover such loss; secondly the Authority is indemnified by, and insured through SMG, in addition to GIMTCA's own liability policy. Mr. Coffey confirmed Seacrest Partners is GIMTCA's insurance broker. Mr. Hall noted Seacrest's recommendation to increase GIMTCA Directors & Officers coverage from \$3 to \$5 million. Ms. Quattlebaum asked if there is separate flood insurance, which Mr. Hall confirmed. Mr. Baxter noted scenarios in which flood insurance may not cover a loss; Mr. Hall responded that the center property policy also includes flood coverage. Mr. Smith asked for a summary of insurance and re-confirmation of flood coverage, which Mr. Coffey confirmed will be ready for the Nov board meeting. Mr. McAlister asked for changes to the summary format, and asked whether an increase in the \$100 million limit on property insurance was warranted. Mr. Coffey responded that staff will investigate whether the limit can be raised.

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

Mr. Smith asked for the Sales and Marketing Report. Ms. Brady reported 29 bookings in August, including 14 definites. Ms. Brady also highlighted the definite bookings of Aloha International Spirit Championships, American Petroleum Institute and GA Association of Realtors. Ms. Brady also commented on the repeat booking of Michelin North America. Ms. Brady also reviewed the year-over-year report and Room-nights Consumed segment report. Mr. Smith asked if the booking pace has changed to which Ms. Brady and Mr. Coffey replied that the meetings and conventions continue to be strong for FY 2014. Mr. Smith commented on the figures for potential room nights in Chatham County.

Mr. Smith asked for the Food and Beverage Report. Mr. Parks reviewed Savor...Savannah's Customer Feedback Report for July, which had an 83% return rate, and an 'above-perfect' score of 4.25. Mr. Parks commented that the recent inventory of F&B 'smallwares' revealed that the gross value is \$572k, vs, the Authority's initial \$500k investment in 2000.

Mr. Smith asked for the Operations Report. Mr. Hickman highlighted HVAC preventive maintenance, and GA Power's pending installation of upgraded lighting in the main parking lot which will save costs and improve lighting. Mr. Hickman also commented on capital projects, such as the ballroom lighting control system upgrade and life safety system upgrade and improvements.

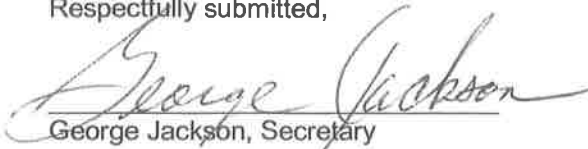
Mr. Smith asked for the General Manager's Report. Mr. Coffey commented that the recent Savannah Craft Brew Festival proved to be a success and profitable for the private operator. Mr. Coffey stated that the event may be expanded from a one to two days. Mr. Smith asked how many tickets were sold to which Mr. Coffey replied that a total of 4500 tickets were sold including 400-500 complimentary tickets.

Mr. Smith then commented on the GIMTCA-SMG Management Agreement, and the recent operations review and staff visit by Georgia World Congress Center Authority (GWCC). Mr. Smith stated that the GWCC team found that Trade Center/SMG staff run a very lean, professional operation; and gave very complimentary feedback. Mr. Smith stated that GWCCA would like to explore an expanded relationship with the Authority, and will consider submitting a proposal to manage the Trade Center. Mr. Smith stated that SMG will also submit a proposal, and discussions will continue with Executive Committee and board.

Mr. Smith lastly informed the board that the existing contract with SMG will need to be extended; it was moved by Mr. Center and seconded by Ms. Quattlebaum to authorize the Chair to negotiate another 90-day extension with SMG; and approved by unanimous voice vote.

Mr. Smith requested any further business: and hearing none adjourned the meeting at 11:55am.

Respectfully submitted,

  
George Jackson, Secretary