BOARD OF GOVERNORS MEETING

March 31, 2020
Action Item

Approval of Minutes
February 25, 2020
Financial Update

Janet Arsenault
Sr. Director of Finance
Financial Snapshot – February 2020

Profit/Loss

- Actual: $286,010
- Budgeted: $570,729

H/M Tax

- Actual: $4.41M
- Budgeted FY19: $4.53M
- Budgeted: $4.43M

Customers

- (Estimated): 274,580

Economic Impact

- (Estimated): $140.0 M

YTD Actual

- $946,816
- Budgeted: ($1,409,052)
FY20 Forecast Through Q3

Quarter End Profit/Loss

- Budget: $182,474
- Projection: $1,370,456
COVID-19 Budget Impacts

Frank Poe
Executive Director, GWCCA

Jennifer LeMaster
Chief Administrative Officer, GWCCA
Overview

➢ COVID-19 Situational Awareness
➢ FY20 Q4 Budget Strategies
On February 25, the CDC issued its first set of recommendations to the U.S. that Americans should prepare for “disruptions to daily life”

Subsequently, GWCCA began receiving its first inquiries from customers regarding building preparations

GWCCA began preparing messaging strategies including:
- GWCCA preparedness/infection control measures
- Messaging to employees/staff at different levels of outbreak
- Campus closure (pandemic level outbreak in U.S.)
COVID-19 Situational Awareness

➢ On March 2, Governor Kemp’s office confirmed the first two cases of COVID-19 in Georgia

➢ On March 9, GWCCA developed its response plan in the event an employee or attendee reported symptoms consistent with COVID-19

➢ On March 9-12, GWCC hosted the MODEX tradeshow which reported a moderate decrease in attendance

➢ On March 10, Major League Soccer (MLS) announced the suspension of its season
COVID-19 Situational Awareness

➢ On March 11, Hinman Dental announced its cancellation and NCAA reported it would limit attendance at events

➢ On March 12, Governor Kemp released a State Workforce Readiness memo indicating that state government was to remain open and provided direction on staffing approaches inclusive of telework, flexible scheduling, and broad use of leave to limit COVID-19 exposure while mitigating against financial hardships on employees
On March 13, NCAA president announced via twitter the cancellation of all championship activities

On March 15, CDC announced guidance for mass gatherings and/or large community events

On March 16, GWCCA released its workforce planning memo aligned to 15-Day Plan to “flatten the curve”
COVID-19 Situational Awareness

➢ On March 23, Mayor Bottoms announced a shelter-in-place order for Atlanta, which is shortly followed by similar declarations across the metro-area

➢ On March 27, GWCCA extended its workforce planning memo to Friday, April 3
Current Conditions

➢ On March 29, the Federal Government extended its social distancing strategies through April 30

➢ As of today, there are 3817 confirmed cases of COVID-19 in Georgia and 108 deaths

➢ In April, many GWCCA employees will begin reporting to the building under a highly controlled approach to begin maintenance, sanitation, and beautification efforts in anticipation of event activities in early June
FY20 Budget Mitigation Steps

➢ All non-essential programs and activities are suspended
➢ All personnel actions suspended (hiring, promotions, wage adjustments, etc.)
➢ Suspended the use of temporary and on-call staff
➢ Negotiated reductions of contract services
➢ Suspended all funded and unconsummated capital projects
➢ Redeployment of staff to facility operations and special assignments is underway in preparation for building recovery
FY20 Q4 Budget Considerations

➢ April: Implement two-tiered pay cut approach for executive team and staff
➢ May: Continue pay cut approach and furlough approximately 15% of full-time employees (FTEs)
➢ June: Continue pay cuts and furlough an additional 15% FTEs
➢ Evaluate business in on-going manner and update
➢ Will present two potential budget scenarios for FY21
## FY20 Q4 Forecast Update: Revenue

<table>
<thead>
<tr>
<th></th>
<th>Budget Projection</th>
<th>Projection Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2020</td>
<td>3/13/2020</td>
</tr>
<tr>
<td>Rental</td>
<td>$ 14,800,000</td>
<td>$ 15,280,880</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>7,500,000</td>
<td>6,288,159</td>
</tr>
<tr>
<td>Exhibit Utility Service</td>
<td>10,012,100</td>
<td>9,794,650</td>
</tr>
<tr>
<td>Parking</td>
<td>8,551,223</td>
<td>8,516,853</td>
</tr>
<tr>
<td>Hotel/Motel Tax</td>
<td>7,350,000</td>
<td>7,299,645</td>
</tr>
<tr>
<td>Contract Labor/Services</td>
<td>3,906,730</td>
<td>4,711,166</td>
</tr>
<tr>
<td>Telecom/Audio</td>
<td>2,414,329</td>
<td>2,358,253</td>
</tr>
<tr>
<td>Advertising/Sponsorship</td>
<td>2,112,261</td>
<td>2,112,261</td>
</tr>
<tr>
<td>Land Lease</td>
<td>2,601,000</td>
<td>2,601,000</td>
</tr>
<tr>
<td>Other</td>
<td>1,369,171</td>
<td>1,983,527</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$ 60,616,814</td>
<td>$ 60,946,394</td>
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</table>
## FY20 Forecast Update: Expenses

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Projection 3/13/2020</th>
<th>Projection 3/31/2020</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Services</strong></td>
<td>$33,891,450</td>
<td>$33,055,951</td>
<td>$29,388,935</td>
<td>$(3,667,016)</td>
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<tr>
<td><strong>Regular Operating</strong></td>
<td>12,088,746</td>
<td>12,366,629</td>
<td>9,891,269</td>
<td>$(2,475,360)</td>
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<tr>
<td><strong>Equipment Purchases</strong></td>
<td>306,230</td>
<td>322,474</td>
<td>300,201</td>
<td>$(22,273)</td>
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<tr>
<td><strong>Per Diem/Fees/Contracts</strong></td>
<td>8,260,401</td>
<td>7,838,699</td>
<td>6,673,894</td>
<td>$(1,164,805)</td>
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<tr>
<td><strong>Projects</strong></td>
<td>600,000</td>
<td>724,795</td>
<td>178,795</td>
<td>$(546,000)</td>
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<tr>
<td><strong>Computer Charges/Other</strong></td>
<td>3,059,019</td>
<td>3,051,057</td>
<td>2,799,368</td>
<td>$(251,689)</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>58,205,846</td>
<td>57,359,605</td>
<td>$49,232,462</td>
<td>$(8,127,143)</td>
</tr>
<tr>
<td><strong>OPERATING PROFIT(LOSS)</strong></td>
<td>$2,410,968</td>
<td>3,586,789</td>
<td>$(4,913,270)</td>
<td>$(8,500,059)</td>
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## Cash Balance and Reserves

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<tbody>
<tr>
<td>Available Cash at 2/29/20</td>
<td>13,179,376.90</td>
</tr>
<tr>
<td>Potential Reserve Deferral</td>
<td>3,313,021.51</td>
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<tr>
<td>Total available cash</td>
<td>16,492,398.41</td>
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</table>
FY20 Organizational KPIs

TEAM
Own It!

CUSTOMER
Strive For 5

FACILITIES
Make It Better

FINANCIAL
Fiscal Responsibility
Historical Net Operating Income
Overall Satisfaction Increases

FY 19

Overall Satisfaction: 4.53
Total Responses: 5,925

FY 20

Overall Satisfaction: 4.63
Total Responses: 4,482
Overall Satisfaction Increases

FY 20

Average Scores by Group

FY 19

Average Scores by Group
What Guests Are Saying About Us

“Staff were extremely friendly, even those cleaning the washrooms!”

“Sales and Operations teams were amazing! Electrical staff was by far the best I’ve ever worked with at any convention center/ event venue.”

“Very nice staff, love the hospitality!”

“All staff I met were always cheerful and welcomed me into the exhibit hall each day which was indeed a pleasure.”

“Outstanding execution of our event from the entire GWCC team.”
TOP WORK PLACES 2020

The Atlanta Journal-Constitution
Top Work Places Celebration – Feb. 28
Questions?
Next Scheduled Board Meeting

April 28, 2020