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

Finance Committee Meeting Minutes

November 16, 2023 | 3:00 p.m.

Via Telephonic/Electronic Means and In-Person, MCCFA Conference Room,
Dayton Convention Center, 22 E. Fifth St., Dayton, OH 45402

COMMITTEE MEMBERS PRESENT: Sean Fraunfelter; LaShea Lofton, Chairperson; and Walter Reynolds.

COMMITTEE MEMBERS ABSENT: Tom Whelley

BOARD MEMBERS PRESENT: None

GUESTS: Ryan Thorpe, ASM Global

STAFF: Pam Plageman, MCCFA Executive Director/CEO; Teri Lemman, MCCFA Executive Assistant

I. Roll Call – Call Meeting to Order

Ms. Lofton called the meeting to order at 3:09 p.m., and Mr. Fraunfelter called the roll.

II. Approval of Minutes

The minutes of the September 21, 2023 meeting were presented and reviewed. Mr. Fraunfelter asked for questions or edits. Hearing none, a motion was requested.

MOTION: To approve the September 21, 2023 minutes as presented was made by Mr. Reynolds, seconded by Ms. Lofton, and approved unanimously.

III. Review and Approve Financials

A. ASM/DCC September 2023 Financials

The rolling forecast number for September shows the gap is closing and is less than \$2K now. There is the possibility of some refunds to be made. As in the past, attendance days and events were up, but food/concession estimates are not materializing as anticipated; they are about \$30K under forecast. YTD, the net loss is a little higher but still trending in the right way. Ms. Lofton asked why the budget projection was increased while we were under construction. Mr. Fraunfelter said it was based on more

events on the books. Ms. Plageman said ASM is booking more local events, and they are approximately \$400K over from 2019.

Mr. Reynolds asked whether ASM's acquisition will have any change in the relationship, and Ms. Plageman said no change is expected except to strengthen it with the additional partnerships. ASM Global is trying to put themselves in a better market position, and this type of acquisition happens regularly, she said.

B. CFA October 2023 Financials

The City of Dayton lodging tax collection was received. Gross collections are close to \$900K. Collected over \$400K in total lodging tax, which includes funds received from the lodging tax audit. It was a strong cash collection month for ASM. Under expenditures, paid quarterly insurance, and there is another expenditure in December. At the end of October, was able to move additional money into reserves. The capital and debt service expenses were as expected.

MOTION: A motion to accept and forward the Financial Reports for approval at the December 7, 2023 Board of Directors meeting was made by Mr. Reynolds, seconded by Ms. Lofton, and approved unanimously.

IV. Review and Approve 2023 Budget

There is an increase in lodging tax revenue – from \$3.7M to \$4M based on trending data. Increased some ASM F&B numbers, increased A/V to \$350K; event rental income increased to \$1M. On expenditures for 2023, there were changes in insurance due to five payments for the year. Total only went up \$150K, due in part by F&B and ASM VM Base. Decrease in deferred maintenance. All told, the bottom line is about \$60K increase – added \$200K for the debt service fund transfer. Increased interest in capital fund to \$1M – we are at \$923K to date in interest. Mr. Fraunfelter confirmed this is the final appropriation for the year.

MOTION: A motion to accept and forward the 2023 Budget for approval at the December 7, 2023 Board of Directors meeting was made by Ms. Lofton, seconded by Mr. Reynolds, and approved unanimously.

V. Review and Approve 2024 Budget

Looking at some increases – new hotels coming online – both city and CFA collections. Increased interest earnings. Expenses – 5% salary increase estimated. Reduced event mitigation although we do still see it as a need in 2024. Ms. Plageman said OPERS might raise the contribution from 14% to 18% which has been included for 2024. Reduced deferred maintenance due to new equipment. ASM incentive increased – anticipate them meeting or getting close to qualitative incentive. Debt service is starting to ramp up – over \$1M more than 2023 but net change is about \$70K. For capital side, added capital expenditures for JLL Contract, LWC, other consultants, but have significant amount of capital that will be rolled over from 2023 to 2024. Will be updated mid-year if not on a quarterly basis. Mr. Fraunfelter clarified that the capital fund is bond proceeds.

MOTION: A motion to accept and forward the 2024 Budget for approval at the December 7, 2023 Board of Directors meeting was made by Ms. Lofton, seconded by Mr. Reynolds, and approved unanimously.

VI. Discuss and Take Action on 2024 Committee Meeting Schedule

The committee agreed to hold Finance Committee meetings on the third Thursday of the month, beginning at 3 p.m.

VII. Other Business

Mr. Fraunfelter reintroduced the Trane proposal, which was discussed at the September Finance Committee meeting. The proposal includes replacement of chillers and boilers, upgraded lighting, unit controls and pumps for efficiency, for an estimated \$2.5M. \$1M would be financed with an Ohio PACE low-energy loan, and the \$1.5M loan would be provided through the Port Authority with PACE financing. Ms. Plageman stressed the priority of the replacements and upgrades and said \$92K is needed as a down payment to begin the application. The energy savings portion balances out after year three; the payment is covered between savings from energy bills and reduced maintenance costs. Bundling this package provides a turn-key solution and gives full control of the building atmosphere. The construction project addresses about 60% of the need, and this proposal addresses the rest. They looked at 20-year and 10-year terms. This is a 20-year term with 7.0% interest rate. First payment will not be due until 2025. After 2025, the City of Dayton debt is paid and the payment to the Dayton Port almost becomes a wash. The plan is to pay it out of Operating Funds. After doing the analysis on a 10-year term, the 20-year loan with a small early termination fee is recommended. The 10-year term has more out-of-pocket and higher interest. The interest rates are a little bit higher because they expect to go to market.

Mr. Thorpe said the Board authorized two new chillers last year. The Trane proposal is a turn-key solution to install those two chillers, replace the boilers from 1999, as well as get control over the air handlers that were not able to be included in the project cost, in addition to some meeting room lighting to meet energy goals that were value-engineered out. We are pre-approved through the State for the Ohio for the energy loan.

Ms. Lofton would like to see a summary of total debt service for each of the next three years. She said a full picture will help with good strategic decision making. Mr. Fraunfelter said he will prepare that, together with some assumptions, for the next Board meeting.

This item will be moved to the December 7, 2023 Board meeting agenda.

VIII. Next meeting: The next meeting of the Finance Committee is December 21, 2023, 3:00 – 4:00 p.m., which may be cancelled.

X. Adjournment

MOTION: It was moved by Ms. Lofton, seconded by Mr. Reynolds, and unanimously approved to adjourn.

The meeting was adjourned at 3:50 p.m.

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 November 16, 2023 meeting of the Board of Directors of said Convention Facilities Authority, as approved by the Finance Committee on February 15, 2024.



LaShea Lofton, Chairperson
Finance and Budget Committee
Montgomery County Convention Facilities Authority