

**Hamilton County
Convention Facilities Authority (CFA)
Meeting Minutes**

To: CFA Board Members
From: Jeff Aluotto, CFA Secretary
Subject: Meeting # 36: March 13, 2015

CFA Members Present: Paul Brehm, Shawn Butler, Lee Czerwonka, Jim Downton, Ed Knox and Gwen McFarlin

CFA Members Excused: Cliff Bishop, Larry Grypp, Danny Hill, and Daniel Meyer

CFA/Project Staff Present: Karen Alder, Jeff Aluotto, Lisa Anderson, Steve Fagel, Roger Friedman,

Guest: Dan Lincoln, Sammy Niesz, Barry Parks, Scott Stiles, Elizabeth Wetzel, City of Cincinnati Manager's office; Kelly Harrington, Assistant City Manager for City of Blue Ash; and Linda Jensen, Assist General Manager of Duke Energy Center.

1. Call to Order

Co-Chair Gwen McFarlin called the meeting of the Hamilton County Convention Facilities Authority to order at 11:30 A.M. Co-Chair McFarlin indicated that at this point we do not have a quorum. We are short two board members. But we can have a discussion that will not require a board action. She asked board members to consider meeting on Friday, September 18th at 11:30, at the Sharonville Convention Center. The next meeting was scheduled for that date.

2. Convention Center Capital Update

Ric Booth mentioned that when we last meet he passed out a hand-out that contained various projects. During that meeting, he discussed that the list of projects may change. The list was updated because the escalator projects came in at a much higher amount due to having to knock down some walls. Instead the Center will be doing an overhaul of the escalators at the front of the building reducing the previous cost from \$1,155,000 to \$565,000.

He also indicated that another project was created which is Wi-Fi project in partnership with their current provider of internet services Smart City. The goal is to get the project done before the All-Star game.

This is a great corporate season for the Center. Kroger had decided to move its leadership summit to the City of Cincinnati, which has never happened before. It includes 5,000 to 6,000 Kroger executives. This event will require a big Wi-Fi need for the Center. Cincinnati Insurance is coming in August. Also the Center's partner Pure Romance is coming to the Center; they typically come once or twice a year. They like a lot of internet activity. Procter Gamble will be conducting a meeting at the Center which will also require internet activity. The current Wi-Fi system was put in at the Center six and a half years ago and it needs to be update. Ric also added a small art project. The Center has obtained an architect for this project. The Center has a window of opportunity in May to get a Charlie Harper mural done. Finally, Ric anticipates that we will get three of the four exhibit hall restrooms retrofitted and competed.

3. Review Fourth Quarter Finance Report

Karen Alder discussed the Hotel Tax Status Report concentrating on the 2014 information for the third quarter. The City collected \$2.6 million. The County collected almost \$7.4 million. Looking at 2014 collection, we had a nice steady increase in collections. Next she discussed the CFA Expense Status Report in 2014; we had expenditures of \$49,300.

Karen discussed the reconciliation of the distribution account as of 12/31/2014. There was a balance of \$1,932,723. As of today, the debt service reserve fund for the second lien debt service is zero because we refunded all of that debt so moving forward you will just see the first lien debt service fund. Finally, Karen discussed the Residual Cash Flow sheet, the various contributions from the City of Cincinnati and Hamilton County, and their respective obligations. Next year, the annual contributions of the City and the County will not be at the top of the flow chart. Those were required under the terms of the old Trust agreement because of the second lien bonds. Since we no longer have the second lien bonds there is no requirement to make the annual contributions. The debt service will go down a pretty good chunk since we obtain good interest rates.

Jeff Aluotto provided some stats on the bond sell. All in total interest rate was 3.5%, significantly less than the previous rate. In the past debt service was around \$6.3 million, we will be in the neighborhood of \$5.8 million. The total present value savings is around \$8.7 million over the life of the bonds. The total amount of the bonds refunded was \$71 million. The total amount outstanding is \$65 million during the sale of the bonds we were able to generate enough premium to pay off some of the debt.

4. Review of Minutes

The minutes from the December 8, 2014 meeting was approved by a voice vote.

5. Election of officers

CFA Chair: Dan Meyer approved by voice vote, nominated by Lee Czerwonka.
CFA Vice Chair: Gwen McFarlin approved by voice vote, nominated by Lee Czerwonka.
CFA Treasurer: Paul Brehm approved by voice vote, nominated by Lee Czerwonka.

The votes on the officers were unanimous.

6. Resolution

Resolution Number 2015-01 was approved by voice vote with the following appointments:
Secretary: Jeff Aluotto, Assistant County Administrator, Hamilton County
Assistant Secretary: Bill Moller, Assistant City Manager, City of Cincinnati
Assistant Treasurer: Karen Alder, Deputy Finance Director, City of Cincinnati

Mr. Butler	<u>Yes</u>	Mr. Bishop	<u>Absent</u>	Mr. Brehm	<u>Yes</u>
Mr. Downton	<u>Yes</u>	Mr. Grypp	<u>Absent</u>	Mr. Hill	<u>Absent</u>
Mr. Knox	<u>Yes</u>	Mr. Czerwonka	<u>Yes</u>	Ms. McFarlin	<u>Yes</u>
Mr. Meyer	<u>Absent</u>				

Resolution Number 2015-02 Appropriating Service Payments and Authorizing the Expenditure of Such was approved by voice vote to appropriate \$65,000 for the 2015 Service Payments.

Mr. Butler	<u>Yes</u>	Mr. Bishop	<u>Absent</u>	Mr. Brehm	<u>Yes</u>
Mr. Downton	<u>Yes</u>	Mr. Grypp	<u>Absent</u>	Mr. Hill	<u>Absent</u>
Mr. Knox	<u>Yes</u>	Mr. Czerwonka	<u>Yes</u>	Ms. McFarlin	<u>Yes</u>
Mr. Meyer	<u>Absent</u>				

Service payments are used to pay for annual audit fee, state auditor fee, administrative fees of the trustee and liability insurance for the board.

Resolution Number 2015-03 Appropriating Taxes and Authorizing the Expenditure of Such Funds was approved by voice vote to appropriate \$9,500,000 for the expenditure of excise tax on lodging proceeds as indicated in the Cooperative Agreement between the CFA, County and City.

Mr. Butler	<u>Yes</u>	Mr. Bishop	<u>Yes</u>	Mr. Brehm	<u>Yes</u>
Mr. Downton	<u>Yes</u>	Mr. Grypp	<u>Absent</u>	Mr. Hill	<u>Absent</u>
Mr. Knox	<u>Absent</u>	Mr. Czerwonka	<u>Yes</u>	Ms. McFarlin	<u>Yes</u>
Mr. Meyer	<u>Absent</u>				

7. Update of the Future Study

Dan Lincoln passed out a summary of where they are at with the Future Study. He had high hopes that he could roll out the study today but they are about a week away from completing it. He met with them about two weeks ago to look at architecture possibilities of the building both vertically and horizontally. This will be factored into the final analysis. They finished the analysis of the existing DEC operations, destination benchmarking analysis looking at comp set, industry trend analysis, and potential demand generator analysis. They are finishing up the utilization of facilities recommendations. We are hoping to have the draft by March 20th. The next steps for that will the draft will go to the City of Cincinnati and the County for review and determination of how to roll that out from there. The CFA will not receive a copy of the draft.

8. Other Business

There was no other business at this meeting.

9. Next Meeting

The next scheduled CFA meeting will convene on September 18, 2015 at 11:30 am.

10. Adjournment

Meeting adjourned at 12:38 P.M.