

River's Edge Convention Center

Executive Director's Report July 2015

Notes to Financial Statement

The financial statement in your packet compares the June 30th revenues and expenditures for the current year and the three previous years since the opening of the expanded Convention Center. The 2014 year-end actuals and the 2015 annual budget are included for comparison. As we have discussed, our financial system does not track future receivables or obligations, so it is not possible to provide a detailed year-end projection. We are tracking better at the mid-point than 2014, however.

Expenditures tend to be booked fairly evenly distributed through the year; in 2014, 49% of the annual total was posted as of June 30th. Revenue booking lag, however; in 2014, only 30% of the final total was booked by June 30th. The result is that the mid-year report will always show an operating loss. The last quarter of the year is our highest-revenue quarter. In addition, there is typically a flurry of year-end postings in December. For example, in December 2014 19% of large room rentals and 23% of meeting room rentals were booked in the single month of December.

Building Activity

You should have received the July and August schedules of events via email already. July, of course, is our slowest month.

Catering Commission Increase

This week I sent a letter to our caterers informing them that the commission rate will increase from 12% to 15% on January 1, 2016. Report

Ramp Project

The bids for the ramp and expansion project were unexpectedly high and the City Council rejected all bids. Instead, the City entered into a Construction Manager at Risk contract with Donlar Construction. This contract means that Donlar is obligated to bring the project to completion within budget. The City Design Team (which includes Bill Dunsmoor and me) meets regularly with Donlar and is examining the project in detail to reduce costs. The expansion of the River's Edge facility is no longer part of the project. It appears that there will be a new bid package released in September with the intent of a fall construction start. Stay tuned.

Beaver Island Trail Extension

Meanwhile, the extension of the trail adjacent to the building is well under way. The contractor constructed a temporary road down to river level from the northeast corner of the Convention Center and has a crane on a barge moored to the bank. The trail section is scheduled to be completed this construction season.