

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

To: CFA Board Members
From: Jeff Aluotto, CFA Secretary
Subject: Meeting # 42: March 10, 2017

CFA Members Present: Gwen McFarlin, Jim Downton, Lee Czerwonka, Lawrence Hawkins, Brendon Cull, Danny Hill, Paul Brehm, Shawn Butler

CFA Members Excused: Dan Meyer

CFA/Project Staff Present: Karen Alder, Cindy Fazio, Jeff Weckbach

1. Call to Order

Chair McFarlin called the meeting of the Hamilton County Convention Facilities Authority to order at approximately 12:05 P.M. Chair McFarlin indicated that there was a quorum.

2. Review and Approval of December 02, 2016 meeting minutes

Chair McFarlin requested a motion to approve the minutes of the December 02, 2016 meeting. The motion was moved and seconded. The Board requested one change, which was to indicate all meeting years for 2017 on the minutes.

Chair McFarlin conducted voice vote. The minutes of the December 02, 2016 meeting with the one adjustment were approved unanimously.

3. Election of Officers

a. Chairperson

Chair McFarlin solicited nominations for Chairperson of the CFA. Brendon Cull made a motion to elect Gwen McFarlin to be Chairperson of the Convention Facilities Authority. The motion was seconded. Cindi Fazio conducted a voice vote. The motion to elect Gwen McFarlin as Chairperson of the Convention Facilities Authority was approved.

b. Vice-Chairperson

Lawrence Hawkins made a motion to elect Paul Brehm to be Vice-Chairperson of the Convention Facilities Authority. The motion was seconded. Cindi Fazio conducted a voice vote. The motion to elect Paul Brehm as Vice-Chairperson of the Convention Facilities Authority was approved.

c. Treasurer

Paul Brehm made a motion to elect Jim Downton to be Treasurer of the Convention Facilities Authority. The motion was seconded. Cindi Fazio conducted a voice vote. The motion to elect Jim Downton as Treasurer of the Convention Facilities Authority was approved.

4. Resolutions

a. Appointment of Secretary, Assistant Secretary and Assistant Treasurer

Chair McFarlin reminded the group that these were annual resolutions that were passed by the CFA. A motion was made to approve the resolutions to appoint Jeff Aluotto to Secretary, Shelia Hill-Christian to Assistant Secretary, and Karen Alder to Assistant Treasurer. The motion was seconded. Cindi Fazio conducted a roll call vote. The motion to appoint Jeff Aluotto to Secretary, Shelia Hill-Christian to Assistant Secretary, and Karen Alder to Assistant Treasurer was approved unanimously.

b. Appropriating Service Payments and Authorizing the Expenditure of Such Funds

Chair McFarlin reminded the group that this is an annual resolution that was passed by the CFA, dating back to 2002. This is the annual appropriation which must occur to pay for the annual audit and other expenses. A motion was made to approve the resolution appropriating service payments and authorizing the expenditure of such funds. The motion was seconded. Cindi Fazio conducted a roll call vote. The motion to approve the resolution appropriating service payments and authorizing the expenditure of such funds was approved unanimously.

c. Appropriating Taxes and Authorizing the Expenditure of Such Funds

Chair McFarlin reminded the group that this is an annual resolution that was passed by the CFA. This is the annual appropriation which must occur so that the Trustee can disburse the lodging taxes as they are collected. A motion was made to approve the resolution appropriating taxes and authorizing the expenditure of such funds. The motion was seconded. Cindi Fazio conducted a roll call vote. The motion to approve the resolution appropriating taxes and authorizing the expenditure of such funds was approved unanimously.

d. Adoption of Public Records Policy

Chair McFarlin indicated to the group that this was a new resolution that would bring us in line with a request from the State Auditor. This is a one-time resolution to adopt the County records retention policy and formalize the records practices of the CFA. A motion was made to approve the resolution to adopt a public records policy. The motion was seconded. Cindi Fazio conducted a roll call vote. The motion to approve the resolution to adopt a public records policy was approved unanimously.

5. Review of Fourth Quarter Financial Report

Karen Alder discussed the Hotel Tax Status Report through the fourth quarter of 2016. The City collections totaled \$3.39 million. The County collections totaled \$8.88 million.

Next Karen discussed the CFA Expense Status Report in 2016; we had estimated expenditures of \$65,000 and year to date actual expenses of \$56,581. These expenses cover the cost of the annual audit, liability insurance, and fees remitted to the trustee for maintaining our accounts. The fourth quarter financial report was unanimously accepted.

Sharon also requested the CFA approve closure of the 2nd Lien Debt Service. A resolution for this will be brought forward at the next CFA meeting.

Karen also walked through the “Waterfall” of expenses and revenues for TOT collections for 2016. This “Waterfall” is determined by the 7th Supplement to the Cooperative Agreement. In regards to the remaining “County Residual,” it is held in a restricted fund for future Convention Center or Hotel/Motel projects. The balance of this restricted fund is currently \$5.8 million. Any additional projects to be funded from this balance require approval of the County Commissioners.

6. Update on the Sharonville Convention Center Expansion Study

Jim Downton provided an overview of the Sharonville Convention Center Expansion Study results. Chris Xeil Lyons, Sharonville Economic Development Director, first provided an overview of recent economic successes in Sharonville. In particular, the City has conducted over \$3.3 million in roadway improvements along Chester Road corridor. These improvements were financed from the Northern Lights TIF district. Overall, the investment in this area, including hotels, has been a significant success for Sharonville.

Kim Osh from the Sharonville Convention Center reviewed the results of the Expansion Study. Of note, exhibit hall occupancy levels in the Sharonville Convention Center are in the 70-80% range. The Convention Center currently cannot accommodate any conventions that require exhibit hall space of 21,000 to 40,000 square feet. The Duke Energy Center requires a minimum use of 40,000 square feet for any convention. Therefore, it was highlighted in the study that there is a gap in the convention and visitors market in Hamilton County that could be filled by an expansion of the Sharonville Convention Exhibit Hall to 40,000 square feet. This expansion would potentially increase the market share by 21%.

The City is looking at a project timeline that would last 28 months and cost around \$8-\$10 million. The proposed project would link to the west wall (which is a temporary wall) and be constructed on land already owned by the City of Sharonville. The ceiling height of the exhibit hall would also be expanded to 30 feet, which would allow additional events to be located at the Sharonville Convention Center. The City of Sharonville intends on meeting with the various partners in the coming months to review their financing plan in order to see where it fits in the current “Waterfall”. The City of Sharonville is looking to have some subsidy from the County TOT and intends on also making a contribution from the City’s own funds.

7. Other Business

A brief update on the status of the audit of the CFA was presented by Karen Alder. The audit is being conducted by the State Auditor and is expected to be completed prior to June. The CFA audit is fairly simple and should be completed without any major issues. The only recommendation from prior years was for the CFA to adopt a records retention policy, which was approved at this meeting.

Ric Booth provided an update on the various capital plans for key Duke Energy Center improvements and distributed a capital list. These projects include, but are not limited to, installation of a lift system to help with future building repairs, installation of high quality cameras, modernization of bathrooms, and additional murals and art projects throughout the building.

There was a brief discussion on the potential expansion of both the Sharonville and Duke Energy convention centers. While these expansions are still in the planning phases, all parties intend on working together to evaluate how these plans can be financed and how both plans could fit in the current "Waterfall". The CFA will be informed of the "long-term" approach surrounding these various expansion efforts once it has been identified.

The 2017 Duke Energy Center Annual Report was entered into the record.

8. Next Meeting

The next scheduled CFA meetings will convene on:

- September 8, 2017 at 12 pm at the Duke Energy Center
- December 1, 2017 at 12pm at the Sharonville Convention Center

9. Adjournment

Meeting adjourned at 1:35 P.M.