



Progress | Hospitality | Growth

MONTGOMERY COUNTY CONVENTION FACILITIES AUTHORITY
BOARD OF DIRECTORS

REGULAR MEETING

Thursday, January 4, 2024

Dayton Convention Center, 22 E. Fifth St., Dayton, OH – Room 208 | 3:00 p.m.

AGENDA

- | | | |
|-------|--|--------------------|
| I. | Roll Call – Call Meeting to Order | Action |
| II. | Approval of Minutes of the December 7, 2023 Board Meeting | Action |
| III. | Election and Appointment of Officers | |
| A. | Election of Chairperson and Vice Chairperson | Action |
| B. | Appointment of Secretary and Fiscal Officer | Action |
| IV. | Reports and Communications | |
| A. | Fiscal Officer Report, Sean Fraunfelder, Fiscal Officer | |
| i. | Receive and Approve October 2023 DCC Financial Report | Action |
| ii. | Receive and Approve November 2023 CFA Financial Report | Action |
| B. | Executive Director Report – Pam Plageman, ED/CEO | |
| i. | DCC General Manager Update | Information |
| ii. | 2023 Hotel Lodging Tax Update | Information |
| V. | Executive Session – The Board will adjourn to executive session to: (1) consider the purchase of certain real and personal property for public purposes, pursuant to the authority set out at Ohio Revised Code Sections 121.22(G)(2); and (2) consider the employment or compensation of a public employee or official. Upon conclusion of the executive session, the Board will reconvene its meeting of the Board of Directors. | |
| VI. | Other Business | Information/Action |
| VII. | Next Meeting Date: February 1, 2024, 3:00 p.m., Room 208 | Information |
| VIII. | Adjournment | Action |

For Additional Information, Contact TLemman@MontgomeryCountyCFA.org | 937-535-5309



Progress | Hospitality | Growth

**MONTGOMERY COUNTY CONVENTION FACILITIES AUTHORITY
BOARD OF DIRECTORS**

Regular Meeting Minutes

December 7, 2023 | 3:00 p.m.

Room 208 | Dayton Convention Center, 22 E. 5th Street, Dayton, OH 45402

BOARD OF DIRECTORS

PRESENT: Mike Stevens, Chairperson; Belinda Kenley, Vice Chairperson; Amy Schrimpf, Secretary; Paul Gruner; Kevin Weckesser; Michael Roediger; Jacquelyn Powell; LaShea Lofton;

ABSENT: Tom Whelley and Walter Reynolds (with notice); Jeff Gore

STAFF

Pam Plageman, MCCFA Executive Director/CEO

Sean Fraunfelter, MCCFA Fiscal Officer

Vicki Giambrone, CBD Advisors

Shannon Martin, Bricker Graydon

Teri Lemman, MCCFA Executive Assistant

GUESTS

Michael King, General Manager, Dayton Convention Center/ASM Global

I. Roll Call

Ms. Lemman called the roll. With a quorum present, Chairperson Stevens called the meeting to order at 3:02 p.m.

II. Approval of Minutes of the November 2, 2023 Meeting

Chairperson Stevens asked for comments or edits to the November 2, 2023 Regular Meeting minutes. Hearing none, he called for a motion.

MOTION: It was moved by Vice Chairperson Kenley, seconded by Ms. Lofton, and unanimously voted to approve the November 2, 2023 Regular Meeting minutes as presented.

III. Introduction of Ian Legros, Marriott AC General Manager

Chairperson Stevens announced that Mr. Legros is unable to attend the Board meeting at the last minute due to business travel. While the Bylaws do not allow his participation as a Board member because of residency requirements, Mr. Legros is being considered for a position on the Operations Committee.

IV. Recognition of Service – MCCFA Board Member Kevin Weckesser

Chairperson Stevens and the Board of Directors recognized Kevin Weckesser's Board service, and Mr. Weckesser expressed his gratitude for the opportunity to serve and his support for the MCCFA going forward. Mr. Weckesser has resigned from the Board, effective December 31, 2023.

V. Reports and Communications

A. Executive Committee

i. Review and Approve 2024 Board Meeting Schedule

Chairperson Stevens presented the draft 2024 Board meeting schedule, and discussed a new start time of 3:00 p.m. It was unanimously agreed to start Board meetings at 3:00 p.m., effective with the January 2024 Board meeting.

MOTION: It was moved by Mr. Roediger, seconded by Secretary Schrimpf, and unanimously voted to approve the 2024 Meeting Schedule as presented.

Chairperson Stevens said a consulting company has been acquired to perform a compensation survey for Ms. Plageman's salary review. Ms. Giambrone said the Board will receive an anonymous survey. Decisions will be made at the February Board meeting.

B. Finance Committee

i. Receive and Approve 2023 Budget

Mr. Fraunfelter said the Finance Committee met to review the year-end 2023 budget. The current operating budget is approximately \$6.7 million for revenues; total revenues increased by \$400K, the majority of which is CFA lodging tax receipts. On the expenditure side, the operating expenses increased by \$150K. The only two changes related to the capital project fund: more interest was generated, and construction money unspent will roll over to 2024. Ms. Powell asked about past-due collections for event revenue and whether payables are reflected in the 2024 budget. Ms. Lofton said if there are past-due accounts, the past-due amount would roll to 2024. Chairperson Stevens asked, in the last year, what from the revenue side was positive that was unexpected, and Mr. Fraunfelter said hitting the \$4M number in lodging tax receipts. He also asked about the largest negative unexpected expense in 2023. Mr. Fraunfelter said that might include refrigeration and pipe repairs, and escalator and elevator maintenance. In response to Mr. Roediger, Ms. Plageman said ASM

Global will track the life expectancy of all building equipment, including electrical, mechanical, and plumbing.

MOTION: It was moved by Mr. Gruner, seconded by Mr. Weckesser, and voted unanimously to approve the final 2023 budget as presented.

ii. Receive and Approve 2024 Budget

Mr. Fraunfelter presented the highlights of the proposed 2024 budget. There is an approximate 5.4% increase in lodging tax revenue. The negatives are the percentages of direct costs to food and beverage and audio/visual. Some sponsorship revenue is expected in 2024. Debt service numbers include an additional \$1M for next year as higher principal is due. We are getting close to maximum debt service thresholds. In 2025, the City of Dayton's debt is retired, which will become relevant during the Trane proposal discussion. Mr. Fraunfelter will monitor variances during 2024 and will be rebalanced at certain intervals during the year. Mr. Roediger said the \$75K maintenance decrease does make him somewhat nervous, and Ms. Plageman added that with the new escalators, chillers/boilers, and guest elevator these expenses should greatly reduce, and she reminded the Board there is a \$1.3M contingency in the construction budget.

MOTION: It was moved by Ms. Powell, seconded by Mr. Roediger, and voted unanimously to approve the 2024 budget as presented.

iii. Receive and Approve Trane Proposal and Funding Sources

Ms. Plageman presented the proposal about the chillers, boilers, controls, and lighting. Approximately \$1M is a low-interest state energy loan (2%); \$1.5M is the gap in the proposal. The Port Authority and CityWide presented a PACE loan to take care of the gap. About six months ago, the two chillers were approved for replacement. The chillers have been shipped (6 months earlier than expected). The Trane proposal is a turn-key proposal to get full control of the physical plant for the entire building, although it does not take care of all air handlers. The retro-commissioning process identified the critical air handlers which are in scope. The PACE financing ends up being \$1.65M with closing costs. No debt service payments are due until January 2025. Ms. Plageman said it is a 20-year loan, with an option to pay-off early after 10 years. There is a pre-payment penalty, but based on the interest rate, money would be saved with early pay-off on the 20-year loan because the interest rate is more on the 10-year loan. Ms. Plageman repeated the fact that the City of Dayton debt payment will be retired in 2025, and the Port PACE loan amount is almost the same amount, making the cost almost a wash. The energy savings begin to pay off after three years. Chairperson Stevens emphasized that the quality of the environment needs to be upgraded and is important to the whole guest experience. Mr. Fraunfelter confirmed that the \$1M loan application has started

but has not been submitted until the Board approves the proposal. As a building tenant, Ms. Powell expressed support for the proposal. Ms. Martin said due diligence is needed to review covenants regarding existing debt and Key Bank consent may be needed. Ms. Martin and Mr. Fraunfelter will have a discussion. Vice Chairperson Kenley asked if the CFA would receive the discount for the tax incentive credit (Inflation Reduction Act 179(D)). Ms. Plageman will inquire about who receives the discount since the MCCFA is a government entity. Mr. Fraunfelter anticipates loan approval would be on the January Port Authority agenda.

MOTION: It was moved by Ms. Powell, seconded by Mr. Gruner, and voted unanimously to accept the proposal as written.

C. Fiscal Officer Report, Sean Fraunfelter, Fiscal Officer

i. Review and Approve September 2023 ASM/DCC Financial Report

Mr. Fraunfelter presented the Dayton Convention Center financial report highlights. The gap to the rolling forecast is closing. ASM is performing well on events but the numbers for direct income (F&B concessions) are still not materializing.

ii. Review and Approve October 2023 CFA Financial Reports

Mr. Fraunfelter presented the October CFA financial report highlights. The \$265K contribution from City of Dayton for that quarter's lodging tax collection and the MCCFA tax collections totaled approximately \$432K for October. \$425K between F&B and event revenue is a solid number – representing 25% of the budget in one month. The operating reserve which matches the debt service reserve is \$460K. After November, will be closer to \$500K. Capital – received updated schedule from Messer and will be paying according to draw schedule which will allow for the investments maturing in December to be rolled forward.

MOTION: It was moved by Secretary Schrimpf, seconded by Vice Chairperson Kenley, and unanimously voted to approve the September 2023 ASM/DCC Financial Report.

MOTION: It was moved by Secretary Schrimpf, seconded by Ms. Lofton, and unanimously voted to approve the October 2023 CFA Financial Report.

iii. Receive and Approve Payout of Accrued Leave Balances Policy

As a result of the most recent state audit, a leave payout policy was recommended. The proposed draft was discussed with Mr. Whelley, chair of the Governance Committee. This allows leave to be carried forward from one year to another, not to exceed 80 hours.

MOTION: It was moved by Ms. Lofton, seconded by Mr. Weckesser, and unanimously voted to approve the payout of accrued leave policy.

D. Executive Director Report – Pam Plageman, ED/CEO

i. DCC General Manager Update

Mr. King presented DCC highlights. Ms. Powell asked about aged accounts receivable. Mr. King said they are working on the aged accounts; some may be uncollectable. Since he began, DCC has not extended credit. Mr. King will be presenting a plan to Ms. Plageman, and he said there are some old refunds/deposits that need to be returned.

iii. 2023 Hotel Lodging Tax Update

As of today, just over \$3.7M has been collected, and Ms. Plageman projects a total of \$4M collections for 2023.

VI. Executive Session

Chairperson Stevens said there were matters before the Board for Executive Session. A motion was requested by Chairperson Stevens.

MOTION: It was moved by Vice Chairperson Kenley to adjourn to Executive Session to consider the purchase of certain real and personal property for public purposes, pursuant to the authority set out at Ohio Revised Code Sections 121.22(G)(2).

The motion was seconded by Mr. Roediger. After a unanimous roll call vote, the Board voted to adjourn to executive session and excused all guests.

MOTION: After motion by Ms. Lofton, second by Ms. Powell, and a roll call vote, the Board unanimously voted to return to open session.

VI. Other Business

No other business was presented.

VII. Next Meeting Date

Chairperson Stevens announced that the next Regular Board Meeting will be held on January 4, 2024, beginning at 3:00 p.m., in Room 208.

VII. Adjournment

Chairperson Stevens called for a motion to adjourn.

MOTION: It was moved by Mr. Roediger, seconded by Ms. Powell, and voted unanimously to adjourn.

The meeting adjourned at 4:47 p.m.

CERTIFICATE

The undersigned Secretary of the Board of Directors of the Montgomery County Convention Facilities Authority hereby certifies that the foregoing is a true copy of the minutes of the December 7, 2023 meeting of the Board of Directors of said Convention Facilities Authority, as approved by the Board on January 4, 2024.



Amy Schrimpf, Secretary, Board of Directors
Montgomery County Convention Facilities Authority