

**MINUTES**  
**GWCCA FINANCE COMMITTEE MEETING**  
**May 3, 2013**  
**10:30 a.m.**  
**GWCC Sales & Event Services Board Room**

**Finance Committee Members Present:**

Steve Adams  
David Allman, Chairman  
Tim Lowe, Ex-Officio  
Gary Smith (*by teleconference*)  
Doug Tollett

**Finance Committee Members Absent:**

Taz Anderson  
John Downs

**Personnel Committee Members Present:**

Steve Adams  
David Allman  
Glenn Hicks  
Bill Rice

**Personnel Committee Members Absent:**

Lee Hunter

**GWCC Staff Present:**

Carl Adkins  
Dale Aiken  
Kevin Duvall  
Kay Lawrence  
Jennifer LeMaster  
Bridgette Phillips  
Frank Poe  
Lynn Ross  
Rose Schultz  
Patrick Skaggs  
Sherrie Spinks  
Mark Zimmerman

**Levy**  
Steve Potts

Chair Allman called the meeting to order at 10:34 a.m.

*A motion to approve the October 24, 2011 and May 22, 2012 Finance Committee meeting minutes was made by Glenn Hicks, seconded by Steve Adams, and unanimously approved.*

The following members of the Accounting Department team were introduced to the Committee.

Kay Lawrence  
Bridgette Phillips  
Rose Schultz  
Lynn Ross

The Finance Committee was joined by the Personnel Committee today to review the proposed FY14 Budgets. Following budget presentations, the Finance Committee will determine their recommendation for Board action at the May Authority Board meeting.

Some common items in the proposed budgets for each business unit follow.

- Hotel/Motel Tax
  - Project a 3.4% increase over FY13; and
  - Recommend a plan to reduce contribution to Centennial Olympic Park by \$100k/year
- Personnel
  - Recommend a 3% average merit increase pool; and
  - Retirement costs are increasing from an average 13.22% to average 16.80% of salary which equals a \$670k increase in budget.

An FY14 Operating Budget Summary Comparison and a list of budget assumptions for each facility were sent to committee members prior to this meeting for review. Each FY14 Budget Summary shows the FY13 projected year-end numbers and the Proposed FY14 Budget. A copy of each budget summary and assumptions is appended and made a part of these minutes. Mark Zimmerman, Carl Adkins, and Joe Skopitz will present their respective facility's budget.

In addition to the FY14 Budget review, the GWCCA capital needs program will be reviewed.

## **FY14 BUDGETS**

In FY12, 282 employees participated in the State's health care program. In FY13, 351 employees are participating in the new Authority health care program. The FY14 budget includes an anticipated participation of 403 employees. As a result of leaving the State's health care program, the Authority projects a savings of \$1,252,085 in FY13 and a cost avoidance of \$2,064,602 in FY14.

### **GWCC**

During FY14, the Congress Center expects 37% occupancy from twenty-eight tradeshow, four corporate events, and eleven consumer public events for an estimated attendance of 1,135,550 and an economic impact of \$796.6M. The occupancy percentage is expected to increase to the mid 40's by the end of the year. Event mix is made up of medical/health (10.5%); building and construction (9.6%); consumer goods and services (7%); corporate (3.5%); multi-level marketing (3.5%); consumer shows (8%); athletic sport recreation (14%); religious (2.5%); government/education (17.4%); and other, which includes movies, college fair, graduations, fraternal (24%).

Projected FY13 Total Revenue is \$32,445,222. Proposed FY14 Total Revenue is \$34,094,531 which is 5.1% ahead of the FY13 projected revenue. Every revenue category, except for Parking, in FY14 is better than FY13. Parking revenue in FY13 was greater due to the two unbudgeted Falcons playoff games, movie business, and one Kickoff game.

Projected FY13 Total Expenditures are \$32,117,011. Proposed FY14 Total Expenditures are \$32,750,267, a 2.0% growth over FY13. Personnel Services is up \$1,399,490 over FY13 mainly due to an increase of thirteen positions.

The Congress Center projects an FY13 net profit of \$328,211 and forecasts an FY14 net profit of \$1,344,264, a positive variance of \$1,016,053.

Revenue and expense trends comparing FY09 through FY12 actual and FY13 and FY14 projected were reviewed. A comparison of movie production revenue versus traditional event revenue was also reviewed. A request for a film industry revenue projection was made by the Committee. The Congress Center plans to replace two Building B freight elevators (\$700k), retro-commission HVAC systems to make them more efficient (\$300k), and install retail space infrastructure in the new College Football Hall of Fame parking deck to support potential retail space in what will be wasted space in the deck.

### **Georgia Dome**

At this time, in FY14 the Dome will host thirty-four publically ticketed events and eleven private events for an estimated economic impact of \$203.4 million. Marquee public events include Gold Cup Soccer (two quarter final games); Kenny Chesney/Zac Brown Band concert; CFA Kickoff Game; three prime time nationally televised Falcons games; SEC Football Championship; the Final SEC vs. ACC CFA Bowl matchup; and the 2013 SEC Men's Basketball tournament. Additional bookings will be pursued now that this year's Falcons schedule has been announced.

Projected FY13 Total Revenue is \$71,756,829. Proposed FY14 Total Revenue is \$65,974,620 which is 8.1% below the FY13 projected revenue.

Projected FY13 Total Expenditures are \$49,421,344 Proposed FY14 Total Expenditures are \$45,325,042, an 8.3% decrease from FY13. The projected FY13 total payment to the Falcons, which includes Seat/Suite commissions; advertising commissions; contractual; contractual profit share; and game tickets, is projected to be \$24,514,065. The FY14 proposed total payment to the Falcons is \$23,468,857.

The Dome projects an FY13 net profit of \$19,992,274. The proposed regular FY14 Dome budget forecasts a \$20,478,057 million profit.

### **Centennial Olympic Park**

The Park is moving back to a traditional event mix in FY14. FY14 events include runs/walks, Wednesday WindDowns, Ice Rink, Music at Noon, the July 4<sup>th</sup> Celebration, Party in the Park, concerts, and receptions. The proposed FY14 budget reflects a staff policy decision to shift \$100,000 annual back to the Congress Center. The overall goal is to shift \$500,000 by FY18. The Park will host two hundred fifteen events in FY13.

Projected FY13 revenue is \$3,625,815. Proposed FY14 Total Revenue is \$3,371,781 which is 7.0% below the FY13 projected revenue. This is due to less 4<sup>th</sup> of July Celebration sponsorship and no Final Four in FY14.

Projected FY13 Total Expenditures are \$3,081,565. Projected FY14 Total Expenditures are \$3,140,254 or a 1.9% increase over FY13. Personal Services reflects two added positions.

The Park projects an FY13 net gain of \$544,250 and proposes an FY14 net gain of \$231,527.

Park staff will continue to work with the GWCCA Park Committee to determine future improvements to the Park.

FY13 Capital improvement needs for the Congress Center and the Park, submitted through the GO Bond process, included the following.

- Park Reflection Pool renovation;
- Building C concourse carpeting
- Campus hardscape upgrade;
- Building B sound system upgrade;
- Telescopic seating system for exhibit halls;

- Building B upgrade;
- Carpet replacement for Buildings A 7& B;
- Public Safety enhancements and upgrades;
- Northside Drive parking deck; and
- Northside Drive pedestrian bridge.

The Authority received \$3.2M as a reinstatement of the Building B project bond funds previously re-directed to the College Football Hall of Fame.

This concludes the FY13 and FY14 budget reports. Staff recommends committee approval of the FY14 budgets. Should the committee approve, the budgets will be presented to the full Board at the May 21, 2013 Board meeting for action.

***A motion to recommend the FY 2014 Budgets, as presented at today's meeting, to the full Board for approval at the May 21, 2013 Authority meeting was made by Doug Tollett, seconded by Glenn Hicks, and unanimously approved.***

The Committee requested additional information regarding incremental revenue that will be recognized due to re-negotiated contracts and changes to the percentage adjustments in revenue splits (included in the FY14 adopted budget).

There being no further business, the meeting adjourned at 12:20 p.m.

Respectfully submitted:

Approved:

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Dale Aiken, Assistant Secretary

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David Allman, Chair