

Savannah Georgia Convention Center Authority

Minutes of the Regular Meeting of the Board of Directors
Wednesday, April 8, 2020, 11:00am

Via TELECONFERENCE ~ Savannah Convention Center

Members present: Ruth Quattlebaum Edwards, Pat Farrell, Joe Marinelli, Martin Miller, Ben Polote Jr., Jeanne Seaver, Lorri Smith, Mark Smith, Mark Spadoni, Trip Tollison, Ansley Williams **Also present:** Paul Threlkeld, Jeff Hewitt, Michael Owens, Marc Friday, Lee Hughes, Katie Nussbaum, Frank Poe and SITCC staff: Sherrie Spinks, Gail Terrell, Stephen Hall, Ronnie Hickman, Angela Daniels, Judy Johnson, Jamie Parks and Holly Jenkins

Chairman Smith convened the meeting at 11:06am. Mr. Hall took a roll call to confirm board members on the teleconference. Quorum confirmed.

Chairman Smith asked for approval of the March minutes and Treasurer's report. Motion made by Mr. Spadoni; seconded by Ms. Quattlebaum Edwards and approved by unanimous voice vote.

Counsel Report. Mr. Threlkeld stated no report at this time.

External Affairs: Mr. Hughes provided an update on the municipality ordinance forms. Mr. Hughes commented that the next Legislative session may be held towards the end of May. Mr. Hughes commented on the recent passing of State Senator Jack Hill who was very supportive of the Savannah Convention Center's expansion project.

Financial Reports. Mr. Hall reported an unfavorable variance to both Authority and Center budget for March, and year-end currently forecasted to be unfavorable to budget due to the impact the COVID-19 virus has had on multiple event cancellations. Mr. Hall stated that he will create a comprehensive forecast projection to send to the board every 14 days for review. The forecast projection will also include a list of assumptions per Mr. Spadoni's request.

Sales and Marketing Report. Ms. Daniels commented on a positive contract month for March despite the pandemic virus impact on events. Ms. Daniels reviewed the decline in the Pace report. Ms. Daniels also noted that future years were on track.

Operations Report. Mr. Hickman provided the Operations Report which included team highlights and an update of capital projects.

Food and Beverage Report. Due to technical difficulty, Ms. Spinks reviewed March Food Service financials.

General Manager's Report. Ms. Spinks provided an overall summary of the impact COVID-19 has had on events and staff. Ms. Daniels reviewed events affected by COVID-19, cancellations and events with new dates. Vice-Chairman Marinelli asked Ms. Daniels to comment on the facility's cancellation clauses and/or Force Majeure to which Ms. Daniels reviewed that all events for the months of March, April and May are able to reschedule or cancel with no penalties. Mr. Hickman provided an update on projects and training being completed at the facility. Ms. Spinks provided an update with regards to Food Service. Mr. Hall reviewed specific details COVID-19 and event cancellations has had on revenue in addition to savings being made due to a recent furlough of staff and review of all projected expense items. Vice-Chairman Marinelli commented that Georgia Municipal Association (GMA) has not made a confirmed

decision on moving forward or postponing with their June 2020 event. Mr. Hall continued to review the financial report to include Revenue, Expenses and Capital. To Mr. Spadoni's question regarding the market forecast for occupancy, Vice-Chairman Marinelli commented that there continues to be single digit occupancy for the historic district. Mr. Hall reviewed the DOAS – Business Interruption Insurance. Discussion ensued. Mr. Hickman provided an overview of the FY 2020 projects that will be continued, projects on hold and projects cancelled. To Mr. Spadoni's question with regards to the \$900k operations loss and if the money would be allocated from the Authority's capital budget, Mr. Hall clarified that the money is allocated from the Authority Reserve. To Ms. Quattlebaum Edwards question regarding the balance of the Reserve account, Mr. Hall stated \$14 million in cash and \$2.8 million in capital. Ms. Spinks provided a brief overview of the expansion project. Mr. Hickman provided an overview of the expansion-utility relocation.

Chairman Report. Chairman Smith stated that the Letter of Intent response from the Hotel Developer is pending due to the pandemic; however, conversations have been held with Songy Highroads, Counsel Threlkeld and Counsel Pannell. Vice-Chairman Marinelli provided an update on the public relations plan and conversations with the Parlay Company. Chairman Smith also discussed the \$2k request by a local group of citizens to paint a portrait of Howard Morrison who was an asset in procuring the ship model collection at the facility in addition to securing funding for the Ocean Exchange Conference and many more contributions to the Convention Center and City of Savannah. Chairman Smith commented on future plans to dedicate the facility atrium area to Howard Morrison. Motion by Mr. Miller to approve the additional \$2k request which will add to the currently raised \$3k by the local citizens to paint Mr. Howard Morrison's portrait; seconded by Mr. Spadoni and approved by unanimous voice vote.

Chairman Smith agreed to move the budget workshop meeting from April 15, 2020 to May 6, 2020 pending any extenuating circumstances. Mr. Hall confirmed that he emailed the board members the forecast through February 2020. To Ms. Seaver's suggestion to submit a letter to the Business Insurance Commissioner and copy Governor Kemp in order to receive business interruption financial assistance, Mr. Poe stated that the Governor is actively reviewing the impact on loss revenue; however, a letter could be utilized as a next step if needed. To Mr. Tollison's comment on utilizing reserve money for marketing plans as business comes back. Mr. Tollison stated that moving forward people may seek different markets with smaller spaces; Vice-Chairman Marinelli stated that the hotel/motel tax could potentially lose \$1 million dollars during the months of April, May and June, therefore, the marketing budget will take a loss. Vice-Chairman Marinelli further stated that the ad campaign is specifically for the Convention Center expansion project; therefore any assistance on marketing dollars would be welcomed.

Chairman Smith asked for any other business; hearing none. Chairman Smith then adjourned the meeting at 12:16pm.

Respectfully Submitted,



Lorri Smith, Secretary-Treasurer