

Grand Rapids - Kent County Convention/Arena Authority

*Wednesday, May 24, 2000 – 7:30a.m. – 9:30a.m.
County Administration Building – Board Room
300 Monroe Avenue, NW
Grand Rapids, Michigan 49503*

AGENDA

- | | | |
|-------|--|-------------------|
| I. | Call to Order | |
| II. | Review and Approval of the minutes of the April 18, 2000 meeting of the CAA | Action |
| III. | Public Comment | |
| IV. | Selection of Secretary/Treasurer | Discussion/Action |
| V. | Presentation on Open Meetings Act | Information |
| VI. | Creation of Committees/Committee Appointments | Discussion/Action |
| | a. Operations Committee | |
| | b. Finance Committee | |
| VII. | Budget | |
| | a. Presentation of Convention Center and Arena Budgets | Information |
| | b. Adoption of SMG Van Andel Arena FY2001 Operating Budget and Capital Schedules | Action |
| | c. Adoption of SMG Grand Center FY2001 Operating Budget and Capital Schedules | Action |
| | d. Presentation of Convention Center Expansion Project Budget | Information |
| | e. Adoption of CAA 14-Month Operating/Capital Budget | Discussion/Action |
| VIII. | Directors and Officers' Liability Insurance | Action |
| IX. | Architectural Services Contract | Discussion/Action |
| X. | Reports | |
| | a. Report of ad-hoc bank committee | Information |
| | b. Selection of bookkeeping services | Information |
| | c. Financial and bookkeeping policy | Information |

- d. Building Committee
- e. Contracts
- f. Monroe Avenue

Information
Information
Information

XI. Other Business

XII. Future Business

- a. Assignment of SMG Contracts
- b. Assignment of City/DDA Contracts
- c. Transfer of Van Andel Arena Liquor License
- d. Competitive Bidding
- e. Permanent Staffing
- f. Process for Selection of Management Firm, effective 7/1/01
- g. Property Insurance
- h. General Liability Insurance
- i. Establish change order approval process

XIII. Adjournment

Distribution:

Convention/Arena Authority:

Steve Heacock, Chair
David Frey, Vice-Chair
Birgit Klohs
John Logie
Joe Tomaselli
Lew Chamberlain
Cliff Charles

Staff:

Kurt Kimball, City of Grand Rapids
Eric DeLong, City of Grand Rapids
Robert White, City of Grand Rapids
Bill Cole, City of Grand Rapids
Dianette Hight, City of Grand Rapids
Daryl Delabbio, Kent County
Al Vanderberg, Kent County
Dave Waichum, Kent County

Jim Leach, Kent County
Dick Wendt, Legal Counsel
Jon Nunn, Grand Action
Dale Sommers, Grand Action
Jim Knack, DDA
Rich MacKeigan, SMG

MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

Tuesday, April 18, 2000

1. Call to Order

The meeting was called to order by the Acting Chair, Mayor John H. Logie, at 12:45 p.m., in the Van Andel Arena Banquet Room.

2. Attendance/Introductions

Members Present:	David Cassard (CVB Nominee)	David Frey
	Lew Chamberlin (CVB Nominee)	Steve Heacock
	Cliff Charles (CVB Nominee)	Birgit Klohs
		Mayor John Logie
		Joe Tomaselli

Members Absent: None

Staff/Others:	Kurt Kimball	Daryl Delabbio	Jon Nunn
	Eric DeLong	Jim Leach	Dale Sommers
	Bob White	County Clerk Terri Land	Jim Knack
	Bill Cole	Mary Beth Hollinrake	Dick Wendt
	Dianette Hight	Rich MacKeigan	Jim Gray
	City Commissioner	Jim Watt	Steve Wilson
	Jendrasiak	Sherri Billington	
	City Commissioner	Tricia Kimbrough	
	Rabaut	Chris Machuta	
	Ingrid Scott-Weekley		

Mayor Logie welcomed everyone to the Inaugural Meeting of the Grand Rapids-Kent County Convention/Arena Authority and explained how the Authority was formed under State legislation.

It was noted that there will be an opportunity for public comment at the end of this meeting prior to the scheduled Executive Session.

3. Oath of Office & Selection of Two Members

County Clerk Terri Land administered the Oath of Office to David Frey, Steve Heacock, Birgit Klohs, Mayor John Logie, and Joe Tomaselli.

Nominations were opened for the two open positions on the Authority. Steve Heacock indicated that he felt David Cassard, Lew Chamberlin and Cliff Charles were all excellent nominees.

Steve Heacock, supported by David Frey, nominated Lew Chamberlin and Cliff Charles. Nominations were then closed. Lew Chamberlin and Cliff Charles were unanimously elected to serve as Convention/Arena Authority members.

Steve Heacock and Mayor Logie both thanked David Cassard for his interest and indicated that they assumed he would still be actively involved in this project due to his role as Chairperson of the Downtown Development Authority.

County Clerk Terri Land administered the Oath of Office to Lew Chamberlin and Cliff Charles.

The terms of office were set by coin toss. Cliff Charles will serve for two years, and Lew Chamberlin will serve for four years.

4. Bylaws

Steve Heacock reported that the County Commission is recommending the proposed amendment to the Bylaws which requires personal attendance by Authority members at regular meetings of the Authority.

Motion: Steve Heacock, supported by David Frey, made a motion to adopt the "Personal Presence" Amendment to the Convention/Arena Authority Bylaws as presented.

David Frey noted that telecommunications is used often in business today and is sometimes necessary in order to get all parties together. He is concerned that this restriction might hinder the timeliness of the Authority's conduct of business.

Mayor Logie noted that he doesn't have a strong feeling either way on this but is leaning toward trying it without the amendment for a time and then maybe considering a change if it is found to be necessary.

Cliff Charles noted that he is open to trying this, but leaving it open for discussion at a later date.

The amendment was adopted by a vote of 4 to 3. Birgit Klohs, David Frey and Mayor Logie voted against the amendment.

Motion: Birgit Klohs, supported by David Frey, moved to adopt the Bylaws of the Grand Rapids-Kent County Convention/Arena Authority as amended. Motion carried.

5. Operating Agreement

Motion: David Frey, supported by Joe Tomaselli, moved to approve the Operating Agreement as presented. Motion carried.

6. Election of Officers

Steve Heacock stated that the Chair of the Authority is a very important role. It is his hope that the Authority would support either the Mayor or him as Chairperson for at least the first year in order to provide for a better liaison with City and County staff who will be handling most of the actual work in the interim until other staff are in place.

Nominations for the position of Chair were opened.

Mayor Logie, supported by David Frey, nominated Steve Heacock for the position of Chair.

Nominations were then closed.

Steve Heacock was unanimously elected as Chair.

Nominations for the position of Vice-Chair were opened.

Joe Tomaselli, supported by Birgit Klohs, nominated David Frey for the position of Vice Chair.

Nominations were then closed.

David Frey was unanimously elected as Vice-Chair.

Dick Wendt explained that the Bylaws provide for filling the offices of both a Secretary and a Treasurer. This can be one person elected to hold both offices, and these positions can be filled by someone other than a Board member. He noted that this decision could be deferred until the next meeting. David Frey questioned whether someone would be needed in this position before the next meeting for the purpose of executing documents. Mr. Wendt indicated that the Bylaws provide that any officer can sign documents on behalf of the Authority. It takes two signatures for checks, and there are two officers elected at this time.

Following a brief discussion, it was decided to defer a decision on the offices of Secretary and Treasurer until the next meeting. The Authority will be looking to staff, Kurt Kimball and Daryl Delabbio, for suggestions on this issue.

7. Support Services

An Engagement Letter of Agreement for legal services was presented by Dick Wendt of Dickinson Wright, PLLC.

Motion: David Frey, supported by Birgit Klohs, moved to approve the Engagement Letter of Agreement with Richard A. Wendt of Dickson Wright, PLLC, for legal services as presented and to authorize the CAA Chairperson to sign on behalf of the Authority. Motion carried.

Mayor Logie referred members to the proposal for Interim Support Services prepared by staff.

Motion: David Frey, supported by Joe Tomaselli, moved to approve the interim support services as presented for Administrative Services, Financial Services, and Construction Oversight. Motion carried.

8. Release of State Funds

Motion: Birgit Klohs, supported by David Frey, moved to authorize the CAA Chairperson and legal counsel Dick Wendt to take such steps as are necessary to arrange for the release to the Authority of the State appropriated funds. Motion carried.

9. Selection of Bank to Serve as Custodian of Funds

Steve Heacock suggested that Bob White (City of Grand Rapids) and Dave Waichum (Kent County) do some research on five or six banks and make a recommendation at the next meeting.

Dale Sommers noted that this discussion is related to a bank to be used as a depository, not necessarily for investment purposes. He wondered if not having a depository available might delay the release of the State funds. It was suggested that possibly a committee of two Board members could be appointed and authorized to select a bank as a depository prior to the next meeting.

Lew Chamberlin and Steve Heacock will review the recommendations of staff as soon as they are available and make a decision on a depository.

10. Selection of Bookkeeper

Kurt Kimball reported that the Transition Team has discussed the selection of a Bookkeeper. It has been determined that both the City and the County have the capacity to carry out this function. Darrel Delabbio noted, however, that the Transition Team did feel it might be best to have an independent bookkeeper for the Authority.

Mayor Logie indicated that the entities being brought together under this Authority are currently City operations so, in his opinion, it behooves the Authority to use the City as the Bookkeeper, at least in the short-term, until an independent bookkeeper is decided upon.

David Frey agreed with using the City as bookkeeper in the short-term. Birgit Klohs agreed but suggested a deadline be set for hiring a bookkeeper. Cliff Charles suggested setting a limit on the number of proposals the Authority would review for a bookkeeper.

Staff are directed to put out a Request for Proposals and bring back no more than five proposals with a recommendation for the Authority to review.

11. Plan for Working Capital

Bob White explained that, on July 1, certain assets will be transferring to the Authority. There is a \$1 million capital reserve and a \$3 million operating reserve that will be transferred from the Arena. However, SMG holds a six to eight-week reserve for payment of bills that would not be transferred immediately.

Dick Wendt indicated that, in order to have working capital available until July 1, the Transition Team recommends that the Authority request the Downtown Development Authority to advance a portion of the operating reserves, possibly \$100,000.

Motion: David Frey, supported by Birgit Klohs, moved to request the Downtown Development Authority to immediately advance \$100,000 of the Van Andel Arena operating reserves to the Convention/Arena Authority to be used as working capital until July 1 when the remaining funds will be transferred. Motion carried.

12. Errors and Omissions Insurance Coverage

Dick Wendt noted that staff are looking into whether \$2 million coverage for the Authority can be added to the City's or the County's plan. After discussion, it was decided that staff should also get proposals for \$5 million and \$10 million coverage.

Motion: Joe Tomaselli, supported by David Frey, moved to authorize staff and legal counsel to take steps to put a \$2 million insurance binder in place immediately and to move forward with acquiring proposals on \$5 million and \$10 million coverage to bring back to the Authority for review. Motion carried.

David Frey asked that each Board member receive copies of the coverage once it is put in place. Dick Wendt indicated that he would see that copies were distributed.

13. Project Status Report

Dale Sommers reviewed the project status report as presented in the meeting materials.

14. Building Committee

David Frey reported that the Building Committee, as currently set up, is meeting on an as-needed basis. The Committee is waiting for some additional information and then will be making some significant decisions in relation to the project. The project is on a tight time frame. Their goal is to complete this project on time and on budget.

Motion: Lew Chamberlin, supported by Joe Tomaselli, moved the following resolution:

WHEREAS, the Bylaws of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") provide that the Board of the CAA may by resolution designate one or more committees to advise the Board; and

WHEREAS, prior to the establishment of the CAA, the City of Grand Rapids, Kent County and Grand Action established a building committee related to the planning, development and construction of a new convention center; and

WHEREAS, the Board has determined to establish a building committee of the Board (the "Building Committee") and to describe its duties and functions.

RESOLVED:

- 1. That the Building Committee is established.*
- 2. That the duties and functions of the Building Committee shall be to assist and advise the Board in the planning, development and construction of a new convention center.*
- 3. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded to the extent of such conflict.*

Motion carried.

Dick Wendt explained that the Bylaws of the Authority provide that committee appointments are made by the Chair of the Board.

Steve Heacock indicated that he feels that Grand Action and the Building Committee have done tremendous work to date on this project, and he doesn't want to see us lose any momentum. The following are the appointments to the CAA Building Committee:

David Frey, Committee Chairperson
Birgit Klohs
Marty Allen
Bill Cole
Daryl Delabbio
Jim Gray
Dianette Hight
Kurt Kimball
Jim Leach
Rich MacKeigan
Don Maine
Jon Nunn
Dale Sommers
John Canepa (*ex officio*)
Robert Hooker (*ex officio*)

15. Budget Presentations

The budget information was provided with the meeting materials for members' information and review. Kurt Kimball indicated that the plan is to allow time at the next meeting for discussion and questions regarding the budgets. Staff will be looking for adoption of the budgets at the next meeting so they can then be brought to the City and County Commissions for approval prior to the start of the new fiscal year on July 1.

Rich MacKeigan, General Manager for the Van Andel Arena and Grand Center, and Bob White, Assistant City Manager for Fiscal Services, will act as resources and should be contacted with any questions members might have prior to the next meeting.

16. Award of Construction Contract

Bill Cole reported that bids were taken for the relocation of the street lighting and City telecommunications network in Monroe Avenue in anticipation of the trunk sewer reconstruction. It is recommended that the CAA award the construction contract to DVT in the amount of \$624,608.

Motion: David Frey, supported by Steve Heacock, made a motion that:

- 1. The construction contract for street lighting and City telecommunications work in connection with the Convention Center project be awarded to DVT in the amount of \$624,608 with a total estimated budget of \$768,400; and*
- 2. The CAA Chairperson be authorized to execute the contract documents in a form approved by legal counsel on behalf of the CAA; and*
- 3. The City Engineer be authorized to negotiate any necessary change orders in connection with the scope of work and to execute the same upon approval by the Grand Rapids City Manager and the Kent County Administrator or their designees, provided that any necessary change orders will not result in exceeding the total estimated budget amount.*

Motion carried.

17. Assignment of Contracts with Grand Action

Motion: David Frey, supported by Steve Heacock, moved to authorize the CAA Chairperson and legal counsel to undertake all action necessary to have the following agreements (including both obligations and benefits) assigned by Grand Action to the CAA:

- Architectural Services Agreement with Progressive AE for architectural services through schematic design*
- Engineering Services Agreement with Black & Veatch for design and engineering services related to utility relocation*
- Three (#4288, #4301, and \$4309) agreements with Material Testing Consultants, Inc., for environmental testing and boring*

- *Letter of Agreement with Erhardt-Hunt, a joint venture, for pre-construction management services*
- *Construction/Budget Advisor Agreement with Dale H. Sommers*
- *Technical consultant letter agreement with James P. Gray*

Motion carried.

18. Authorization for Black & Veatch to Proceed with Construction Engineering/Inspection Phase Services

Bill Cole reported that it is recommended that the CAA authorize Black and Veatch to proceed with Construction Engineering/Inspection Phase services in connection with this project.

Motion: Birgit Klohs, supported by Joe Tomaselli, made a motion that:

1. *Black & Veatch be authorized to proceed with Construction Engineering/Inspection Phase services in connection with the work for the street lighting/electrical and telecommunication ducts and cables at an estimated cost of \$58,000 with a total estimated budget of \$67,600; and*
2. *The CAA Chairperson be authorized to execute the change order to the agreement in a form approved by legal counsel on behalf of the CAA; and*
3. *The City Engineer be authorized to negotiate any necessary change orders in connection with the scope of work and to execute the same upon approval by the Grand Rapids City Manager and the Kent County Administrator or their designees, provided that any necessary change orders will not result in exceeding the total estimated budget amount.*

Motion carried.

19. Contract with Geotech, Inc.

Bill Cole reported that telecommunication facilities in this area are the City's primary feed for various City buildings along Monroe Avenue and Ottawa Avenue. Geotech, Inc., has specialized knowledge of the City's telecommunication system and has previously provided such services for the City. It is, therefore, recommended that the CAA enter into a contract with Geotech to perform this work.

Motion: David Frey, supported by Steve Heacock, moved that:

1. *The CAA enter into a contract with Geotech, Inc., to perform the work related to the installation of the telecommunications cables in the duct system at an estimated cost of \$139,160 and with a total estimated budget of \$159,100 for the project; and*
2. *The CAA Chairperson be authorized to execute the contract in a form approved by legal counsel on behalf of the CAA; and*

3. *The City Engineer be authorized to negotiate any necessary change orders in connection with the scope of work and to execute the same upon approval by the Grand Rapids City Manager and the Kent County Administrator or their designees, provided that any necessary change orders will not result in exceeding the total estimated budget amount.*

Motion carried.

20. M/WBE Policy for Construction Contracts

Bill Cole reported that it is recommended that the Authority follow the City's Minority and Women Business Enterprises (M/WBE) Policy and Administrative Guidelines in relation to construction contracts.

Motion: David Frey, supported by Birgit Klohs, moved that the CAA require that the Minority and Women Business Enterprises (M/WBE) Policy and Administrative Guidelines of the City of Grand Rapids, as shall be amended from time to time by the City, be applied to construction contracts related to the new convention center. Motion carried.

21. Role of City-County Building Authority

Dick Wendt reported that the County has pledged \$75 million from the Hotel/Motel Tax and a bonding will need to take place by them to finance this portion of the project. We don't know the timing on this yet. There will be more information on this at a later meeting.

Steve Heacock reported that the County Treasurer is already looking into this so that there is no delay in the bonding process.

22. Future Business

Mayor Logie indicated the list of items that will be coming to the Board for action in the coming months. Members should contact staff if they have any questions or input on any if these items in the interim.

Steve Heacock noted that he will be sending out a request for member information—preferred mailing addresses, phone numbers, fax numbers, etc. Items he has noted for the next agenda include:

- Budget discussions (need discussion and education prior to adoption)
- Depository (report by committee and decision)
- Bookkeeper (report from staff)
- Secretary/Treasurer (discussion and appointment if necessary)

Mr. Heacock thanked Kurt Kimball, Daryl Delabbio, Jon Nunn, and other staff on the Transition Team for their pre-work in coordinating this first agenda.

23. Meeting Schedule

Mayor Logie indicated that he feels monthly meetings will be needed at least in the beginning. He offered to take calls from Board members to try to coordinate a monthly meeting date that will afford the greatest likelihood of getting all members together on a regular basis.

Steve Heacock agreed that monthly meetings will be needed at first. He feels a regular, two-hour meeting time should be reserved whether we use all of that time or not. Birgit Klohs noted that the beginning or end of the day are usually best.

Preferences for meeting times should be called in or faxed to Mayor Logie over the next week.

24. Public Comment – None

25. Executive Session

Motion: Birgit Klohs, supported by Joe Tomaselli, moved that the Authority recess in order to meet in Executive Session to discuss a matter of property acquisition. Motion carried.

26. Reconvene & Adjourn

Mayor Logie reconvened the meeting at 2:20 p.m.

In response to a request from Lew Chamberlin, Steve Heacock indicated that staff would put some information together regarding the Open Meetings Act and conducting business in a public setting.

There being no other business, the meeting was adjourned at 2:22 p.m.

Mayor John H. Logie
Acting Chair

/nlm

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

ITEM V.

OPEN MEETINGS ACT

Act 267 of the Public Acts of Michigan of 1976, as amended

Key definitions:

"Public Body" means a local legislative or governing body, including a board, commission, committee, subcommittee, authority or council which is empowered by state constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or perform a governmental or proprietary function.

"Meeting" means the convening of a public body at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy.

"Decision" means a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution or order on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy.

MEETINGS OF PUBLIC BODIES

- All meetings of a public body must be open to the public and be held in a place available to the general public.
- A person attending a meeting of a public body has the right to tape record, videotape or broadcast live on radio or television the proceedings of a public meeting.
- A public body may establish reasonable rules and regulations in order to minimize the possibility of disrupting meetings.
- All decisions of a public body shall be made at a meeting open to the public.
- All deliberations of a public body constituting a quorum of its members shall take place at a public meeting except as otherwise provided in the Act.
- A person attending a public meeting cannot be required, as a condition of attendance, to register or otherwise provide his or her name or other information.
- A person is permitted to address a meeting of a public body under rules established and recorded by the public body.
- A person may not be excluded from a public meeting except for a breach of the peace actually committed at the meeting.
- A public meeting does not include a meeting which is a social or chance gathering or conference not designed to avoid the Act.

PUBLIC NOTICE OF PUBLIC MEETINGS

- A meeting of a public body may not be held unless public notice is given in accordance with the Act.
- The public notice shall contain the name of the public body and its telephone number and address.
- The public notice shall be posted at the public body's principal office and at other locations considered appropriate by the public body (including cable television).
- Annual regular meetings must be posted within 10 days after the first regular meeting in each calendar or fiscal year. If there is a change in the schedule of a regular meeting, it must be posted within 3 days after the meeting at which the change is made.
- All regular or special meetings must be posted at least 18 hours before the meeting.
- If a meeting is in recess for more than 36 hours, to reconvene, the meeting must be renoticed at least 18 hours in advance.
- A public body may meet without notice in emergency session in event of a severe and imminent threat to health, safety or welfare upon approval of two-thirds of the members of the public body determining that delay would be detrimental to efforts to lessen or respond to the threat.

PROVIDING NOTICES OF PUBLIC MEETINGS

- Upon request, and upon payment of a yearly fee of not more than the reasonable estimated cost of printing and postage, any person or other entity is entitled to receive by first-class mail a copy of any notice of a public meeting required to be posted.
- Upon request, at the same time a public notice of a meeting is posted, a public body is required to provide a copy of such notice to any newspaper published in the state or any radio or television station in the state free of charge.

CLOSED SESSIONS

- A public body may meet in closed session upon the following vote:
 1. To consider dismissal, suspension or disciplining of or to hear complaints or charges brought about, or to consider a periodic personnel evaluation of a public officer, employee, staff member or individual, if the named person requests a closed hearing - majority voice vote.
 2. For strategy in negotiation sessions connected with the negotiation of a collective bargaining agreement if either party requests a closed session - majority voice vote.

3. To consider the purchase or lease of real property up to the time an option to purchase or a lease is obtained - two-thirds roll call vote.
 4. To consult with its attorney regarding trial or settlement strategy in connection with pending litigation (if an open meeting would have a detrimental financial effect on the litigating or settlement position) - two-thirds roll call vote.
 5. To review the specific contents of an application for employment or appointment to a public office if the candidate requests the application remain confidential (however, all interviews of a public body for employment or appointment to a public office must be held in an open meeting) - two-thirds roll call vote.
 6. To consider material exempt from discussion or disclosure by state or federal statute, i.e., matters subject to attorney/client privilege - two-thirds roll call vote.
- A separate set of minutes of the closed session must be taken by the recording secretary or person designated by the Board at the closed session. These minutes shall be retained by the recording secretary, are not available to the public and shall only be disclosed if required by the Court in a civil action. The minutes may be destroyed one year and one day after approval of the minutes of the regular meeting at which the closed session was approved.

MAINTENANCE OF MINUTES

- A public body is required to keep minutes of each meeting showing the date, time, place, members present, members absent, decisions made and the purpose or purposes for which a closed session was held.
- The minutes are required to include all roll call votes taken at the meeting.
- Corrections in minutes must be made not later than the next meeting after the meeting to which the minutes refer.
- Corrected minutes must be available no later than the next subsequent meeting after correction.
- Corrected minutes must show both the original entry and the correction.
- Minutes are public records open for public inspection and shall be available at the address designated on posted public meeting notice.
- Proposed minutes must be available for public inspection not more than 8 business days after the meeting to which the minutes refer.
- Approved minutes must be available for public inspection not later than 5 days after the meeting at which the minutes are approved.

COMMENCEMENT OF LEGAL ACTION INVOLVING ALLEGED VIOLATIONS

- The Attorney General, County Prosecutor or any person may begin a civil action to challenge the validity of a decision of a public body made in violation of the Act.
- A decision of a public body may be invalidated if a court finds that non-compliance or failure to comply with the Act has impaired the rights of the public.
- Action must be commenced within 60 days after the approved minutes are made available to the public, except if the decision involves the approval of a contract, the receipt or acceptance of bids, the making of assessments, the issuance of bonds or other evidence of indebtedness or the submission of a borrowing proposal to the electors, such action must be brought within 30 days after the approved minutes are made available to the public.
- In any case where legal action has been commenced, the public body may, without being deemed to make an admission contrary to its interest, reapprove the disputed decision in conformity with the Act.

SANCTIONS FOR NON-COMPLIANCE WITH THE ACT

- A civil action to compel compliance or to enjoin further non-compliance.
- If a public body is not complying with the Act, and the person commencing legal action is successful, the person shall recover court costs and actual attorneys' fees.
- A public official found intentionally violating the Act is guilty of a misdemeanor punishable by a fine of not more than \$1,000 for the first offense and not more than \$2,000 or imprisonment for not more than one year for the second violation.
- A public official who intentionally violates the Act may be found civilly liable for actual and exemplary damages of not more than \$500 plus court costs and actual attorneys' fees.
- A civil action where damages are sought must be commenced within 180 days after the date of the alleged violation.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

DATE: May 16, 2000

TO: Board of Directors
Grand Rapids-Kent County Convention/Arena Authority

FROM: Dick Wendt, Legal Counsel

SUBJECT: Establishment of Finance Committee and Operations Committee

Background: The Bylaws of the Board provide that it may designate committees by resolution of the Board. Chairperson Heacock has indicated his desire to create a Finance Committee and an Operations Committee to assist and advise the Board. After their establishment, the Bylaws provide that the Board Chairperson appoint committee members and select the chairperson.

Recommendation: Adoption of the attached resolution establishing the Finance Committee and the Operations Committee and generally describing their respective duties and functions. After establishment, the Board Chairperson should appoint the committee members and chairpersons.

**GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY**

**RESOLUTION ESTABLISHING FINANCE AND OPERATIONS
COMMITTEES AND DESCRIBING THEIR RESPECTIVE DUTIES AND
FUNCTIONS**

Boardmember _____, supported by Boardmember _____,
moved the adoption of the following resolution:

WHEREAS, the Bylaws of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA") provide that the Board of the CAA may by resolution designate one or more committees to advise the Board; and

WHEREAS, the Board has determined to establish a finance committee (the "Finance Committee") and an operations committee (the "Operations Committee") of the Board and to describe their respective duties and functions.

RESOLVED:

1. That the Finance Committee and the Operations Committee are established.
2. That the duties and functions of the Finance Committee shall be to assist and advise the Board regarding the financial affairs of the CAA.
3. That the duties and functions of the Operations Committee shall be to assist and advise the board in the operations of CAA facilities.
4. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

CERTIFICATION

I, the undersigned duly qualified and acting Chairperson of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the CAA at a regular meeting held on May 24, 2000, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: May 24, 2000

Steven R. Heacock
Chairperson



City
of
Grand
Rapids

VAN ANDEL ARENA

**Operating Budget
For Fiscal Year 6/30/2001**

- * Financial Highlights
- * Statement of Income
- * Indirect Expense Summary
- * Management Fee
- * Capital Projects
- * Event Summary
- * Cash Forecast
- * Salary Allocation



An SMG Managed Facility

**VAN ANDEL ARENA
FINANCIAL HIGHLIGHTS
BUDGET - YEAR ENDING 6/30/01**

HIGHLIGHTS

Event income is expected to come in ahead of current fiscal year forecasts. This increase is from the continued support that the Arena has received, as well as, non yearly events like the Western Regional Hockey Championships that will be held during March 2001.

Other operating income and indirect expenses are expected to remain consistent with previous years. Indirect expenses will increase in the coming year by approximately 4.6%. Overall the Arena is expected to generate over \$1.2 million in revenue above expenses for the 2001 fiscal year.

VAN ANDEL ARENA
STATEMENT OF INCOME
BUDGET - YEAR ENDING
6/30/01

	Jun-01 TOTALS	ACTUAL/EST. 6/30/00	CHANGE
# OF EVENTS	163	156	7
EVENT OPERATING INCOME:			
DIRECT EVENT INCOME	1,303,223	1,078,728	224,495
ANCILLARY INCOME:			
FOOD & BEVERAGE	1,110,632	1,034,171	76,461
NOVELTY	190,537	220,301	(29,764)
PARKING	-	-	-
CATERING	90,518	116,903	(26,385)
OTHER	37,621	18,962	18,659
TOTAL ANCILLARY INCOME	1,429,308	1,390,337	38,971
TOTAL EVENT INCOME	2,732,531	2,469,062	263,469
OTHER OPERATING INCOME:			
ADVERTISING INCOME	517,255	502,511	14,744
INTEREST INCOME	90,000	89,829	171
TICKET INCENTIVES	74,850	71,645	3,205
LUXURY SEATING	810,000	800,919	9,081
MISCELLANEOUS	113,454	111,400	2,054
TOTAL OTHER INCOME	1,605,559	1,576,304	29,255
ADJUSTED GROSS INCOME	4,338,090	4,045,366	292,724
INDIRECT EXPENSES:			
EXECUTIVE	99,061	93,393	5,668
FINANCE	141,461	138,073	3,388
OPERATIONS	1,043,202	1,030,031	13,171
MARKETING	152,070	150,877	1,193
BOX OFFICE	125,614	112,137	13,477
LUXURY SEATING	104,707	84,413	20,294
SKYWALK	32,895	32,960	(65)
OVERHEAD	1,382,858	1,296,534	86,324
TOTAL INDIRECT EXPENSES	3,081,868	2,938,418	143,450
NET FACILITY INCOME (LOSS)	1,256,222	1,106,949	149,274
LESS CAPITAL RESERVE	(546,363)	(530,450)	(15,913)
ADJUSTED INCOME (LOSS)	709,859	576,499	133,361

VAN ANDEL ARENA
INDIRECT EXPENSE SUMMARY
BUDGET - YEAR ENDING 6/30/01

	2001 Budget
Salaries & Wages	835,838
Wages - Parttime	552,676
Automobile	9,967
Payroll Taxes	123,466
Union Expenses	52,268
Employee Benefits	98,079
Pension	25,207
Salaries Allocated	(769,336)
Total Labor Costs	978,165
Advertising	25,000
Contracted Cleaning	24,000
Contracted Security	190,000
Bank Service Charges	6,000
Small Tools	3,200
Marketing Fund	40,000
Ammortization	23,558
Dues & Subscriptions	3,400
Meals & Entertainment	3,500
Equipment Rental	11,600
Exterminating	3,600
Insurance	253,436
Landscaping & Windows	10,000
Local Taxes	6,000
Management Fee	332,436
Meetings, Conventions, & Training	20,000
Operation Vehicles	600
Postage	12,000
Printing & Stationary	30,000
Professional Fees	23,000
Repairs & Maintenance	128,500
Box Office Expenses	13,600
Snow Removal	750
Supplies - Office	12,000
Supplies - Operations	183,200
Telephone	52,000
Trash Removal	14,000
Travel	12,500
Computers	25,000
Parking	16,000
Utilities	660,000
Allocated Expenses	(38,605)
Total Materials & Service	2,105,275
Total Indirect Expenses	3,083,440

VANANDEL ARENA - GRAND RAPIDS
MANAGEMENT FEE CALCULATION
BUDGET - YEAR ENDING 6/30/01

DESCRIPTION OF CALCULATION

The management fee is composed of two parts, the Base Fee and the Incentive Fee. The base fee is \$254,616, adjusted for an expected 2.5% increase in the CPI-U. The incentive fee is calculated at 20% of the first \$500,000 of revenues in excess of the benchmark and 25% of any revenue increase in excess of \$500,000. The incentive fee can not exceed the base fee in any given year. The benchmark is \$3,988,797, adjusted for an expected 2.5% increase in the CPI-U.

MANAGEMENT FEE CALCULATION

	FY 2001 BUDGET	FY 2000 ACT/EST
BASE FEE	\$260,981	\$254,616
INCENTIVE FEE		
Revenue	\$4,338,090	\$3,988,797
Benchmark Revenue	\$3,988,675	\$3,891,390
Projected Revenue Increase	\$349,415	\$97,407
TOTAL INCENTIVE FEE	\$69,883	\$19,481
TOTAL SMG FEE	\$330,864	\$274,097

**VAN ANDEL ARENA
CAPITAL PROJECTS
BUDGET - YEAR ENDING 6/30/01**

Capital Improvements

Building

Security - Intercom & Buzzer System	18,000	
Security - Gate System for Lobby	18,000	
Refurbish Suites	<u>100,000</u>	136,000

Machinery & Equipment

HVAC Upgrades	20,000	
Box Office Speaker System	<u>10,000</u>	30,000

Total Capital Request

166,000

EVENT SUMMARY

EVENT	NO. EVENTS	TURNSTILE ATTENDANCE	NET TIX REVENUE	RENTAL INCOME	SERVICES INCOME	DIRECT EVENT INCOME	FOOD & BEVERAGE	CATERING INCOME	NOVELTY INCOME	OTHER ANCILLARY	TOTAL ANCILLARY	FY 2001 EVENT BUDGET	FY 2000 EVENT ROLL
HOCKEY BASKETBALL	28	53,200	-	212,800	(149,996)	62,804	56,840	5,124	-	-	61,964	124,768	123,116
GRUFFINS HOCKEY	43	301,000	-	350,106	(311,578)	38,528	375,080	33,841	-	30,702	389,623	428,151	409,370
NHL PRESEASON	1	10,800	270,000	20,000	(9,204)	10,796	24,300	1,400	-	-	25,700	36,496	29,157
NHL PRESEASON	8	72,000	-	62,344	(48,392)	13,952	-	-	-	5,712	5,712	19,664	24,082
RAMPAGE ARENA FOOTBALL	2	7,000	49,000	12,000	3,015	15,015	6,825	542	-	-	7,367	22,382	11,636
OLD KENT CLASSIC	1	7,000	70,000	7,500	1,573	9,073	5,250	262	-	-	5,512	14,585	20,282
COLLEGE BASKETBALL	2	14,000	280,000	120,000	(85,384)	34,616	31,500	2,450	3,080	-	37,030	71,646	14,577
COLLEGE HOCKEY	2	17,000	390,000	50,800	16,583	67,383	34,750	769	19,950	-	55,469	122,852	153,619
PROFESSIONAL WRESTLING	-	-	-	-	-	-	-	-	-	-	-	-	3,428
INDOOR SOCCER	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SPORTS	87	482,000	1,059,000	835,550	(583,383)	252,167	484,545	44,388	23,030	36,414	588,377	840,544	789,267
RUBIN CIRCUS	8	36,000	576,000	101,180	(82,226)	18,954	42,300	1,662	-	-	43,962	63,916	59,459
GRUFFINS	1	4,000	74,000	16,300	(8,385)	7,915	6,500	472	2,100	-	9,072	16,987	17,211
DISNEY ON ICE	8	32,000	512,000	104,500	(75,574)	28,926	28,000	875	-	-	28,875	57,801	21,023
SUPERDOGS	2	6,000	60,000	2,000	3,259	5,259	6,750	105	-	-	6,855	12,114	186
STARS ON ICE	1	10,200	392,700	47,124	8,168	55,292	8,262	768	6,105	-	15,135	70,427	68,777
CHAMPIONS ON ICE	1	8,500	382,500	35,000	11,343	46,343	8,500	1,400	2,677	-	12,577	58,920	55,494
RODIERO	2	12,200	164,700	44,000	(18,620)	25,380	22,875	350	1,890	-	25,115	50,495	46,474
LAPIZZANER STALLIONS	2	3,000	45,000	10,000	2,556	12,556	1,650	87	315	-	2,052	14,608	-
MONSTER TRUCK	3	18,000	216,000	25,920	11,916	37,836	27,900	700	5,250	-	33,850	71,686	85,650
MOTORCROSS	3	18,000	252,000	30,240	11,916	42,156	38,700	700	6,510	-	45,910	88,066	84,379
OTHER FAMILY	10	33,000	600,000	55,000	17,677	72,677	24,000	2,415	-	-	26,415	99,092	88,765
TOTAL FAMILY SHOWS	41	180,900	3,274,900	471,264	(117,970)	353,294	215,437	9,534	24,847	-	249,818	603,112	527,418
CONCERTS	19	161,500	6,460,000	456,000	81,016	537,016	339,150	14,459	135,660	-	489,269	1,026,285	814,171
OTHER MISC	16	63,350	-	122,000	38,746	160,746	71,500	22,137	7,000	1,207	101,844	262,590	318,206
GRAND TOTALS	163	887,750	10,793,900	1,884,814	(581,591)	1,303,223	1,110,632	90,518	190,537	37,621	1,429,308	2,732,531	2,469,062

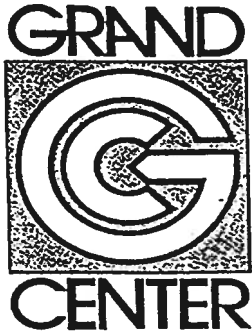
Including estimated cash transactions with the DDA

[illegible]

**Van Andel Arena
Allocation of Common Staff
Budget - Year Ending 6/30/01**

This page outlines the allocation of personnel who have responsibilities for the Grand Center and VanAndel Arena. In order to maintain two separate sets of accounting records, there needs to be an agreement on the sharing of some common expenses. These allocations have been reviewed as part of the budgeting process, and at this time no change is recommended.

<u>Position</u>	<u>Grand Center Allocation</u>	<u>Arena Allocation</u>
General Manager	33%	67%
Director of Marketing	50%	50%
Director of Operations	67%	33%
Director of Finance	50%	50%
Facility Maintenance Manager	50%	50%
Box Office Manager	30%	70%
Bookkeeper	50%	50%
Human Resources	50%	50%
GM Secretary	33%	67%
Marketing Admin. Asst.	67%	33%
Receptionist	50%	50%



City
of
Grand
Rapids

GRAND CENTER

Operating Budget For Fiscal Year 6/30/2001

- * Budget Overview
- * Budget Highlights
- * Income Statement
- * Indirect Expense Summary
- * Management Fee
- * Capital Budget
- * Event Detail
- * Staff Allocation



An SMG Managed Facility

**Grand Center - Grand Rapids
Budget Highlights
Year Ending 6/30/01**

HIGHLIGHTS

Event income for the fiscal year 2001 is expected to fall short of the fiscal year 2000 level. This is mainly due to the loss of two events that in the past have been on the yearly calendar, as well as, the exceptional fiscal performance of fiscal year 2000. With the loss of the Meijer Food Fair and the Gordon Food Service events the Grand Center will have to make up \$100,000 in event income. We anticipate filling these event days, however, revenue generated by these new events will more than likely fall well short of the revenue these two events generated.

Other operating income and indirect expenses will continue to perform consistent with past years. The overall performance of the Grand Center is expected to be very strong again with over \$86,000 in revenues above expenses for the fiscal year.

Grand Center - Grand Rapids
Budget Highlights
Year Ending 6/30/01

	2001 Budget	2000 Estimated/Act
Event Income	2,198,163	2,317,108
Other Income	89,000	85,458
Indirect Expenses	<u>(2,200,378)</u>	<u>(2,205,496)</u>
Operating Income	<u><u>86,785</u></u>	<u><u>197,070</u></u>
Events		
Arena		
Sports	0	0
Performance events	<u>24</u>	<u>23</u>
Arena Total	24	23
Theater		
Ballet	14	15
Opera	4	6
Broadway	56	62
Symphony	45	44
Concerts/Other	<u>14</u>	<u>17</u>
Theater Total	133	144
Other Facilities		
Exhibition Hall Events	95	90
Clubs, Dances & Parties	1	7
Corporate Banquets	24	26
Seminars/Speakers/Meetings	99	93
Public Shows	50	59
Civic/Graduations	1	0
Testing	<u>2</u>	<u>4</u>
Other Facilities Total	272	279
Total Events	<u><u>429</u></u>	<u><u>446</u></u>

GRAND CENTER - GRAND RAPIDS
INCOME STATEMENT
BUDGET FISCAL YEAR 2001

	FY 2001	FY 2000	
	<u>TOTAL</u>	<u>EST/ACT</u>	<u>VAR.</u>
EVENT OPERATING INCOME			
DIRECT EVENT INCOME	1,466,636	1,574,645	(108,009)
ANCILLARY INCOME			
FOOD & BEVERAGE	321,362	303,956	17,406
NOVELTY	22,730	22,023	707
ARTCRAFT	241,550	271,380	(29,830)
EQUIPMENT	145,885	145,104	781
TOTAL ANCILLARY INCOME	<u>731,527</u>	<u>742,463</u>	<u>(10,936)</u>
TOTAL EVENT INCOME	2,198,163	2,317,108	(118,945)
OTHER OPERATING INCOME			
INTEREST INCOME	32,000	31,591	409
TICKET INCENTIVES	31,000	30,339	661
EQUIPMENT RENTAL	20,000	18,155	1,845
OTHER INCOME	<u>6,000</u>	<u>5,373</u>	<u>627</u>
TOTAL OTHER INCOME	<u>89,000</u>	<u>85,458</u>	<u>3,542</u>
ADJUSTED GROSS INCOME	<u>2,287,163</u>	<u>2,402,566</u>	<u>(115,403)</u>
INDIRECT EXPENSES			
EXECUTIVE	52,745	52,610	135
MARKETING	118,529	110,775	7,754
FINANCE	132,653	136,478	(3,825)
OPERATIONS	810,822	817,538	(6,716)
BOX OFFICE	70,979	73,815	(2,836)
OVERHEAD	<u>1,014,655</u>	<u>1,014,280</u>	<u>375</u>
TOTAL INDIRECT EXPENSES	<u>2,200,378</u>	<u>2,205,496</u>	<u>(5,113)</u>
NET FACILITY INCOME (LOSS)	<u>86,785</u>	<u>197,070</u>	<u>(110,290)</u>

Grand Center
Indirect Expenses Summary
Year Ending 6/30/01

	<u>2001 Budget</u>
Salaries & Wages	701,308
Wages - Parttime	1,045,430
Automobile	12,250
Payroll Taxes	155,868
Union Expenses	65,313
Employee Benefits	76,565
Pension	21,957
Salaries Allocated	(1,301,960)
 Total Labor Costs	 <u>776,731</u>
 Bank Service Charges	 7,500
City Allocation	6,000
Advertising	10,000
Box Office Expense	250
Dues & Subscriptions	2,500
Entertainment/Meals	1,500
Equipment Rental	2,500
Facility Equipment	-
Insurance	175,000
Local Taxes	3,500
Management Fee - Base	174,005
Management Fee - Incentive	46,152
Meetings, Conferences, & Training	16,100
Postage	2,500
Printing & Stationary	6,000
Professional Fees	17,500
Purchased Services	103,700
Repairs & Maintenance	106,000
Supplies - Office	7,500
Supplies - Operations	148,000
Telephone	35,000
Travel	3,950
Computers	60,000
Parking	14,000
Utilities	474,000
Bad Debt Expense	500
 Total Materials & Services	 <u>1,423,657</u>
 Total Indirect Expenses	 <u>2,200,388</u>

**Grand Center - Grand Rapids
Management Fee Calculation
Year Ending 6/30/01**

Description of Calculation

The management fee is composed of two parts, the Base Fee and the Incentive Fee. The base fee is \$174,005 adjusted for an expected 2.5% increase in the CPI-U. The incentive fee is calculated at 20% of the first \$500,000 of revenues in excess of the benchmark and 25% of any revenue increase in excess of \$500,000. The benchmark is \$2,204,320 adjusted for an expected 2.5% increase in the CPI-U.

	<u>FY 2001 Budget</u>	<u>FY 2000 Act/Est</u>
Base Fee	174,005	169,761
Incentive Fee		
Revenue	2,287,163	2,402,715
Benchmark Revenue	<u>2,056,403</u>	<u>2,006,247</u>
Projected Revenue Increase	230,760	396,468
Incentive Percentage	<u>20%</u>	<u>20%</u>
Total Incentive Fee	<u>46,152</u>	<u>79,294</u>
Total SMG Management Fee	<u><u>220,157</u></u>	<u><u>249,055</u></u>

**Grand Center - Grand Rapids
Capital Projects
Year Ending 6/30/01**

Capital Improvements

Building		
Balcony "Rail" Devos Hall		45,000
Furniture/Furnishings		
Re-Rig Design Devos Fire Curtain	18,000	
Replace Portable Stage Decks	<u>25,000</u>	43,000
Machinery/Equipment		
Refurbish Steinway Grand Piano		15,000

Total Capital Request:

103,000

**GRAND CENTER - GRAND RAPIDS
SCHEDULE OF EVENTS
YEAR ENDING 6/30/01**

EXHIBIT HALLS	NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET FOOD AND BEVERAGE			CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	EQUIPMENT INCOME	EVENT		VARIANCE
				SERVICE INCOME	BEVERAGE INCOME	INCOME					INCOME	INCOME	
Agriculture & Farming	3	4,200	34,000	(1,255)	950	300	0	5,000	1,250	40,245	54,068	(14,723)	
Animals	3	1,150	9,400	1,046	900	1,700	0	500	225	13,771	10,128	26,272	
Associations	8	5,300	22,600	(2,800)	150	6,200	0	6,500	3,550	36,400	20,956	(20,956)	
Banking	3	3,100	13,550	(1,400)	25	4,857	0	3,400	1,900	22,332	23,899	(1,567)	
Beauty & Hair Care	4	6,500	26,100	(1,825)	1,050	700	0	7,300	345	33,670	35,616	(1,946)	
Building & Construction	1	200	4,788	(1,177)	0	600	0	500	725	6,496	31,212	(24,716)	
China & Glassware	16	15,800	99,125	(6,508)	2,650	6,350	600	27,300	9,420	136,937	143,088	(6,151)	
Dental	1	200	4,788	(1,177)	0	600	0	500	725	6,496	31,212	(24,716)	
Education	16	15,800	99,125	(6,508)	2,650	6,350	600	27,300	9,420	136,937	143,088	(6,151)	
Engineering	1	200	4,788	(1,177)	0	600	0	500	725	6,496	31,212	(24,716)	
Financial & Legal	2	3,000	32,000	(1,435)	900	50	0	5,200	1,450	38,165	75,768	(37,601)	
Floriculture & Horticulture	3	800	3,900	(700)	250	0	0	2,500	750	6,700	6,700	0	
Food & Beverage	6	8,600	40,025	5,221	0	2,100	0	17,900	2,800	68,046	128,060	(58,014)	
Food Processing & Distribution	3	2,500	12,200	(1,444)	200	270	0	2,750	100	15,376	9,045	6,331	
Funeral Industry	3	2,500	12,200	(1,444)	200	270	0	2,750	100	15,376	9,045	6,331	
Government	2	800	3,050	(700)	0	2,400	0	4,000	700	9,450	23,856	(14,406)	
Home Furnishings & Interior	2	1,000	8,900	(1,690)	750	12,000	0	5,000	250	25,210	0	25,210	
Industrial	2	1,000	8,900	(1,690)	750	12,000	0	5,000	250	25,210	0	25,210	
Library	2	2,600	11,500	(1,289)	250	2,300	-	1,550	750	15,061	27,832	(27,832)	
Manufacturing	2	2,600	11,500	(1,289)	250	2,300	-	1,550	750	15,061	27,832	(27,832)	
Medical & Health Care	3	3,000	34,500	(1,970)	-	2,550	-	12,000	1,000	48,080	43,733	4,347	
Petroleum & Gas	2	1,500	9,500	(700)	-	-	-	2,500	1,350	12,650	0	12,650	
Political	2	1,200	4,875	(700)	-	-	-	4,000	500	8,675	0	8,675	
Real Estate	2	1,200	4,875	(700)	-	-	-	4,000	500	8,675	0	8,675	
Recreational Vehicles	2	1,200	4,875	(700)	-	-	-	4,000	500	8,675	0	8,675	
Religious	6	5,400	36,100	(2,785)	1,200	15,600	-	4,500	3,000	57,615	21,272	36,343	
Transportation	4	5,200	13,650	(979)	600	-	-	-	1,270	14,541	2,582	11,959	
Toys & Hobbies	3	1,500	9,700	(1,050)	-	1,500	-	3,500	1,000	14,650	10,414	4,236	
Water	2	6,000	56,000	(5,090)	6,150	-	-	43,000	900	100,960	100,847	113	
Woodworking	2	6,000	30,000	6,852	-	7,000	-	16,000	800	60,652	66,146	(5,494)	
Local Business	2	6,000	30,000	6,852	-	7,000	-	16,000	800	60,652	66,146	(5,494)	
Regional Business	2	6,000	30,000	6,852	-	7,000	-	16,000	800	60,652	66,146	(5,494)	
Misc Tradeshow	13	2,000	5,150	(940)	400	-	-	-	1,800	6,410	28,402	(21,992)	
TOTAL CONVENTIONS/TRADESHOWS	95	88,150	520,813	(22,958)	16,425	66,477	600	174,900	35,835	792,092	863,151	(71,059)	
Home & Garden	4	24,000	37,000	1,967	7,000	-	-	7,000	2,350	55,317	62,696	(7,379)	
Wedding Shows	3	4,180	7,200	(754)	250	-	-	1,000	2,300	9,986	7,525	2,471	
Sporting Goods & Recreation	4	27,000	37,000	5,410	14,000	150	-	5,550	2,650	64,760	65,604	(844)	
Computers & Applications	4	27,000	37,000	5,410	14,000	150	-	5,550	2,650	64,760	65,604	(844)	
Electronics	4	27,000	37,000	5,410	14,000	150	-	5,550	2,650	64,760	65,604	(844)	
Women	4	7,500	25,000	1,260	500	-	1,000	6,500	1,500	35,760	9,930	(21,210)	
Food Processing & Distribution	4	26,000	45,000	2,348	7,000	4,550	-	19,500	2,900	81,298	84,569	(3,271)	
Custom Auto Show	5	7,100	8,863	1,520	200	-	450	-	1,400	12,433	4,955	7,478	
New Car Show	6	17,000	66,000	558	9,000	200	-	4,850	1,700	82,308	76,754	5,554	
Craft Show/Sale	2	1,100	3,700	(793)	500	-	-	200	50	3,657	5,094	(1,437)	
Business Expo	2	3,000	4,875	-	-	-	-	2,000	1,200	8,075	10,406	(2,331)	
Boat Show	16	23,500	42,138	746	1,000	-	-	2,600	4,150	50,636	40,288	10,348	
Animals	50	140,380	276,776	12,262	39,450	4,900	1,450	49,200	20,200	404,240	470,210	(65,970)	
Toys & Hobbies	50	140,380	276,776	12,262	39,450	4,900	1,450	49,200	20,200	404,240	470,210	(65,970)	
Misc. Public Shows	2	200	4,188	(175)	-	-	-	-	-	4,012	4,951	(939)	
TOTAL PUBLIC SHOWS	19	32,300	43,472	(13,091)	-	90,440	-	-	15,200	136,021	133,049	2,972	
Testing	1	250	625	(350)	-	-	-	-	-	275	14,355	(14,080)	
Banquet	1	250	625	(350)	-	-	-	-	-	275	14,355	(14,080)	
Dances	1	1,200	2,100	(350)	-	-	-	-	500	2,250	0	2,250	
Graduations	5	8,800	22,075	(4,467)	-	39,020	-	7,500	6,720	70,848	66,640	4,208	
Corporate	19	17,950	48,425	(6,985)	7,250	6,550	-	3,650	12,150	71,040	68,276	2,764	
Seminars/Annuay	80	31,860	67,500	(7,820)	650	21,380	-	2,650	10,450	94,810	79,314	15,496	
Seminars & Meetings	137	92,560	188,385	(33,238)	7,900	157,390	-	13,800	45,020	379,256	366,585	12,671	
TOTAL OTHER	272	321,090	985,974	(43,934)	63,775	228,767	2,050	237,900	101,055	1,575,588	1,699,946	(124,358)	
TOTAL EXHIBITION HALL													

GRAND CENTER - GRAND RAPIDS
SCHEDULE OF EVENTS
YEAR ENDING 6/30/01

	NO OF EVENTS	ATTEN- DANCE	RENTAL INCOME	NET SERVICE INCOME	FOOD AND BEVERAGE INCOME	CATERING INCOME	NOVELTY INCOME	ARTCRAFT INCOME	EQUIPMENT INCOME	EVENT INCOME FY 2000	EVENT INCOME FY 1999	VARIANCE
DEVOS HALL/WELSH ARENA	14	16,300	46,850	9,531	2,100	1,100	-	-	6,390	66,071	69,199	(3,128)
GR BALLET	4	7,200	20,900	2,840	650	-	-	-	3,650	28,240	41,813	(13,573)
GR OPERA	56	84,000	111,650	48,601	8,050	840	3,500	-	5,600	178,241	167,824	10,417
BROADWAY THEATRE GUILD	45	66,000	152,000	8,964	4,050	-	6,750	-	15,750	187,514	162,460	25,054
GR SYMPHONY	14	25,800	35,900	10,510	3,250	400	3,800	-	6,650	60,510	60,492	18
MISC DEVOS EVENTS	24	32,400	69,400	7,350	8,280	100	6,630	3,650	6,591	102,001	115,488	(13,487)
MISC WELSH EVENTS												
TOTAL - DEVOS HALL/WELSH	157	233,700	436,800	87,796	26,380	2,440	20,680	3,650	44,831	622,577	617,276	5,301
TOTAL - ALL BUILDINGS	429	554,780	1,422,773	43,864	90,155	231,207	22,730	241,550	145,888	2,198,165	2,317,222	(119,057)

**Grand Center
Allocation of Common Staff
Budget - Year Ending 6/30/01**

This page outlines the allocation of personnel who have responsibilities for the Grand Center and VanAndel Arena. In order to maintain two separate sets of accounting records, there needs to be an agreement on the sharing of some common expenses. These allocations have been reviewed as part of the budgeting process, and at this time no change is recommended.

<u>Position</u>	<u>Grand Center Allocation</u>	<u>Arena Allocation</u>
General Manager	33%	67%
Director of Marketing	50%	50%
Director of Operations	67%	33%
Director of Finance	50%	50%
Facility Maintenance Manager	50%	50%
Box Office Manager	30%	70%
Bookkeeper	50%	50%
Human Resources	50%	50%
GM Secretary	33%	67%
Marketing Admin. Asst.	67%	33%
Receptionist	50%	50%

BUDGETED BALANCE SHEET FY 2001

Including estimated cash transactions with the City

[illegible]

GRAND CENTER EXPANSION AND RENOVATION**Source of Funds**

Federal Funds	1,500,000
State Funds	65,000,000
County Funds	75,000,000
City/DDA Funds	15,000,000
Grand Action	30,000,000
Other *	13,500,000
Total Project Budget	\$200,000,000

***Presently working on requests and other Grants at Federal/State Level. At time of Bonding a firm Project Revenue will need to be established by Authority.**

The Construction Manager will provide in December 2000 a Design/Development Estimate that will establish more detail.

Grand Rapids Convention Center

Fact Sheet – (with Phase Timelines)

Location: The Grand Center is located on Monroe Avenue between Lyon and Michigan Streets in downtown Grand Rapids. Bordered on the west by the Grand River and on the south by the Welsh Auditorium, skywalks link the center south through downtown hotels and offices to the Van Andel Arena.

Site: Convention center site covers approximately 13 acres. Expansion occurs north of DeVos Hall, on the site of the current parking ramp, Hall of Justice and Police Headquarters.

- Realigned Monroe Avenue is designed as a more “pedestrian friendly” street leading to Monroe Mall and the entertainment district
- Riverfront is enhanced with a public promenade facing the Gerald R. Ford Museum. Lower riverwalk will continue under Gillett Bridge to Michigan Bridge
- Creation of a new River plaza at the Grand Gallery

Size: Approximately 1,000,000 square feet of total gross floor area:

- Renovation – 150,000 square feet
- New Additions – 850,000 square feet
- Building occupies – 10.5 acres, or size of 14 football fields
- Building Height – 80 feet
- Roof span at Main Exhibition Hall – 360 feet

Functions: Grand Gallery – a public lobby, skylit space linking the Grand River to Monroe Avenue and onto Calder Plaza. 60 feet wide, 450 feet long and 75 feet high – links all the major components of the Center.

Exhibit Hall – 165,000 square feet, column-free, dividable into (3) 150 x 360 foot halls, each the size of a football field. This yields 1000+ 10 x 10 foot exhibit booths.

- Ceiling heights range from 35 to 70 feet
- Floor load capacity equal 500 pounds per square foot, with power, water, and communications recessed into the floor
- 12 enclosed loading docks, accessed off Michigan Avenue
- Truck ramps provide drive-on access to the hall

Ballroom – 40,000 square foot sub-divisible space, adjacent to the Exhibit Hall (combined, the Ballroom and Exhibit Hall provide 200,000 square feet of Class A exhibition space)

- Banquet seating capacity of 4,000
- Welsh lobby the Ballroom’s grand entrance

Meeting Rooms – 35,000 square foot sub-divisible

Food Service Facilities – 25,000 square foot banquet kitchen and concessions within the exhibit hall



DATE: May 16, 2000

TO: Steve Heacock
Chair – Convention/Arena Authority

FROM: Robert White *RW*
Assistant City Manager – Fiscal Services

SUBJECT: Authority Operating/Capital Budget
First Fourteen Months Ending June 30, 2001

The attached two tables provide a summary overview of the anticipated financial activities of the Convention/Arena Authority for the first fourteen month operating period ending June 30, 2001. These statements incorporate the Facility Manager's operating/capital replacement request as submitted to the Authority Board on April 28, 2000.

Statement A summarizes the FY2001 operating budget proposal of the Facility Manager as consolidated with the Authority's financial statements. In summary, the two facilities are expected to generate operating revenues of \$6,625,253 with offsetting disbursements for direct operating expenses (more fully defined in the notes to Statement A) of \$4,032,211 and a minor capital replacement allowance of \$269,000, leaving a "net available to the Authority" of \$2,324,042.

This balance is then carried over to Statement B, which contains a summary of the anticipated first fourteen months financial activity as follows:

- The Authority will establish three subfunds, including an operating account, a capital replacement reserve, and a capital construction account.
- It is expected that the State will release \$35 million of the total \$65 million pledged to the project during the upcoming fiscal year.
- The Authority will maintain the past practice established by the City/DDA and continue the direct payment of utility billings for the convention and arena facilities. The utility portion of the budget is estimated at \$1,134,000 for the fiscal year ending June 30, 2001.

MEMORANDUM

- Under terms of the existing SMG contract, the Facility Manager will continue to draw his management fees (monthly installments) from the facilities management contract accounts and will invoice the Authority on an annual basis for release of incentive fees. The formula for calculation of incentive fees is contained in the facilities management contract and is payable upon submission of an audit following the conclusion of each fiscal year.
- Administrative activities during the first fiscal year (fourteen month) of the Authority are expected to be minimal in nature. The initial budgetary allowances include \$100,000 intended to provide for legal/bookkeeping/auditing services, insurance premiums, City/County staff services and "other" miscellaneous expenses. This budget allowance assumes the County and City will not seek reimbursement for staff services to be provided from inception through December 31, 2000.

On the basis of the budget submitted by the Facility Manager and with additional information as described in these financial statements, it is anticipated that the Authority will retain a \$4 million fund balance at June 30, 2001, including a \$3 million set-aside for operating reserve and a \$1 million set-aside for capital replacement reserve.

I recommend adoption of the attached financial statements with authorization granted to incur up to \$1,300,035 for operations and \$36 million for capital construction.

RJW/kdm

Attachments

cc: Kurt Kimball
Daryl Delabbio
Dave Waichum

STATEMENT A
CONVENTION/ARENA AUTHORITY
FACILITIES MANAGEMENT CONTRACT
NET AVAILABLE TO THE AUTHORITY
FISCAL YEAR ENDING JUNE 30, 2001
May 10, 2000

	<u>VAN ANDEL ARENA¹</u>	<u>GRAND CENTER¹</u>	<u>TOTAL</u>
Operating Revenues:			
Events	\$ 2,732,531	\$ 2,198,163	
Suites/Premium Seats	810,000	-	
Advertising	517,255	-	
Other	278,304	89,000	
	<u>4,338,090</u>	<u>2,287,163</u>	\$ 6,625,253
Direct Operating Expenses: ²			
Labor	978,165	776,731	
Base Management Fee	260,981	174,005	
Insurance	253,436	175,000	
Security	190,000	-	
Other	669,403	554,490	
	<u>2,351,985</u>	<u>1,680,226</u>	4,032,211
Excess	1,986,105	606,937	2,593,042
Less: Capital Replacement	<u>166,000</u>	<u>103,000</u>	<u>269,000</u>
Net Available to Authority:	<u><u>\$ 1,820,105</u></u>	<u><u>\$ 503,937</u></u>	<u><u>\$ 2,324,042</u></u>

NOTES:

¹Summary of SMG proposed operating/capital replacement budget recommendations as submitted to the Authority Board on April 18, 2000.

²"Direct Operating Expenses" excludes operating expenses incurred for utilities and Facility Manager Contract - incentive fees which will be paid from the Authority operating account.

STATEMENT B
CONVENTION/ARENA AUTHORITY
FUND STATEMENT
FOR THE FISCAL YEAR ENDING JUNE 30, 2001
May 10, 2000

	OPERATIONS	CAPITAL		TOTAL
		REPLACEMENT	CONSTRUCTION	
Fund Balances, beg. of year	\$ -	\$ -	\$ -	\$ -
Additions:				
Initial (7/1) DDA Transfer	3,000,000	975,000	-	3,975,000
State Participation	-	-	35,000,000	35,000,000
Net Available to Authority ¹	2,350,035	(25,993)	-	2,324,042
Facility Capital Transfer ²	(1,000,000)	-	1,000,000	-
	<u>4,350,035</u>	<u>949,007</u>	<u>36,000,000</u>	<u>41,299,042</u>
Deductions:				
New Construction	-	-	36,000,000	36,000,000
Direct Pay Utilities	1,134,000	-	-	1,134,000
SMG Incentive Fees	116,035	-	-	116,035
Administration:				
Legal/Bookkeeping/Auditing	40,000	-	-	40,000
Insurance (D & O)	13,500	-	-	13,500
Staff Services	36,500	-	-	36,500
Other	10,000	-	-	10,000
	<u>1,350,035</u>	<u>-</u>	<u>36,000,000</u>	<u>37,350,035</u>
Fund Balances, end of year	<u>\$ 3,000,000</u>	<u>\$ 949,007</u>	<u>\$ -</u>	<u>\$ 3,949,007</u>

NOTES:

¹The "Net Available to Authority" is allocated first to the Operations account in an amount sufficient to maintain an anticipated \$3 million minimum reserve with the balance allocated to the Capital Replacement reserve.

²The first of ten annual transfers from the Operating Reserve to the Capital Construction sub-fund by the C/AA in fulfillment of a City/DDA pledge toward the project budget.



FISCAL SERVICES DEPARTMENT

ITEM VIII

Stephen Duarte, Deputy Director of Support Services

Kent County Administration Building 300 Monroe Avenue, N.W. Grand Rapids, Michigan 49503-2289
Phone: (616) 336 - 3974 • Fax: (616) 336 - 3598 • e-mail: sduarte@admin.co.kent.mi.us

May 17, 2000

Mr. Steven Heacock
Convention Arena Authority Chair
300 Monroe Avenue N.W.
Grand Rapids, MI 49503

Dear Steve:

Pursuant to the direction of the County Administrator/Controller, I directed staff to secure a binder of insurance for Directors and Officers Liability (D&O) Insurance with a policy limit of \$2,000,000 covering the Board of Directors (Board) of the Grand Rapids-Kent County Convention/Arena Authority (Authority). The binder was issued with no prior acts exclusions effective April 25, 2000. The actual policy has not been received yet, however it will be forwarded for review by legal counsel as soon as it is received.

In addition to obtaining the above binder, price quotes for policy limits of \$3, \$5 and \$10 million were solicited. A tabulation of the price quotes is attached. The price quotes were reviewed and based on published information for these types of claims, it was the staff's professional recommendation that a policy limit of \$5,000,000 appeared adequate. I concur with that recommendation.

In addition to the D&O coverage, the staff has requested price quotes for general liability insurance to cover Board members as well as any staff or volunteers of the Authority with a policy limit of \$1,000,000 with a \$5,000,000 umbrella. The quotes for this coverage will be forwarded to you for Board consideration as soon as they become available.

I will plan on attending the next Board meeting to answer any questions that may be raised.

Sincerely,

Stephen Duarte
Deputy Director of Support Services

Attachment



FISCAL SERVICES DEPARTMENT

Phil Van Dyke, Risk Coordinator

Kent County Administration Building, 300 Monroe Avenue, N.W. Grand Rapids, Michigan 49503-2289
Phone: (616) 336 - 2519 • Fax: (616) 336 - 3598 • e-mail: pvandyke@admin.co.kent.mi.us

April 27, 2000

Steve Duarte
Deputy Director of Support Services

RE: Directors & Officers Liability Insurance for the
Kent County - Grand Rapids Convention/Arena Authority (Authority)

Directors and Officers are fiduciaries entrusted with the management of an organization. Should a breach in fiduciary responsibility occur and result in loss to the organization, they can be held personally liable. To protect directors and officers from personal loss, it is a common business practice to purchase Directors & Officers Liability Insurance.

At your direction, an application for D& O insurance was submitted to insurance broker Arthur J. Gallagher & Company of Michigan, Inc. on April 18, 2000. Cost quotations for D& O coverage were requested for the seven Authority board members. In addition, the eleven Authority "staff members" were listed as employees on the application. However, A.J. Gallagher has subsequently informed that D&O insurance does not cover the staff members since they are not making decisions on behalf of the Authority.

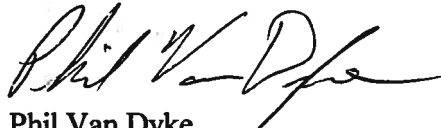
On April 26th A.J. Gallagher presented the following premium pricing options from Chubb Insurance:

<u>Limit</u>	<u>Premium</u>	<u>Deductible</u>
\$ 2,000,000	\$ 5,300	\$ 5,000
\$ 3,000,000	\$ 6,700	\$ 5,000
\$ 5,000,000	\$ 8,800	\$10,000
\$10,000,000	\$13,500	\$10,000

On April 26, 2000, pursuant to your direction, I requested that A.J. Gallagher bind coverage as soon as possible for the \$2,000,000 policy limits. Also, I requested a specimen policy so that a review of coverage, exclusions, and policy language could be completed to ensure that the appropriate insurance protection is in force.

A binder for the D & O insurance with policy limits of \$2,000,000 has been issued effective April 25, 2000, with no exclusion for prior acts. The limits on this policy can be adjusted at any time. While ultimately the Authority members will have to decide on the D & O limits they are comfortable with, it is my professional judgement, based on published information for these types of claims, a policy with coverage limits of \$5,000,000 appears adequate. I would like to remind you that this is a highly specialized area of risk exposure and you may want to consult with someone who focuses in this type coverage if anyone thinks the Authority's risks are atypical.

Sincerely,

A handwritten signature in cursive script, appearing to read "Phil Van Dyke".

Phil Van Dyke
Risk Coordinator

ITEM X.A

Information regarding banking for the Convention/Arena Authority to be presented by Steve Heacock and Lew Chamberlain at the committee meeting on May 24, 2000.



CITY OF GRAND RAPIDS

DATE: May 4, 2000

TO: Steve Heacock
Chair, Convention/Arena Authority

FROM: Robert White *Rgm*
Fiscal Services Director

SUBJECT: Convention/Arena Authority
Proposal to Provide Bookkeeping Services

Subsequent to the first meeting of the Convention/Arena Authority, I met with Dave Waichum, Finance Director of Kent County, for the purpose of attempting to identify the work requirements related to bookkeeping activities of this Authority. Together we determined that it would be difficult to quantify the work activity related to these services given the fact that prior to the first Authority meeting no such entity existed.

What we have chosen to recommend is, as an alternative to the solicitation of a long-term bookkeeping services agreement through issuance of Request for Proposals, a single negotiated agreement with Beene Garter LLP. I met with Peggy Bishop from Beene Garter and reviewed with her the various Articles of Incorporation, Agreements, and Bylaws already approved. In addition, I reviewed with her my understanding of the anticipated activities of the Convention/Arena Authority over the next 14-month time period extending through June 30, 2001. I requested a proposal from Beene Garter for the provision of accounts payable processing, preparation of monthly financial statements, and year-end financial services intended to prepare consolidated financial statements of the Authority incorporating the Facility Manager contract financial reporting with the direct financial activities of the Convention/Arena Authority.

The attached letter from Peggy Bishop dated May 2nd provides the response to my solicitation for a quotation concerning the provision of bookkeeping services to the Convention/Arena Authority. This proposal, if accepted by the Authority Board, would establish a bookkeeping relationship with Beene Garter LLP for an approximate 14 month time period through June 30, 2001. The fees quoted within this communication appear to be reasonable.

Beene Garter LLP provides bookkeeping services to a number of non-profit entities in the community. They are also familiar with governmental accounting principles/reporting

MEMORANDUM

requirements. I believe they are fully qualified to undertake this activity on behalf of the Convention/Arena Authority Board. Dave Waichum and I would recommend acceptance of the proposal from Beene Garter LLP.

RJW/klm

Attachment

cc: Dave Waichum
Kurt Kimball
Daryl Delabbio



May 2, 2000

Mr. Robert White
Grand Rapids-Kent County
Convention/Arena Authority
300 Monroe, NW
Grand Rapids, MI 49503

Dear Bob:

Beene Garter LLP is focused on having the right tools to help our clients become the leading organizations of the future. We have set our sights on meeting the needs of your organization in the next century. By selecting Beene Garter LLP, you will be served by a well-recognized certified public accounting firm that thoroughly understands the challenges an organization such as yours encounters.

Thank you for this opportunity to provide a proposal for professional services to Grand Rapids-Kent County Convention/Arena Authority (CAA). We hope that this proposal conveys the level of energy, technical expertise and commitment that our staff will bring to this engagement if chosen as your independent accountants and consultants. Our objective throughout the engagement will be to establish a relationship that yields tangible benefits to CAA. In other words, **we want to make a difference for you.**

Beene Garter LLP has worked diligently over the past 50 years to develop the resources and experienced staff that an engagement such as this requires. We are a dedicated, enthusiastic team with unparalleled commitment to our clients. We have assembled a highly qualified group of team members to serve the needs of CAA. Members of this team have a vast array of experience not only with audit, single audit, and tax issues relating to nonprofit and government organizations but we also serve as consultants and advisors to our clients in this very specialized industry. We know that our team will provide top-notch service to you – **our goal is to exceed your expectations.**

Enclosed please find a brochure describing some of the outsourcing services offered by our Client Accounting Services Group. Beene Garter LLP offers a menu of services that you can consider when determining which of your accounting functions to outsource.

BEENE GARTER LLP
50 MONROE NW
SUITE 600
GRAND RAPIDS
MICHIGAN
49503-2679

BUSINESS ADVISORS ► CPAs ► FINANCIAL SERVICES
INTERNATIONALLY KNOWN AS MOORE STEPHENS BEENE GARTER PLC

T 616.235.5200
F 616.235.5285
1.800.824.7882
www.beenegarter.com

Accounts Payable

Accounts payable processing is a function that, when performed by an outside service, can save your staff time and effort and be quite cost effective. We recommend that an organization produce checks twice per month. Beene Garter LLP will produce the accounts payable checks using invoices approved for payment and coded for expense distribution by your staff. The invoices will be keyed into our system, checks will be produced and matched to the invoices. The package will then be delivered to your office (with a \$7.00 delivery fee) for signature and mailing. As an additional control, we recommend that the bank statement be sent directly to Beene Garter LLP for reconciliation.

Financial Statements

We will produce monthly, compiled, cash basis financial statements. Statements are produced within ten business days of our receipt of the bank statement, copies of receipts and documentation of any unusual transactions. We will return the bank statement and any enclosures to you when the reconciliation has been completed, along with copies of the compiled financial statements.

Payroll

It is our understanding that CAA will not have employees in the near future. We would be happy to discuss payroll services if that becomes necessary.

The above services will be handled by our Client Accounting Services department at the following hourly rates:

Staff level	\$	74
Manager level	\$	92*
Partner level	\$	218**
Clerical	\$	62***

* Anticipated monthly manager time - 15-30 minutes

** Anticipated monthly partner time - 15 minutes

** Anticipated monthly clerical time - 15-30 minutes

While the current accounting activity of CAA is expected to be relatively low, we realize that will change quickly. We feel Beene Garter LLP is positioned to help with your growth. We understand that you are looking for an initial relationship to extend through June 30, 2001. Because we expect a longer-term professional relationship to develop, we are willing to absorb the initial setup of accounts payable and the financial statement format as our investment in this relationship.



BEENE GARTER LLP

Year-end Services

We understand that effective July 1, 2000 the contract with SMG for the Van Andel Arena and the Grand Center will now come under CAA. The monthly, cash basis statements referred to above will not include activity from these two activities. At the end of the year it will be necessary to consolidate the financial statements prepared by SMG for the Grand Center and the Van Andel Arena with the monthly statements for CAA. In addition, the CAA financial statements must be converted from the cash basis to the accrual basis of accounting.


These services will be performed by members from our accounting and auditing department at the following hourly rates:

Partner level	\$	218
Manager level	\$	150
Senior level	\$	107
Clerical	\$	62

We are also available to assist in year-end audit preparation by providing whatever client assistance is required by your auditor.

We appreciate your interest in exploring outsourcing as a solution to your accounting and financial reporting needs. We look forward to hearing from you, and we welcome the opportunity to serve Grand Rapids-Kent County Convention/Arena Authority. Please contact us at 235-5200 if we may answer any questions or if you need additional information on which to base your decision.

Very truly yours,



Beene Garter LLP
Your Partner in Service to the Community

Meeting your needs

Beene Garter's Client Accounting Services (CAS) Team will focus on your paperwork while you focus on your profits. We work closely with your business to help make every aspect of the accounting process run smoothly. With years of experience, the CAS team will help you:

- Increase productivity
- Improve morale due to reduced employee stress
- Effectively utilize employees' skills
- Decrease expenses due to reduced employee overtime

We Offer Complete Client Accounting Services

- Financial statement preparation
- General ledger maintenance
- Bank statement reconciliation
- Accounts payable management
- Accounts receivable management
- On-site month end closing assistance
- Fixed asset schedule maintenance

We Deliver Solutions

- Review of internal accounting processes and procedures
- Budgeting assistance
- Statistical comparisons to industry standards
- Adventure controllership services
- Staff training on Peachtree[®] and QuickBooks[™] software

Beene Garter's Other Specialized Services

- Financial services
- Investment management
- Profit improvement programs
- Financial statements and tax assurance services
- Multi-state taxation consulting
- Pension, profit-sharing and 401k administration
- Business valuation
- Technology/information systems
- Human resources management and consulting
- Payroll processing

Our Mission

We are a dedicated team striving to meet or exceed client needs and expectations. We create mutual success by providing valuable services and innovative solutions.

Providing Exceptional Service

Beene Garter LLP is the largest independently owned business advisory, CPA and financial services firm in West Michigan. When you choose the Beene Garter Client Accounting Services Team, you're choosing experts who will pay attention to your needs.

For more information, please contact us at
616.235.5200 or 1.800.824.7882.

Visit us on the web at www.beenegarter.com.

*At Beene Garter LLP, our focus is
on meeting client needs — today*

and in the future. By selecting

Beene Garter for your accounting

and advisory services, you are

choosing a respected firm — a team

of people who understand the

challenges faced by entrepreneurial

businesses such as yours.



BEENE GARTER LLP

CLIENT ACCOUNTING SERVICES

THE RIGHT TOOLS FOR
BUSINESSES OF THE FUTURE

BEENE GARTER LLP
50 MONROE NW
SUITE 600
GRAND RAPIDS
MICHIGAN
49503-2679

T 616.235.5200
F 616.235.5285
1.800.824.7882
www.beenegarter.com

INTERNATIONALLY KNOWN AS MOORE STEPHENS BEENE GARTER PLC

BEENE GARTER LLP
BUSINESS ADVISORS • CPAS • FINANCIAL SERVICES



CITY OF GRAND RAPIDS

DATE: May 9, 2000

TO: Steve Heacock
Chair, Convention/Arena Authority

FROM: Robert J. White *RJW*
Assistant City Manager – Fiscal Services

SUBJECT: **Convention/Arena Authority
Financial and Bookkeeping Policy**

Attached you will find a recommended set of policies governing prior authorization to sign Authority checks. This policy statement is intended to balance, what I believe to be, the Authority's need to give timely approval for disbursements of monies held in the Authority depository with their responsibility concerning prudent management of finances.

This policy statement was reviewed and approved by Dave Waichum, County Finance Director, Daryl Delabbio, County Administrator, and Kurt Kimball, City Manager. Together, we recommend adoption of this first policy statement governing financial and bookkeeping activities of the Convention/Arena Authority.

RJW/klm

Attachment

cc: Dave Waichum
Kurt Kimball
Daryl Delabbio

MEMORANDUM

**CONVENTION/ARENA AUTHORITY
FINANCIAL AND BOOKKEEPING POLICY
FIRST DRAFT
MAY 8, 2000**

All checks written for payment of invoices submitted to the Authority shall be first approved by the full Authority Board, with the following exceptions:

Operations:

Based on the Authority's prior adoption of an annual operating/capital replacement budget, checks are authorized to provide for payment of:

- Utilities (electric, gas, steam, water/sewer)
- Legal/Bookkeeping/Auditing Services (if within prior contract approval)
- SMG Annual Incentive Fee (as provided in contract)
- Other Miscellaneous Invoices With A Not to Exceed Limit of \$3,000

Construction:

Based on the Authority's prior approval of a project construction budget allowance and award of contract(s), checks are authorized to provide for payment of:

- Within project site - interim payment invoices as approved by the Owner's Representative (currently either/or Jim Gray/Dale Summers)
- Within public right of way -- interim progress invoices as approved by the City Engineer or his designated representative.

Other Provisions:

- The bookkeeper will accept and process invoices, including preparation of checks.
- The bookkeeper will accept direction from only one person, as designated in the Authority Board minutes.
- Checks will be written and dated the 14th and the 28th of each month
- Checks will be signed by not less than two authorized persons
- The monthly financial report shall include a detailed listing of all checks written, including name of payee, amount, date, and a brief description of materials acquired/services rendered.