Chair Allman called the meeting to order at 10:35 a.m. and asked for a motion to approve the May 6, 2014 Finance Committee meeting minutes.

A motion to approve the May 6, 2014 Finance Committee meeting minutes was made by Taz Anderson, seconded by Doug Tollett, and unanimously approved.

GEORGIA WORLD CONGRESS CENTER FY15 BUDGET
The Committee was reminded that since the GWCC FY15 Proposed Budget was presented to the Finance Committee at the May 6 Committee meeting, the Microsoft June 2015 TechEd show cancelled. As a result of the cancellation, the Congress Center lost $1.3M in F&B revenue and had to revise its FY15 budget. Therefore, the budget was not presented to the full Board for action at the May 27 Board of Governors meeting. The revised budget now shows a net profit of $229,466 as opposed to $1,152,472, a variance of ($923,006). The revised budget maintains the following highlights which were also reflected in the Dome and Park budgets.

- Hotel/Motel Tax
  - Project a 2.8% increase over FY14
- Personnel
  - Recommend a 3% average merit increase pool
  - Retirement costs are increasing from an average 16.8% to 20.5% of salary to equal $813K
  - Addition of three (3) campus-wide positions
  - Addition of leadership training
- Event Development Team

Concerns expressed by the Committee:
- Why did the event cancel? – Microsoft, in looking at their events, decided not to hold this program at all. Microsoft is looking at hosting the event in Atlanta again in 2018, 2019, or 2020, and possibly in FY16 as well.
- Are there any applicable termination fees? – No, it was a short-term booking and there was no signed contract.
At this time staff recommended advancing the revised GWCC FY15 Budget to the full Board at the May 24, 2014 Board of Governors meeting for action.

A motion to recommend the Georgia World Congress Center FY 2015 Budget, as presented at today’s meeting, to the full Board for action at the June 24, 2014 Board of Governors meeting was made by Doug Tollett, seconded by Taz Anderson, and unanimously approved.

GWCC RESERVE FUND

Pursuant to the Project Development Agreement and the License Agreement, the Authority is obligated to make available to StadCo all real property necessary for the construction of the NSP. The General Appropriations Act for FY13 provided for the appropriation of $15M through the issuance of general obligation debt of the State of Georgia to acquire real property. In December 2012 the Authority further set aside a $1M reserve for the acquisition of the Zaglin property. The Authority, working through the State Properties Commission, has acquired 13 properties, two billboards, and one parking operation through negotiated transactions and eminent domain (condemnation). The total cost of those acquisitions is $17,102,488.29 which leaves the Authority with a negative cash balance of ($1,102,488.29). These costs are GWCC costs which will be absorbed in FY14. In addition, it is anticipated that the future legal and expert witness fees to prepare for condemnation value appeal will be approximately $300,000. Therefore, staff is requesting a $1.5M reserve be established for these obligations. By policy the Congress Center will still maintain $8.8 million in GWCC fund balance (90 days operating reserve). Additionally in FY17, once the current Dome bonds are paid in full, the GWCC will receive cash from the Georgia Dome operating fund. The current estimate is in excess of $8M.

Chair Allman asked for a motion to recommend to the full Board approval to establish a GWCC Reserve Fund.

A motion to recommend a Resolution authorizing the Chief Financial Officer establish and maintain a $1.5 million GWCC Reserve Fund and account for potential expenses incurred by the Authority with respect to the New Stadium Project to the full Board for action at the June 24, 2014 Board of Governors meeting was made by Doug Tollett, seconded by Taz Anderson, and unanimously approved.

There being no further business to discuss, the meeting was adjourned.

Respectfully submitted: 

Approved:

Dale Aiken, Assistant Secretary 

David Allman, Chair