

2012 GWCCA Planning Retreat Day Two

September 20 & 21, 2012



Conventions/Trade Shows An Industry Update

Prepared especially for: GWCCA Board
of Governors Annual Retreat

By: Douglas L. Ducate, CEM, CMP;
President & CEO, CEIR

U.S. History

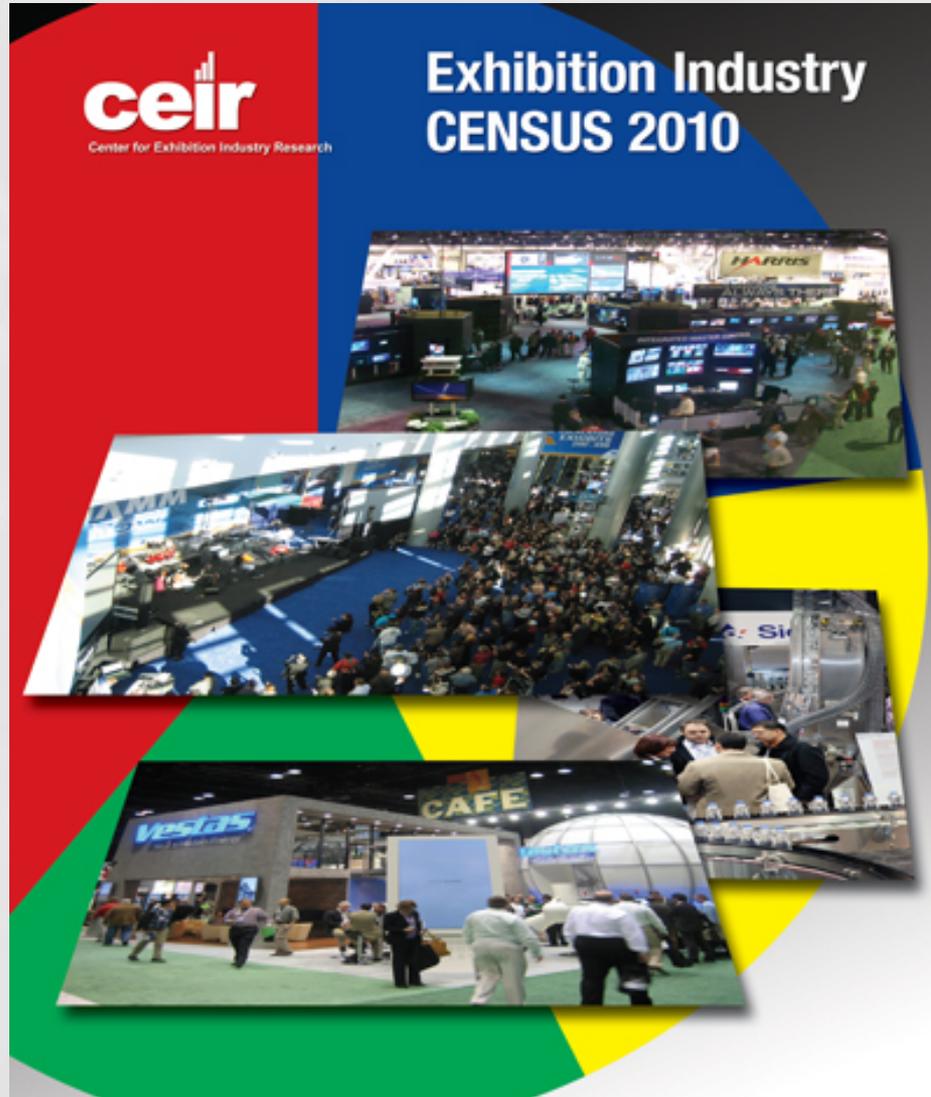
- Late 1950's Interstate Highway system completed and commercial introduction of the jet airplane.
- 1959-Las Vegas-Rotunda + 90,000sf exhibit hall
- 1960-McCormick Place first large facility
- Real expansion in 1970's makes industry 40 years old.
- CEIR Census identifies more than 14,000 meetings with exhibitions held each year.
- 10,000 are B to B events.
- 67% are owned by associations.

Facilities

Hotel to Exhibit Hall

- Show Room
- Bellman
- Catering
- Banquet
- Engineering
- Housekeeping
- Ambiance in Place
- Concrete
- Material Handling
- Food Service
- Furniture Rental
- Utility Service
- Cleaning Service
- Ambiance Temporary

Exhibition Industry CENSUS 2010



CEIR Census 2010

- **Number of U.S. exhibitions dropped from 11,094 to 11,041 or -0.5%**
- **Added Mexico with 722 events**
- **Total U.S., Mexico & Canada 14,541**
- **More than 50% of all the exhibitions held in the entire world**
- **Average size in U.S. 47,984 NSF +25%**
- **Average space buy 187 square feet**

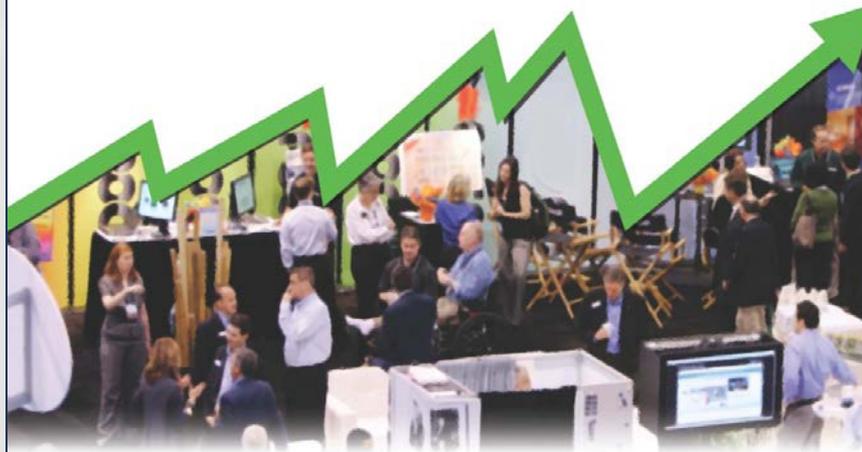
CEIR Census, cont'd.

- **24% or 2,649 of U.S. events B to C**
- **37% of U.S. events held in exhibition/CC**
- **44% held in hotels**
- **67% owned by associations**
- **33% owned by media companies and entrepreneurs**

How are we Doing Today ?

ceir INDEX REPORT
Center for Exhibition Industry Research

AN ANALYSIS OF THE 2011 EXHIBITION INDUSTRY AND FUTURE OUTLOOK



Title Sponsors



HOUSTON

The Reality of Where We Are

- **CEIR Index was down a record nine consecutive quarters through Q2 2010.**
- **Index turned positive Q3 2010 and has remained positive thru Q2 2012.**
- **In 2009 all 14 sectors had negative growth, 2010, five sectors had turned positive and in 2011, 12 of 14 positive.**
- **Losses in 2008/2010 combined 15% compared to 2001/2002 loss of 5%.**
- **Overall back to 2000 level.**
- **Added predictive feature in 2010.**
- **Shift to geometric averaging with 2009 base year.**

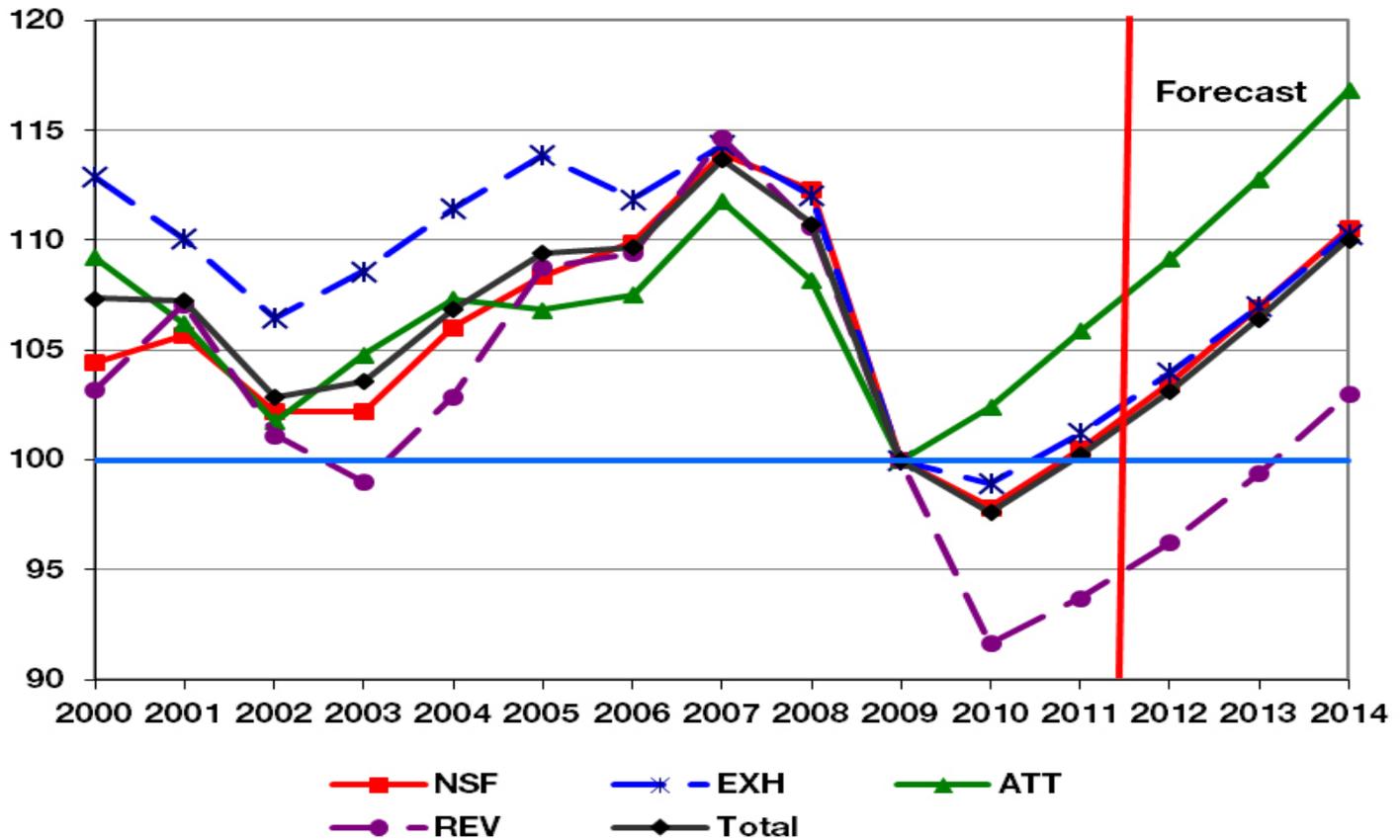
Geometric Averaging

$$(1) \quad \mathit{INSF}_{t,j} = \mathit{INSF}_{t-1,j} \times [(1 + \mathit{pch}(\mathit{SNSF}_{t,j}) / 100)]$$

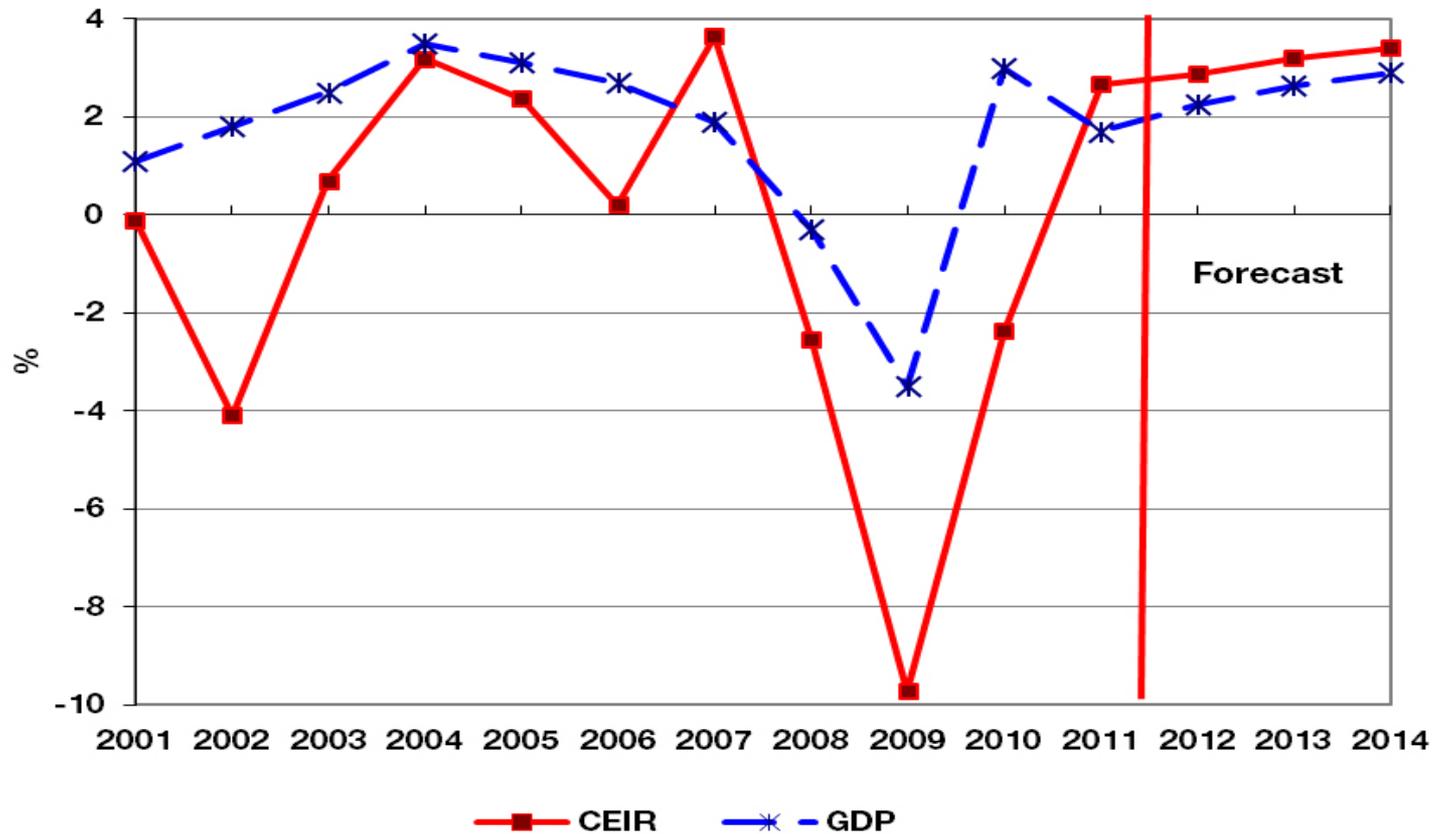
$$(2) \quad \mathit{TIN}_{t,j} = \mathit{INSF}_{t,j}^{0.25} \times \mathit{IATT}_{t,j}^{0.25} \times \mathit{IEXH}_{t,j}^{0.25} \times \mathit{IREV}_{t,j}^{0.25}$$

$$(3) \quad \mathit{M}_{ij} = f(\mathit{O}_j, \mathit{FD}_j, \mathit{EM}_j, \mathit{Z}_j, \mathit{RCE}, \mathit{TE})$$

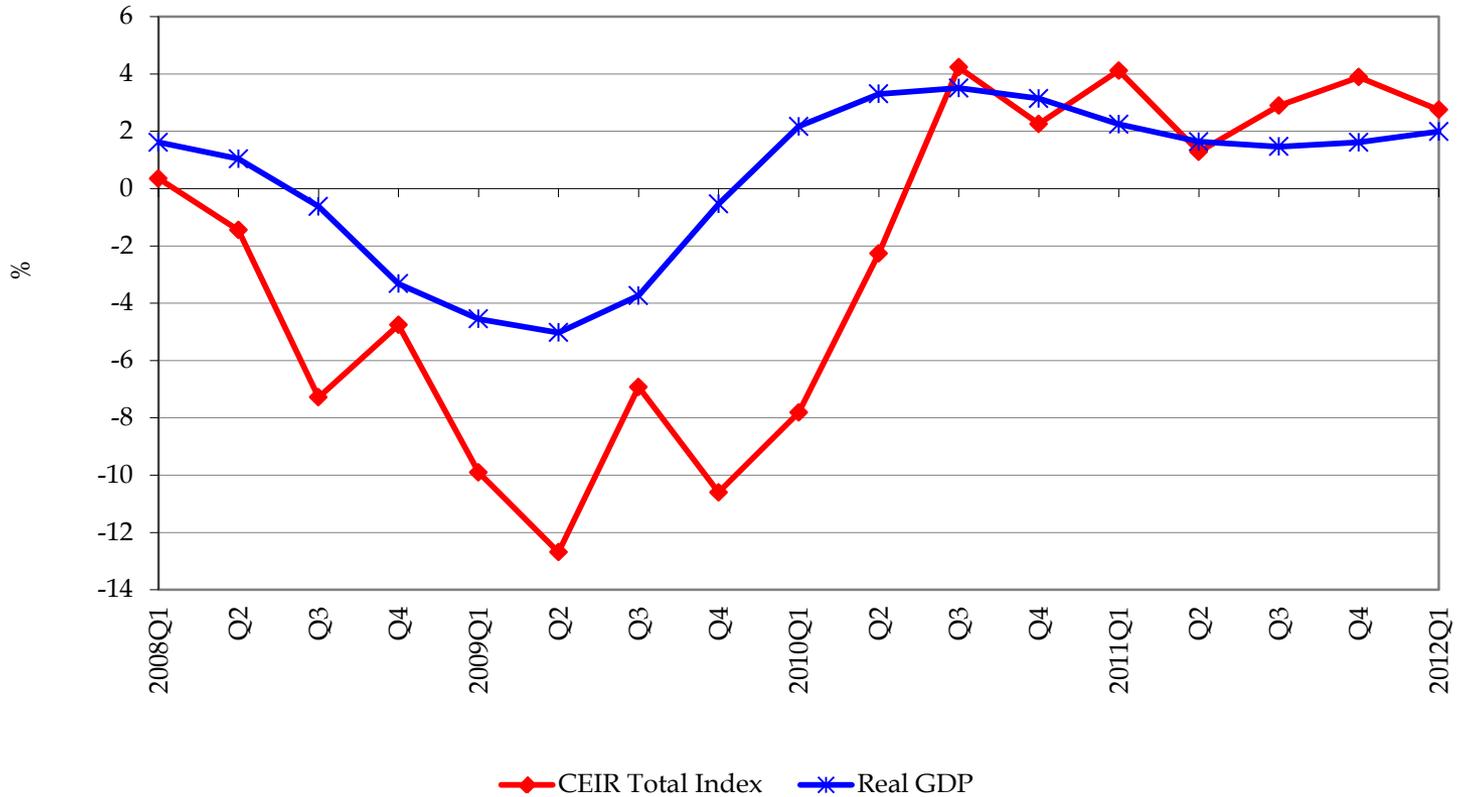
CEIR INDEX FOR THE OVERALL EXHIBITION INDUSTRY



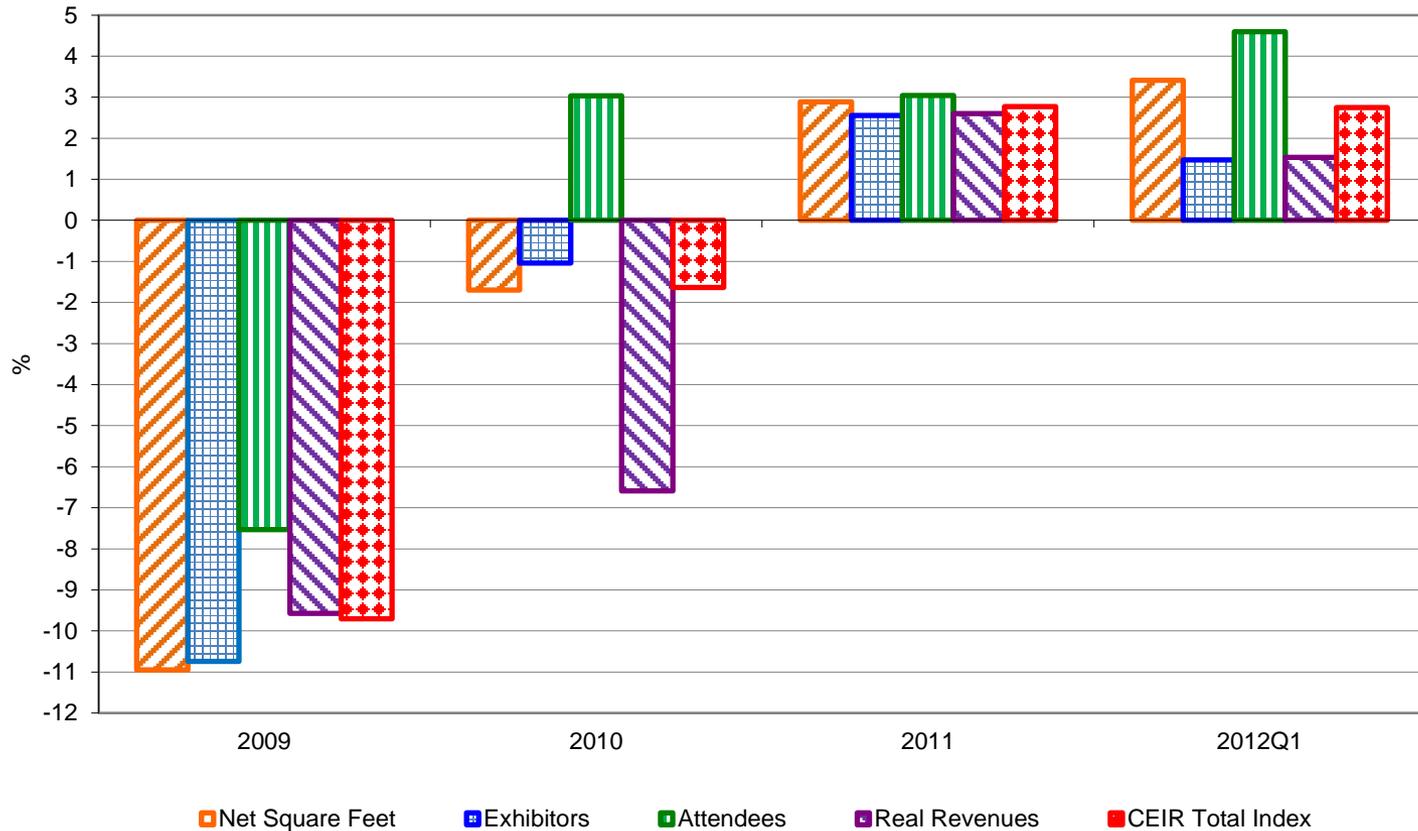
Growth in the CEIR Index for the Overall Exhibition Industry vs. GDP Growth



CEIR Total Index for the Overall Exhibition Industry Vs. Quarterly Real GDP Year-on-Year % Change

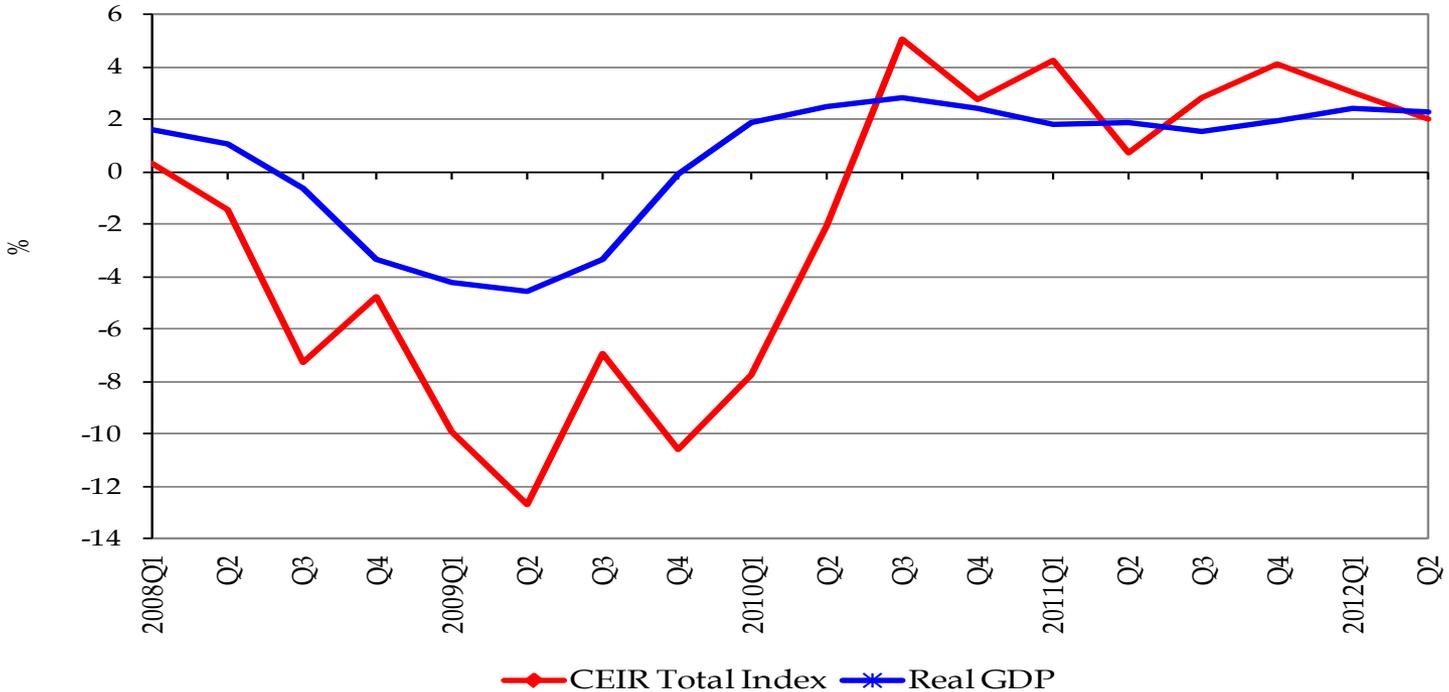


Quarterly CEIR Total Index for Overall Exhibition Industry, Year-on-Year % Change 2009-2012 Q1



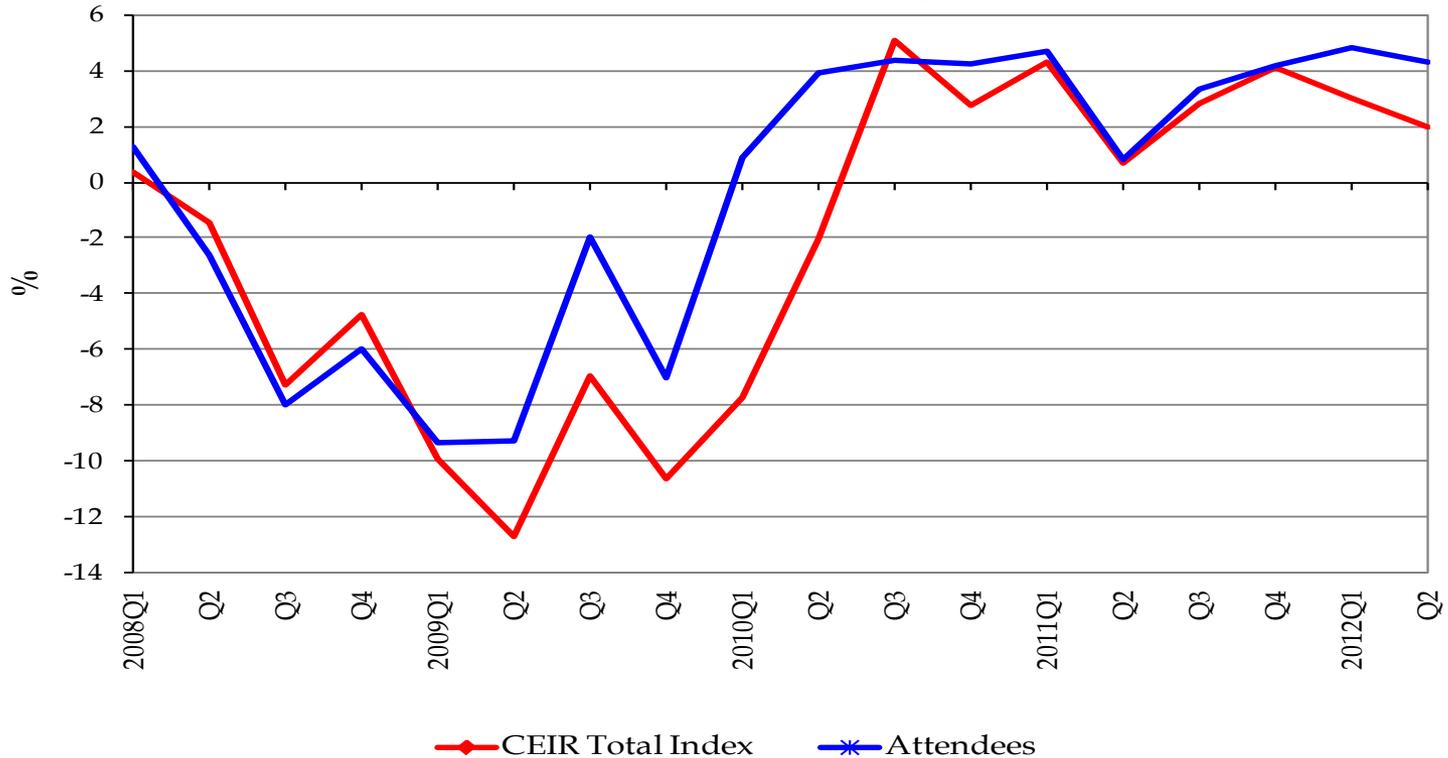
CEIR Total Index in 2012 Q1 grew by a moderate 3.0% year-on-year followed by a modest 2.0% increase in Q2.

**CEIR Total Index for the Overall Exhibition Industry
Vs. Quarterly Real GDP
Year-on-Year % Change**



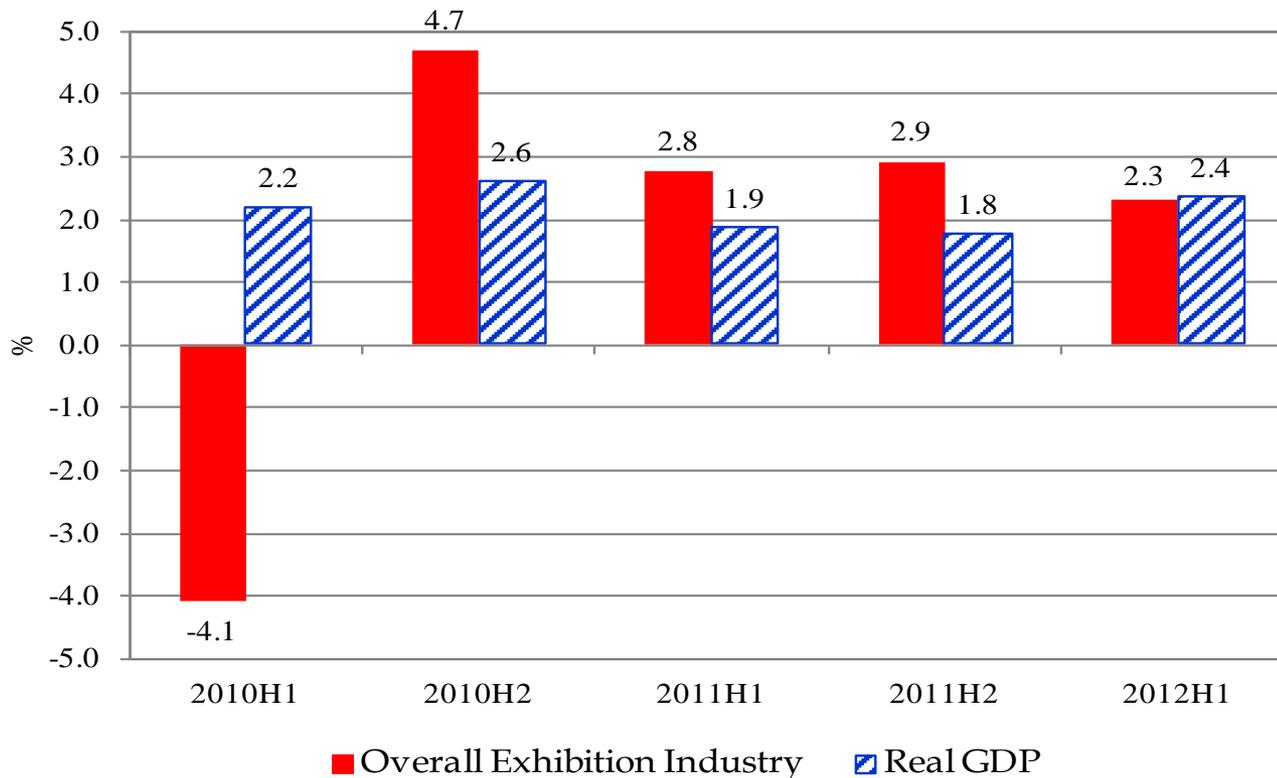
Despite a slowdown in the Total Index, attendance rose by a strong 4.3% in 2012 Q2.

CEIR Total Index and Index of Attendees for the Overall Exhibition Industry
Year-on-Year % Change

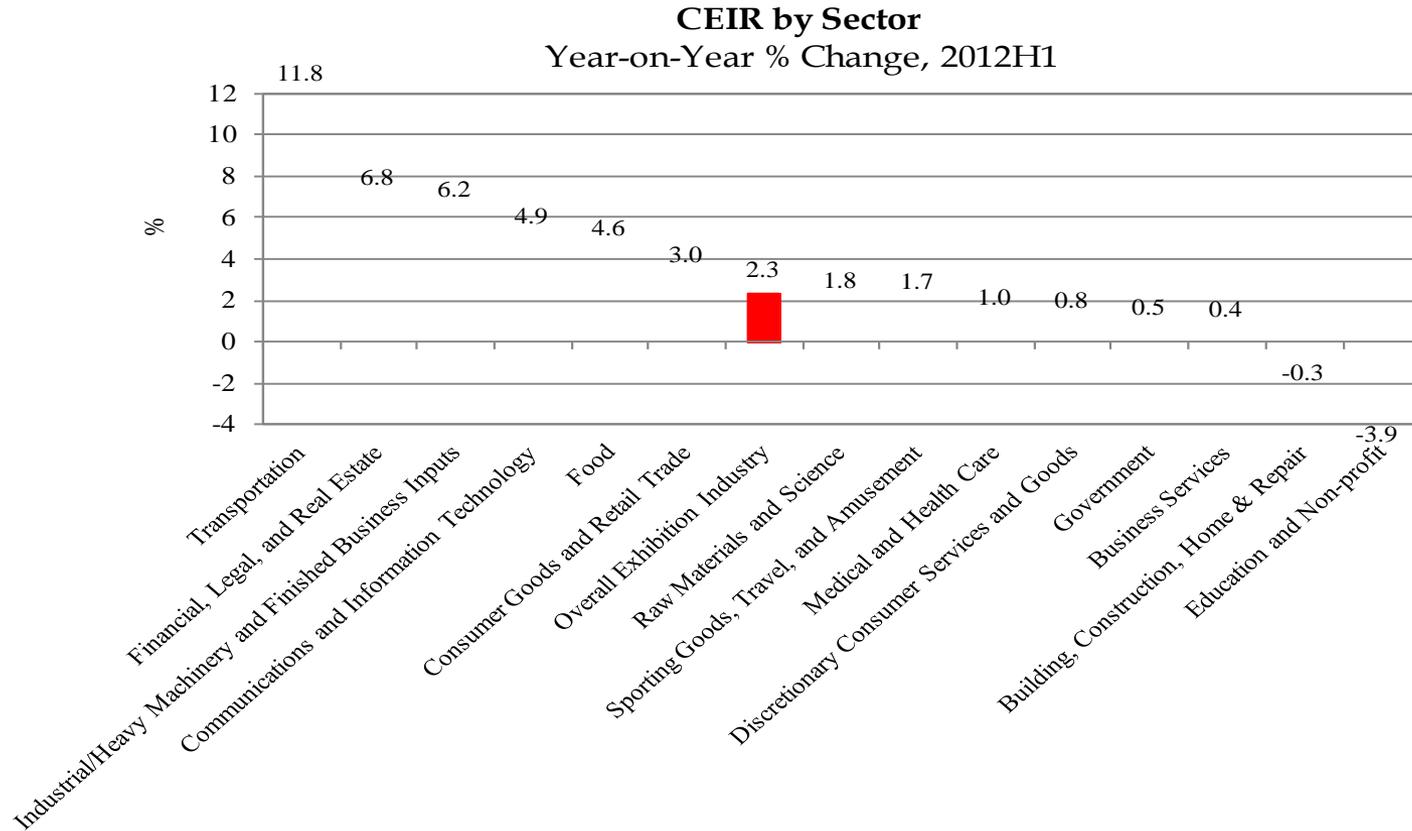


Overall, the exhibition industry was about on par with the economy in 2012 H1.

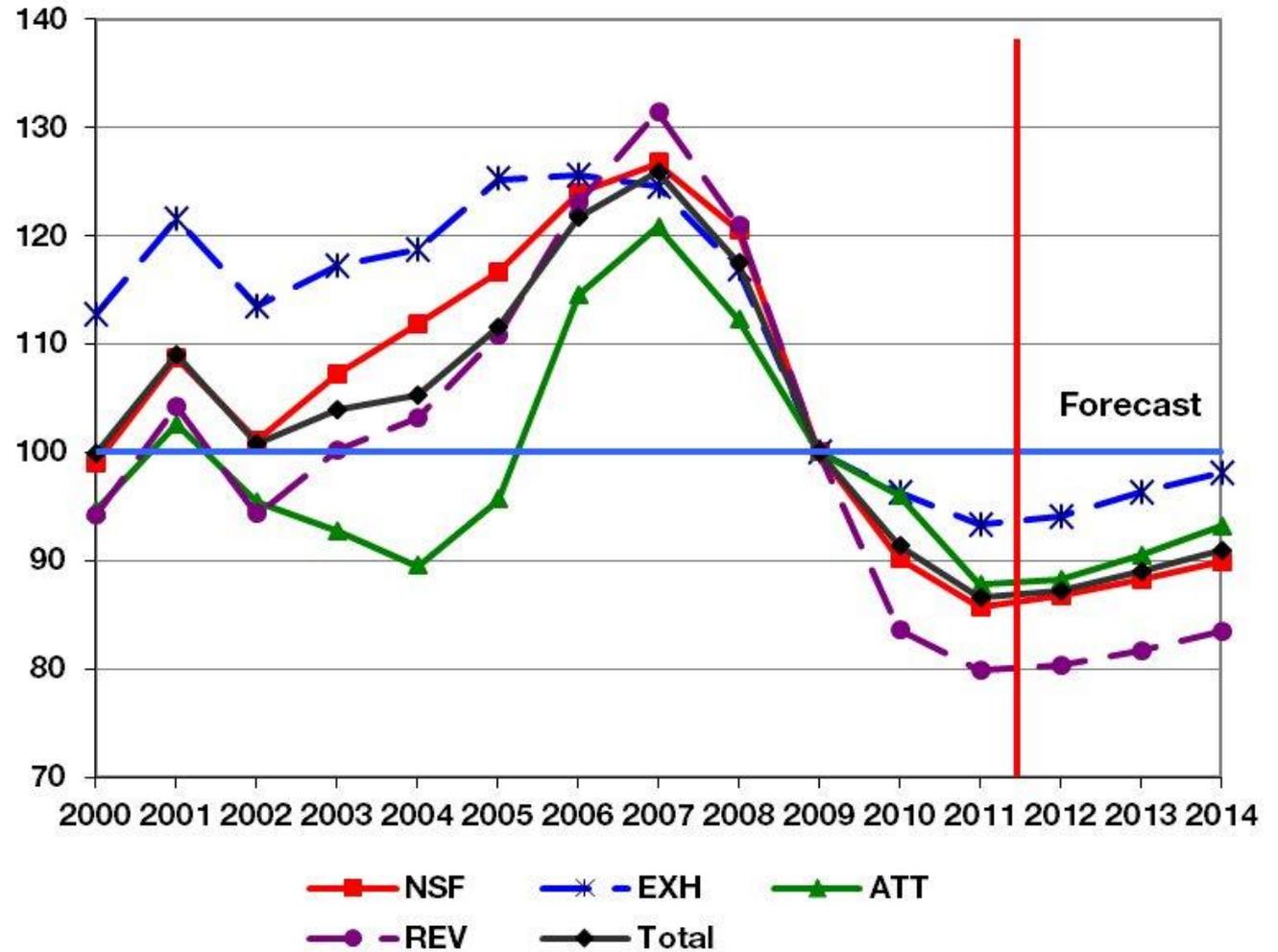
The Performance of Exhibition Industry vs. Real GDP Year-on-Year % Change



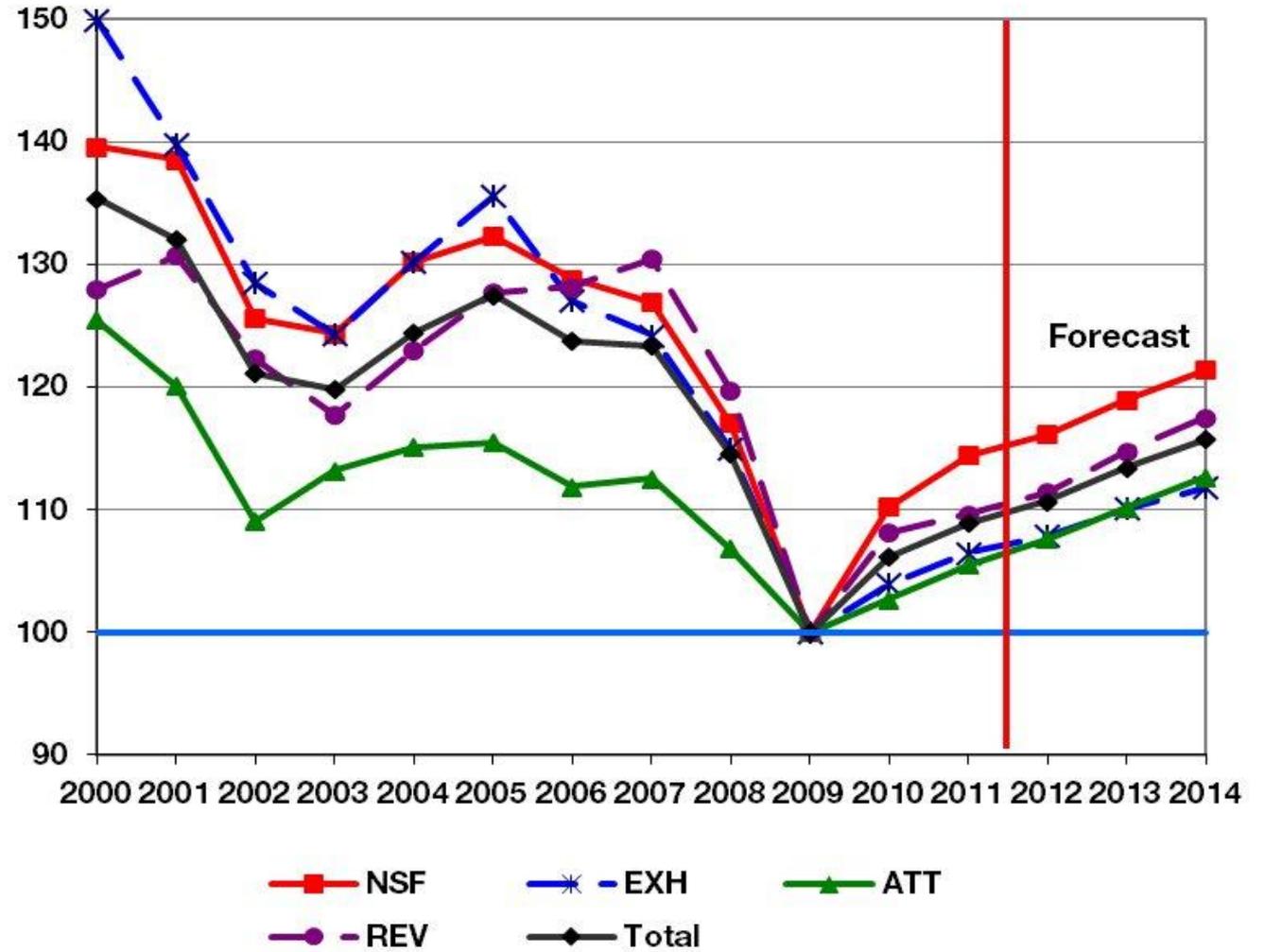
As described in the *2011 Index Report*, the exhibition performance varied by industry.



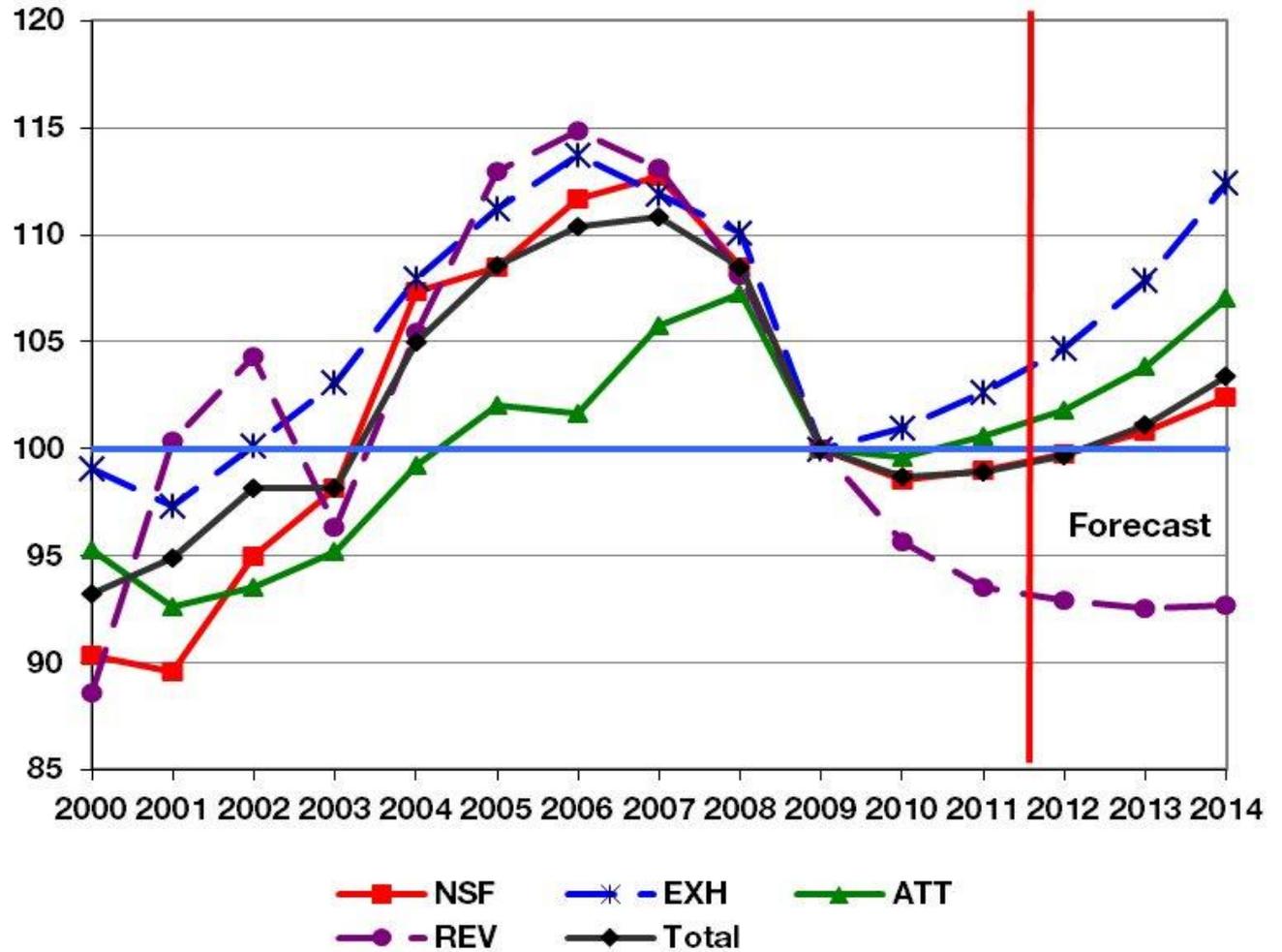
CEIR INDEX FOR THE HM SECTOR, 2009=100



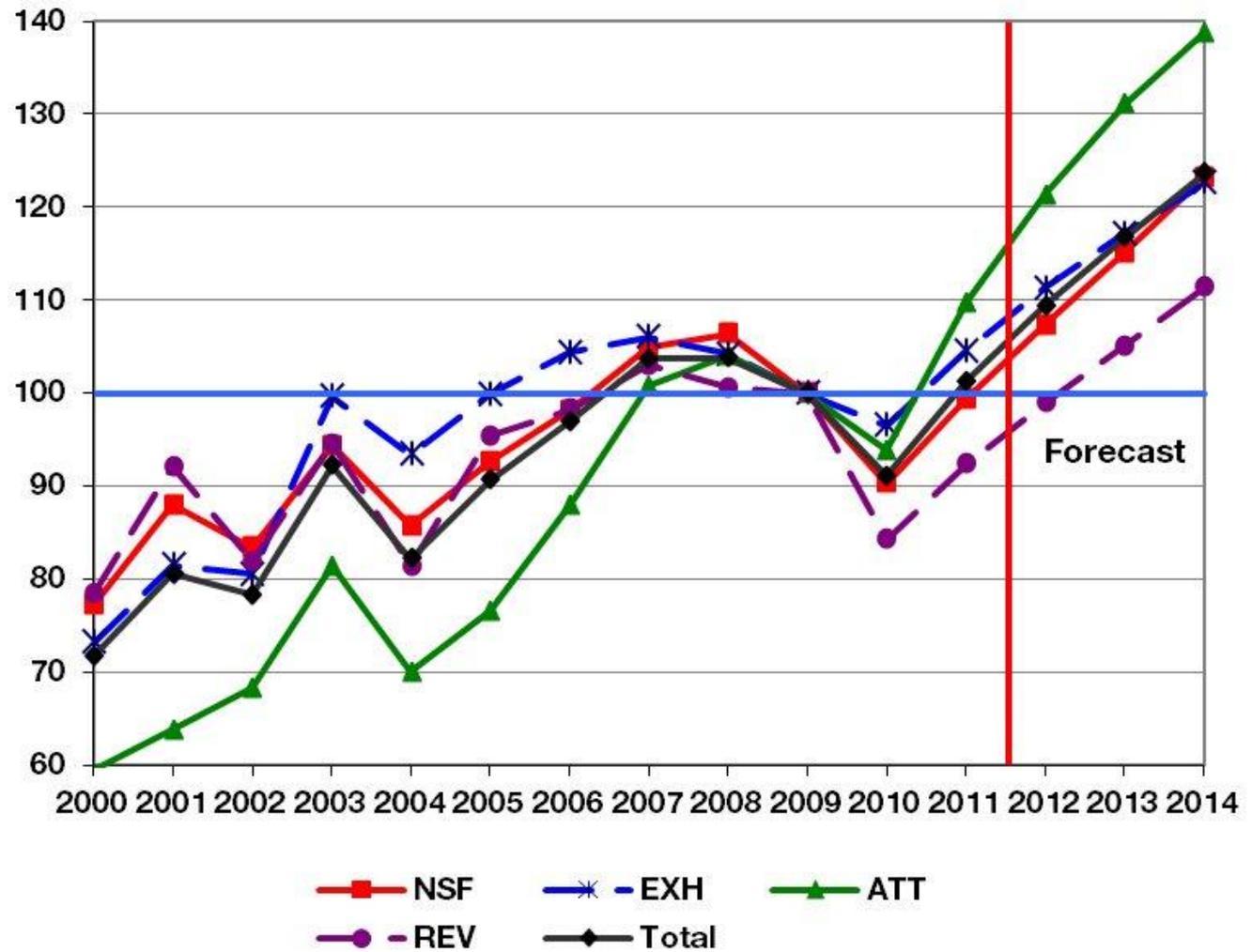
CEIR INDEX FOR THE CG SECTOR, 2009=100



CEIR INDEX FOR THE MD SECTOR, 2009=100



CEIR INDEX FOR THE ID SECTOR, 2009=100



Questions

- **Can the industry return to pre-2000 levels?**
- **Will companies that have reduced to smaller spaces return to larger spaces?**
- **Will destinations cutting essential services continue to subsidize convention centers?**
- **How will destinations know when they can no longer compete for national business?**
- **Will space demand increase?**
- **Will the space inventory shrink?**

The Future

- The Organizers
- The Events
- The Facilities
- The Contractors



The Organizers

Today

- 67% association owned
- Sell real estate
- Seller/Customer
- Entrepreneurs missing

Tomorrow

- 50% association, 40% media companies, 10% entrepreneurs
- Relationship selling
- Partners
- Entrepreneurs the key to growth

The Events

Today

- Growth unlimited
- Bigger is better
- Average show size
48,000 NSF

Tomorrow

- Growth unlikely
- Cozier more
comfortable
- Show size unchanged

Facilities

- First generation buildings have major upgrades or gone.
- Second generation +/- 5 years
- Third generation challenged by features of fourth generation.
- Re-purposing should be on everyone's agenda
- Maintaining the status quo unlikely.

Facilities Cont.

Make the best of bad choices

1. Own events
2. Become service contractors
3. Partner with organizers to include shared risk/reward
4. All of the above
5. Re-purpose

“We face long years of profound changes...the only policy likely to succeed is to try to make the future...to try to make the future is highly risky. It is less risk, however, than to not to try to make it.”

--Peter Drucker

Management Challenges for the 21st Century

**Exhibitions
are the last bastion
of face-to-face
marketing!**



Marketing Fund Update

William Pate, ACVB



Commitments

- Reset floor to coincide with best results
 - 20 citywides 5k and above
 - 925K room nights 2500 and above

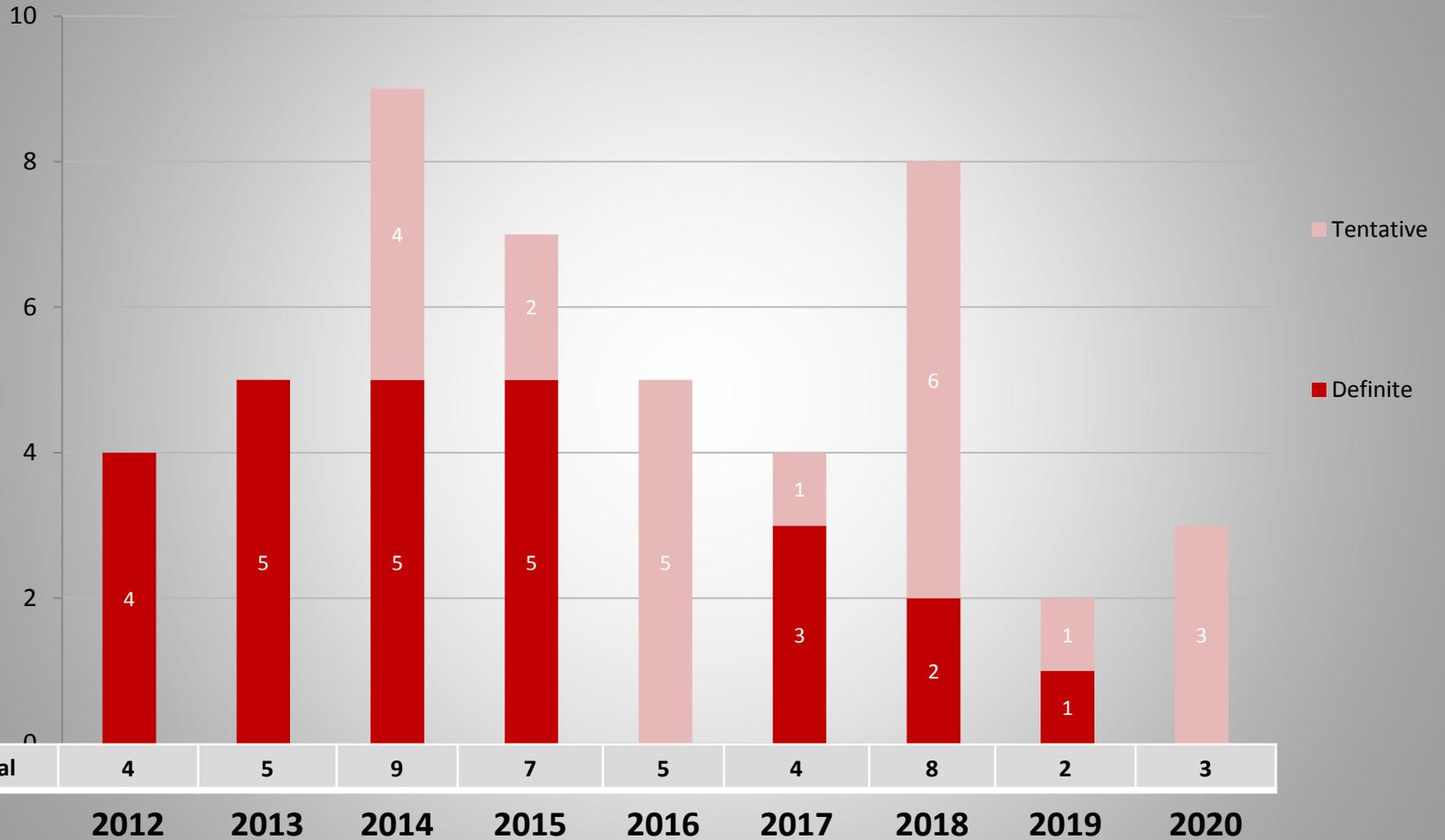


First Year Results

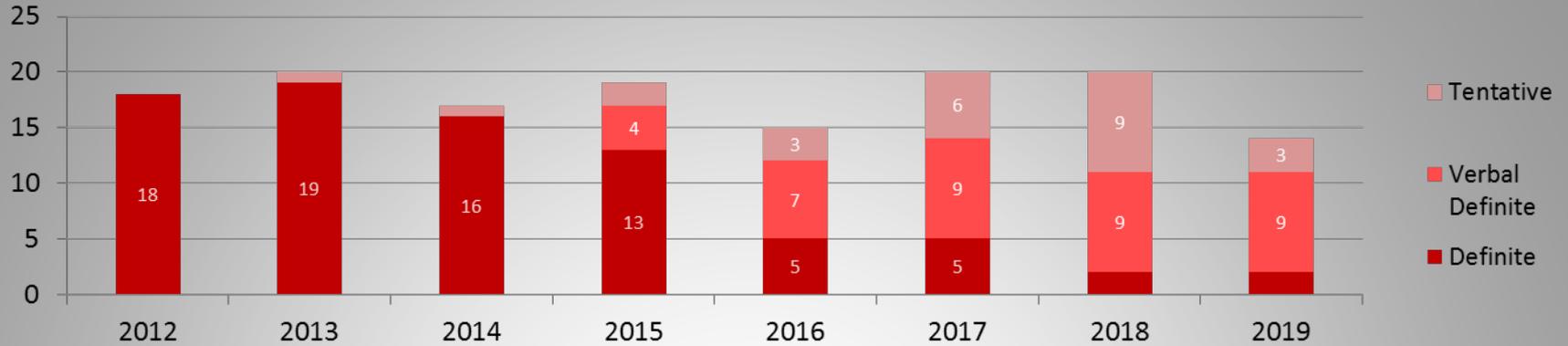
- 26 citywides (5K and above)
- 17 citywides 2500-5000
- 5 industry events
- 2 conventions books multiple years
- 2 conventions had not been to Atlanta



Business Development Bookings

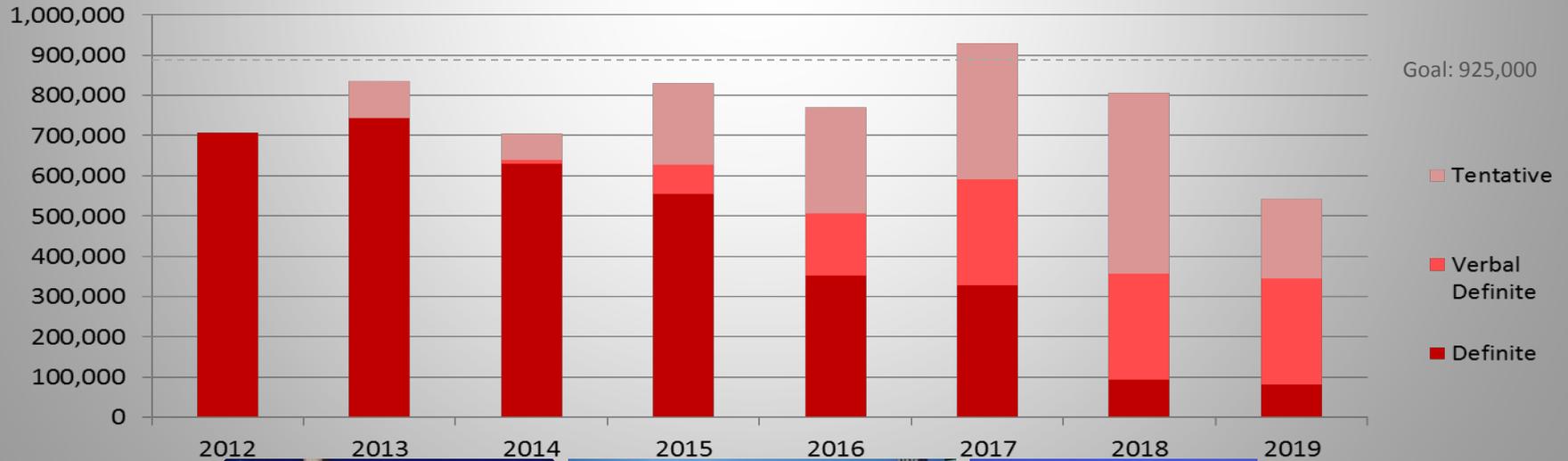


Meetings, 5000+ on Peak



Total	18	20	17	19	15	20	20	14
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Room Nights, 2500+ on Peak



August 20, 2012

What Have We Learned

- We are catching up with other cities which already have a funding source
- Competing against all cities in Top 25
- Not one size fits all (rent, transportation, reception)
- “Free rent” has become table stakes
- Destination appeal is still a challenge
- We were conservative with rental offers



What Are We Doing Now

- More creative and aggressive with offers
- Customer rental offers
- Focus on mid-market meetings
- Destination Appeal
 - Ad Campaign
 - Panhandling Initiative
 - Taxi Initiative





GWCC Update

Mark Zimmerman



ACVB & GWCC Sales

- Booking process
 - GWCC— 0-24 months
 - ACVB—24 months and out
- New Director of Sales
- “I Am ATL” Campaign



GEORGIA WORLD CONGRESS CENTER OPERATING BUDGET SUMMARY COMPARISON FY 2014

<u>REVENUE</u>	Projected FY 2013	Preliminary FY 2014	Variance \$
Rental	\$ 9,814,274	\$ 9,804,369	\$ (9,905)
Food & Beverage	6,038,066	6,878,152	840,086
Exhibit Utility Service	6,418,126	6,208,150	(209,976)
Parking	3,934,883	3,487,552	(447,331)
Hotel/Motel Tax	2,730,363	2,785,000	54,637
Other	2,164,499	1,386,730	(777,769)
TOTAL REVENUE:	\$ 31,100,211	\$ 30,549,953	\$ (550,258)
 <u>EXPENDITURES</u>			
Personnel Services	\$ 17,905,259	\$ 17,991,510	\$ 86,251
Regular Operating	9,520,888	9,255,501	(265,387)
Equipment Purchases	243,272	256,161	12,889
Per Diem/Fees/Contracts	2,907,937	2,812,558	(95,379)
Computer Charges	1,012,695	1,085,754	73,059
Other	344,110	359,000	14,890
SUB-TOTAL EXPENDITURES	\$ 31,934,162	\$ 31,760,484	\$ (173,677)
 NET PROFIT(LOSS)	 \$ (833,951)	 \$ (1,210,531)	 \$ (376,581)



OVERALL REVENUES AND EXPENDITURES



Revenue Comparison of Top Ten Events for FY11 thru FY14

FY11		FY12		FY13		FY14	
Fabtech	1,945,992	Wind Energy	1,403,057	IWF	1,531,454	Tech ED	1,754,378
NBAA	1,847,172	SHRM	1,393,775	Coverings	1,409,892	MGX	1,728,438
Tech ED	1,776,520	Produce Marketing	1,180,061	Poultry	1,351,655	NACS	1,691,155
NACS	1,504,172	Poultry	1,167,750	MGX	1,003,278	Poultry	1,214,789
IWF	1,504,172	Urological Assoc	1,005,657	Hematology	883,069	MODEX	834,170
CEDIA	1,188,971	Auto Show	873,000	Primerica	667,715	Convergence	820,413
Poultry	1,096,051	Modex	851,985	Auto Show	611,135	True Value	686,489
MGX	1,058,070	Clinical Chemistry	843,321	True Value	609,768	Auto Show	680,041
Pittcon	1,036,502	Cable Tele.	656,103	SuperCorr	524,690	CheerSports	584,301
Convergence	839,022	Medtrade	605,230	Hinman Dental	483,513	Nat'l Education Assoc	564,570
Total	13,796,644	Total	9,979,938	Total	9,076,169	Total	10,558,744



Revenue Development

- Create New Events
- Junior Achievement
- Movie Business
- Digital Signage
- Static Advertising



Current Contracted / Co-Produced Events

Incubation program where start-up, or smaller shows utilize the GWCC to grow their event. Our program involves reduced rental rates with revenue shares in the beginning years of the events. The goal is to create annual events paying full rent.

<u>EVENTS</u>	<u>DATE</u>	<u>EST. NET</u>
Camping & Adventure Expo 2013	Jan. 18-20, 2013	\$20,000
Georgia Entertainment Gala	Jan. 13, 2013	\$5,000
Made in America Super Sale & Expo	April 13-14, 2013	\$25,000
College Fair USA	Sept. 27-28, 2013	\$10,000
Food Service Expo	Oct. 20-22, 2013	\$40,000
Baby & Kid Expo	Feb. 7-9, 2014	\$10,000
	TOTAL:	\$110,000



Questions?



Park Update

By AECOM





AECOM

- EDAW was the original architect.
- In 2005, EDAW was acquired by AECOM.
- In 2011, Park Management contacted AECOM to discuss a “future of the Park” Visioning Session.
- We felt it was time to evaluate the role that the Park plays in downtown and the metro region.





Scope of Work

We asked ourselves the following question:

- What do we need to do over the next 15 years to build upon our success?
- Key points we tasked them to review
 - Accessibility
 - Monetization
 - Capital improvements

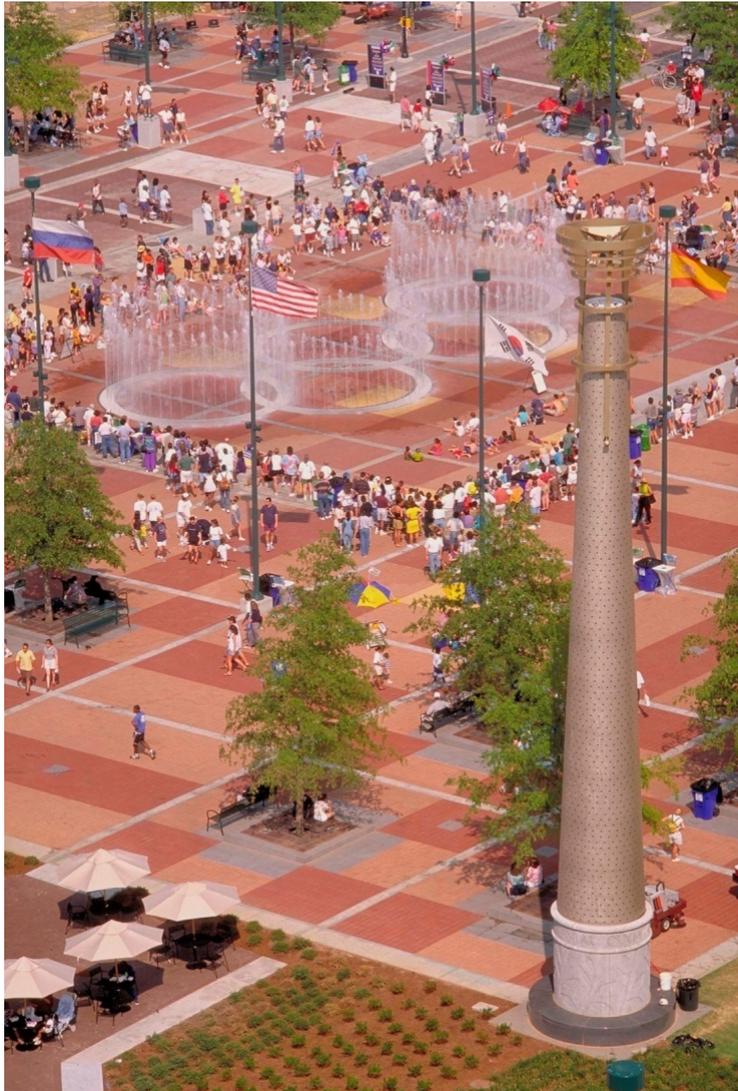




Timeline

- 2011 contracted AECOM to perform a Park Visioning Project
- Winter 2011 – Surveyed key stakeholders, customers and general public
- Spring 2012 – Survey findings & recommendations prepared
- Summer 2012 – Review recommendations with committee and receive feedback. Identify next steps as appropriate.





Centennial Olympic Park Vision Plan

Georgia World Congress
Center Authority Planning
Retreat Presentation

Friday September 21, 2012

Vision for Centennial Olympic Park



Build community: local - city - region

Serve multiple audiences, capture revenue options

- Visitors want meaningful interface with locals

Attract residents + guests

- It's not about driving-by, it's about staying
- Proactively address parking
- Do women feel safe?

Make people comfortable

- Shade + seating



Get them to Come, Stay, Relax, and Spend...

Guiding Principles

Access

- Improve the visual + physical relationship of the Park to surrounding context
- Invite more interaction with adjacent attractions, venues, and restaurants

Attraction

- Attract people to come + stay at the Park
- Make the Park the destination

Comfort

- Allow park users to relax and enjoy the Park without being overly exposed to the elements
- Allow Park users to customize their environment to fit their desires.
- Provide Park users with a sense of ownership for their space

Functional

- Maximize the efficiency of locating utility projects where they will serve the greatest need and minimize visual intrusion of prime Park spaces

Access Projects



Terraced Seating Areas



On-Street Parking



Park Gateway



Gateway



Unobstructed Views + Removable Fences



Urban Plaza

Attraction Projects



Beer Garden



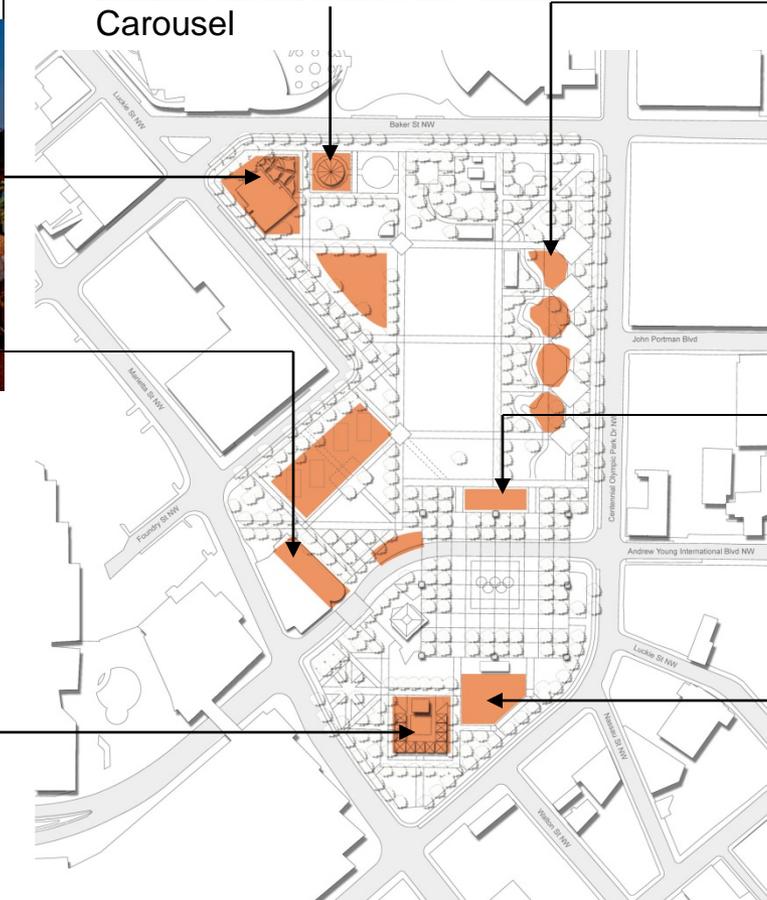
Carousel



Water Garden Enhancements



Terrace Restaurant



Toy Boats



Expanded Amphitheater



Skate Park

Attraction Projects



Amphitheater



Art Installations (Temporary + Permanent)



Extended Events | Sports Area



Iconic Electronic Visual Element



Comfort Projects



Baker Promenade Allee



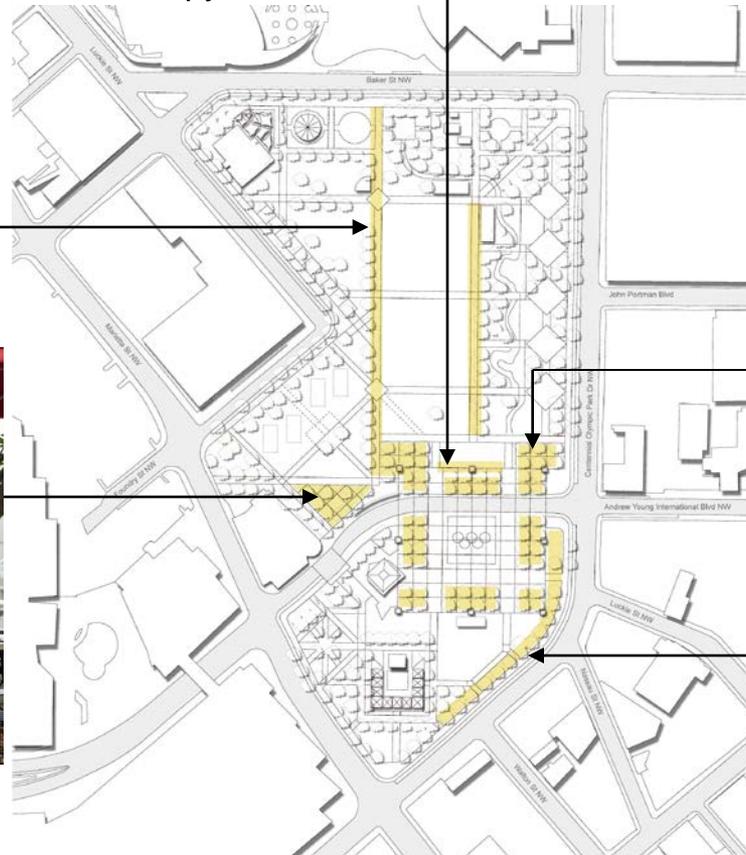
Shade Canopy "Brow"



Movable Tables + Chairs



Ivan Allen Memorial Plaza with Movable Tables + Chairs



Sloped Lawn Strip + Trees

Functional Projects



Stage + Bar Structure



Road Narrowing



Pavilions + Restrooms

Big + Bold Projects



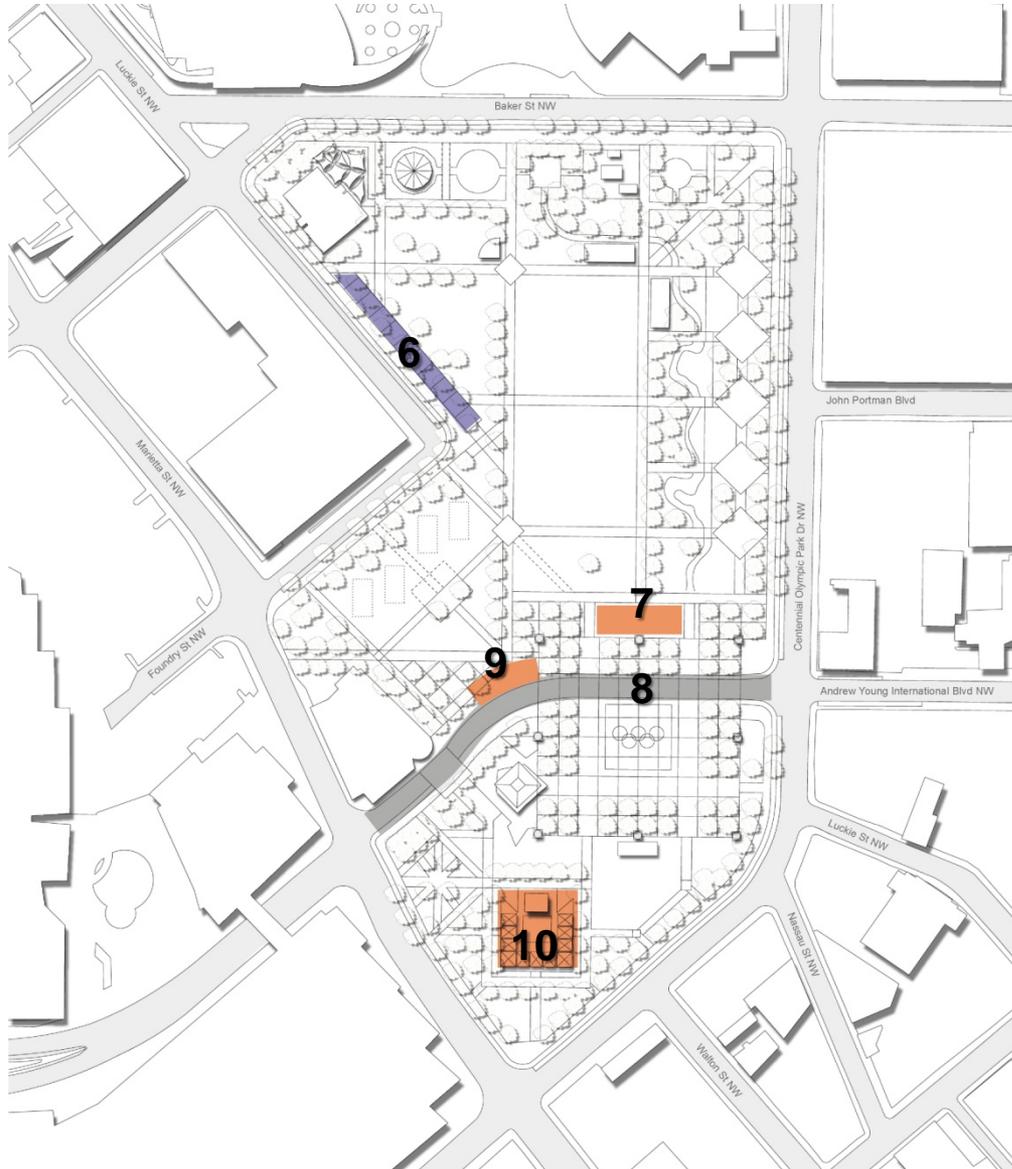
1. Chamber of Commerce building acquisition + repurposing with high-end roof top event rental space.
2. Park Administration building renovation + repurposing to restaurant
3. Northeast grand park entrance
4. PATH Foundation bike depot
5. On-street parking

Big + Bold Project Costs | Order of Magnitude

- | | |
|---|---------------------|
| 1. Chamber of Commerce building acquisition + repurposing to high-end roof top restaurant and event rental space. | \$\$\$\$\$ |
| 2. Park Administration building renovation + repurposing to restaurant | \$\$\$\$ |
| 3. Northeast grand park entrance | \$\$\$ |
| 4. PATH Foundation bike depot | \$\$ |
| 5. On-street parking | \$\$ |
| | <hr/> |
| | \$13,650,000 |

Supporting Projects

6. Park Avenue terrace seating
7. Reflecting pool redesign + reconstruction
8. Andrew Young International Boulevard improvements
9. Technology package
10. Amphitheater expansion



Next Steps



- Vet project list
- Develop financial strategy
- Implementation plan



Questions for AECOM?





Lunch





GEORGIA
WORLD
CONGRESS
CENTER



GEORGIA
DOME



CENTENNIAL
OLYMPIC PARK

Board of Directors Georgia World Congress Center Authority

Presentation by MSI Benefits Group

September 21, 2012



Current Benefit Structure

Benefit Plan	Administrator	Carrier	Funding	
			GWCCA	Employee
State Health Benefit Plan (SHBP)	Requested Board Action Item Today			
Medical	DCH	Cigna & United Healthcare	90%	10%
Flex Benefits Plan (FBP)	Expected Board Action Item 2013			
Dental	DOAS / Ga Breeze	Cigna & United Concordia	0%	100%
Vision	DOAS / Ga Breeze	OptumHealth	0%	100%
Life Insurance	DOAS / Ga Breeze	Minnesota Life	0%	100%
Short-Term Disability	DOAS / Ga Breeze	The Standard	0%	100%
Long-Term Disability	DOAS / Ga Breeze	Unum	0%	100%
Critical Illness Plan	DOAS / Ga Breeze	Continental American (CAIC)	0%	100%
Legal Plans	DOAS / Ga Breeze	Hyatt	0%	100%
Flexible Spending Account	DOAS / Ga Breeze	SHPS	0%	100%

GWCCA - SHBP Cost History

Georgia World Congress Center Authority Health Insurance Cost Charged by the State

<u>Year</u>	<u>Full Time Employees Budgeted Position</u>	<u>Employees with State Benefits</u>	<u>% Charge per Payroll \$</u>	<u>Total Salaries</u>	<u>Actual Paid by Authority</u>
FY12	447	282	30.155%	15,638,773.92	4,746,738.54
FY11	448	289	25.586%	16,061,080.61	3,975,642.82
FY10	495	370	22.165%	16,524,983.02	3,425,984.78
FY09	535	370	22.165%	18,621,566.09	2,516,467.57
FY08	555	396	22.843%	19,026,675.12	4,282,160.70
FY07	559	386	16.700%	18,512,480.44	3,086,804.54
FY06	559	387	14.200%	17,497,085.70	2,233,115.05
FY05	585		13.100%	16,849,623.17	2,030,708.84
FY04	549		13.100%	16,376,213.17	2,268,934.70
FY03	728		13.100%	17,213,724.14	2,250,678.01
FY02	644		13.100%	16,063,743.32	2,149,263.19
FY01	530		13.100%	15,585,554.46	2,397,990.60
FY00	519		13.100%	14,045,314.73	1,689,831.88
FY99	508		12.500%	13,046,929.61	335,061.50
FY98			12.500%	12,490,725.07	344,971.11

Current Financial Status

(Extract from 8/23/12 DCH Board Presentation)

- SHBP operates on a cash basis, with no reserve funds available
- Ended FY12 with \$16,139,560
 - Average daily amount paid for claims is \$10M
 - Ended FY12 with less than 2 days of claims
- FY13 cash flow challenges have resulted in actions that stress cash flow of funding partners:
 - Pre-payments from state agencies
 - Front-loaded state percent of payroll rate
 - Accelerated payments from Department of Education
- Ideally, the plan would carry cash reserves for active claims equivalent to IBNR, plus 2% for fluctuation...for SHBP, this would be a reserve of \$346M



SHBP Cost vs. Claims - Detail

Month	Members	Paid Premiums	Employer Contributions	Total	Paid Medical Claims	HRA Amt	Rx	HRA Rx	Total
1/1/2010	661	\$57,142.20	\$347,827.81	\$404,970.01	\$70,123.21	\$3,424.76	\$15,905.60	\$3,896.06	\$93,349.63
2/1/2010	657	\$56,296.00	\$325,978.68	\$382,274.68	\$265,338.39	\$5,867.06	\$16,496.67	\$3,546.13	\$291,248.25
3/1/2010	650	\$56,157.00	\$281,893.07	\$338,050.07	\$233,919.76	\$7,049.70	\$18,901.37	\$2,955.10	\$262,825.93
4/1/2010	604	\$52,824.73	\$269,103.65	\$321,928.38	\$255,306.04	\$4,265.90	\$27,086.37	\$1,173.44	\$287,831.75
5/1/2010	594	\$51,772.55	\$292,830.71	\$344,603.26	\$254,317.46	\$1,158.94	\$21,992.49	\$689.09	\$278,157.98
6/1/2010	592	\$51,521.70	\$260,534.93	\$312,056.63	\$269,372.70	\$1,390.41	\$21,172.15	\$294.65	\$292,229.91
7/1/2010	585	\$51,235.60	\$263,066.63	\$314,302.23	\$113,790.72	\$2,432.68	\$22,693.41	\$454.38	\$139,371.19
8/1/2010	580	\$50,457.00	\$355,377.42	\$405,834.42	\$90,897.45	\$1,526.56	\$28,512.34	\$417.62	\$121,353.97
9/1/2010	577	\$50,634.50	\$313,958.23	\$364,592.73	\$159,073.98	\$1,923.84	\$26,927.17	\$875.16	\$188,800.15
10/1/2010	574	\$50,336.90	\$390,609.22	\$440,946.12	\$161,245.45	\$211.55	\$20,221.24	\$913.35	\$182,591.59
11/1/2010	575	\$50,389.10	\$373,817.75	\$424,206.85	\$114,756.30	\$1,332.31	\$23,707.97	\$535.21	\$140,331.79
12/1/2010	562	\$49,389.90	\$339,491.16	\$388,881.06	\$154,596.35	\$1,794.00	\$22,879.89	\$733.46	\$180,003.70
CY 2010	601	\$628,157.18	\$3,814,489.26	\$4,442,646.44	\$2,142,737.81	\$32,377.71	\$266,496.67	\$16,483.65	\$2,458,095.84
1/1/2011	554	\$52,741.97	\$362,602.11	\$415,344.08	\$74,037.26	\$4,936.16	\$21,733.20	\$1,243.31	\$101,949.93
2/1/2011	555	\$52,251.30	\$332,551.80	\$384,803.10	\$127,887.01	\$4,065.39	\$16,121.69	\$2,748.30	\$150,822.39
3/1/2011	560	\$52,726.81	\$311,450.38	\$364,177.19	\$206,802.11	\$4,010.60	\$21,419.70	\$4,100.22	\$236,332.63
4/1/2011	553	\$52,005.92	\$314,848.70	\$366,854.62	\$222,976.37	\$5,825.75	\$17,905.14	\$1,811.27	\$248,518.53
5/1/2011	556	\$52,112.67	\$352,116.30	\$404,228.97	\$102,498.08	\$2,045.88	\$16,470.03	\$1,690.56	\$122,704.55
6/1/2011	550	\$51,902.67	\$275,151.00	\$327,053.67	\$111,488.22	\$3,228.83	\$26,797.57	\$800.83	\$142,315.45
7/1/2011	543	\$51,113.24	\$273,888.85	\$325,002.09	\$197,533.57	\$2,187.61	\$18,480.28	\$676.68	\$218,878.14
8/1/2011	541	\$50,991.13	\$392,646.63	\$443,637.76	\$155,731.03	\$1,302.58	\$19,366.86	\$377.57	\$176,778.04
9/1/2011	541	\$50,983.26	\$335,486.72	\$386,469.98	\$163,232.45	\$1,502.12	\$21,824.19	\$196.22	\$186,754.98
10/1/2011	536	\$50,478.65	\$466,844.65	\$517,323.30	\$117,024.32	\$841.57	\$15,244.41	\$364.97	\$133,475.27
11/1/2011	533	\$49,995.22	\$354,515.70	\$404,510.92	\$102,693.36	\$1,068.43	\$21,648.41	\$458.18	\$125,868.38
12/1/2011	519	\$48,511.86	\$335,740.33	\$384,252.19	\$171,751.28	\$1,730.04	\$19,015.20	\$267.99	\$192,764.51
CY 2011	545	\$615,814.70	\$4,107,843.17	\$4,723,657.87	\$1,753,655.06	\$32,744.96	\$236,026.68	\$14,736.10	\$2,037,162.80
	(-9.3%)			(+6.3%)					
1/1/2012	516	\$54,845.86	\$478,492.33	\$533,338.19	\$138,510.41	\$9,403.51	\$20,977.99	\$308.68	\$169,200.59
2/1/2012	518	\$55,064.78	\$439,045.55	\$494,110.33	\$176,976.47	\$7,299.07	\$13,648.77	\$1,091.75	\$199,016.06
3/1/2012	517	\$54,189.96	\$457,591.23	\$511,781.19	\$86,727.07	\$7,747.17	\$18,490.50	\$8.79	\$112,973.53
4/1/2012	503	\$52,970.88	\$427,204.11	\$480,174.99	\$142,770.57	\$5,023.08	\$22,849.35	\$131.21	\$170,774.21
5/1/2012	503	\$52,682.25	\$403,470.75	\$456,153.00	\$101,044.25	\$4,948.57	\$15,192.84	\$258.34	\$121,444.00
	2557	\$269,753.73	\$2,205,803.97	\$2,475,557.70	\$646,028.77	\$34,421.40	\$91,159.45	\$1,798.77	\$773,408.39
6/1/2012	511	\$53,950.75	\$441,161.78	\$495,111.54	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
7/1/2012	511	\$53,950.75	\$529,394.00	\$583,344.75	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
8/1/2012	511	\$53,950.75	\$529,394.00	\$583,344.75	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
9/1/2012	511	\$53,950.75	\$529,394.00	\$583,344.75	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
10/1/2012	511	\$53,950.75	\$529,394.00	\$583,344.75	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
11/1/2012	511	\$53,950.75	\$529,394.00	\$583,344.75	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
12/1/2012	511	\$53,950.75	\$529,394.00	\$583,344.75	\$129,205.75	\$6,884.28	\$18,231.89	\$359.75	\$154,681.67
CY 2012	511	\$647,408.98	\$5,823,329.75	\$6,470,737.74	\$1,550,469.02	\$82,611.36	\$218,782.68	\$4,317.02	\$1,856,180.08

SHBP Cost vs. Claims - Summary

	Avg. # Members / Month	Cost to GWCCA	Paid Medical Claims
2010	601	\$4,442,646	\$2,458,096
	9.3% Decrease	6.3% Increase	
2011	545	\$4,723,658	\$2,037,163
	6.2% Decrease	37% Increase	
2012	511	\$6,470,738	\$1,856,180

Insurance Carrier Requirements

- Only one health insurance carrier offered
- Minimum employer contribution of 50% (proposals assume 75%)
- +/- 10% variance in census may result in re-rate
- Minimum participation 75% excluding spousal waivers, 50% overall
- COBRA continues to make up 10% or less of covered employees
- One year rate guarantee with all health carriers
- Rates assume: no current Retirees; no Part-Time employees
- Benefit provisions are subject to federal and state mandates

Health Insurance Carriers





Medical Summary

	Annual Premium	Employee Contributions	Projected HRA Funding	GWCCA Net Annual Cost
2012 Plan Year				
<u>State Health Benefit Plan</u>	\$6,470,738	\$647,409	\$0	\$5,823,329
2013 Plan Year - Proposals				
<u>Aetna</u>	\$2,638,564	\$263,856	\$0	\$2,374,708
<u>BCBSGA</u>	\$2,833,074	\$283,307	\$63,325	\$2,613,092
<u>Cigna</u>	\$2,644,270	\$264,427	\$63,325	\$2,443,168
<u>Coventry</u>	\$2,619,454	\$261,945	\$0	\$2,357,509
<u>Kaiser Permanente</u>	\$3,043,395	\$304,340	\$63,325	\$2,802,381
<u>United Healthcare</u>	\$2,661,276	\$266,128	\$63,325	\$2,458,473

Cigna Network

- Cigna - **18,000** contracted physicians statewide
(UHC – 16,000)
- Cigna – **153** contracted hospitals statewide
(UHC – also 153)
- **96%** physician network match Cigna vs. UHC
- Metro Atlanta service area
 - **4,353** participating PCP physicians (family practice, general practice, internal medicine, pediatrics, etc.)
 - **1,131** participating OBGYN physicians
 - **11,653** participating “all other” specialists



UnitedHealthcare®

Cigna and United Healthcare are the two insurance carriers with whom the State of Georgia contracts to administer the State Health Benefit Plan.

Both carriers have made excellent proposals to the GWCCA which allows the Authority to establish an autonomous health insurance plan.

Cigna and UHC proposals are similar in their ability to duplicate the current benefits offered through SHBP.

The GWCCA can select only one carrier for health insurance.

Additionally, Cigna has committed to:

1. Honor prior authorizations and pre-certifications with SHBP
2. Providing the same Rx formulary used by the SHBP

UHC is not able to honor prior authorizations and pre-certifications and the UHC Rx formulary does not match SHBP.

SHBP vs. Cigna

GWCCA: 395 Full-Time Employees (277 Health Plan Participants and 118 Waives)

Wellness - 134

Standard - 143

Participation	 (154) (105) (18)					
	HMO	HRA	HDHP	HMO	HRA	HDHP
Indiv. Deductible	\$1,000	\$1,300	\$1,500 / \$1,750	\$1,000	\$1,300	\$1,500
Family Deductible	\$2,000	\$3,250	\$3,000 / \$3,500	\$2,000	\$3,250	\$3,000
HRA Fund	n/a	\$500 / \$350	n/a	n/a	\$500	n/a
Co-Insurance	80%	85%	90% / 80%	80%	85%	90%
Indiv. Max OOP	\$3,000	\$3,000	\$2,400 / \$2,650	\$3,000	\$3,000	\$2,400
Family Max OOP	\$6,000	\$7,000	\$4,100 / \$4,600	\$6,000	\$7,000	\$4,100
PCP Copay	\$35 / \$45	Ded / Co-Ins	Ded / Co-Ins	\$35	Ded / Co-Ins	Ded / Co-Ins
Specialist Copay	\$45 / \$55	Ded / Co-Ins	Ded / Co-Ins	\$45	Ded / Co-Ins	Ded / Co-Ins
<u>Rx</u>						
Tier 1	\$20	15%	20% after Ded	\$20	15%	20% after Ded
Tier 2	\$50	25%	20% after Ded	\$50	25%	20% after Ded
Tier 3	\$90	25%	20% after Ded	\$90	25%	20% after Ded

2013 SHBP changes

	HMO	HRA	HDHP
Indiv. Deductible	\$1,300	\$1,600	\$1,800 / \$2,000
Family Deductible	\$2,600	\$4,000	\$3,600 / \$4,000
Indiv. Max OOP	\$4,000 / \$4,500	\$4,000 / \$4,500	\$4,000 / \$4,500
Family Max OOP	\$9,000 / \$9,500	\$9,000 / \$9,500	\$8,000 / \$9,000

Additional Wellness Initiatives

- New Fitness Center (opened 9/14/12)
- Healthy food options/menu in cafeteria
- Exercise equals training credit
- Cigna and Authority - Healthy Lunch and Learn seminars
- Cigna will provide free on-site biometric testing and on-line Health Risk Assessment
- Cigna will provide telephonic coaching to high risk members
- Cigna will provide \$10,000 wellness fund
- Cigna will provide aggregate reporting and recommendations for programs to improve over-all health of employees.



Employee Monthly Cost

	Current SHBP 2012 Deductions	# of EE's	Proposed Cigna 2013 Deductions
	Range		
HMO			
E	\$122.56 to \$209.18	82	\$52.75
ES	\$289.30 to \$434.90	22	\$110.78
EC	\$293.88 to \$389.72	16	\$100.23
ESC	\$316.86 to \$463.96	34	\$158.25
		154	
HRA			
E	\$76.46 to \$160.58	74	\$47.00
ES	\$233.64 to \$376.24	12	\$98.71
EC	\$239.29 to \$332.18	6	\$89.31
ESC	\$253.86 to \$397.54	13	\$136.90
		105	
HDHP			
E	\$66.54 to \$150.14	14	\$57.22
ES	\$215.90 to \$357.54	1	\$120.16
EC	\$221.32 to \$313.26	2	\$108.72
ESC	\$234.48 to \$377.14	1	\$171.66

GWCCA – Savings by Facility

GWCCA Health Insurance

	FY 2013 Budget Health Insurance	Annual Cost Jan. Transition	Est. Savings	Full Year rollout Est. Savings
GWCC	\$ 3,379,080	\$ 2,393,961	\$ 985,119	\$ 1,773,822
Dome	\$ 1,436,581	\$ 1,163,967	\$ 272,614	\$ 739,793
COP	\$ 322,069	\$ 231,066	\$ 91,003	\$ 180,947
Total	\$ 5,137,730	\$ 3,788,994	\$ 1,348,736	\$ 2,694,562

Next Steps

- GWCCA Board action
- Employee meetings & enrollment plan
- New plan – January 1, 2013
- January – April, 2013 – Legislation for Flex Benefits Plan

Agencies Consulted

- Governors Office
- Department of Community Health
- Office of Planning and Budgeting
- Department of Administrative Services (DOAS)
- GWCCA SAG

Board Action

THEREFORE, BE IT RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that:

The Executive Director expressly is authorized to continue to evaluate available options for the Authority's withdrawal from the state health insurance plan and enrollment in another group health insurance plan. Moreover, in case a specific alternative group health insurance plan is identified which, in the discretion of the Executive Director, would be consistent with the corporate purposes and mission of the Authority and the Authority's sound business practices, then the Executive Director is authorized, though not required, to take such actions and to execute and deliver such documents as may be necessary or appropriate to effect the Authority's withdrawal from the state health insurance plan and enrollment in the alternative group health insurance plan so identified by the Executive Director.

ADOPTED this 21st day of September, 2012.

Pouring Rights



Background



Pouring Rights

We have an acceptable Pouring Rights offer from Coke on the table for the GWCC and COP and have presented it to the Authority Board's F&B committee who agreed to move forward with the process.

- 10-year deal
- \$5.25M cash
- \$500K marketing fund
- New equipment
- Meeting rental credit
- Sponsorship
- Great partnership

Total Value Sponsorship and Marketing Support Fund

Sponsorship: \$5,250,000
Marketing Support Funds: \$500,000
Total Cash Investment: \$5,750,000

Total Non-Cash Investments: >\$311,889

Total Coca-Cola Value: >\$6,061,889

June 26, 2012

Non Binding on either party, For Discussion Purposes Only -Confidential-



GWCC/COP Rights & Inventory

- Exclusive non-alcoholic beverage provider
- Marketing and advertising rights & protection
- Interior and exterior signage
- Annual meeting room credit of \$150,000
(F&B not included)
- Recycling program sponsorship
- Presenting sponsor of 4th of July and Ice Rink events at Park
- Consumer activation



Board Action

THEREFORE, BE IT RESOLVED by the Board of Governors of the Geo. L. Smith II Georgia World Congress Center Authority that:

The Executive Director expressly is authorized to continue to negotiate with Coca-Cola regarding the terms and conditions of a proposed agreement for a license to advertise in, on, and/or exterior to the Authority's facilities, including the Center and the Park (but not the Dome, which is under a separate agreement with Coke, or any potential new stadium), and also a concession license to furnish beverages and other products to meet the Authority's requirements for those same facilities. Moreover, in case those negotiations are successful, then the Executive Director is authorized, though not required, to take such actions and to execute and deliver such documents as may be necessary or appropriate to effect the license agreement or other contract for Coca-Cola's license to advertise in, on, and/or exterior to the Authority's facilities and also a concession license to furnish beverages and other products to meet the Authority's requirements but only so long as such license agreement or other contract complies with applicable law and, in the judgment of the Executive Director, is consistent with the corporate purposes and mission of the Authority and the Authority's sound business practices. In any event, any such license agreement or other agreement may not exceed a term of ten (10) years.



2012 GWCCA Planning Retreat Day Two

September 20 & 21, 2012

