

Agenda

Board of Directors

Friday, August 2, 2013
Following CAA Operations Committee Meeting
Kent County Commission Chambers
300 Monroe, NW – Grand Rapids, MI

- | | | |
|----|-----------------------------------------------------------------|---------------|
| 1. | Call to Order | Steve Heacock |
| 2. | Minutes of June 7, 2013 | Action |
| 3. | Committee Reports | |
| | A. Operations Committee | |
| | i. Application to Liquor Control Commission for Special License | Action |
| | B. Finance Committee | |
| | i. Acceptance of CAA June 2013 Financial Statements | Action |
| | ii. Acceptance of SMG June 2013 Financial Statements | Action |
| 4. | Directors & Officers Insurance Renewal | Action |
| 5. | SMG Report and Facilities Calendars | Information |
| 6. | Public Comment | |
| 7. | Adjournment | |

Next Meeting Date: Friday, September 6, 2013,
Following the CAA Finance Committee Meeting

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
BOARD OF DIRECTORS MEETING
Friday, June 7, 2013**

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 9:20 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

Attendance

Members Present: Steve Heacock, Chair
Lew Chamberlin
George Heartwell
Birgit Klohs
Charlie Secchia
Richard Winn

Members Absent: Floyd Wilson, Jr.

Staff/Others:	David Czurak	<i>Grand Rapids Business Journal</i>
	Daryl Delabbio	Kent County
	Tim Gortsema	Grand Rapids Griffins
	George Helmstead	Experience Grand Rapids
	Lynne Ike	SMG
	Mike Lloyd	Broadway Grand Rapids
	Chris Machuta	SMG
	Rich MacKeigan	SMG
	Greg Sundstrom	City of Grand Rapids
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jana Wallace	City of Grand Rapids
	Jim Watt	SMG
	Richard Wendt	Dickinson Wright
	Robert White	CAA

2. Minutes of Prior Meeting

Motion by Mr. Heartwell, support by Ms. Klohs, to approve the May 3, 2013, Minutes. Motion carried.

3. Committee Reports

a. Operations Committee

Mr. Chamberlin stated that the Operations Committee recommended approval of the FY 2014 CAA and SMG budgets and the five-year rate sheets.

b. Finance Committee

Mr. Winn stated that the Finance Committee recommended approval of the financial statements, recommended budgets, budget amendment, and five-year rate sheets.

i. CAA April 2013 Financial Statements

Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the CAA Financial Statements for the period ended April 30, 2013. The motion carried unanimously.

ii. SMG April 2013 Financial Statements

Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the SMG Financial Statements for DeVos Place® and the Van Andel Arena® for the period ended April 30, 2013. The motion carried unanimously.

iii. FY 2013 Budget Amendment

Motion: Mr. Winn, supported by Ms. Klohs, moved to approve an amendment to the FY 2013 operations budget to allow for the payment to SMG of an incentive fee in the approximate amount of \$330,525, upon delivery of year-end special purpose financial statements. The motion carried unanimously.

iv. FY 2014 Budgets

a. Consolidated CAA Operating/Capital Budgets

Motion: Mr. Winn, supported by Ms. Klohs, moved to approve the FY 2014 Consolidated CAA Operating/Capital Budgets. The motion carried unanimously.

b. DeVos Place® and Van Andel Arena® Operating Budgets

Motion: Mr. Winn, supported by Ms. Klohs, moved to approve the FY 2014 DeVos Place® and Van Andel Arena® Operating Budgets. The motion carried unanimously.

4. DeVos Place® Rate Sheets

Motion by Mr. Winn, support by Mr. Chamberlin, to re-approve the 2014-2017 DeVos Place® rate sheets and approve the 2018 DeVos Place® rate sheets. Motion carried.

5. SMG Report and Facilities Calendars

Mr. MacKeigan praised the work of the CIG and Darius Quinn. The CIG is looking at planning an annual Latin show and is modeling the structure of the event after the wine, beer and food festival.

6. Public Comment

Mike Lloyd of Broadway Grand Rapids stated that the Broadway musical, Billy Elliot, would be playing at DeVos Performance Hall next week. He appreciates the CAA's looking into "potty parity" and taking the matter seriously.

7. Adjournment

The meeting adjourned at 9:30 a.m.

The date for next CAA Board meeting is Friday, August 2, 2013, in the Kent County Commission Chambers, Kent County Administration Building, 300 Monroe Avenue, NW, following the CAA Operations Committee meeting.

Richard A. Winn, Secretary/Treasurer



Memorandum

To: CAA Operations Committee
CAA Board of Directors

From: Rich MacKeigan

Date: July 29, 2013

Re: Application to Liquor Control Commission for Special License

As we move forward with planning the operational aspects of the upcoming International Wine, Beer & Food Festival, the CAA will need to apply to the Michigan Liquor Control Commission for a Special (24-Hour) On-Premise License. This license allows nonprofit, religious, fraternal, civic, or patriotic organizations to obtain a one-day license to sell alcoholic beverages (beer, wine, and liquor) to the public for on-premise consumption.

Specific requirements for the Special On-Premise License include:

1. Profits from the sale of alcoholic beverages must go to the organization and not to any individual.
2. The chief local law enforcement officer in the governmental unit must approve the request where the event is to be held.
3. No more than 5 licenses are issued to individual organizations each calendar year.
4. Proof of nonprofit status must be provided with the application unless the applicant is a national organization or has obtained previous special licenses.

The license fee is \$25.00 for each separate, consecutive day of the event. This is the same process we go through every year, and I am recommending we apply for this license as the cost is minimal, to allow for greater flexibility on the operational side.

Action requested: Approval to submit an application to the Michigan Liquor Control Commission for a Special On-Premise License.



Memorandum

To: CAA Board Members

From: Robert J. White

Subject: June 2013 Financial Statements
Preliminary Year-End, Subject to Audit

Date: July 17, 2013

The attached interim Balance Sheet, Administrative Income Statement, and Consolidated Income Statement are formatted to provide information concerning the Convention/Arena Authority administrative accounts.

The Balance Sheet includes a two-year comparative financial position at June 30 for Fiscal Years 2012 and 2013. The Administrative Income Statement provides a line item comparison of accounts for the current fiscal year as compared to a similar period in the prior fiscal year. In addition, the Administrative Income Statement provides a comparison of current year budget to prior year (FY 2012). It will allow the reader to compare expenditure trends with full-year budgetary allowances. The Consolidated Income Statement is formatted by functional area. The columnar format is the same as in the Administrative Income Statement.

Items of interest in the twelve-month financial statements are explained as follows:

Balance Sheet (Unconsolidated):

- The cash and investments position is up by \$237,090 from June 30, 2012. This is better than the budget forecast.
- Fund balance increased by \$153,476 from the June 30, 2012 level.

June Administrative Revenue/Expense:

- Utility Expense – year-to-date expense is increased by 2.4% from prior year actual, versus a budget forecast of +7.1%. Electricity expense for the “Grand Center” includes an accrual of \$234,000 for back billing on an inaccurate meter.
- Parking Management Expense – is down by (37.1%), as the prior-year expense included a non-recurring \$57,715 for seal coating/stripping at the DeVos Place® ramp and Auto Parking staff

- services are reduced by \$27,976 (16.5%) compared to billings for the prior year.
- Overall Expense. Operating expenses are budgeted at a 5.3% annual increase. For the current fiscal year, actual operating expenses totaled a (4%) decrease from prior year.

Consolidated Income Statement (twelve months):

- The Van Andel Arena® budget forecast a current year “Net Proceeds” increase of +12.9%. For the current fiscal year, “Net Proceeds,” are reported at an increase of +65.5% from prior-year performance. This was a slight increase from the prior month.
- The DeVos Place® budget forecast a current year “Net Proceeds” decrease of (62.5%). For the current fiscal year, “Net Proceeds” are reported at 108.0% ahead of prior-year performance.
- Total operating “Net Proceeds” are up by +\$1,067,203 from a like period in the prior fiscal year. The full-year consolidated operating budget forecasted a full-year decline of (\$107,897) in “Net Proceeds.” Actual performance is running significantly ahead of budget, driven primarily by the increased operating revenue at both Van Andel Arena® and DeVos Place®.

FY 2013 Budget-to-Actual – variance analysis (page 6):

- This statement compares summary budget accounts to preliminary year-end actual balances. Significant positive variances were recorded in SMG operating accounts, primarily from increased revenues (facilities activity).

These reports are intended to provide a summary analysis of financial activities over the course of the fiscal year.

Grand Rapids-Kent County Convention/Arena Authority
Preliminary Year-End Balance Sheet (Unconsolidated)
June 30, 2013

		<u>6/30/2012</u>	<u>6/30/2013</u>
<u>Assets</u>			
Cash	- Operating	\$ 31,765	\$ 224,619
Investments	- Kent County	21,095,173	21,139,409
Interest Receivable		9,227	7,900
Accounts Receivable		41,752	50,000
Capital Assets (Net)		<u>1,611,130</u>	<u>1,587,656</u>
Total Assets		<u><u>\$ 22,789,047</u></u>	<u><u>\$ 23,009,584</u></u>

<u>Liabilities & Fund Balance</u>			
Accounts Payable		\$ 95,218	\$ (22,206)
Accrued Expenses		126,440	360,925
Compensated Absences		4,975	4,975
Deferred Facility Income		200,000	150,000
Fund Balance		<u>22,362,414</u>	<u>22,515,890</u>
Total Liabilities & Fund Balance		<u><u>\$ 22,789,047</u></u>	<u><u>\$ 23,009,584</u></u>

Grand Rapids-Kent County Convention/Arena Authority
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013 (Preliminary)²

	Annual			Year-To-Date		
	FY 2012	FY 2013	Percentage	FY 2012	FY 2013	Percentage
	<u>Final</u>	<u>Budget</u>	<u>Change</u>	<u>7/1 - 6/30</u>	<u>7/1 - 6/30</u>	<u>Change</u>
Revenues:						
Transfers from SMG	\$ 2,753,496	\$ 2,813,838	2.2	\$ 2,753,496	\$ 2,950,000	7.1
Parking	1,098,657	1,116,829	1.7	1,098,657	1,080,022	(1.7)
Interest	119,327	106,000	(11.2)	119,327	92,909	(22.1)
Miscellaneous	82,455	81,000	(1.8)	82,455	108,301	31.3
Total Revenues	<u>4,053,935</u>	<u>4,117,667</u>	<u>1.6</u>	<u>4,053,935</u>	<u>4,231,232</u>	<u>4.4</u>
Expenditures:						
Operations						
- Utilities	2,244,580	2,404,804	7.1	2,244,580	2,299,463	2.4
- Parking Management	236,056	198,000	(15.8)	236,056	148,408	(37.1)
- Pedestrian Safety	116,019	121,510	4.7	116,019	147,128	26.8
- Marketing - CVB/Sports	100,000	100,000	-	100,000	100,000	-
- DID Assessment	38,398	60,000	56.3	38,398	38,124	(0.7)
- Landscaping	20,608	30,000	45.6	20,608	16,487	(20.0)
- Food & Beverage Repairs	-	40,000	100+	-	33,026	+100.0
Administration						
- Wages/Benefits	113,848	114,677	0.7	113,848	111,355	(2.2)
- Consulting Services	175,544	35,900	(79.5)	175,544	35,688	(79.7)
- Professional Services	51,357	72,000	40.2	51,357	40,032	(22.1)
- Diversity Initiative	62,078	100,000	61.1	62,078	59,373	(4.4)
- Procurement of Art	18,368	30,000	63.3	18,368	17,554	(4.4)
- Insurance	27,502	28,600	4.0	27,502	25,303	(8.0)
- Supplies/Other	19,504	60,000	207.6	19,504	24,263	24.4
Operating Expenditures	<u>3,223,862</u>	<u>3,395,491</u>	<u>5.3</u>	<u>3,223,862</u>	<u>3,096,204</u>	<u>(4.0)</u>
Capital R/R/A ⁽¹⁾	662,230	1,903,000	187.4	662,230	981,552	119.1
Total Expenditures	<u>3,886,092</u>	<u>5,298,491</u>		<u>3,886,092</u>	<u>4,077,756</u>	
Excess (Deficiency) of Revenues	167,843	(1,180,824)	(803.7)	167,843	\$ 153,476	(8.6)
Over Expenditures						
Balance, beginning of period	<u>22,065,862</u>	<u>22,233,705</u>				
Balance, end of period	<u>\$ 22,233,705</u>	<u>\$ 21,052,881</u>				

NOTES:

(1) R/R/A - Repair/Replacement/Additions and Budget Amendment of 8/3/12

(2) Subject to Audit.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ended June 30, 2013 (Preliminary Year-End)

	Annual			Year-To-Date		
	FY 2012	FY 2013	Percentage	FY 2012	FY 2013	Percentage
	Final	Budget	Change	7/1 - 6/30	7/1 - 6/30	Change
Van Andel Arena						
Operating - Revenues	\$4,523,881	\$4,997,896	10.4	\$4,523,881	\$5,431,667	20.1
- Expenses - Facilities	(3,470,372)	(3,818,869)	10.0	(3,470,372)	(3,618,820)	4.3
- Management Fees	(162,500)	(167,375)	3.0	(162,500)	(249,376)	53.5
Net Operating Income (Loss)	891,009	1,011,652	13.5	891,009	1,563,471	75.5
Parking	156,538	166,829	6.6	156,538	145,088	(7.3)
Pedestrian Safety	(71,864)	(76,970)	7.1	(71,864)	(93,420)	30.0
Net Proceeds (Cost) of VAA	975,683	1,101,511	12.9	975,683	1,615,139	65.5
DeVos Place Convention Center						
Operating - Revenues	5,031,222	4,838,806	(3.8)	5,031,222	5,857,525	16.4
- Expenses - Facilities	(5,250,815)	(5,274,049)	0.4	(5,250,815)	(5,596,537)	6.6
- Management Fees	(162,501)	(167,375)	3.0	(162,501)	(411,675)	153.3
Net Operating Loss	(382,093)	(602,618)	(57.7)	(382,093)	(150,687)	(60.6)
Parking	706,064	752,000	6.5	706,064	786,526	11.4
Pedestrian Safety	(44,155)	(44,540)	0.9	(44,155)	(53,707)	21.6
Net Proceeds (Cost) of DVP	279,816	104,842	(62.5)	279,816	582,132	108.0
Other						
Revenues						
Interest	119,327	156,000		119,327	92,909	-
Miscellaneous	82,455	31,000		82,455	108,301	-
	201,782	187,000	(7.3)	201,782	201,210	(0.3)
Expenses						
Administration	(606,600)	(601,177)		(606,600)	(451,692)	-
Other Operating	(20,608)	(70,000)		(20,608)	(49,513)	-
	(627,208)	(671,177)	7.0	(627,208)	(501,205)	(20.1)
	(425,426)	(484,177)	13.5	(425,426)	(299,995)	(29.5)
Net Other	830,073	722,176		830,073	1,897,276	
Total Net Proceeds/Operating						
Capital Expenditures	(662,230)	(1,903,000)		(662,230)	(981,552)	
Results Net of Capital Expenditures	\$ 167,843	\$ (1,180,824)		\$ 167,843	\$ 915,724	

Grand Rapids-Kent County Convention/Arena Authority
FY 2013 Budget to Actual
Variance Analysis

	FY 2012	FY 2013	FY 2013	Variance
	Actual	Budget	Actual	Budget to Actual
Van Andel Arena				
SMG Operating	\$ 891,009	\$ 1,011,652	\$ 1,563,471	\$ 551,819
Parking/Pedestrian	84,674	\$ 89,589	51,668	(38,191)
DeVos Place Convention Center				
SMG Operating	(382,093)	\$ (602,618)	(150,687)	451,931
Parking/Pedestrian	661,909	\$ 707,460	732,819	25,359
Administration (Net)				
Operations	(425,426)	\$ (484,177)	(299,995)	184,182
	830,073	\$ 722,176	1,897,276	1,175,100
Capital				
	(662,230)	\$ (1,903,000)	(981,552)	921,448 ⁽¹⁾
Fund Balance, Increase (Decrease)	\$ 167,843	\$ (1,180,824)	\$ 915,724	\$ 2,096,548

⁽¹⁾ Includes balances for four projects, totalling \$420,000, carried over to the FY 2014 budget.

DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2013

PRELIMINARY – UNAUDITED

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Harry Cann
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2013

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	513		513	497	16
ATTENDANCE	586,619		586,619	513,000	73,619
DIRECT EVENT REVENUE	3,040,964		3,040,964	2,650,740	390,224
ANCILLARY REVENUE	2,523,209		2,523,209	1,974,616	548,593
TOTAL EVENT REVENUE	5,564,173	-	5,564,173	4,625,356	938,817
TOTAL OTHER REVENUE	293,352		293,352	213,450	79,902
TOTAL OPERATING REVENUE	5,857,525	-	5,857,525	4,838,806	1,018,719
INDIRECT EXPENSES					
EXECUTIVE	170,056		170,056	174,515	4,459
FINANCE	239,318		239,318	238,554	(764)
MARKETING	112,265		112,265	84,060	(28,205)
OPERATIONS	1,496,409		1,496,409	1,481,253	(15,156)
EVENT SERVICES	1,023,231		1,023,231	898,714	(124,517)
BOX OFFICE	114,626		114,626	86,221	(28,405)
SALES	374,597		374,597	380,186	5,589
OVERHEAD	2,231,296		2,231,296	2,097,921	(133,375)
TOTAL OPERATING EXP.	5,761,800	-	5,761,798	5,441,424	(320,374)
NET REVENUE ABOVE EXPENSES	95,725	-	95,727	(602,618)	698,345
INCENTIVE FEE			246,412	0	246,412
NET OPERATING REVENUE OVER OPERATING EXPENSES	95,725	-	(150,685)	(602,618)	451,933

Comments:

DeVos Place concluded a very successful fiscal year with a June that far exceeded both budget and forecast as ancillary spending was much stronger than anticipated.

Overall revenue, and bottom-line, are both historical highs.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2013**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	June Actual	June Budget	June FY 2012
Number of Events	39	32	23
Attendance	33,068	15,520	17,812
Direct Event Income	\$208,390	\$79,954	\$92,733
Ancillary Income	243,181	24,141	191,841
Other Income	41,540	22,238	(17,154)
Indirect Expenses	(741,122)	(453,452)	(483,124)
Net Income	(\$248,011)	(\$327,119)	(\$215,704)

YTD	YTD 2013 Actual	YTD 2013 Budget	YTD 2012 Prior Year
Number of Events	513	497	522
Attendance	586,619	513,000	592,069
Direct Event Income	\$3,040,964	\$2,650,740	\$2,648,220
Ancillary Income	2,523,209	1,974,616	2,181,737
Other Income	293,352	213,450	201,264
Indirect Expenses	(5,761,800)	(5,441,424)	(5,413,317)
Net Income	\$95,725	(\$602,618)	(\$382,096)

EVENT INCOME

Event income came in ahead of budget and forecast on the strength of the New Technologies, Spartan Stores events in the exhibit hall and the Daniel Tosh (2 sold out) and Bill Maher shows in the Performance Hall.

ANCILLARY INCOME

Ancillary income came in well ahead of budget and forecast with catering income far exceeding expectations for the month.

INDIRECT EXPENSES

Indirect expenses came in higher than budget, however, fairly consistent with the forecast. Most of the overage due to the reconciliation of electrical expense that had been previously forecasted.

DeVos Place
Income Statement
For the Twelve Months Ending June 30, 2013

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$221,701	\$91,260	\$130,441	\$102,960	\$3,169,121	\$2,717,100	\$452,021	\$2,780,197
Service Revenue	183,777	329,004	(145,227)	76,340	2,362,572	2,181,940	180,632	2,411,267
Service Expenses	(197,088)	(340,310)	143,222	(86,567)	(2,490,729)	(2,248,300)	(242,429)	(2,543,244)
Total Direct Event Income	208,390	79,954	128,436	92,733	3,040,964	2,650,740	390,224	2,648,220
Ancillary Income								
F&B Concession	18,461	3,677	14,784	7,996	205,814	143,900	61,914	172,374
F&B Catering	152,539	4,659	147,880	97,863	841,766	592,500	249,266	735,138
Novelty Sales	492	1,534	(1,042)	0	8,830	12,000	(3,170)	11,059
Booth Cleaning	5,538	3,112	2,426	4,513	297,438	257,516	39,922	239,795
Telephone/Long Distance	0	-	0	0	3,034	0	3,034	113
Electrical Services	25,924	535	25,389	29,170	484,134	451,600	32,534	432,979
Audio Visual	28,704	7,657	21,047	42,371	392,295	289,500	102,795	351,210
Internet Services	798	2,772	(1,974)	2,371	111,534	59,000	52,534	64,436
Equipment Rental	10,725	195	10,530	7,557	178,364	168,600	9,764	174,633
Total Ancillary Income	243,181	24,141	219,040	191,841	2,523,209	1,974,616	548,593	2,181,737
Other Event Income								
Ticket Rebates(Per Event)	37,144	19,564	17,580	(19,066)	262,515	181,450	81,065	175,914
Total Other Event Income	37,144	19,564	17,580	(19,066)	262,515	181,450	81,065	175,914
Total Event Income	488,715	123,659	365,056	265,508	5,826,688	4,806,806	1,019,882	5,005,871
Other Operating Income								
Luxury Box Agreements	1,461	1,337	124	1,382	15,465	16,000	(535)	15,263
Other Income	2,935	1,337	1,598	530	15,372	16,000	(628)	10,087
Total Other Operating Income	4,396	2,674	1,722	1,912	30,837	32,000	(1,163)	25,350
Adjusted Gross Income	493,111	126,333	366,778	267,420	5,857,525	4,838,806	1,018,719	5,031,221
Operating Expenses								
Salaries and Wages	247,159	231,521	15,638	233,089	3,020,285	2,778,219	242,066	2,917,654
Payroll Taxes and Benefits	80,816	60,499	20,317	53,419	936,271	726,010	210,261	881,729
Labor Allocations to Events	(155,005)	(121,631)	(33,374)	(83,617)	(1,745,127)	(1,459,605)	(285,522)	(1,683,064)
Net Salaries and Benefits	172,970	170,389	2,581	202,891	2,211,429	2,044,624	166,805	2,116,319
Contracted Services	25,155	20,723	4,432	23,008	339,038	248,621	90,417	302,833
General and Administrative	22,561	26,951	(4,390)	74,809	335,172	323,423	11,749	390,717
Operations	26,886	9,910	16,976	(15,463)	115,971	118,865	(2,894)	95,332
Repair and Maintenance	60,669	43,411	17,258	16,071	460,482	520,998	(60,516)	475,901
Operational Supplies	38,613	21,238	17,375	(3,193)	295,875	254,900	40,975	153,854
Insurance	15,581	16,396	(815)	11,837	216,285	196,818	19,467	207,716
Utilities	364,915	130,487	234,428	159,622	1,622,285	1,565,800	56,485	1,508,145
SMG Management Fees	13,772	13,947	(175)	13,542	165,263	167,375	(2,112)	162,500
Total Operating Expenses	741,122	453,452	287,670	483,124	5,761,800	5,441,424	320,376	5,413,317
Net Income(Loss) From Operations	(248,011)	(327,119)	79,108	(215,704)	95,725	(602,618)	698,343	(382,096)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(248,011)	(327,119)	79,108	(215,704)	95,725	(602,618)	698,343	(382,096)

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Twelve Months Ended June 30, 2013

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	152	125	149,230	145,000	2,151,268	1,784,700
Consumer/Gated Shows	50	50	166,960	140,000	1,087,801	993,700
DeVos Performance Hall	131	136	165,839	162,600	1,165,320	936,240
Banquets	43	36	29,231	23,400	395,628	274,490
Meetings	92	100	24,065	24,000	706,426	415,100
Other	45	50	51,294	18,000	320,245	402,576
GRAND TOTALS	513	497	586,619	513,000	5,826,688	4,806,806

As Percentage of Overall

Convention/Trade Shows	29.63%	25.15%	25.44%	28.27%	36.92%	37.13%
Consumer/Gated Shows	9.75%	10.06%	28.46%	27.29%	18.67%	20.67%
Devos Performance Hall	25.54%	27.36%	28.27%	31.70%	20.00%	19.48%
Ballroom Exclusive	8.38%	7.24%	4.98%	4.56%	6.79%	5.71%
Meetings	17.93%	20.12%	4.10%	4.68%	12.12%	8.64%
Other	8.77%	10.06%	8.74%	3.51%	5.50%	8.38%

**DeVos Place
Balance Sheet
As of June 30, 2013**

ASSETS

Current Assets

Cash	1,917,068
Account Receivable	921,705
Prepaid Expenses	32,564

Total Current Assets		\$2,871,337
-----------------------------	--	--------------------

Total Assets

\$2,871,337

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	286,188
Accrued Expenses	258,344
Deferred Income	58,977
Advanced Ticket Sales & Deposits	454,806

Total Current Liabilities		\$1,058,315
----------------------------------	--	--------------------

Other Liabilities

Equity

Funds Remitted to CAA	(900,000)
Expenses Paid Direct by CAA	1,519,044
Beginning Balance Equity	1,098,251
Current Year Equity	95,728

Total Equity		\$1,813,022
---------------------	--	--------------------

Total Liabilities and Equity

\$2,871,337

5

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2013

Current - Under 30 Days	
Food & Beverage	278,220
Ticketing	1,293
Merchandise	720
Decorating	5,538
Audio/Visual	28,929
Van Andel Arena	49,513
Operating	398,771
 Over 30 Days	 143,444
 Over 60 Days	 15,277
 Over 90 Days	
 Total Accounts Receivable	 921,705

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2013**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2012 Actual
Net Revenue above Expenses	1,647,584	95,725	1,743,309	508,916
Benchmark ++			750,000	750,000
Excess	1,647,584	95,725	993,309	(241,084)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	165,262	165,263	330,525	325,000
Incentive Fee				
Revenue	5,431,667	5,857,525	11,289,192	9,555,103
Benchmark Revenue	4,900,000	4,300,000	9,200,000	9,100,000
Revenue Excess	531,667	1,557,525	2,089,192	455,103
Incentive Fee **	84,113	246,412	330,525	-
Total SMG Management Fee	249,375	411,675	661,050	325,000

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.



VAN ANDEL ARENA

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2013**

*****PRELIMINARY – UNAUDITED*****

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – 2013 CALDER CUP CHAMPIONS



Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

**VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2013**

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	122		122	101	21
ATTENDANCE	664,254		664,254	565,200	99,054
DIRECT EVENT INCOME	1,228,483		1,228,483	1,313,521	(85,038)
ANCILLARY INCOME	1,576,861		1,576,861	1,134,935	441,926
TOTAL EVENT INCOME	2,805,344	-	2,805,344	2,448,456	356,888
TOTAL OTHER INCOME	2,626,323		2,626,323	2,549,440	76,883
TOTAL INCOME	5,431,667	-	5,431,667	4,997,896	433,771
INDIRECT EXPENSES					
EXECUTIVE	171,735		171,735	169,516	(2,219)
FINANCE	203,638		203,638	240,634	36,996
MARKETING	249,284		249,284	288,108	38,824
OPERATIONS	1,578,802		1,578,802	1,609,899	31,097
BOX OFFICE	133,424		133,424	138,187	4,763
LUXURY SEATING	54,236		54,236	97,409	43,173
SKYWALK ADMIN	28,755		28,755	26,341	(2,414)
OVERHEAD	1,364,208		1,364,208	1,416,150	51,942
TOTAL INDIRECT EXP.	3,784,083	-	3,784,082	3,986,244	202,162
NET REVENUE ABOVE EXPENSES	1,647,584	-	1,647,585	1,011,652	635,933
LESS INCENTIVE FEE			84,113	-	(84,113)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,647,584	-	1,563,472	1,011,652	551,820

Comments:

Van Andel Arena concludes a successful fiscal year with very strong concert activity for the year and highlighted by the first ever Calder Cup Championship by the Grand Rapids Griffins.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED JUNE 30, 2013**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	June Actual	June Budget	June FY 2012
Number of Events	9	5	10
Attendance	61,378	29,000	24,050
Direct Event Income	\$21,556	\$87,648	(\$80,467)
Ancillary Income	153,342	74,038	69,099
Other Income	196,082	228,718	255,092
Indirect Expenses	(336,896)	(332,176)	(326,132)
Net Income	\$34,084	\$58,228	(\$82,408)

YTD	YTD 2013 Actual	YTD 2013 Budget	YTD 2012 Prior Year
Number of Events	122	101	101
Attendance	664,254	565,200	521,909
Direct Event Income	\$1,228,483	\$1,313,521	\$773,591
Ancillary Income	1,576,861	1,134,935	1,231,910
Other Income	2,626,323	2,549,440	2,518,373
Indirect Expenses	(3,784,083)	(3,986,244)	(3,632,868)
Net Income	\$1,647,584	\$1,011,652	\$891,006

EVENT INCOME

Event income came in a little behind budget, however, consistent with forecast.

ANCILLARY INCOME

Ancillary income came in well ahead of budget for the month on strong per caps associated with the Griffins playoff games and the Rush/WWE events hosted during the month.

INDIRECT EXPENSES

Indirect expenses came in consistent with budget and well ahead of forecast. With the Griffins season extended as long as it did, some operations/maintenance projects did not get completed.

Van Andel Arena
Income Statement
For the Twelve Months Ending June 30, 2013

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$110,573	\$129,874	(19,301)	\$56,566	\$1,976,220	\$1,813,803	162,417	\$1,310,846
Service Revenue	144,533	179,952	(35,419)	289,379	1,407,066	1,248,515	158,551	1,560,898
Service Expenses	(233,550)	(222,178)	(11,372)	(426,412)	(2,154,803)	(1,748,797)	(406,006)	(2,098,153)
Total Direct Event Income	21,556	87,648	(66,092)	(80,467)	1,228,483	1,313,521	(85,038)	773,591
Ancillary Income								
F&B Concession	128,316	61,108	67,208	54,743	1,355,482	979,242	376,240	1,026,796
F&B Catering	8,321	4,874	3,447	5,487	108,210	63,511	44,699	75,665
Novelty Sales	16,480	8,556	7,924	8,869	112,429	92,182	20,247	99,331
Booth Cleaning	0	-	0	0	1,282	0	1,282	402
Audio Visual	225	(500)	725	0	408	0	408	36
Other Ancillary	0	-	0	0	(950)	0	(950)	29,680
Total Ancillary Income	153,342	74,038	79,304	69,099	1,576,861	1,134,935	441,926	1,231,910
Other Event Income								
Ticket Rebates(Per Event)	27,120	46,674	(19,554)	56,008	520,124	403,990	116,134	365,829
Total Other Event Income	27,120	46,674	(19,554)	56,008	520,124	403,990	116,134	365,829
Total Event Income	202,018	208,360	(6,342)	44,640	3,325,468	2,852,446	473,022	2,371,330
Other Operating Income								
Luxury Box Agreements	110,166	149,285	(39,119)	131,351	1,395,678	1,472,450	(76,772)	1,437,274
Advertising	54,000	52,087	1,913	61,834	648,000	625,000	23,000	648,967
Other Income	4,796	(19,328)	24,124	5,899	62,521	48,000	14,521	66,303
Total Other Operating Income	168,962	182,044	(13,082)	199,084	2,106,199	2,145,450	(39,251)	2,152,544
Adjusted Gross Income	370,980	390,404	(19,424)	243,724	5,431,667	4,997,896	433,771	4,523,874
Operating Expenses								
Salaries and Wages	166,801	163,266	3,535	250,662	1,972,387	1,959,214	13,173	1,961,222
Payroll Taxes and Benefits	51,179	44,556	6,623	49,568	538,864	534,617	4,247	533,532
Labor Allocations to Events	(104,546)	(67,457)	(37,089)	(125,831)	(936,772)	(809,451)	(127,321)	(926,991)
Net Salaries and Benefits	113,434	140,365	(26,931)	174,399	1,574,479	1,684,380	(109,901)	1,567,763
Contracted Services	21,166	20,933	233	21,179	212,043	251,141	(39,098)	222,611
General and Administrative	25,741	21,523	4,218	20,796	271,104	258,320	12,784	284,902
Operations	12,098	7,057	5,041	2,822	43,393	84,684	(41,291)	26,587
Repair and Maintenance	14,847	19,645	(4,798)	12,926	219,879	235,773	(15,894)	189,927
Operational Supplies	6,270	15,375	(9,105)	3,437	224,326	184,500	39,826	160,502
Insurance	13,317	10,568	2,749	7,014	157,149	126,871	30,278	125,279
Utilities	116,251	82,763	33,488	70,191	916,447	993,200	(76,753)	892,797
SMG Management Fees	13,772	13,947	(175)	13,368	165,263	167,375	(2,112)	162,500
Total Operating Expenses	336,896	332,176	4,720	326,132	3,784,083	3,986,244	(202,161)	3,632,868
Net Income(Loss) From Operations	34,084	58,228	(24,144)	(82,408)	1,647,584	1,011,652	635,932	891,006
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	34,084	58,228	(24,144)	(82,408)	1,647,584	1,011,652	635,932	891,006

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Twelve Months Ended June 30, 2013

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	20	20	71,025	57,500	207,969	185,755
Sporting Event	11	11	49,608	52,000	302,096	308,755
Concert	20	21	167,926	181,500	1,773,523	1,618,526
Team Home Games	52	38	309,741	224,200	698,695	524,818
Other	19	11	65,954	50,000	343,186	214,592
GRAND TOTALS	122	101	664,254	565,200	3,325,468	2,852,446

As Percentage of Overall

Family Show	16.39%	19.80%	10.69%	10.17%	6.25%	6.51%
Sporting Event	9.02%	10.89%	7.47%	9.20%	9.08%	10.82%
Concert	16.39%	20.79%	25.28%	32.11%	53.33%	56.74%
Team Home Games	42.62%	37.62%	46.63%	39.67%	21.01%	18.40%
Other	15.57%	10.89%	9.93%	8.85%	10.32%	7.52%

**Van Andel Arena
Balance Sheet
As of June 30, 2013**

ASSETS

Current Assets

Cash	2,679,103
Account Receivable	2,634,486
Prepaid Expenses	9,388

Total Current Assets

\$5,322,976

Total Assets

\$5,322,976
=====

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	29,168
Accrued Expenses	309,589
Deferred Income	1,355,066
Advanced Ticket Sales & Deposits	2,547,062

Total Current Liabilities

\$4,240,885

Other Liabilities

Equity

Funds Remitted to CAA	(1,800,000)
Expenses Paid Direct by CAA	850,340
Beginning Balance Equity	384,166
Current Year Equity	1,647,585

Total Equity

\$1,082,091

Total Liabilities and Equity

\$5,322,976
=====

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of June 30, 2013

Current - Under 30 Days	
Food & Beverage	252,138
Ticketing	2,143,168
Merchandise	-
Permanent Advertising	35,539
DeVos Place	(49,513)
Operating	140,024
Over 30 Days	47,130
Over 60 Days	66,000
Over 90 Days	
Total Accounts Receivable	2,634,486

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2013**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2012 Actual
Net Revenue above Expenses	1,647,584	95,725	1,743,309	508,916
Benchmark ++			750,000	750,000
Excess	1,647,584	95,725	993,309	(241,084)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	165,262	165,263	330,525	325,000
Incentive Fee				
Revenue	5,431,667	5,857,525	11,289,192	9,555,103
Benchmark Revenue	4,900,000	4,300,000	9,200,000	9,100,000
Revenue Excess	531,667	1,557,525	2,089,192	455,103
Incentive Fee **	84,113	246,412	330,525	-
Total SMG Management Fee	249,375	411,675	661,050	325,000

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.



Memorandum

To: CAA Finance Committee

From: Robert J. White

Subject: May 2013 Financial Statements

Date: June 12, 2013

The attached interim Balance Sheet, Administrative Income Statement, and Consolidated Income Statement are formatted to provide information concerning the Convention/Arena Authority administrative accounts.

These statements are prepared on a cash basis. The Balance Sheet includes a two-year comparative financial position at May 31 for Fiscal Years 2012 and 2013. The Administrative Income Statement provides a line item comparison of accounts for the current fiscal year as compared to a similar period in the prior fiscal year. In addition, the Administrative Income Statement provides a comparison of current year budget to prior year (FY 2012). It will allow the reader to compare expenditure trends with full-year budgetary allowances. The Consolidated Income Statement is formatted by functional area. The columnar format is the same as in the Administrative Income Statement.

Items of interest in the eleven-month financial statements are explained as follows:

Balance Sheet (Unconsolidated):

- The cash and investments position is up by \$758,000 from June 30, 2012. This is better than the budget forecast.
- Fund balance increased by \$594,000 from the May 31, 2012 level.

May Administrative Revenue/Expense:

- Utility Expense – year-to-date expense is reduced (12.4%) from prior year actual, versus a budget forecast of +7.1%. Electricity expense for the “Grand Center” is reduced by \$223,859 (49.4%) when compared to a like period in the prior year.
- Parking Management Expense – is down by (51.2%), as the prior-year expense included a non-recurring \$57,715 for seal coating/stripping at the DeVos Place® ramp and Auto Parking staff

- services are reduced by \$51,176 (31.7%) compared to billings for the first eleven months of the prior year.
- Overall Expense. Operating expenses are budgeted at a 5.3% annual increase. For the current fiscal year, eleven months' actual operating expenses totaled a (15.8%) decrease from prior year. Year-to-date total overall operating expense (eleven months) comprises 71% of annual budget.

Consolidated Income Statement (eleven months):

- The Van Andel Arena® budget forecast a current year "Net Proceeds" increase of +12.9%. For the current fiscal year, "Net Proceeds," are reported at an increase of +56.7% from prior-year performance. This was a slight drop from the prior month.
- The DeVos Place® budget forecast a current year "Net Proceeds" decrease of (62.5%). For the current fiscal year, "Net Proceeds" are reported at 148.6% ahead of prior-year performance.
- Total operating "Net Proceeds" are up by +\$1,297,959 from a like period in the prior fiscal year. The full-year consolidated operating budget forecasted a full-year decline of (\$107,897) in "Net Proceeds." Actual performance is running significantly ahead of budget, driven primarily by the increased operating revenue at both Van Andel Arena® and DeVos Place®.

These reports are intended to provide a summary analysis of financial activities over the course of the fiscal year.

Grand Rapids-Kent County Convention/Arena Authority
Balance Sheet (Unconsolidated)
May 31, 2013

		<u>5/31/2012</u>	<u>5/31/2013</u>
<u>Assets</u>			
Cash	- Operating	\$ 129,357	\$ 761,105
Investments	- Kent County	21,186,029	21,123,532
Capital Assets (Net)		<u>1,611,131</u>	<u>1,587,656</u>
Total Assets		<u><u>\$ 22,926,517</u></u>	<u><u>\$ 23,472,293</u></u>

<u>Liabilities & Fund Balance</u>			
Accounts Payable		\$ 54,033	\$ 6,148
Fund Balance		<u>22,872,484</u>	<u>23,466,145</u>
Total Liabilities & Fund Balance		<u><u>\$ 22,926,517</u></u>	<u><u>\$ 23,472,293</u></u>

Grand Rapids-Kent County Convention/Arena Authority
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ending June 30, 2013

	Annual			Year-To-Date		
	FY 2012	FY 2013	Percentage	FY 2012	FY 2013	Percentage
	<u>Final</u>	<u>Budget</u>	<u>Change</u>	<u>7/1 - 5/31</u>	<u>7/1 - 5/31</u>	<u>Change</u>
Revenues:						
Transfers from SMG	\$ 2,753,496	\$ 2,813,838	2.2	\$ 2,350,000	\$ 2,800,000	19.1
Parking	1,098,657	1,116,829	1.7	982,001	916,846	(6.6)
Interest	119,327	106,000	(11.2)	100,956	69,132	(31.5)
Miscellaneous	82,455	81,000	(1.8)	32,355	58,301	80.2
Total Revenues	<u>4,053,935</u>	<u>4,117,667</u>	<u>1.6</u>	<u>3,465,312</u>	<u>3,844,279</u>	<u>10.9</u>
Expenditures:						
Operations						
- Utilities	2,244,580	2,404,804	7.1	2,005,277	1,756,818	(12.4)
- Parking Management	236,056	198,000	(15.8)	238,914	116,686	(51.2)
- Pedestrian Safety	116,019	121,510	4.7	71,900	72,399	0.7
- Marketing - CVB/Sports	100,000	100,000	-	100,000	100,000	-
- DID Assessment	38,398	60,000	56.3	38,398	38,124	(0.7)
- Landscaping	20,608	30,000	45.6	16,367	16,487	0.7
- Food & Beverage Repairs	-	40,000	100+	-	33,026	+100.0
Administration						
- Wages/Benefits	113,848	114,677	0.7	88,554	96,640	9.1
- Consulting Services	175,544	35,900	(79.5)	142,850	20,178	(85.9)
- Professional Services	51,357	72,000	40.2	43,702	39,378	(9.9)
- Diversity Initiative	62,078	100,000	61.1	61,890	56,083	(9.4)
- Procurement of Art	18,368	30,000	63.3	9,479	17,554	85.2
- Insurance	27,502	28,600	4.0	27,502	25,303	(8.0)
- Supplies/Other	19,504	60,000	207.6	18,397	21,645	17.7
Operating Expenditures	<u>3,223,862</u>	<u>3,395,491</u>	<u>5.3</u>	<u>2,863,230</u>	<u>2,410,321</u>	<u>(15.8)</u>
Capital R/R/A ⁽¹⁾	662,230	1,903,000	187.4	428,476	656,751	53.3
Total Expenditures	<u>3,886,092</u>	<u>5,298,491</u>		<u>3,291,706</u>	<u>3,067,072</u>	
Excess (Deficiency) of Revenues	<u>167,843</u>	<u>(1,180,824)</u>	<u>(803.7)</u>	<u>\$ 173,606</u>	<u>\$ 777,207</u>	<u>347.7</u>
Over Expenditures						
Balance, beginning of period	<u>22,065,862</u>	<u>22,233,705</u>				
Balance, end of period	<u>\$ 22,233,705</u>	<u>\$ 21,052,881</u>				

NOTES:

(1) R/R/A - Repair/Replacement/Additions and Budget Amendment of 8/3/12

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Eleven-Month Financial Trends for Period Ended May 31, 2013

	Annual			Year-To-Date		
	FY 2012	FY 2013	Percentage	FY 2012	FY 2013	Percentage
	Final	Budget	Change	7/1 - 5/31	7/1 - 5/31	Change
Van Andel Arena						
Operating - Revenues	\$4,523,881	\$4,997,896	10.4	\$ 4,292,936	\$5,060,688	17.9
- Expenses - Facilities	(3,470,372)	(3,818,869)	10.0	(3,152,604)	(3,298,422)	4.6
- Base Management Fees	(162,500)	(167,375)	3.0	(149,132)	(151,491)	1.6
Net Operating Income (Loss)	891,009	1,011,652	13.5	991,200	1,610,775	62.5
Parking	156,538	166,829	6.6	144,454	145,088	0.4
Pedestrian Safety	(71,864)	(76,970)	7.1	(45,023)	(46,384)	3.0
Net Proceeds (Cost) of VAA	975,683	1,101,511	12.9	1,090,631	1,709,479	56.7
DeVos Place Convention Center						
Operating - Revenues	5,031,222	4,838,806	(3.8)	4,763,801	5,364,415	12.6
- Expenses - Facilities	(5,250,815)	(5,274,049)	0.4	(4,781,233)	(4,834,346)	1.1
- Base Management Fees	(162,501)	(167,375)	3.0	(148,958)	(151,491)	1.7
Net Operating Loss	(382,093)	(602,618)	(57.7)	(166,390)	378,578	227.5
Parking	706,064	752,000	6.5	598,633	655,072	9.4
Pedestrian Safety	(44,155)	(44,540)	0.9	(26,877)	(26,016)	(3.2)
Net Proceeds (Cost) of DVP	279,816	104,842	(62.5)	405,366	1,007,634	148.6
Other						
Revenues						
Interest	119,327	156,000		100,956	69,132	-
Miscellaneous	82,455	31,000		32,355	58,301	-
	201,782	187,000	(7.3)	133,311	127,433	(4.4)
Expenses						
Administration	(606,600)	(601,177)		(530,772)	(414,905)	-
Other Operating	(20,608)	(70,000)		(16,367)	(49,513)	-
	(627,208)	(671,177)	7.0	(547,139)	(464,418)	(15.1)
	(425,426)	(484,177)	13.5	(413,828)	(336,985)	(18.6)
Net Other	830,073	722,176		1,082,169	2,380,128	
Total Net Proceeds/Operating						
Capital Expenditures	(662,230)	(1,903,000)		(428,476)	(656,751)	
Results Net of Capital Expenditures	\$ 167,843	\$ (1,180,824)		\$ 653,693	\$ 1,723,377	

DEVOS PLACE

DE VOS PLACE

**FINANCIAL STATEMENT
FOR THE PERIOD ENDED MAY 31, 2013**

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

**DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2013**

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	474	31	505	497	8
ATTENDANCE	553,551	34,500	588,051	513,000	75,051
DIRECT EVENT REVENUE	2,832,574	130,506	2,963,080	2,650,740	312,340
ANCILLARY REVENUE	2,280,028	84,829	2,364,857	1,974,616	390,241
TOTAL EVENT REVENUE	5,112,602	215,335	5,327,937	4,625,356	702,581
TOTAL OTHER REVENUE	251,813	22,500	274,313	213,450	60,863
TOTAL OPERATING REVENUE	5,364,415	237,835	5,602,250	4,838,806	763,444
INDIRECT EXPENSES					
EXECUTIVE	154,071	23,006	177,077	174,515	(2,562)
FINANCE	220,857	21,078	241,935	238,554	(3,381)
MARKETING	105,052	9,550	114,602	84,060	(30,542)
OPERATIONS	1,333,344	229,734	1,563,078	1,481,253	(81,825)
EVENT SERVICES	900,831	64,857	965,688	898,714	(66,974)
BOX OFFICE	104,577	4,850	109,427	86,221	(23,206)
SALES	351,294	34,431	385,725	380,186	(5,539)
OVERHEAD	1,815,813	325,074	2,140,887	2,097,921	(42,966)
TOTAL OPERATING EXP.	4,985,839	712,580	5,698,419	5,441,424	(256,995)
NET REVENUE ABOVE EXPENSES	378,576	(474,745)	(96,169)	(602,618)	506,449
INCENTIVE FEE			245,181	0	245,181
NET OPERATING REVENUE OVER OPERATING EXPENSES	378,576	(474,745)	(341,350)	(602,618)	261,268

Comments:

DeVos Place continues its impressive fiscal year with another strong month in May. Direct event income came in a little short of expectations, however, ancillary income more than made up for the shortfall with strong spending in multiple categories.


General Manager


Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2013**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	May Actual	May Budget	May FY 2012
Number of Events	49	45	50
Attendance	41,755	39,110	60,931
Direct Event Income	\$300,557	\$188,994	\$223,812
Ancillary Income	249,424	105,650	196,133
Other Income	10,336	23,818	12,734
Indirect Expenses	(585,011)	(453,452)	(426,435)
Net Income	(\$24,694)	(\$134,990)	\$6,244

YTD	YTD 2013 Actual	YTD 2013 Budget	YTD 2012 Prior Year
Number of Events	474	463	499
Attendance	553,551	497,480	574,257
Direct Event Income	\$2,832,574	\$2,570,786	\$2,555,487
Ancillary Income	2,280,028	1,950,475	1,989,896
Other Income	251,813	191,212	218,418
Indirect Expenses	(4,985,837)	(4,987,972)	(4,930,191)
Net Income	\$378,578	(\$275,499)	(\$166,390)

EVENT INCOME

Direct event income came in ahead of budget for the month and a touch behind forecast.

ANCILLARY INCOME

Ancillary income came in well ahead of both budget and forecast which is a continuation of what we have seen most of the fiscal year.

INDIRECT EXPENSES

Indirect expenses came in higher than budget and consistent with forecast. Forecast for June still includes a large allowance for potential electrical liability.

DeVos Place
Income Statement
For the Eleven Months Ending May 31, 2013

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$301,523	\$183,100	\$118,423	\$253,820	\$2,947,420	\$2,625,840	\$321,580	\$2,677,237
Service Revenue	295,630	189,262	106,368	228,975	2,178,795	1,852,936	325,859	2,334,927
Service Expenses	(296,596)	(183,368)	(113,228)	(258,983)	(2,293,641)	(1,907,980)	(385,651)	(2,456,677)
Total Direct Event Income	300,557	188,994	111,563	223,812	2,832,574	2,570,786	261,788	2,555,487
Ancillary Income								
F&B Concession	7,797	5,923	1,874	13,051	187,353	140,223	47,130	164,378
F&B Catering	104,476	40,754	63,722	85,430	689,228	587,841	101,387	637,275
Novelty Sales	61	1,129	(1,068)	1,462	8,337	10,466	(2,129)	11,059
Booth Cleaning	21,368	5,364	16,004	9,157	291,900	254,404	37,496	235,282
Telephone/Long Distance	225	0	225	0	3,034	0	3,034	113
Electrical Services	39,891	18,690	21,201	24,132	458,210	451,065	7,145	403,809
Audio Visual	48,655	13,819	34,836	41,112	363,591	281,843	81,748	308,839
Internet Services	15,797	4,311	11,486	3,351	110,736	56,228	54,508	62,065
Equipment Rental	11,154	15,660	(4,506)	18,438	167,639	168,405	(766)	167,076
Total Ancillary Income	249,424	105,650	143,774	196,133	2,280,028	1,950,475	329,553	1,989,896
Other Event Income								
Ticket Rebates(Per Event)	7,896	21,152	(13,256)	10,484	225,371	161,886	63,485	194,980
Total Other Event Income	7,896	21,152	(13,256)	10,484	225,371	161,886	63,485	194,980
Total Event Income	557,877	315,796	242,081	430,429	5,337,973	4,683,147	654,826	4,740,363
Other Operating Income								
Luxury Box Agreements	1,461	1,333	128	1,214	14,004	14,663	(659)	13,881
Other Income	979	1,333	(354)	1,036	12,438	14,663	(2,225)	9,557
Total Other Operating Income	2,440	2,666	(226)	2,250	26,442	29,326	(2,884)	23,438
Adjusted Gross Income	560,317	318,462	241,855	432,679	5,364,415	4,712,473	651,942	4,763,801
Operating Expenses								
Salaries and Wages	395,932	231,518	164,414	263,596	2,773,126	2,546,698	226,428	2,684,564
Payroll Taxes and Benefits	97,716	60,501	37,215	92,307	841,015	665,511	175,504	828,310
Labor Allocations to Events	(247,954)	(121,634)	(126,320)	(176,381)	(1,590,122)	(1,337,974)	(252,148)	(1,599,447)
Net Salaries and Benefits	245,694	170,385	75,309	179,522	2,024,019	1,874,235	149,784	1,913,427
Contracted Services	33,438	20,718	12,720	29,310	313,883	227,898	85,985	279,825
General and Administrative	20,218	26,952	(6,734)	37,481	311,847	296,472	15,375	315,908
Operations	4,372	9,905	(5,533)	4,187	83,835	108,955	(25,120)	110,795
Repair and Maintenance	52,267	43,417	8,850	45,145	399,264	477,587	(78,323)	459,830
Operational Supplies	93,924	21,242	72,682	10,083	243,425	233,662	9,763	157,047
Insurance	17,093	16,402	691	19,405	200,703	180,422	20,281	195,879
Utilities	104,233	130,483	(26,250)	87,760	1,257,370	1,435,313	(177,943)	1,348,522
SMG Management Fees	13,772	13,948	(176)	13,542	151,491	153,428	(1,937)	148,958
Total Operating Expenses	585,011	453,452	131,559	426,435	4,985,837	4,987,972	(2,135)	4,930,191
Net Income(Loss) From Operations	(24,694)	(134,990)	110,296	6,244	378,578	(275,499)	654,077	(166,390)
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(24,694)	(134,990)	110,296	6,244	378,578	(275,499)	654,077	(166,390)

3

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Eleven Months Ended May 31, 2013

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	137	123	137,330	142,680	1,998,078	1,756,194
Consumer/Gated Shows	50	51	166,960	140,010	1,093,334	993,710
DeVos Performance Hall	119	124	152,166	151,140	1,027,673	848,018
Banquets	40	34	25,381	22,100	310,750	259,250
Meetings	84	85	21,620	20,400	595,409	352,920
Other	44	47	50,094	21,150	312,730	473,055
GRAND TOTALS	474	464	553,551	497,480	5,337,973	4,683,147

As Percentage of Overall

Convention/Trade Shows	28.90%	26.51%	24.81%	28.68%	37.43%	37.50%
Consumer/Gated Shows	10.55%	10.99%	30.16%	28.14%	20.48%	21.22%
Devos Performance Hall	25.11%	26.72%	27.49%	30.38%	19.25%	18.11%
Ballroom Exclusive	8.44%	7.33%	4.59%	4.44%	5.82%	5.54%
Meetings	17.72%	18.32%	3.91%	4.10%	11.15%	7.54%
Other	9.28%	10.13%	9.05%	4.25%	5.86%	10.10%

**DeVos Place
Balance Sheet
As of April 30, 2013**

ASSETS

Current Assets

Cash	1,096,285
Account Receivable	1,708,655
Prepaid Expenses	48,607

Total Current Assets	\$2,853,548	
-----------------------------	--------------------	--

Total Assets

\$2,853,548

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	71,002
Accrued Expenses	329,881
Deferred Income	83,054
Advanced Ticket Sales & Deposits	628,104

Total Current Liabilities	\$1,112,041	
----------------------------------	--------------------	--

Other Liabilities

Equity

Funds Remitted to CAA	(900,000)
Expenses Paid Direct by CAA	1,164,678
Beginning Balance Equity	1,098,251
Current Year Equity	378,578

Total Equity	\$1,741,507	
---------------------	--------------------	--

Total Liabilities and Equity

\$2,853,548

5

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of May 31, 2013

Current - Under 30 Days	
Food & Beverage	107,127
Ticketing	422,678
Merchandise	-
Decorating	21,367
Audio/Visual	48,655
Van Andel Arena	72,685
Operating	837,590
 Over 30 Days	 170,269
 Over 60 Days	 28,284
 Over 90 Days	
 Total Accounts Receivable	 1,708,655

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2013**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2012 Actual
Net Revenue above Expenses	1,510,837	(96,169)	1,414,668	508,916
Benchmark ++			750,000	750,000
Excess	1,510,837	(96,169)	664,668	(241,084)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	165,262	165,263	330,525	325,000
Incentive Fee				
Revenue	5,430,511	5,602,250	11,032,761	9,555,103
Benchmark Revenue	4,900,000	4,300,000	9,200,000	9,100,000
Revenue Excess	530,511	1,302,250	1,832,761	455,103
Incentive Fee **	95,674	234,851	330,525	-
Total SMG Management Fee	260,936	400,114	661,050	325,000

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED MAY 31, 2013

Distribution:

Grand Rapids – Kent County Convention / Arena Authority

Robert White

Harry Cann

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta



An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2013

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	113	7	120	101	19
ATTENDANCE	602,876	31,500	634,376	565,200	69,176
DIRECT EVENT INCOME	1,206,928	94,948	1,301,876	1,313,521	(11,645)
ANCILLARY INCOME	1,423,518	84,518	1,508,036	1,134,935	373,101
TOTAL EVENT INCOME	2,630,446	179,466	2,809,912	2,448,456	361,456
TOTAL OTHER INCOME	2,430,242	190,357	2,620,599	2,549,440	71,159
TOTAL INCOME	5,060,688	369,823	5,430,511	4,997,896	432,615
INDIRECT EXPENSES					
EXECUTIVE	159,194	22,028	181,222	169,516	(11,706)
FINANCE	189,340	23,212	212,552	240,634	28,082
MARKETING	226,040	53,324	279,364	288,108	8,744
OPERATIONS	1,460,112	163,170	1,623,282	1,609,899	(13,383)
BOX OFFICE	126,602	9,506	136,108	138,187	2,079
LUXURY SEATING	50,249	18,994	69,243	97,409	28,166
SKYWALK ADMIN	26,070	2,161	28,231	26,341	(1,890)
OVERHEAD	1,212,306	177,366	1,389,672	1,416,150	26,478
TOTAL INDIRECT EXP.	3,449,913	469,761	3,919,674	3,986,244	66,570
NET REVENUE ABOVE EXPENSES	1,610,775	(99,938)	1,510,837	1,011,652	499,185
LESS INCENTIVE FEE			85,344	-	(85,344)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,610,775	(99,938)	1,425,493	1,011,652	413,841

Comments:

Grand Rapids Griffins keep on winning helping to make an already strong fiscal year for the Arena even stronger.

Styx/Reo Speedwagon/Ted Nugent concert was also very successful during the month and strong sales for WWE Raw and Rush concerts in June look to finish the fiscal year on a high note (hopefully along with an AHL championship).


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR MONTH ENDED MAY 31, 2013**

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	May Actual	May Budget	May FY 2012
Number of Events	9	1	2
Attendance	34,955	8,500	17,985
Direct Event Income	\$39,508	\$39,449	\$103,801
Ancillary Income	100,095	21,254	66,275
Other Income	173,261	184,261	202,151
Indirect Expenses	(372,922)	(332,188)	(259,245)
Net Income	(\$60,058)	(\$87,224)	\$112,982

YTD	YTD 2013 Actual	YTD 2013 Budget	YTD 2012 Prior Year
Number of Events	113	96	91
Attendance	602,876	536,200	497,859
Direct Event Income	\$1,206,928	\$1,225,873	\$1,021,341
Ancillary Income	1,423,518	1,060,897	1,088,007
Other Income	2,430,242	2,320,722	2,183,588
Indirect Expenses	(3,449,913)	(3,654,068)	(3,301,736)
Net Income	\$1,610,775	\$953,424	\$991,200

EVENT INCOME

Event income came in higher for the month due to the 8 home playoff games hosted.

ANCILLARY INCOME

Ancillary income came in higher as the 8 home playoff games were not budgeted and per caps were very strong for the games and the concert hosted.

INDIRECT EXPENSES

Indirect expenses came in higher than budget, however, little lower than forecast as we try and sneak some projects in between home playoff games.

Van Andel Arena
Income Statement
For the Eleven Months Ending May 31, 2013

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$99,781	\$36,737	63,044	\$77,296	\$1,865,648	\$1,683,929	181,719	\$1,389,281
Service Revenue	56,473	46,426	10,047	96,035	1,262,533	1,068,563	193,970	1,271,519
Service Expenses	(116,746)	(43,714)	(73,032)	(69,530)	(1,921,253)	(1,526,619)	(394,634)	(1,639,459)
Total Direct Event Income	39,508	39,449	59	103,801	1,206,928	1,225,873	(18,945)	1,021,341
Ancillary Income								
F&B Concession	89,509	15,979	73,530	53,465	1,227,166	918,134	309,032	896,880
F&B Catering	5,634	1,657	3,977	3,376	99,888	58,637	41,251	70,178
Novelty Sales	4,952	3,618	1,334	9,434	95,949	83,626	12,323	90,831
Booth Cleaning	0	0	0	0	1,282	0	1,282	402
Audio Visual	0	0	0	0	183	500	(317)	36
Other Ancillary	0	0	0	0	(950)	0	(950)	29,680
Total Ancillary Income	100,095	21,254	78,841	66,275	1,423,518	1,060,897	362,621	1,088,007
Other Event Income								
Ticket Rebates(Per Event)	15,803	17,587	(1,784)	30,184	493,004	357,316	135,688	318,346
Total Other Event Income	15,803	17,587	(1,784)	30,184	493,004	357,316	135,688	318,346
Total Event Income	155,406	78,290	77,116	200,260	3,123,450	2,644,086	479,364	2,427,694
Other Operating Income								
Luxury Box Agreements	98,824	107,675	(8,851)	109,428	1,285,513	1,323,165	(37,652)	1,223,044
Advertising	54,000	52,083	1,917	54,000	594,000	572,913	21,087	587,133
Other Income	4,634	6,916	(2,282)	8,539	57,725	67,328	(9,603)	55,065
Total Other Operating Income	157,458	166,674	(9,216)	171,967	1,937,238	1,963,406	(26,168)	1,865,242
Adjusted Gross Income	312,864	244,964	67,900	372,227	5,060,688	4,607,492	453,196	4,292,936
Operating Expenses								
Salaries and Wages	173,604	163,268	10,336	137,671	1,805,586	1,795,948	9,638	1,710,561
Payroll Taxes and Benefits	39,905	44,551	(4,646)	35,283	487,685	490,061	(2,376)	483,963
Labor Allocations to Events	(51,664)	(67,454)	15,790	(53,944)	(832,226)	(741,994)	(90,232)	(801,160)
Net Salaries and Benefits	161,845	140,365	21,480	119,010	1,461,045	1,544,015	(82,970)	1,393,364
Contracted Services	12,992	20,928	(7,936)	15,497	190,877	230,208	(39,331)	201,432
General and Administrative	21,653	21,527	126	21,392	248,091	236,797	11,294	259,106
Operations	1,465	7,057	(5,592)	1,787	31,295	77,627	(46,332)	23,765
Repair and Maintenance	21,156	19,648	1,508	6,705	205,031	216,128	(11,097)	177,001
Operational Supplies	67,374	15,375	51,999	21,177	218,056	169,125	48,931	157,066
Insurance	8,781	10,573	(1,792)	5,854	143,831	116,303	27,528	118,264
Utilities	63,884	82,767	(18,883)	54,281	800,196	910,437	(110,241)	822,606
SMG Management Fees	13,772	13,948	(176)	13,542	151,491	153,428	(1,937)	149,132
Total Operating Expenses	372,922	332,188	40,734	259,245	3,449,913	3,654,068	(204,155)	3,301,736
Net Income(Loss) From Operations	(60,058)	(87,224)	27,166	112,982	1,610,775	953,424	657,351	991,200
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	(60,058)	(87,224)	27,166	112,982	1,610,775	953,424	657,351	991,200

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Eleven Months Ended May 31, 2013

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	20	19	71,025	57,500	211,384	185,755
Sporting Event	10	9	40,070	38,000	211,307	223,975
Concert	18	19	158,364	164,500	1,715,359	1,494,946
Team Home Games	46	38	267,463	224,200	651,526	524,818
Other	19	11	65,954	52,000	333,875	214,592
GRAND TOTALS	113	96	602,876	536,200	3,123,450	2,644,086

As Percentage of Overall

Family Show	17.70%	19.79%	11.78%	10.72%	6.77%	7.03%
Sporting Event	8.85%	9.38%	6.65%	7.09%	6.77%	8.47%
Concert	15.93%	19.79%	26.27%	30.68%	54.92%	56.54%
Team Home Games	40.71%	39.58%	44.36%	41.81%	20.86%	19.85%
Other	16.81%	11.46%	10.94%	9.70%	10.69%	8.12%

**Van Andel Arena
Balance Sheet
As of May 31, 2013**

ASSETS

Current Assets

Cash	3,641,302
Account Receivable	1,960,720
Prepaid Expenses	13,202

Total Current Assets	\$5,615,225	
-----------------------------	--------------------	--

Total Assets	\$5,615,225	
---------------------	--------------------	--

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	192,507
Accrued Expenses	213,405
Deferred Income	1,430,241
Advanced Ticket Sales & Deposits	2,956,067

Total Current Liabilities	\$4,792,220	
----------------------------------	--------------------	--

Other Liabilities

Equity

Funds Remitted to CAA	(1,900,000)
Expenses Paid Direct by CAA	728,064
Beginning Balance Equity	384,166
Current Year Equity	1,610,775

Total Equity	\$823,005	
---------------------	------------------	--

Total Liabilities and Equity	\$5,615,225	\$0
-------------------------------------	--------------------	------------

5

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of May 31, 2013

Current - Under 30 Days	
Food & Beverage	280,798
Ticketing	1,282,703
Merchandise	-
Permanent Advertising	35,539
DeVos Place	(72,685)
Operating	294,546
 Over 30 Days	 73,819
 Over 60 Days	 66,000
 Over 90 Days	
 Total Accounts Receivable	 1,960,720

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2013**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2012 Actual
Net Revenue above Expenses	1,510,837	(96,169)	1,414,668	508,916
Benchmark ++			750,000	750,000
Excess	1,510,837	(96,169)	664,668	(241,084)

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Actual
Base Fee	165,262	165,263	330,525	325,000
Incentive Fee				
Revenue	5,430,511	5,602,250	11,032,761	9,555,103
Benchmark Revenue	4,900,000	4,300,000	9,200,000	9,100,000
Revenue Excess	530,511	1,302,250	1,832,761	455,103
Incentive Fee **	95,674	234,851	330,525	-
Total SMG Management Fee	260,936	400,114	661,050	325,000

** Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

++ If net revenues above expenses exceeds \$700,000, SMG is eligible for 75% of the incentive fee.



Memorandum

To: CAA Board Members

From: Susan Waddell, Administrative Manager

Date: July 29, 2013

Re: Insurance Renewal

Convention

Arena

Authority

Steve Heacock,

Chairperson

Lew Chamberlin

Hon. George K. Heartwell

Birgit M. Klohs

Charlie Secchia

Floyd Wilson, Jr.

Richard A. Winn

The CAA current insurance policy is set to expire on August 23, 2013. Attached is the renewal proposal:

Insurer: Michigan Municipal Risk Management Authority (MMRMA)

2013 Expiring premium: \$20,934

2014 Renewal premium: \$19,401

Total Change - \$1,533

% Change (+ -) -7.3%

<u>Coverages</u>	<u>Limit</u>	<u>Deductible</u>
General liability	\$15,000,000	\$0
D & O / Public Officials	\$15,000,000	\$0
Limited Terrorism Liability	\$5,000,000	\$0
Faithful Performance	Per Statute	\$0
Auto liability - No-Fault	Per statute	\$0
Data Breach & Privacy Liability	\$1,000,000	\$25,000

Action Requested: Approve insurance renewal proposal.



Van Andel Arena®
130 West Fulton
Grand Rapids, MI 49503-2601
616.742.6600
Fax 616.742.6197

DEVOS PLACE

DeVos Place®
303 Monroe Ave. NW
Grand Rapids, MI 49503-2233
616.742.6500
Fax 616.742.6590



MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY COVERAGE PROPOSAL

Member:	Grand Rapids / Kent Convention Authority	Proposal No: Q000000734
Date of Original Membership:	August 23, 2006	
Proposal Effective Dates:	August 23, 2013 To August 23, 2014	
Member Representative:	Stephen Duarte	Telephone #: (616) 632-7668
Regional Risk Manager:	Ibex Insurance Agency	Telephone #: (248) 538-0470

A. Introduction

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **Grand Rapids / Kent Convention Authority** (hereinafter "Member") is eligible to be a Member of MMRMA. **Grand Rapids / Kent Convention Authority** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

Grand Rapids / Kent Convention Authority is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Proposal summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Proposal, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

B. Member Obligation - Deductibles and Self Insured Retentions

Grand Rapids / Kent Convention Authority is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **Grand Rapids / Kent Convention Authority's** SIR and deductibles are as follows:

Table I
Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	N/A	State Pool Member
Vehicle Physical Damage	\$250 Per Vehicle	State Pool Member
Fire/EMS Replacement Cost	N/A	N/A
Property and Crime	\$1,000 Per Occurrence	N/A
Sewage System Overflow	N/A	N/A

The member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The Grand Rapids / Kent Convention Authority is afforded all coverages provided by MMRMA, except as listed below:

1. Sewage System Overflow
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

Grand Rapids / Kent Convention Authority agrees to maintain the Required Minimum Balance as defined in the Member Financial Responsibilities section of the MMRMA Governance Manual. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

Table II
Limits of Coverage

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
			Member	All Members
1	Liability	15,000,000	N/A	N/A
2	Judicial Tenure	100,000	N/A	N/A
3	Sewage System Overflows	0	0	N/A
4	Volunteer Medical Payments	25,000	N/A	N/A
5	First Aid	2,000	N/A	N/A
6	Vehicle Physical Damage	1,500,000	N/A	N/A
7	Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A
	Uninsured/Underinsured Motorist Coverage (per occurrence)	250,000	N/A	N/A
8	Michigan No-Fault	Per Statute	N/A	N/A
9	Terrorism	5,000,000	N/A	5,000,000

Property and Crime		Limits of Coverage Per Occurrence		Annual Aggregate	
		Member	All Members	Member	All Members
1	Buildings and Personal Property	1,011,593	350,000,000	N/A	N/A
2	Personal Property in Transit	1,000,000	N/A	N/A	N/A
3	Unreported Property	5,000,000	N/A	N/A	N/A
4	Member's Newly Acquired or Constructed Property	5,000,000	N/A	N/A	N/A
5	Fine Arts	1,000,000	N/A	N/A	N/A
6	Debris Removal (25% of Insured direct loss plus)	25,000	N/A	N/A	N/A
7	Money and Securities	1,000,000	N/A	N/A	N/A
8	Accounts Receivable	1,000,000	N/A	N/A	N/A
9	Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	0	10,000,000	N/A	N/A
10	Fire and Emergency Vehicle Rental (12 week limit)	0 per week	N/A	N/A	N/A
11	Structures Other Than a Building	5,000,000	N/A	N/A	N/A
12	Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
13	Marine Property	250,000	N/A	N/A	N/A
14	Other Covered Property	10,000	N/A	N/A	N/A
15	Income and Extra Expense	1,000,000	N/A	N/A	N/A
16	Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
17	Faithful Performance	Per Statute	N/A	N/A	N/A
18	Earthquake	5,000,000	N/A	5,000,000	100,000,000
19	Flood	5,000,000	N/A	5,000,000	100,000,000
20	Terrorism	50,000,000	50,000,000	N/A	N/A

TABLE III
Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense Coverage

Limits of Coverage

Retroactive Dates:

For Coverage A – Data Breach and Privacy Liability Coverage: 07/01/2013

For Coverage C – Electronic Media Liability Coverage: 07/01/2013

Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense	Limits of Coverage Per Occurrence/Claim	Annual Aggregate	
	Member	Member	All Members
Coverage A – Data Breach and Privacy Liability Coverage: Each Claim:	\$1,000,000 Included in the limit above	\$1,000,000	\$10,000,000
Coverage B – Data Breach Loss to Member Coverage: Each Unauthorized Access:	Included in the limit above		
Coverage C – Electronic Media Liability Coverage: Each Claim:	Included in the limit above		
Coverage D – Breach Mitigation Expense Coverage: Each Unintentional Data Compromise:	Included in the limit above		

The total liability of MMRMA shall not exceed \$1,000,000 per Member aggregate Limit of Liability for coverages A, B, C, and D, in any coverage period.

The total liability of MMRMA shall not exceed \$10,000,000 for All Members aggregate Limit of Liability for coverages A, B, C, and D, from July 1, 2013, to June 30, 2014.

TABLE IV
Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense Coverage

Deductibles

Data Breach and Privacy Liability, Data Breach Loss to Member, Electronic Media Liability, and Breach Mitigation Expense	Deductible Per Occurrence/Claim
	Member
Coverage A – Data Breach and Privacy Liability Coverage: Each Claim:	\$25,000
Coverage B – Data Breach Loss to Member Coverage: Each Unauthorized Access:	\$25,000
Coverage C – Electronic Media Liability Coverage: Each Claim:	\$25,000
Coverage D – Breach Mitigation Expense Coverage: Each Unintentional Data Compromise:	\$25,000

D. Contribution for MMRMA Participation

Grand Rapids / Kent Convention Authority

Period: August 23, 2013

To August 23, 2014

Coverages per Member Coverage Overview:

\$19,401

TOTAL ANNUAL CONTRIBUTIONS:

\$19,401

E. List of Addenda

This document is for the purpose of quotation only and does not bind coverage in the Michigan Municipal Risk Management Authority, unless accepted and signed by both the authorized Member Representative and MMRMA Representative below.

Accepted By:

Proposal No:

Grand Rapids / Kent Convention Authority

Q000000734

MMRMA

Member Representative



MMRMA Representative

Date

7-2-13

Date

DATE '13	EVENT	EC	MOD	ROOM	TIME	FUNCTION
Wed, Jul 24	Available					
Thur, Jul 25	Available					
Fri, Jul 26	Available					
Sat, Jul 27	Available					
Sun, Jul 28	Available					
Mon, Jul 29	Professional Bull Riders	HS		Board Room	8A-5P	Media meetings
Tue, Jul 30	Available					
Wed, Jul 31	Available					
Thur, Aug 1	Available					
Fri, Aug 2	Available					
Sat, Aug 3	Available					
Sun, Aug 4	Available					
Mon, Aug 5	Available					
Tue, Aug 6	Available					
Wed, Aug 7	Available					
Thur, Aug 8	Available					
Fri, Aug 9	Available					
Sat, Aug 10	Available					
Sun, Aug 11	Available					
Mon, Aug 12	Available					
Tue, Aug 13	Available					
Wed, Aug 14	Available					
Thur, Aug 15	Available					
Fri, Aug 16	Available					
Sat, Aug 17	Available					
Sun, Aug 18	Available					
Mon, Aug 19	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit
Tue, Aug 20	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit
Wed, Aug 21	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit
Thur, Aug 22	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit
Fri, Aug 23	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit
Sat, Aug 24	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit
Sun, Aug 25	Deloitte & Touche	CM	CHRIS	Board Room	8A-5P	SMG Audit

DeVos Place® - August 2013

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	ABSOLUTE
THURS. AUG 1	NHA- NTO	BALL A-D BALL A,D COAT BUS CNTR CHASE GG A-F GGO A-H MON A-D RECTIAL HALL RO A-F SECCHIA LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION	JD	None	None	None	Host Desk/Office Guard Welsh Lobby Guard
FRI. AUG 2	NHA- NTO	BALL A-D BALL A,D COAT BUS CNTR CHASE GG A-F GGO A-H MON A-D RECTIAL HALL RO A-F SECCHIA LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION CONVENTION	JD	None	None	None	Host Desk/Office Guard Welsh Lobby Guard
SAT. AUG 3									
SUN. AUG 4									
MON. AUG 5	SPARTAN STORES GM/HBC SHOW	BALL A-D BALL D COAT BUS CNTR SECCHIA	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONVENTION CONVENTION CONVENTION CONVENTION	RP	NONE	NONE	NONE	Welsh Lobby Guard
TUES. AUG 6	SPARTAN STORES GM/HBC SHOW	BALL A-D BALL D COAT BUS CNTR SECCHIA	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONVENTION CONVENTION CONVENTION CONVENTION	RP	NONE	NONE	NONE	Welsh Lobby Guard
WED. AUG 7	SPARTAN STORES GM/HBC SHOW	BALL A-D BALL D COAT BUS CNTR SECCHIA	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONVENTION CONVENTION CONVENTION CONVENTION	RP	NONE	NONE	NONE	Welsh Lobby Guard
THURS. AUG 8									
FRI. AUG 9	CITY MANAGERS MEETING	GGO A	8:00AM-11:59PM	MEETING	RP	NONE	NONE	NONE	Host Desk / Office Guard
SAT. AUG 10									
SUN. AUG 11	Am. Quilters Society 2013 AQS Quilt Show	EH ABC, BALL B, BALL C, GG A-F, GGO A-H RO A-F CHASE	8:00AM-11:59PM		JD	None	None	None	Host Desk / Office Guard
MON. AUG 12	Am. Quilters Society 2013 AQS Quilt Show	EH ABC, BALL B, BALL C, GG A-F, GGO A-H RO A-F CHASE	8:00AM-11:59PM		JD	None	None	None	Host Desk/Office Guard MI Dock Freight Elevator Scribner Overnight
TUES. AUG 13	Am. Quilters Society 2013 AQS Quilt Show	EH ABC, BALL B, BALL C, GG A-F, GGO A-H	8:00AM-11:59PM		JD	None	None	None	Host Desk/Office Guard MI Dock

DeVos Place® - August 2013

DATE	EVENT	ROOM	TIME	FUNCTION	EC	HOUSE STAFF	EMT'S	POLICE	ABSOLUTE
WED. AUG 14	Am. Quilters Society 2013 AQS Quilt Show	RO A-F CHASE	8:00AM-11:59PM						Freight Elevator Scribner Overnight
THURS. AUG 15	Am. Quilters Society 2013 AQS Quilt Show	EH ABC, BALL B, BALL C, GG A-F, GGO A-H RO A-F CHASE	8:00AM-11:59PM		JD	None	Team of 2 9:00 am- 6:00pm	None	Host Desk MI Dock Freight Elevator Overnight
FRI. AUG 16	Am. Quilters Society 2013 AQS Quilt Show	EH ABC, BALL B, BALL C, GG A-F, GGO A-H RO A-F CHASE	8:00AM-11:59PM		JD	None	Team of 2 9:00 am- 6:00pm	None	Host Desk MI Dock Freight Elevator Overnight
SAT. AUG 17	Am. Quilters Society 2013 AQS Quilt Show	EH ABC, BALL B, BALL C, GG A-F, GGO A-H RO A-F CHASE	8:00AM-11:59PM		JD	None	Team of 2 9:00 am- 5:00pm	None	Host Desk MI Dock Freight Elevator Scribner
SUN. AUG 18	THE RETAIL SUCCESS SUMMIT	BALL CD BUS CNTR CD PREFUNC BALL D COAT	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	SETUP SETUP SETUP SETUP	RH	None	None	None	Lyon Dock Host Desk
MON. AUG 19	THE RETAIL SUCCESS SUMMIT	BALL CD BUS CNTR CD PREFUNC BALL D COAT GG A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING MEETING MEETING MEETING MEETING	RH	None			Lyon Dock Host Desk
TUES. AUG 20	THE RETAIL SUCCESS SUMMIT	BALL CD BUS CNTR CD PREFUNC BALL D COAT GG A-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING MEETING MEETING MEETING MEETING	RH	None			Lyon Dock Host Desk
WED. AUG 21	PERRIGO QUALITY & SAFETY CONFERENCE	BALL C BALL C PRE RO A-F RO LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONFERENCE CONFERENCE CONFERENCE CONFERENCE	RP	NONE	NONE	NONE	Host Desk / Office Guard
	KENT COUNTY PROPERTY AUCTION	GG ABC	8:00AM-11:59PM	AUCTION	RP	NONE	NONE	NONE	Host Desk / Office Guard
THURS. AUG 22	TRAINING - ROD INTERNATIONAL ASSOC. OF ASSESSING OFFICERS	MON A GG A-F	8:00AM-11:59PM 8:00AM-11:59PM	MEETING BREAKOUT ROOM					
	PERRIGO QUALITY & SAFETY CONFERENCE	BALL C BALL C PRE RO A-F RO LOBBY	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	CONFERENCE CONFERENCE CONFERENCE CONFERENCE	RP	NONE	NONE	NONE	Host Desk / Office Guard
FRI. AUG 23	TRAINING - ROD INTERNATIONAL ASSOC. OF ASSESSING OFFICERS	MON A GO A-B RO E-F	8:00AM-11:59PM 8:00AM-11:59PM 8:00AM-11:59PM	MEETING BREAKOUT ROOM BREAKOUT ROOM	RH	None			

DeVos Place® - August 2013

[illegible]