



# Agenda

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## Board of Directors

**Friday, February 3, 2017**  
**Following CAA Finance Committee Meeting**  
**Kent County Commission Chambers**  
**300 Monroe Avenue, NW, Grand Rapids, MI**

- |    |  |                      |
|----|--|----------------------|
| 1. | Call to Order  | Richard Winn         |
| 2. | Reappointment of Board Members   | Lisa Posthumus Lyons |
| 3. | Welcome and Introduction of Peter Perez,<br>Interim President and CEO at Grand Rapids Symphony | Richard Winn         |
| 4. | Minutes of December 2, 2016  | Action               |
| 5. | Committee Reports  |                      |
|    | A. Operations Committee  |                      |
|    | i. Experience Grand Rapids Report  | Tom Bennett          |
|    | B. Finance Committee   |                      |
|    | i. Acceptance of December 2016 Consolidated Financial Statements                               | Action               |
| 6. | SMG Report and Facilities Calendars  | Chris Machuta        |
| 7. | Public Comment   |                      |
| 8. | Adjournment  |                      |

**Next Meeting Date: Friday, April 7, 2017**  
**Following CAA Operations Committee Meeting**

## BOARD OF COMMISSIONERS OFFICE



Kent County Administration Building 300 Monroe Avenue, N.W. Grand Rapids, Michigan 49503-2206  
Phone: (616) 632-7580 • Fax: (616) 632-7585 • e-mail: [pam.vankeuren@kentcountymi.gov](mailto:pam.vankeuren@kentcountymi.gov)

January 03, 2017

Richard Winn  
187 Monroe Nw  
Grand Rapids MI 49503

Re: Appointment

The Kent County Board of Commissioners would like to congratulate you on your appointment. You were selected to fill this appointment from a large pool of qualified candidates. Specific information regarding your appointment is listed below:

Board Approval Date: 01/03/2017

Board, Commission, or Committee: Grand Rapids-Kent County Convention/Arena Authority/Citizen 2

Term: 01/01/2017 - 12/31/2020

Pursuant to the County's Conflict of Interest Policy (attached) adopted by the Board of Commissioners in 2012, your position as an appointee to a board, commission, and/or committee is subject to this Policy. You are respectfully requested to *annually* review and sign the attached statement and take this opportunity to disclose any conflicts or potential conflicts as outlined in the Policy.

Please sign **Attachment C** and email the signature page to [pam.vankeuren@kentcountymi.gov](mailto:pam.vankeuren@kentcountymi.gov) no later than **January 15**. You can also fax your signed statement to 616.632.7585 or you can mail it to the Kent County Board of Commissioners, 300 Monroe Ave., Grand Rapids, MI 49503.

The Board of Commissioners is very pleased and fortunate that you are willing to share your time and talents in service to the citizens of Kent County. Your interest in Kent County is very much appreciated!

Sincerely,



Pam VanKeuren  
Executive Assistant to the Board

Attachment(s)

## Sue Waddell

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**From:** Doug Small <dsmall@experiencegr.com>  
**Sent:** Thursday, January 19, 2017 3:14 PM  
**To:** Sue Waddell  
**Cc:** Rich MacKeigan  
**Subject:** Floyd Wilson Jr.

I wanted to inform you that our board of directors took action at our January 17<sup>th</sup> meeting to nominate and approve Floyd Wilson Jr. for another term on the CAA board. Thank you.

Regards,

Doug



Douglas Small | President & CEO | Experience Grand Rapids

171 Monroe Ave NW | Suite 545 | Grand Rapids MI 49503

P 616.233.3541 | T 800.678.9859 ext. 3541 | F 616.459.7291 | <http://www.ExperienceGR.com>

***"#20 of 52 Places to go Worldwide in 2016" - New York Times***

***"Best Beer Scene" – USA TODAY***

Experience Grand Rapids has moved! Please note our new Suite number (545).

*This email message and any files transmitted with it are confidential and intended solely for the use of the individual or entity to which they are addressed. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.*



**Grand Rapids  
Michigan**

**City Comm Agenda  
86413**

**Resolution approving the reappointment of Rosalynn Bliss to the Grand Rapids-Kent County Convention/Arena Authority**

Information

<b>Department:</b>	City Clerk	<b>Sponsors:</b>	
<b>Category:</b>	Appointment	<b>Functions:</b>	City Commission, Committee on Appointments

Attachments

[Item Description](#)

Content A

A resolution has been prepared to confirm the Mayoral reappointment of Rosalynn Bliss to the Grand Rapids/Kent County Convention/Arena Authority, for a four-year term ending December 31, 2020.

Following this appointment there will be no vacancies remaining on the Grand Rapids/Kent County Convention/Arena Authority and the composition will be as follows:

**Board Composition**

*No Vacancies  
2 Total Seats*

Residency	Total Count	Race/Ethnic Background and Gender	Total Count
Ward 1		African American Female	
Ward 2	2	African American Male	
Ward 3		Asian or Pacific Islander Female	
OSC		Asian or Pacific Islander Male	
		American Indian or Alaskan Native Female	
		American Indian or Alaskan Native Male	
		Caucasian Female	2
		Caucasian Male	
		Hispanic or Latino Female	
		Hispanic or Latino Male	
		Multiracial Female	
		Multiracial Male	
		No Response	

Content C

RESOLVED, that the Mayoral reappointment of Rosalynn Bliss to the Grand Rapids/Kent County Convention/Arena Authority beginning January 24, 2017 for a four-year term ending December 31, 2020, be confirmed.

Powered by **Accela** - Legislative Management

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
JOINT MEETING OF  
BOARD OF DIRECTORS AND COMMITTEES  
Friday, December 2, 2016**

Attendance

Members Present: Steve Heacock, Chairperson  
Rosalynn Bliss  
Lew Chamberlin  
Birgit Klohs  
Charlie Secchia  
Floyd Wilson, Jr.  
Richard Winn

Finance Committee: Daryl Delabbio  
Jill Ferris  
Robert Herr  
Joe Jones  
Jay Preston  
Jana Wallace

Operations Committee: Tom Almonte  
Scott Buhner  
Glenn Del Vecchio  
Daryl Delabbio  
Diane Nagelkirk  
Darius Quinn  
John Van Fossen

Liaison Committee: Emily Brieve  
Matt Kallman

Community  
Inclusion Group: Chris Arnold  
Connie Dang  
Joe Jones  
Evette Pittman  
Darius Quinn  
Eddie Rucker  
LaTarro Traylor  
Jessica Ann Tyson

Staff/Others:	Tom Bennett	Experience Grand Rapids
	Stephen Blann	Rehmann Robson
	Brian Buckingham	SMG
	Meghan Distel	Broadway Grand Rapids
	Jeff Dubin	Savor
	Scott Gorsline	DP Fox
	Tim Gortsema	Grand Rapids Griffins
	Stacie Hackney	Savor

Kaylee Kramer	City of Grand Rapids
Andy Kursch	SMG
Mike Lloyd	Broadway Grand Rapids
Chris Machuta	SMG
Rich MacKeigan	SMG
Kyle Post	SMG
Greg Sundstrom	City of Grand Rapids
Tim Swanberg	IATSE
Hilarie Szarowicz	SMG
Eddie Tadlock	SMG
Susan Waddell	CAA
Robert White	CAA
Paul Ymker	BlueWater Technologies

## 1. Call to Order and Chairman's Comments

Steve Heacock, Chairperson, called the meeting to order at 7:45 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes. Chair Heacock stated that joint CAA Board and Committee meetings are held twice per year – one at budget time and one at year end. Chair Heacock is delighted at another successful year thanks to Rich MacKeigan, SMG staff, and CAA Board Members. The year 2016 has been a time a celebration. The Van Andel Arena® celebrated its 20<sup>th</sup> anniversary with a very successful Halloween-themed public open house and an I Love the 90's concert featuring 90's concession pricing. Chair Heacock extended congratulations and appreciation to Rich MacKeigan who was named one of *Billboard Magazine's* Top Arena Managers and who was also nominated by *Venues Today* magazine for bookings that broke multiple venue records. The Garth Brooks concert broke the ticket sale record for a single engagement with over ,000 tickets sold, the Paul McCartney concert shattered sales records to become the highest grossing show in the Arena's history, and the Kanye West concert had the heaviest production set-up. West's staging hovered 10 feet above the audience and weighed 200,000 pounds. The platform required 182 motors and an extra day for load-in.

Experience Grand Rapids is doing a great job booking national and international groups for DeVos Place Convention Center®. Interesting events that took place this year include Comic Con, Soul Pose (black light yoga), and Life in Color paint party. In regards to sustainability efforts, the convention center received a second place award in the Battle of the Buildings to reduce energy costs. DeVos Place is part of the 2030 District in which participants work to meet the energy, water and vehicle emissions reduction targets. SMG staff joined 500 other volunteers to assist in Mayor Bliss' recent tree planting initiative. The CAA's inclusion efforts have resulted in a diverse arrange of community events including JumpJam, Symphony with Soul, Forum 2016, Giants Banquet, Kanye West, Snoop Dogg, and Aretha Franklin. The four arts tenants continue to bring exceptional shows to DeVos Performance Hall.

Chair Heacock thanked the committee members for their commitment and hard work; the work of the CAA could not be accomplished without their volunteerism. Most of the joint meeting today will be devoted to capital and looking forward.

## 2. Minutes of Prior Meeting

*Motion by Mr. Chamberlin, support by Mr. Winn, to approve the November 4, 2016, Minutes. Motion carried.*

### 3. Committee Reports

#### A. Operations Committee

##### i. Capital Expenditures Practices

Mr. Machuta explained the how the capital project list moves through the budget process. Mr. Machuta described how staff cultivates the list and described the capital procurement process of the Arena retractable seating. Mr. Machuta distributed a long-term capital document that is maintained. Staff relies on multiple resources to maintain the document: vendor/manufacture recommended life span of the equipment; SMG corporate/other facilities' experience with the equipment; and the Rossetti study that was commissioned by the CAA a few years back. Each department head is asked for a "wish list" of items for the budget cycle. That list is compared to the long-term capital document and determined what should be kept on the list, what is not considered capital, and what may remain on the list but for a future fiscal year request. Staff then reaches out to vendors, manufacturers, and engineers for each of the projects that remains on the list to begin the process of obtaining solid figures to have included in the request. The list is then presented to the CAA during the fourth quarter of the fiscal year, as part of the overall budget process.

##### ii. Updated Long-Term Capital

Mr. Machuta referenced the new retractable seating project for the Van Andel Arena®. Retractable seating was identified in 2014 for replacement via SMG's normal process of annual capital submissions ideas and in speaking with the operations and maintenance staff. Research then followed for replacement options. SMG staff reviewed all of the information to select the best vendor to accomplish the project once approval occurred, taking into consideration cost, vendor reputation, and whether the company and replacement product was a right fit for SMG and the Van Andel Arena®. The original and replacement units have an estimated 20-year life cycle.

Mr. MacKeigan stated that the arts groups have expressed an interest in a VIP area. After speaking with the groups about what they wanted, Mr. MacKeigan engaged Progressive AE on possible locations and a high-level cost review for possible inclusion on the FY 2018 capital budget list. Mr. MacKeigan presented potential spots with access points and capacity, one being to convert the stage manager's office and scene shop storage area and another off the Keeler Lobby on the south side of the stairs leading into the performance hall. Mr. MacKeigan stated that the VIP area would need to provide a strong ROI and could be used for generating revenue as a VIP meeting space, for example. Mr. Chamberlin stated that a glimpse into the process is helpful for CAA members to understand the due diligence that is exercised for capital projects.

Brian Buckingham, SMG Maintenance Technician, reviewed the preventive maintenance practices. Preventive maintenance entails frequent inspection to detect minor faults and by periodic service, according to a plan, to minimize major equipment breakdowns. SMG has designed proprietary maintenance software (ALTUM) that connects all SMG buildings. ALTUM provides a significant competitive advantage for SMG venues, as staff members have access to peers worldwide. ALTUM covers preventive maintenance practices for equipment, processes, and inspections. Required preventive maintenance is established in several ways, such as equipment manuals, code inspection schedules, and seasonally (*e.g.*, preparing equipment for winter). Once a preventive maintenance is reviewed, all pertinent information is entered into corresponding fields in the ALTUM software for its creation. A work order is then produced and forwarded to the responsible employee, who then completes the preventive maintenance and returns a completed work order with date completed, hours, and costs to the Maintenance Administrative personnel. Preventive maintenance is performed on each piece of equipment



and work order completion depends on priority status, man hours to complete, and cost of the repair. Mr. Chamberlin inquired about the percentage of time spent on preventive maintenance versus equipment needing immediate repair. Brian responded that it fluctuates during the year. The building is busy now, so it is probably 50/50. When the building is slower in the summer, it is easier to catch upon preventive maintenance. Chair Heacock inquired into the life of the Arena, and Brian responded that it would last 20-30 more years as long as it is well-maintained. Mr. MacKeigan added that the Maintenance Department is very involved with the shows, working on the client services end (electrical, Internet, etc.) and staff is very proud to work in the CAA facilities.

Mr. MacKeigan stated that staff will be putting together a two-year capital plan moving forward. Chair Heacock added that the purpose today was to focus on capital and he will be proposing projects to the CAA that have a sinking fund in mind.

B. Finance Committee

i. SMG Special Purpose Financial Statements as of and for the Years Ended June 30, 2016 and 2015 – Rehmann Robson

Stephen Blann, Principal at Rehmann Robson, presented the SMG Special Purpose Financial Statements for DeVos Place® and the Van Andel Arena®. Mr. Blann stated that the main purposes of the audited financial statements are (i) to calculate the incentive fee and (ii) to express an opinion on the DeVos Place® and Van Andel Arena® special purpose financial statements for the year ended June 30, 2016, in conformity with generally accepted accounting principles. Mr. Blann stated that Rehmann Robson issued unmodified, clean opinions. Mr. Blann referred to highlights on page 3, the balance sheet, and page 4, the operating statement.

Mr. Blann reviewed the management letter. Mr. Blann stated that there were no control deficiencies. During the year ended June 30, 2016, Rehmann was not aware of any significant changes in accounting policies or their application during the year. There were no uncorrected misstatements or disclosure items passed identified during the audit. Mr. Blann stated that Rehmann received the full cooperation of SMG's management staff and had unrestricted access to SMG's senior management in the performance of the audit. SMG exceeded the 2016 benchmark and will receive an incentive fee of \$343,884.

ii. Financial Statements and Supplementary Information for the Years Ended June 30 2016 and 2015 – Rehmann Robson

Mr. Blann stated that Rehmann Robson issued an unmodified, clean opinion for the CAA's FY 2016 Financial Statements. Mr. Blann referred to page 10, Statements of Net Position, and noted that the CAA concluded the year with \$22.2 million unrestricted fund balance.

*Motion by Mr. Winn, support by Mr. Wilson, to accept the SMG Special Purpose Financial Statements as of and for the Years Ended June 30, 2016 and 2015 and the CAA Financial Statements and Supplementary Information for the Years Ended June 30 2016 and 2015. Motion carried.*

iii. Audit Wrap-Up Letter for the Year Ended June 30, 2016

Mr. Blann stated that the management letter did not reveal any control deficiencies. During the year ended June 30, 2016, Rehmann was not aware of any significant changes in accounting policies or their application during the year. There were no uncorrected misstatements or disclosure items passed identified during the audit. Mr. Blann stated that Rehmann received the full cooperation of CAA staff. Mr. Blann referred to Attachment A and noted that Rehmann recommends that the CAA follow its

disbursement policy or review the policy and make any necessary updates to match current procedures. Additionally, Rehmann recommended that the CAA store its financial accounting backup data offsite, in a fireproof safe, or begin utilizing an online backup service. Mr. Blann concluded by stating the process was clean and he was pleased with the assistance provide to Rehmann staff.

iv. Consolidated Financial Report, for the Year Ended  
June 30, 2016, Recap – Budget to Actual

Mr. White referred to attached Table D that provided a summary of the consolidated budget by facility for the fiscal year ending June 30, 2017, along with actual results for FY 2015 and FY 2016. The FY 2016 budget forecasted a (\$2,235,987) draw on unrestricted fund balance. After release of the audit, it was determined that the CAA had generated a net income of \$333,892 applied to its unrestricted fund balance. The variances are due to increased concert activity at the Arena and increased activity at the convention center. Additionally, Broadway Grand Rapids made a year-end contribution of 112,000 to provide for a portion of the cost of the performance hall infrastructure improvements. The budget included a capital spending allowance of \$2.8 million. Two projects were not completed and carried over to the FY 2017 budget. All other projects were completed at a net savings of \$107,680. Mr. White then referenced Table E, a summary of consolidated income statements by facilities from FY 2008 through FY 2017. The table showed that, although net operating income fluctuated from a high of \$2,696,000 to a low of \$521,000, the fund balance has changed only \$700,000 for the past nine years (from \$22,941,000 in 2008 to \$22,300,000 in 2016). Chair Heacock stated that was a result of purposeful action by CAA/SMG and did not happen by accident. Mr. White drew attention to Table F, a 15-year fund balance projection and stated that the fund balance will break-even in FY 2031, the same year that the bonds are paid off.

v. Acceptance of October 2016 Consolidated Financial Statements

Mr. White presented the consolidated financial report for the period ended October 31, 2016. The budget summary on page 3 shows the financial trends of the buildings for the year. The Van Andel Arena® net proceeds of \$725,891 increased by +248.2% from prior year of \$208,476. The DeVos Place® net proceeds deficit of (\$116,174) decreased by +14.9% from prior year proceeds of (\$136,553). The dashboard showed that ten concerts generated \$1,076,775 in event revenue, an increase of +62.4% from prior year (7 concerts) of \$662,907. Convention/trade show business generated \$801,961 in event revenue, an increase of 2.0% from prior year (attendance increased from 49,060 to 55,316) of \$786,553.

*Motion by Mr. Winn, support by Ms. Klohs, to accept the October 2016 Consolidated Financial Statements. Motion carried.*

vi. SMG – October 2016 Van Andel Arena® and DeVos Place®  
Financial Statements

Mr. Machuta reported that the Arena hosted a very successful Dierks Bentley concert, the US Gymnastics Team for an exhibition, and the start of the Griffins 21<sup>st</sup> season. The Arena performed consistent with budget overall. October was a very solid month for DeVos Place®, as convention business was very strong; however, offset by lower-than-expected revenue in the theater as a couple of concerts underperformed.

#### **4. 2017 Proposed Meeting Calendar**

Mr. White presented a proposed meeting calendar for review and approval.

*Motion by Mr. Wilson, support by Ms. Klohs, to approve the 2017 meeting calendar as presented. Motion carried.*

**5. Consumers Energy Contract Update**

Mr. MacKeigan reported that the contract has been reviewed by Attorney Richard Wendt and is ready to be signed.

**6. SMG Report and Facilities Calendars**

Mr. MacKeigan stated that the SMG maintenance practices in place puts us in a good position with OSHA. Mr. MacKeigan presented the event calendars for the Van Andel Arena® and DeVos Place®. The upcoming consumer shows look very strong. There will be a dinner on the Arena floor January 17 to wrap-up the Van Andel Arena's® 20<sup>th</sup> Anniversary. The general managers of the Detroit Pistons, Detroit Red Wings, and Detroit Tigers will be guest speakers. Additional details will be forthcoming.

**7. Public Comment**

Mike Lloyd, Executive Director at Broadway Grand Rapids, lauded the courage the CAA took when it approved the performance hall infrastructure changes to book Phantom of the Opera. We are now able to bring in Wicked, which has been booked for a three-week run next season. The Book of Mormon, which played June 21-26, 2016, grossed the most ticket dollars in the history of Broadway GR.

Robert Herr announced that Grand Action will be featured at the next Economic Club luncheon.

Chair Heacock mentioned that the Nutcracker ballet will soon take the stage at DeVos Performance Hall. The sets designed by Chris Van Allsburg are spectacular.

Chris Arnold noted that the audience at the Wine, Beer & Food Festival was very diverse in terms of age and ethnicity.

**8. Adjournment**

The meeting adjourned at 9:33 a.m.

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Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County  
Convention/Arena Authority  
Consolidated Financial Report  
December 31, 2016**

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Van Andel Arena®	
Rolling Forecast	5
Year-to-Date Comparable	6
DeVos Place®	
Rolling Forecast	7
Year-to-Date Comparable	8
Administrative Accounts	
Year-to-Date Comparable	9
Monthly Expenses	10-11



**Financial Dashboard  
Year-To-Date (6 Months)  
FY2017  
December 31, 2016**

<b>Van Andel Arena®</b>						
	<b>All Events</b>			<b>Concert</b>		
	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Events	43	46	48	13	13	15
Attendance	225,365	239,700	267,503	97,062	93,000	122,991
Event Income	\$ 1,410,262	\$ 1,479,492	\$ 2,154,881	\$ 1,105,667	\$ 971,505	\$ 1,539,876
<b>DeVos Place®</b>						
	<b>All Events</b>			<b>Convention/Trade</b>		
	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>	<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Events	215	196	206	63	58	58
Attendance	224,436	203,100	222,320	72,160	58,000	70,446
Event Income	\$ 2,716,310	\$ 2,438,194	\$ 2,504,466	\$ 1,279,023	\$ 1,104,900	\$ 1,097,486
				<u>Prior Year</u>	<u>Budget</u>	<u>Actual</u>
Operating Income (Loss)				\$ 424,685	\$ (152,024)	\$ 1,069,822
Capital/Repair/Replacement				(1,673,422)	(1,738,126)	(1,578,734)
Net - To/(From) on Fund Balance				\$ (1,248,737)	\$ (1,890,150)	\$ (508,912)

\*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2016\*

\$ 22,230,216

**Grand Rapids-Kent County Convention/Arena Authority**  
**Summary by Facility/Other**  
**Fiscal Year Ending June 30, 2017**

	FY 2017				FY 2016
	7/1 - 12/31 Year-to-Date	Roll	Estimate*	Budget	Prior Year
<b>Van Andel Arena</b>					
Operating - Revenues	\$ 3,386,394	\$ 2,633,599	\$ 6,019,993	\$ 5,470,265	\$6,400,073
- Expenses - Facilities	(2,102,231)	(2,179,320)	(4,281,551)	(4,245,108)	(4,345,088)
- Base Management Fees	(86,831)	(86,830)	(173,661)	(173,833)	(171,942)
- Incentive Fee	-	(136,938)	(136,938)	(78,017)	(124,445)
Net Operating Income (Loss)	1,197,332	230,511	1,427,843	973,307	1,758,598
Parking	131,012	148,866	279,878	305,530	197,352
Pedestrian Safety	(30,825)	(70,081)	(100,906)	(91,960)	(100,906)
<b>Net Proceeds (Cost) of VAA</b>	<b>1,297,519</b>	<b>309,296</b>	<b>1,606,815</b>	<b>1,186,877</b>	<b>1,855,044</b>
<b>DeVos Place Convention Center</b>					
Operating - Revenues	2,526,724	3,386,700	5,913,424	5,779,735	6,830,628
- Expenses - Facilities	(2,752,300)	(3,153,667)	(5,905,967)	(5,804,973)	(5,954,307)
- Base Management Fees	(86,831)	(86,830)	(173,661)	(173,833)	(171,942)
- Incentive Fee	-	(210,384)	(210,384)	(269,649)	(219,439)
Net Operating Income (Loss)	(312,407)	(64,181)	(376,588)	(468,720)	484,940
Parking	346,467	709,082	1,055,549	1,055,549	977,973
Pedestrian Safety	(13,867)	(41,135)	(55,002)	(55,002)	(57,066)
<b>Net Proceeds (Cost) of DVP</b>	<b>20,193</b>	<b>603,766</b>	<b>623,959</b>	<b>531,827</b>	<b>1,405,847</b>
<b>Other</b>					
Revenues	70,778	<b>138,036</b>	208,814	208,814	353,171
Expenses	(318,668)	(394,855)	(713,523)	(968,659)	(918,850)
Net Other	(247,890)	(256,819)	(504,709)	(759,845)	(565,679)
		-			
<b>Total Net Proceeds/Operating</b>	<b>1,069,822</b>	<b>656,243</b>	<b>1,726,065</b>	<b>958,859</b>	<b>2,695,212</b>
Capital Expenditures	(1,578,734)	<b>(837,951)</b>	(2,416,685)	(2,532,236)	(2,361,320)
<b>Results Net of Capital Expenditures</b>	<b>\$ (508,912)</b>	<b>\$ (181,708)</b>	<b>\$ (690,620)</b>	<b>\$ (1,573,377)</b>	<b>\$ 333,892</b>

\*Updated estimate based on second quarter (period ended 12/31/16) performance and projection for balance of year. Next quarterly update to be provided with March financial report (5/5/17 Finance Committee).

**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Financial Trends for Year Ending June 30, 2017**

	Annual			Year-To-Date		
	FY 2016 Final	FY 2017 Budget	Percentage Change	FY 2016 7/1 - 12/31	FY 2017 7/1 - 12/31	Percentage Change
<b>Van Andel Arena</b>						
Operating - Revenues	\$6,400,073	\$ 5,470,265	(14.5)	\$ 2,575,850	\$ 3,386,394	31.5
- Expenses - Facilities	(4,345,088)	(4,245,108)	2.3	(1,990,419)	(2,102,231)	(5.6)
- Base Management Fees	(171,942)	(173,833)	(1.1)	(85,971)	(86,831)	(1.0)
- Incentive Fee	(124,445)	(78,017)	37.3	-	-	-
Net Operating Income (Loss)	1,758,598	973,307	(44.7)	499,460	1,197,332	139.7
Parking	197,352	305,530	54.8	85,437	131,012	53.3
Pedestrian Safety	(100,906)	(91,960)	8.9	(22,618)	(30,825)	(36.3)
<b>Net Proceeds (Cost) of VAA</b>	<b>1,855,044</b>	<b>1,186,877</b>	<b>(36.0)</b>	<b>562,279</b>	<b>1,297,519</b>	<b>130.8</b>
<b>DeVos Place Convention Center</b>						
Operating - Revenues	6,830,628	5,779,735	(15.4)	2,737,239	2,526,724	(7.7)
- Expenses - Facilities	(5,954,307)	(5,804,973)	2.5	(2,787,430)	(2,752,300)	1.3
- Base Management Fees	(171,942)	(173,833)	(1.1)	(85,971)	(86,831)	1.0
- Incentive Fee	(219,439)	(269,649)	(22.9)	-	-	-
Net Operating Loss	484,940	(468,720)	(196.7)	(136,162)	(312,407)	(129.4)
Parking	977,973	1,055,549 <sup>(1)</sup>	7.9	346,680	346,467	(0.1)
Pedestrian Safety	(57,066)	(55,002)	3.6	(15,482)	(13,867)	10.4
<b>Net Proceeds (Cost) of DVP</b>	<b>1,405,847</b>	<b>531,827</b>	<b>(62.2)</b>	<b>195,036</b>	<b>20,193</b>	<b>(89.6)</b>
<b>Other</b>						
Revenues	353,171	208,814	(40.9)	61,625	70,778	14.9
Expenses	(918,850)	(968,659)	(5.4)	(394,255)	(318,668)	19.2
Net Other	(565,679)	(759,845)	(34.3)	(332,630)	(247,890)	25.5
<b>Total Net Proceeds/Operating</b>	<b>2,695,212</b>	<b>958,859</b>	<b>(64.4)</b>	<b>424,685</b>	<b>1,069,822</b>	<b>151.9</b>
Capital/Repair Expenditures	(2,361,320)	(2,532,236) <sup>(1)</sup>	(7.2)	(1,673,422)	(1,578,734)	5.7
<b>Results Net of Capital Expenditures</b>	<b>\$ 333,892</b>	<b>\$ (1,573,377)</b>	<b>(471.2)</b>	<b>\$ (1,248,737)</b>	<b>\$ (508,912)</b>	<b>59.2</b>

Notes:

<sup>(1)</sup> Includes July budget amendments to a) increase DVP event rate (\$+73,501) and b) provide additional (\$232,236) capital for DVP parking equipment changes.

## Significant Notes

### Van Andel Arena®

- Page 1 - Fifteen concerts generated \$1,539,876 in event revenue, an increase of +39.3% from prior year (13 concerts) of \$1,105,667.
- Page 3 - Net proceeds, of \$1,297,519 increased by +130.8% from prior year of \$562,279.

### DeVos Place®

- Page 1 - Convention/trade show business generated \$1,097,486 in event revenue, a decrease of (14.2%) from prior year (attendance decreased from 72,160 to 70,446) of \$1,279,023.
- Page 3 - Net "proceeds" of \$20,193 decreased by (89.6%) from prior year "proceeds" of +\$195,036.



VAN ANDEL ARENA  
ROLLING FORECAST  
FISCAL YEAR ENDING JUNE 30, 2017

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	49	52	101	99	2
ATTENDANCE	267,653	330,809	598,462	562,100	36,362
DIRECT EVENT INCOME	895,854	565,500	1,461,354	1,315,000	146,354
ANCILLARY INCOME	787,727	812,487	1,600,214	1,252,915	347,299
OTHER EVENT INCOME	471,300	216,256	687,556	631,000	56,556
<b>TOTAL EVENT INCOME</b>	<b>2,154,881</b>	<b>1,594,243</b>	<b>3,749,124</b>	<b>3,198,915</b>	<b>550,209</b>
TOTAL OTHER INCOME	1,231,513	1,039,356	2,270,869	2,271,350	(481)
<b>TOTAL INCOME</b>	<b>3,386,394</b>	<b>2,633,599</b>	<b>6,019,993</b>	<b>5,470,265</b>	<b>549,728</b>
INDIRECT EXPENSES					
EXECUTIVE	106,716	103,900	210,616	210,272	(344)
FINANCE	106,789	114,500	221,289	242,402	21,113
MARKETING	155,052	135,750	290,802	285,160	(5,642)
OPERATIONS	907,161	967,100	1,874,261	1,857,570	(16,691)
BOX OFFICE	76,491	95,600	172,091	161,772	(10,319)
LUXURY SEATING	22,097	43,300	65,397	82,436	17,039
SKYWALK ADMIN	16,770	28,600	45,370	53,660	8,290
OVERHEAD	797,686	777,700	1,575,386	1,525,669	(49,717)
<b>TOTAL INDIRECT EXP.</b>	<b>2,188,763</b>	<b>2,266,450</b>	<b>4,455,212</b>	<b>4,418,941</b>	<b>(36,271)</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>1,197,631</b>	<b>367,149</b>	<b>1,564,781</b>	<b>1,051,324</b>	<b>513,457</b>
LESS INCENTIVE FEE		136,938	136,938	78,017	(58,921)
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>1,197,631</b>	<b>230,211</b>	<b>1,427,843</b>	<b>973,307</b>	<b>454,536</b>

Comments:

The half way point of the fiscal year has the arena well ahead of both budget and prior year. It is expected that the second half of the fiscal year will see activity consistent with budget, however, fall short of prior year activity. That said, the fiscal year as a whole should come in at a very strong level with the forecasted events being materially booked at this time.

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General Manager

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Director of Finance

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR FISCAL YEAR ENDING JUNE 30, 2017**

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

<b>MONTH</b>	December Actual	December Budget	December FY 2016
Number of Events	16	15	13
Attendance	83,635	66,000	77,850
Direct Event Income	\$229,832	\$170,250	\$143,193
Ancillary Income	185,768	121,047	213,256
Other Event Income	116,885	58,000	73,696
Other Operating Income	201,195	180,375	220,309
Indirect Expenses	(325,342)	(368,245)	(359,051)
Net Income	<u>\$408,338</u>	<u>\$161,427</u>	<u>\$291,403</u>

<b>YTD</b>	YTD 2017 Actual	YTD 2017 Budget	YTD 2016 Prior Year
Number of Events	49	46	30
Attendance	267,653	239,700	147,518
Direct Event Income	\$895,854	\$630,250	\$546,359
Ancillary Income	787,727	536,742	594,489
Other Event Income	471,300	312,500	269,414
Other Operating Income	1,231,513	1,079,547	1,165,588
Indirect Expenses	(2,189,062)	(2,209,470)	(2,076,390)
Net Income	<u>\$1,197,332</u>	<u>\$349,569</u>	<u>\$499,460</u>

**EVENT INCOME**

Direct event income came in higher than budget due to higher than expected sales for Cirque and TSO concerts as well as the unbudgeted Snoop Dogg concert that sold extremely well.

**ANCILLARY INCOME**

Ancillary income came in ahead of budget for the month with strong per caps on Snoop Dogg combined with higher attendance for Cirque and TSO.

**INDIRECT EXPENSES**

Indirect expenses continue to come in at budgeted levels overall for the fiscal year.

DE VOS PLACE  
 ROLLING FORECAST  
 FISCAL YEAR ENDING JUNE 30, 2017

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	206	260	466	454	12
ATTENDANCE	222,320	301,550	523,870	535,750	(11,880)
<b>DIRECT EVENT INCOME</b>	1,200,545	1,845,600	3,046,145	2,953,900	92,245
<b>ANCILLARY INCOME</b>	1,024,801	1,385,200	2,410,001	2,411,335	(1,334)
<b>OTHER EVENT INCOME</b>	279,121	102,400	381,521	382,500	(979)
<b>TOTAL EVENT REVENUE</b>	2,504,467	3,333,200	5,837,667	5,747,735	89,932
<b>TOTAL OTHER REVENUE</b>	22,257	53,500	75,757	32,000	43,757
<b>TOTAL OPERATING REVENUE</b>	2,526,724	3,386,700	5,913,424	5,779,735	133,689
<b>INDIRECT EXPENSES</b>					
<b>EXECUTIVE</b>	105,535	109,800	215,335	209,274	(6,061)
<b>FINANCE</b>	133,875	100,700	234,575	266,446	31,871
<b>MARKETING</b>	40,132	72,800	112,932	128,180	15,248
<b>OPERATIONS</b>	676,036	862,300	1,538,336	1,565,557	27,221
<b>EVENT SERVICES</b>	442,794	718,400	1,161,194	1,139,831	(21,363)
<b>BOX OFFICE</b>	66,593	68,300	134,893	101,790	(33,103)
<b>SALES</b>	206,057	200,800	406,857	421,946	15,089
<b>OVERHEAD</b>	1,168,107	1,107,400	2,275,507	2,145,783	(129,724)
<b>TOTAL OPERATING EXP.</b>	2,839,131	3,240,500	6,079,628	5,978,806	(100,822)
<b>NET REVENUE ABOVE EXPENSES</b>	<b>(312,407)</b>	<b>146,200</b>	<b>(166,204)</b>	<b>(199,071)</b>	<b>32,867</b>
<b>INCENTIVE FEE</b>		210,384	210,384	269,649	59,265
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(312,407)</b>	<b>(64,184)</b>	<b>(376,588)</b>	<b>(468,720)</b>	<b>92,132</b>

Comments:

DeVos Place finishes the first half of the fiscal year performing ahead of budget overall, however behind prior year as was expected. It is anticipated that while the second half of the fiscal year should still be strong, it will fall a little short of budget while still finishing the fiscal year ahead of budget overall.

\_\_\_\_\_  
 General Manager

\_\_\_\_\_  
 Finance Director

**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FISCAL YEAR ENDING JUNE 30, 2017**

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

<b>MONTH</b>	December Actual	December Budget	December FY 2016
Number of Events	39	39	36
Attendance	43,645	44,750	48,510
Direct Event Income	\$252,796	\$223,500	\$233,952
Ancillary Income	223,586	173,221	212,951
Other Event Income	75,804	58,100	69,995
Other Operating Income	1,718	2,666	1,708
Indirect Expenses	(422,387)	(498,235)	(481,030)
Net Income	\$131,517	(\$40,748)	\$37,576

<b>YTD</b>	YTD 2017 Actual	YTD 2017 Budget	YTD 2016 Prior Year
Number of Events	206	196	215
Attendance	222,320	203,100	224,436
Direct Event Income	\$1,200,545	\$1,170,748	\$1,378,078
Ancillary Income	1,024,801	1,084,746	1,107,588
Other Event Income	279,121	182,700	230,644
Other Operating Income	22,257	15,996	20,929
Indirect Expenses	(2,839,131)	(2,989,410)	(2,873,401)
Net Income	(\$312,407)	(\$535,220)	(\$136,162)

**EVENT INCOME**

Event income came in a little ahead of budget overall as a couple of events ended up using more space than originally thought.

**ANCILLARY INCOME**

Ancillary income came in well ahead of budget for the month, however, continues to track behind expectations for the year and the forecast has been revised accordingly.

**INDIRECT EXPENSES**

Indirect expenses continue to trend consistent with budget overall.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative Accounts**  
**Net Other Detail**  
**December 31, 2016**

	<u>Annual</u>			<u>Actual</u>		
	<u>FY 2016</u>	<u>FY 2017</u>	<u>Percentage</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Percentage</u>
	<u>Final</u>	<u>Budget</u>	<u>Change</u>	<u>7/1-11/30</u>	<u>7/1-11/30</u>	<u>Change</u>
Other						
Revenues						
Interest/Capital Contr.	\$ 167,498	\$ 154,358	(7.8)	\$ 55,221	\$ 64,373	16.6
Miscellaneous	185,673 <sup>(1)</sup>	54,456	(70.7)	6,404	6,405	-
	<u>353,171</u>	<u>208,814</u>	<u>(40.9)</u>	<u>61,625</u>	<u>70,778</u>	<u>14.9</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	75,000	50,000	(33.3)
Diversity Initiative	203,399 <sup>(2)</sup>	150,000	(26.3)	95,318	18,625	(80.5)
Wages/Benefits	127,791	124,425	(2.6)	48,430	52,618	8.6
Marketing Campaign	-	200,000	+100.0	-	-	-
Professional Services	63,706	59,900	(6.0)	29,425	33,745	14.7
DID Assessment	53,269	54,335	2.0	-	38,405	100.0+
Food & Beverage Repairs	46,890	40,000	(14.7)	46,890	-	(100.0)
Consulting Services	181,606	72,701	(60.0)	17,195	49,654	188.8
Landscaping	23,030	30,000	30.3	19,514	9,197	(52.9)
Procurement of Art	29,822	30,000	0.6	28,346	26,719	(5.7)
Insurance	16,350	22,298	36.4	21,861	21,062	(3.7)
Supplies/Other	47,987	60,000	25.0	12,276	18,643	51.9
	<u>918,850</u>	<u>968,659</u>	<u>5.4</u>	<u>394,255</u>	<u>318,668</u>	<u>(19.2)</u>
Net Proceeds - Operating	<u>\$ (565,679)</u>	<u>\$ (759,845)</u>	<u>(34.3)</u>	<u>\$ (332,630)</u>	<u>\$ (247,890)</u>	<u>25.5</u>

Notes:

<sup>(1)</sup> Includes \$112,930 in FY 2016 from Broadway Grand Rapids.

<sup>(2)</sup> Includes \$77,011 FY 2015 carry-forward for Pepe Aguilar concert sponsorship.

## December 2016 Expenses

	Date	Name	Memo	Amount
<b>6001 - Accounting/Auditing Services</b>				
	12/09/2016		ppe 11/25/16 - ck date 12/9/16	73.36
	12/23/2016		ppe 12/9/16 - ck date 12/3/16	73.36
	12/31/2016	Rehmann Robson	FY 2016 Audit	<u>2,490.00</u>
Total 6001 - Accounting/Auditing Services				2,636.72
<b>6040 - Legal Services</b>				
	12/23/2016	Dickinson Wright PLLC	Legal services regarding general matters: November 2016	982.80
	12/23/2016	Dickinson Wright PLLC	Legal services regarding contract for electric service: November 2016	<u>182.00</u>
Total 6040 - Legal Services				1,164.80
<b>6000 - Professional Services - Other</b>				
	12/08/2016	Progressive AE	Professional services: #00159159	22,286.00
	12/08/2016	Progressive AE	Professional services: #00159698	<u>6,281.34</u>
Total 6000 - Professional Services - Other				<u>28,567.34</u>
				32,368.86
<b>6062 - SMG - Other Services</b>				
	12/15/2016	SMG - Philadelphia	Quarterly billing for Rich MacKeigan contract services: September 2016	8,015.00
	12/15/2016	SMG - Philadelphia	Quarterly billing for Rich MacKeigan contract services: December 2016	<u>8,015.00</u>
Total 6062 - SMG - Other Services				16,030.00
<b>6064 - Landscaping</b>				
	12/05/2016	Christmas Decor by Lakeshore Lighting	Van Andel Arena bow installation and takedown	<u>9,197.06</u>
Total 6064 - Landscaping				<u>9,197.06</u>
				25,227.06
<b>6065- Pedestrian Safety-VAA</b>				
	12/06/2016	Grand Rapids City Treasurer	Van Andel Arena police overtime services: November 2016	<u>9,073.70</u>
<b>6066-Pedestrian Safety-DVP</b>				
	12/06/2016	Grand Rapids City Treasurer	DeVos Place police overtime services: November 2016	<u>3,302.29</u>
				3,302.29
<b>6010 - Bank Fees</b>				
	12/12/2016	Fifth Third Bank	Service Charge	<u>361.54</u>
Total 6010 - Bank Fees				361.54
<b>6030 - Insurance-Property/Liability</b>				
	12/09/2016	City of Grand Rapids-Risk Management	FY 2017 DVP parking ramp property insurance premium	<u>4,076.60</u>
Total 6030 - Insurance-Property/Liability				4,076.60
<b>6110 - Meeting Expense - Other</b>				
<b>6112 - Diversity Initiative</b>				
	12/01/2016	WINE & FOOD FESTIVAL, LLC	Marketing/meeting expense: 11/17/2016	2,500.00
	12/08/2016	SMG - Van Andel Arena	Marketing/meeting expense	750.00
	12/08/2016	Metrica, LLC	Development of demographic data	600.00
	12/14/2016	Kent County Central Services	Printing and office supplies	88.42
	12/20/2016	SMG Food & Beverage, LLC	Marketing/meeting expense: 12/20/16	<u>1,239.14</u>
Total 6112 - Diversity Initiative				5,177.56
<b>6110 - Meeting Expense - Other - Other</b>				
	12/02/2016	SMG Food & Beverage, LLC	CAA meeting expense: 12/2/2016	<u>519.20</u>
Total 6110 - Meeting Expense - Other - Other				<u>519.20</u>
Total 6110 - Meeting Expense - Other				5,696.76
<b>6180 - Wine, Beer &amp; Food Festival</b>				
	12/05/2016	Amway Grand Plaza	Chairman's Reception: 11/17/2016	<u>8,627.68</u>
Total 6180 - Wine, Beer & Food Festival				<u>8,627.68</u>

			18,762.58
<b>6212 - VAA Security-Camera System</b>			
	12/20/2016	Midstate Security	Van Andel Arena security camera system (17VAA6212)
			150,000.00
Total 6212 - VAA Security-Camera System			<u>150,000.00</u>
<b>6226 - DVP Rewire Equip Cable TV Sys</b>			
	12/27/2016	Buist Electric	DeVos Place video fiber optic infrastructure project (17DVP6226)
			19,038.00
Total 6226 - DVP Rewire Equip Cable TV Sys			<u>19,038.00</u>
			169,038.00
<b>6301 - Electricity</b>			
	12/05/2016	Consumers Energy	Van Andel Arena electric service: November 2016
			44,119.91
	12/07/2016	Consumers Energy	Grand Center electric service: November 2016
			50,130.16
	12/07/2016	Consumers Energy	DeVos Place electric service: November 2016
			37,345.23
	12/31/2016	Consumers Energy	Van Andel Arena electric service: December 2016
			<u>39,122.62</u>
Total 6301 - Electricity			170,717.92
<b>6310 - Natural Gas</b>			
	12/16/2016	DTE Energy	Grand Center natural gas service: December 2016
			134.74
	12/16/2016	DTE Energy	DeVos Place natural gas service: December 2016
			626.52
	12/19/2016	DTE Energy	Van Andel Arena natural gas service: December 2016
			<u>797.37</u>
Total 6310 - Natural Gas			1,558.63
<b>6320 - Steam</b>			
	12/22/2016	Veolia Energy Grand Rapids, LLC	Van Andel Arena steam service: December 2016
			26,462.65
	12/22/2016	Veolia Energy Grand Rapids, LLC	DeVos Place steam service: December 2016
			28,165.48
	12/22/2016	Veolia Energy Grand Rapids, LLC	Grand Center steam service: December 2016
			<u>20,363.42</u>
Total 6320 - Steam			74,991.55
<b>6340 - Water &amp; Sewer</b>			
	12/29/2016	Grand Rapids City Treasurer	Grand Center commercial water/sewer: December 2016
			2,561.36
	12/29/2016	Grand Rapids City Treasurer	Van Andel Arena commercial water/sewer: December 2016
			5,351.61
	12/29/2016	Grand Rapids City Treasurer	DeVos Place commercial water/sewer: December 2016
			<u>3,098.81</u>
Total 6340 - Water & Sewer			<u>11,011.78</u>
			258,279.88
<b>8001 - Employee Wages</b>			
	12/09/2016		ppe 11/25/16 - ck date 12/9/16
			3,993.36
	12/23/2016		ppe 12/9/16 - ck date 12/3/16
			<u>3,024.37</u>
Total 8001 - Employee Wages			7,017.73
<b>8030 - Employee Benefits</b>			
	12/09/2016	ICMA Retirement Corporation - 457	Plan #305263; 12/9/2016 Payroll Date
			50.00
	12/09/2016	ICMA Retirement Corporation - 401A	Plan #107644; 12/9/2016 Payroll Date
			479.20
	12/09/2016		ppe 11/25/16 - ck date 12/9/16
			135.69
	12/19/2016	Grand Rapids City Treasurer-Parking Serv.	Parking card charges: January 2017
			336.18
	12/23/2016	ICMA Retirement Corporation - 401A	Plan #107644; 12/23/2016 Payroll Date
			362.92
	12/23/2016	ICMA Retirement Corporation - 457	Plan # 305263; 12/23/2016 Payroll Date
			50.00
	12/23/2016		ppe 12/9/16 - ck date 12/3/16
			90.63
	12/30/2016	Priority Health	Health insurance premiums: December 2016 & January 2017
			<u>1,447.48</u>
Total 8030 - Employee Benefits			<u>2,952.10</u>
			<u>9,969.83</u>
			526,022.20