**MONTGOMERY COUNTY CONVENTION FACILITIES**

**AUTHORITY**

**BOARD OF DIRECTORS**

Regular Meeting Minutes

April 21, 2022, 2:30 PM

Via Telephonic/Electronic Means & In-Person

**BOARD OF DIRECTORS – Finance Committee Meeting**

**PRESENT:** Sean Fraunfelter, Kevin Weckesser, Thomas Whelley and La Shea Lofton.

**GUESTS:** Pam Plageman, Executive Director, MCCFA.

1. **Roll Call**

Mr. Fraunfelter called the meeting to order at 2:32 PM and called the roll.

1. **Approval of Minutes**

January 2022 minutes were not presented and will be available for the May 2022 meeting.

1. **March Financials – DCC**

Mr. Fraunfelter quickly went through the bank reconciliation that includes all accounts managed by the MCCFA. The ASM March report was not available for this meeting, but the reconciliations included their bank account. On the March 2022 income statement, Mr. Fraunfelter pointed out that the monthly revenue from DCC operations in events and food beverage exceeded both January and February by almost $26,500. This is due to the numbers of events and visitors that occurred in March. Under expenses, the hotel collection fee includes the annual subscription to Seamless Docs. The convention center operation costs also were also as ASM ramps up the staffing for the center. March’s wages and benefits included three payrolls which is part of the reason it exceeds January and February combined. Under the capital fund, the large expense of $897,000 related to paying Hussey for the bleachers.

Mr. Whelley asked about how the additional costs relate to events hosted and whether the sales staff are salaried, or commission based for compensation.

Ms. Plageman responded that some of the costs are fixed costs that are absorbed as part of the operating activity. Other costs are event specific and billed back to the particular event. For sale staff, they need to have a product to sale before any portion of their salary should be based on a percentage of sales. It is also not the standard in the industry.

**MOTION:** To approve the March financials was made by Mr. Whelley and seconded by Ms. Lofton and approved unanimously.

1. **Staffing Update**

Ms. Plageman discussed the current interview process to replace Mr. Kline with an executive assistant position whereas that person would handle Board administrative items, tax collections and other administrative tasks for the MCCFA. Mr. Kline was classified as a special projects manager, so he handled those items in addition to smaller projects for the center.

Ms. Plageman discussed the need to hire an owner’s representative to assist with the construction project. This person would be a contract employee operating under a limited scope. Mr. Plageman has had discussions with firms and individuals but currently the pricing structure revolves a portion of the construction project. The MCCFA need would be hiring the owner’s representative for about 60-70 hours monthly. Based on discussions with legal counsel, the funding the MCCFA planned for any hotel improvements would be a taxable event and could not use proceeds from either 2021 bond issuance. Those funds would be reallocated to the owner’s representative expense with the balance going into contingency.

Mr. Whelley asked what an owner’s representative is and how does it work. Ms. Plageman responded saying they handle the construction project on behalf of the MCCFA with the expertise needed. Ms. Lofton went through several examples how the City of Dayton benefited from such service. The owner’s representative coordinates with the design team and Messer as well as having the financial understanding of contracts.

Mr. Weckesser asked why this contract was not considered at the beginning of the project. Ms. Plageman initially thought the MCCFA staff could handle it but after learning more about the responsibilities and Mr. Kline leaving it is no longer reasonable for the MCCFA staff to handle the task. There are additional benefits for hiring outside and ultimately there should be savings by the owner’s representative doing their job correctly. Ms. Lofton shared a slide on how the owner’s representative works with everyone and the responsibilities of the position. This is something she recommends the Board see to help eliminate some questions ahead of the meeting.

Mr. Whelley stated he would prefer to see this contract paid as a monthly retainer instead of hourly or percentage basis. Mr. Weckesser asked about a timeline for getting a contract in place. Ms. Plageman stated ideally by mid-June.

1. **Project Tracking File**

Mr. Fraunfelter shared the construction project tracking file that was requested by Ms. Lofton at the March 2022 board meeting. He walked through the various columns pointing out the particular vendors or activity that was Board approved and which bond it is associated with. There is a second tab that accounts for expenditures outside of the bond proceeds.

Ms. Lofton shared her marked file for a few changes. Organization of the expenses and vendors by categories. Examples were design, project management, financing, legal, and FFE. The items under the construction and non-construction funds could be accounted for in those particular categories. Also add a project budget by categories so it is easier to check the budgetary status to see if there are overruns or savings anticipated. The committee is comfortable in receiving monthly updates.

**MOTION:** It was motioned by Ms. Lofton and seconded by Mr. Whelley and unanimously approved to adjourn regular session at 3:28pm.

**CERTIFICATE**

The undersigned Chair of the Finance and Budget Committee of the Montgomery County Convention Facilities Authority hereby certifies that the foregoing is a true copy of the minutes of the April 21, 2021, meeting of the Board of Directors of said Convention Facilities Authority, as approved by the Finance Committee on May 19, 2021.

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Montgomery County Convention Facilities Authority