



Agenda

Board of Directors

Friday, May 6, 2016

Following CAA Finance Committee Meeting

Kent County Commission Chambers

300 Monroe Avenue, NW, Grand Rapids, MI

- | | | |
|-----|---|----------------|
| 1. | Call to Order | Birgit Klohs |
| 2. | Reappointment of Member | |
| 3. | Minutes of April 1, 2016 | Action |
| 4. | Committee Reports | |
| | A. Operations Committee | Information |
| | i. Experience Grand Rapids Report | |
| | B. Finance Committee | |
| | i. Acceptance of March 2016 Consolidated Financial Statements | Action |
| | ii. SMG – March 2016 Van Andel Arena® and DeVos Place® Financials | Information |
| 5. | Preliminary Review of FY 2017 Budgets | Information |
| | A. Consolidated CAA Budgets | |
| | B. DeVos Place® and Van Andel Arena® Operating/Capital Budgets | |
| 6. | Preliminary Review of 2017-2021 DeVos Place® Rate Sheets | Information |
| 7. | Extension of Financial Services Employment Agreement | Action |
| 8. | FY 2016 Audit Recommendation | Action |
| 9. | Area #2 Parking Rates | Action |
| 10. | SMG Report and Facilities Calendars | Rich MacKeigan |
| 11. | Public Comment | |
| 12. | Adjournment | |

Next Meeting Date: Friday, June 3, 2016



STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

January 29, 2016

Steven R. Heacock
Chairman
Grand Rapids-Kent County Convention/Arena Authority
Van Andel Arena
130 West Fulton
Grand Rapids, MI 49503-2601

Dear Mr. Heacock:

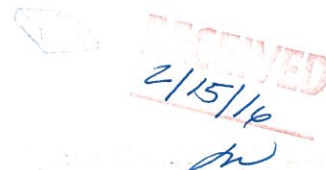
Please be advised of the following appointment to office:

Grand Rapids-Kent County Convention/Arena Authority

Charles N. Secchia of 1034 Cambridge Drive, SE, Suite 510, Grand Rapids, Michigan 49506, County of Kent, succeeding himself, is reappointed for a term expiring February 29, 2020.

Sincerely,

Rick Snyder
Governor



**MINUTES OF THE GRAND RAPIDS-KENT COUNTY
CONVENTION/ARENA AUTHORITY
MEETING OF BOARD OF DIRECTORS
Friday, April 1, 2016**

Attendance

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

Members Absent: Lew Chamberlin
Charlie Secchia

Staff/Others:	Kathy Bart	SMG
	Tom Bennett	Experience Grand Rapids
	Daryl Delabbio	Kent County
	Tim Gortsema	Grand Rapids Griffins
	Jim Harger	<i>MLive/The Grand Rapids Press</i>
	Lynne Ike	SMG
	Eddie Tadlock	SMG
	Susan Waddell	CAA
	Jim Watt	SMG
	Rod Weeber	SMG
	Richard Wendt	Dickinson Wright

1. Call to Order

Steve Heacock, Chairperson, called the meeting to order at 8:20 a.m. Secretary/Treasurer Richard Winn recorded the meeting minutes.

2. Minutes of Prior Meetings

Motion by Ms. Klohs, support by Mr. Wilson, to approve the February 5, 2016, Minutes. Motion carried.

3. Committee Reports

A. Operations Committee

- i. Resolution Approving and Authorizing Execution of a Second Amendment to Memorandum of Understanding with Wine & Food Festival, LLC Related to Promotion of the Grand Rapids International Wine, Beer and Food Festival

Boardmember Wilson, supported by Boardmember Winn, moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) controls and operates DeVos Place (the “Facility”); and

WHEREAS, Wine & Food Festival, LLC (“WFF”) was formed by Show Michigan Corporation d/b/a ShowSpan, Inc. (“ShowSpan”) to promote and provide an annual wine, beer and food event at the Facility; and.

WHEREAS, the CAA and WFF have previously co-promoted and co-owned an annual wine, beer and food event at the Facility known as the “Grand Rapids International Wine, Beer & Food Festival” pursuant to a Memorandum of Understanding (the “Agreement”) dated as of September 15, 2008, and extended term of the Agreement to and through March 31, 2016, pursuant to a First Amendment to Memorandum of Understanding dated February 6, 2012; and

WHEREAS, the CAA and WFF have determined to extend the term of the Agreement for an additional three years and amend paragraph 5.g. of the Agreement pursuant to a Second Amendment to Memorandum of Understanding (the “Second Amendment”).

NOW, THEREFORE, BE IT RESOLVED:

1. That the Second Amendment in the form presented at this meeting is approved and the Chairman is authorized and directed to execute the Second Amendment for and on behalf of the CAA.
2. That all resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

RESOLUTION DECLARED ADOPTED.

B. Finance Committee

- i. Acceptance of February 2016 Consolidated Financial Statements

Mr. Winn presented the consolidated financial report for the period ended February 29, 2016. A look at the financial dashboard shows that the Arena hosted 15 concerts, compared to 14 concerts held prior year. The concerts generated \$1,204,470 in event revenue, a decrease of (13.9%) from prior year of \$1,398,340. Net proceeds of \$792,170 decreased by (11.5%) from prior year of \$894,759. At DeVos Place®, convention/trade show business generated \$1,477,274 in event revenue, an increase of 10.2% over prior year of \$1,340,178. Net proceeds of \$454,232 improved by 102.3% over prior year proceeds of \$224,502.

Motion: Mr. Winn, supported by Ms. Klohs, moved to accept the February 2016 Consolidated Financial Statements. Motion carried.

- ii. SMG February 2016 Van Andel Arena® and DeVos Place® Financial Statements

The SMG financial statements were included in the agenda packet as information items.

4. FY 2016 Budget Amendment for Community Inclusion Group

A recommendation was made to and the FY 2016 budget to include \$4,000 for the Community Inclusion Group (CIG). The CAA approved \$125,000 in the FY 2016 budget for the CIG. The \$4,000 represents financial sponsorships received from Experience Grand Rapids and Downtown Grand Rapids, Inc. The CIG had the opportunity last July to host The Tom Joyner morning show at DeVos Place® and hosted a

breakfast and reception, for which Experience Grand Rapids and Downtown Grand Rapids, Inc. each contributed \$2,000. Approval of the amendment would have zero net impact on the FY 2016 budget.

Motion by Ms. Klohs, supported by Mr. Winn, to amend the FY 2016 budget to include \$4,000 for the Community Inclusion Group. Motion approved.

5. Resolution Approving Amended and Restated ICMA Retirement Corporation Governmental Money Purchase Plan & Trust Adoption Agreement and Other Matters Related Thereto

Boardmember Wilson, supported by Boardmember Bliss, moved the adoption of the following resolution:

WHEREAS, the Grand Rapids-Kent County Convention/Arena Authority (the “CAA”) has one or more employees rendering valuable services; and

WHEREAS, the CAA has established a qualified retirement plan, Plan No 107644 (the “Plan”), for such employee(s) that services the interest of the CAA by enabling it to provide reasonable retirement security for its employee(s) by providing increased flexibility in its personnel management system and by assisting in the attraction and retention of competent personnel; and.

WHEREAS, the CAA has determined that the continuance of the Plan will serve these objectives; and

WHEREAS, after routine review of the Plan by the Internal Revenue Service, it has required the CAA amend and restate the Plan to conform with current federal laws and regulations pursuant to the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust Adoption Agreement in the form presented at this meeting (the “Agreement”).

NOW, THEREFORE, BE IT RESOLVED:

1. *That the CAA hereby amends and restate the Plan in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan & Trust.*
2. *That the Agreement is approved and the Chairperson of the CAA Board is authorized to execute the Agreement for and on behalf of the CAA.*
3. *That the assets of the Plan shall be held in trust with the CAA servicing as trustee (the “Trustee”) for the exclusive benefit of the plan participant(s) and their beneficiaries, and the assets shall not be diverted to any other purpose.*
4. *That the Trustee’s beneficial ownership of Plan assets held in Vantage Trust shall be held for the further exclusive benefit of the Plan participant(s) and their beneficiaries.*
5. *That the CAA hereby agrees to serve as Trustee under the Plan.*
6. *That all resolutions and parts of resolutions in conflict herewith shall be, and the same are hereby, rescinded to the extent of such conflict.*

RESOLUTION DECLARED ADOPTED.

6. Public Comment

Chair Heacock congratulated Lynne Ike on her retirement, which is effective June 30, 2016. Chair Heacock has always appreciated Lynne's positivity and excellent work.

Tom Lambert of Michigan Open Carry related an experience at the recent Women's Expo where an exhibitor was informed that guns were prohibited from the venue. Mr. Lambert is in support of open carry and said there is no state law that forbids open carry in public buildings. The attorney for Michigan Open Carry sent the CAA a letter to this effect. Mr. Lambert asked Chair Heacock how the CAA was handling the situation. Chair Heacock answered that the CAA would respond to the letter and he thanked Mr. Lambert for coming forward.

7. Adjournment

The meeting adjourned at 8:35 a.m.

Richard A. Winn, Recording Secretary

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

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**Financial Dashboard
Year-To-Date (9 Months)
FY2016
March 31, 2016**

Van Andel Arena®						
	All Events			Concert		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	80	79	82	16	18	18
Attendance	477,958	449,500	498,062	148,355	155,000	138,662
Event Income	\$ 2,592,620	\$ 2,423,933	\$ 2,632,277	\$ 1,554,153	\$ 1,451,422	\$ 1,433,321
DeVos Place®						
	All Events			Convention/Trade		
	Prior Year	Budget	Actual	Prior Year	Budget	Actual
Events	393	334	342	103	87	88
Attendance	475,385	378,077	475,653	85,175	87,000	94,786
Event Income	\$ 4,625,206	\$ 4,556,885	\$ 4,694,852	\$ 1,482,887	\$ 1,809,078	\$ 1,611,012
				Prior Year	Budget	Actual
Operating Income (Loss)				\$ 1,532,974	\$ 884,951	\$ 1,606,356
Capital/Repair/Replacement				(496,054)	(1,941,360)	(1,937,434)
Net - To/(From) on Fund Balance				\$ 1,036,920	\$ (1,056,409)	\$ (331,078)

*NOTES: (1):

Unrestricted Fund Balance @ June 30, 2015*

\$ 21,896,324

Grand Rapids-Kent County Convention/Arena Authority
Summary by Facility/Other
Fiscal Year Ending June 30, 2016

	FY 2016				FY 2015
	7/1 - 3/31 Year-to-Date	Roll	Full-Year Estimate	Budget	Prior Year
Van Andel Arena					
Operating - Revenues	\$ 4,388,261	\$ 1,262,786	\$ 5,651,047	\$ 5,073,448	\$ 5,789,536
- Expenses - Facilities	(3,119,301)	(1,047,353)	(4,166,654)	(4,122,352)	(4,077,497)
- Base Management Fees	(128,956)	(42,942)	(171,898)	(176,065)	(171,770)
- Incentive Fee	-	(86,788)	(86,788)	(5,552)	(109,538)
Net Operating Income (Loss)	1,140,004	85,703	1,225,707	769,479	1,430,731
Parking	133,816	63,536	197,352	160,084	162,279
Pedestrian Safety	(55,107)	(35,050)	(90,157)	(108,000)	(92,151)
Net Proceeds (Cost) of VAA	1,218,713	114,189	1,332,902	821,563	1,500,859
DeVos Place Convention Center					
Operating - Revenues	4,721,085	1,509,415	6,230,500	5,913,710	6,086,652
- Expenses - Facilities	(4,335,411)	(1,549,107)	(5,884,518)	(5,742,406)	(5,888,576)
- Base Management Fees	(128,956)	(42,987)	(171,943)	(176,065)	(171,770)
- Incentive Fee	-	(257,096)	(257,096)	(346,578)	(234,002)
Net Operating Income (Loss)	256,718	(339,775)	(83,057)	(351,339)	(207,696)
Parking	631,231	365,206	996,437	915,239	933,496
Pedestrian Safety	(33,857)	(20,066)	(53,923)	(66,000)	(51,417)
Net Proceeds (Cost) of DVP	854,092	5,365	859,457	497,900	674,383
Other					
Revenues	128,892	90,000	218,892	185,000	374,174
Expenses	(595,341)	(376,806)	(972,147)	(966,450) ⁽¹⁾	(683,237)
Net Other	(466,449)	(286,806)	(753,255)	(781,450)	(309,063)
Total Net Proceeds/Operating	1,606,356	(167,252)	1,439,104	538,013	1,866,179
Capital Expenditures	(1,937,434)	(520,378)	(2,457,812)	(2,774,000) ⁽¹⁾	(1,129,943)
Results Net of Capital Expenditures	\$ (331,078)	\$ (687,630)	\$ (1,018,708)	\$ (2,235,987)	\$ 736,236

Notes:

⁽¹⁾

Includes budget amendments, approved 11/6/15 for additional utility study consulting - \$125,000 and ice floor compressor replacement - \$60,000, and additional \$4,000 approved 3/4/16 for the CIG.

Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
Financial Trends for Year Ending June 30, 2016

	Annual			Year-To-Date		
	FY 2015 Final	FY 2016 Budget	Percentage Change	FY 2015 7/1 - 3/31	FY 2016 7/1 - 3/31	Percentage Change
Van Andel Arena						
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	(12.4)	\$ 4,293,431	\$ 4,388,261	2.2
- Expenses - Facilities	(4,077,497)	(4,122,352)	(1.1)	(2,991,154)	(3,119,301)	(4.3)
- Base Management Fees	(171,770)	(176,065)	(2.5)	(128,828)	(128,956)	(0.1)
- Incentive Fee	(109,538)	(5,552)	94.9	-	-	-
Net Operating Income (Loss)	1,430,731	769,479	(46.2)	1,173,449	1,140,004	(2.9)
Parking	162,279	160,084	(1.4)	122,478	133,816	9.3
Pedestrian Safety	(92,151)	(108,000)	(17.2)	(67,003)	(55,107)	17.8
Net Proceeds (Cost) of VAA	1,500,859	821,563	(45.3)	1,228,924	1,218,713	(0.8)
DeVos Place Convention Center						
Operating - Revenues	6,086,652	5,913,710	(2.8)	4,648,687	4,721,085	1.6
- Expenses - Facilities	(5,888,576)	(5,742,406)	2.5	(4,400,742)	(4,335,411)	1.5
- Base Management Fees	(171,770)	(176,065)	(2.5)	(143,142)	(128,956)	9.9
- Incentive Fee	(234,002)	(346,578)	(48.1)	-	-	-
Net Operating Loss	(207,696)	(351,339)	(69.2)	104,803	256,718	145.0
Parking	933,496	915,239	(2.0)	587,305	631,231	7.5
Pedestrian Safety	(51,417)	(66,000)	(28.4)	(40,378)	(33,857)	16.1
Net Proceeds (Cost) of DVP	674,383	497,900	(26.2)	651,730	854,092	31.0
Other						
Revenues	374,174	185,000	(50.6)	153,111	128,892	(15.8)
Expenses	(683,237)	(966,450)	(41.5)	(500,791)	(595,341)	(18.9)
Net Other	(309,063)	(781,450)	(152.8)	(347,680)	(466,449)	(34.2)
Total Net Proceeds/Operating	1,866,179	538,013		1,532,974	1,606,356	4.8
Capital/Repair Expenditures	(1,129,943)	(2,774,000)		(496,054)	(1,937,434)	
Results Net of Capital Expenditures	\$ 736,236	\$ (2,235,987)		\$ 1,036,920	\$ (331,078)	

Significant Notes

Van Andel Arena®

- Page 1 - Eighteen concerts generated \$1,433,321 in event revenue, a decrease of (7.8%) from prior year (16 concerts) of \$1,554,153.
- Page 3 - Net proceeds, of \$1,218,713, decreased by (0.8%) from prior year of \$1,228,924.

DeVos Place®

- Page 1 - Convention/trade show business generated \$1,611,012 in event revenue, an increase of 8.6% over prior year (attendance up from 85,175 to 94,786) of \$1,482,887.
- Page 3 - Net "proceeds," of \$854,092, improved by 31.0% over prior year "proceeds" of \$651,730.

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2016

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	82	28	110	98	12
ATTENDANCE	498,062	154,900	652,962	563,000	89,962
DIRECT EVENT INCOME	955,916	43,232	999,148	1,169,825	(170,677)
ANCILLARY INCOME	1,220,201	481,254	1,701,455	1,338,243	363,212
OTHER EVENT INCOME	456,160	134,700	590,860	522,590	68,270
TOTAL EVENT INCOME	2,632,277	659,186	3,291,463	3,030,658	260,805
TOTAL OTHER INCOME	1,755,984	603,600	2,359,584	2,042,790	316,794
TOTAL INCOME	4,388,261	1,262,786	5,651,047	5,073,448	577,599
INDIRECT EXPENSES					
EXECUTIVE	153,549	41,321	194,870	207,761	12,891
FINANCE	159,504	53,424	212,928	237,778	24,850
MARKETING	232,120	62,880	295,000	331,989	36,989
OPERATIONS	1,408,632	462,262	1,870,894	1,770,356	(100,538)
BOX OFFICE	101,074	40,421	141,495	151,243	9,748
LUXURY SEATING	32,239	21,154	53,393	98,799	45,406
SKYWALK ADMIN	39,299	8,965	48,264	51,660	3,396
OVERHEAD	1,121,842	399,866	1,521,708	1,448,831	(72,877)
TOTAL INDIRECT EXP.	3,248,257	1,090,293	4,338,552	4,298,417	(40,135)
NET REVENUE ABOVE EXPENSES	1,140,004	172,493	1,312,495	775,031	537,464
LESS INCENTIVE FEE		86,788	86,788	5,552	(81,236)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,140,004	85,705	1,225,707	769,479	456,228

Comments:

The Arena concludes a very successful 3rd quarter of the fiscal year and heads into the final quarter well positioned to finish the fiscal year well ahead of budget.

General Manager

Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	March Actual	March Budget	March FY 2015
Number of Events	13	11	17
Attendance	94,096	60,500	100,378
Direct Event Income	\$238,687	\$172,660	\$169,037
Ancillary Income	225,916	153,220	224,254
Other Event Income	138,194	67,110	85,928
Other Operating Income	230,333	170,435	173,794
Indirect Expenses	(411,464)	(358,200)	(325,249)
Net Income	<u>\$421,666</u>	<u>\$205,225</u>	<u>\$327,764</u>

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	82	79	80
Attendance	498,062	449,500	477,958
Direct Event Income	\$955,916	\$900,260	\$863,745
Ancillary Income	1,220,201	1,081,413	1,217,822
Other Event Income	456,160	442,260	511,053
Other Operating Income	1,755,984	1,552,574	1,700,811
Indirect Expenses	(3,248,257)	(3,223,800)	(3,119,982)
Net Income	<u>\$1,140,004</u>	<u>\$752,707</u>	<u>\$1,173,449</u>

EVENT INCOME

Event income came in ahead of budget on the strength of sold out Elton John and Fall Out Boy Concerts.

ANCILLARY INCOME

Ancillary income came in ahead of budget as per caps across the board performed very well.

INDIRECT EXPENSES

Indirect expenses came in at expected levels for the month and conclude the 3rd quarter very consistent with budget overall.

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2016

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	342	113	455	467	(12)
ATTENDANCE	475,653	116,905	592,558	482,600	109,958
DIRECT EVENT INCOME	2,552,286	620,261	3,172,547	2,939,400	233,147
ANCILLARY INCOME	1,801,904	793,247	2,595,151	2,639,860	(44,709)
OTHER EVENT INCOME	340,662	89,694	430,356	302,450	127,906
TOTAL EVENT REVENUE	4,694,852	1,503,202	6,198,054	5,881,710	316,344
TOTAL OTHER REVENUE	26,233	6,213	32,446	32,000	446
TOTAL OPERATING REVENUE	4,721,085	1,509,415	6,230,500	5,913,710	316,790
INDIRECT EXPENSES					
EXECUTIVE	157,942	42,429	200,371	203,461	3,090
FINANCE	192,483	66,842	259,325	259,654	329
MARKETING	106,670	33,928	140,598	126,596	(14,002)
OPERATIONS	1,166,606	408,588	1,575,194	1,541,029	(34,165)
EVENT SERVICES	760,581	333,660	1,094,241	1,096,667	2,426
BOX OFFICE	97,531	34,510	132,041	91,932	(40,109)
SALES	282,702	95,970	378,672	402,048	23,376
OVERHEAD	1,699,852	576,167	2,276,019	2,197,084	(78,935)
TOTAL OPERATING EXP.	4,464,367	1,592,094	6,056,461	5,918,471	(137,990)
NET REVENUE ABOVE EXPENSES	256,718	(82,679)	174,039	(4,761)	178,800
INCENTIVE FEE		257,096	257,096	346,578	89,482
NET OPERATING REVENUE OVER OPERATING EXPENSES	256,718	(339,775)	(83,057)	(351,339)	268,282

Comments:

DeVos Place heads into the final quarter of the fiscal year ahead of both budget and prior year and it is anticipated that the fiscal year will conclude with revenues above expenses overall.

General Manager

Finance Director

**DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	March Actual	March Budget	March FY 2015
Number of Events	55	55	71
Attendance	92,674	69,251	103,888
Direct Event Income	\$475,300	\$440,779	\$501,532
Ancillary Income	288,407	378,136	319,703
Other Event Income	54,381	26,194	80,548
Other Operating Income	2,082	2,666	2,112
Indirect Expenses	(540,390)	(493,206)	(551,177)
Net Income	<u>\$279,780</u>	<u>\$354,569</u>	<u>\$352,718</u>

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	342	334	393
Attendance	475,653	378,077	475,385
Direct Event Income	\$2,552,286	\$2,335,470	\$2,502,856
Ancillary Income	1,801,904	2,034,683	1,796,646
Other Event Income	340,662	186,732	325,704
Other Operating Income	26,233	23,994	23,481
Indirect Expenses	(4,464,367)	(4,438,854)	(4,543,884)
Net Income	<u>\$256,718</u>	<u>\$142,025</u>	<u>\$104,803</u>

EVENT INCOME

Event income came in a little ahead of budget for the month, however, consistent with forecast.

ANCILLARY INCOME

Ancillary income, as expected, fell short of budget for the month but should pick back up for the 4th quarter.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month and remain consistent with year to date overall.

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

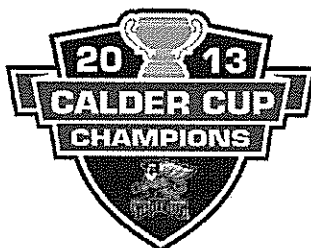
	Annual			Year-to-Date		
	FY 2015 Final	FY 2016 Budget	Percentage Change	FY 2015 7/1-3/31	FY 2016 7/1-3/31	Percentage Change
Other						
Revenues						
Interest/Capital Contr.	\$ 143,959	\$ 150,000	4.2	\$ 61,397	\$ 74,436	21.2
Miscellaneous	230,217	35,000	(84.8)	91,714	54,456	(40.6)
	<u>374,176</u>	<u>185,000</u>	<u>(50.6)</u>	<u>153,111</u>	<u>128,892</u>	<u>(15.8)</u>
Expenses						
Marketing (CVB/Sports)	125,000	125,000	-	125,000	125,000	-
Diversity Initiative	46,688	129,000	176.3	28,097	108,062	284.6
Wages/Benefits	128,373	122,605	(4.5)	79,534	79,392	(0.2)
Marketing Campaign	62,711	100,000	59.5	-	-	-
Professional Services	67,779	68,000	0.3	37,961	33,397	(12.0)
DID Assessment	39,720	40,500	2.0	39,720	53,269	34.1
Food & Beverage Repairs	-	40,000	100.0+	-	46,890	+100.0
Consulting Services	138,973	197,345	42.0	115,031	63,711	(44.6)
Landscaping	38,920	30,000	(22.9)	34,149	19,514	(42.9)
Procurement of Art	25,162	30,000	19.2	8,308	28,546	243.6
Insurance	13,513	24,000	77.6	22,879	21,861	(4.4)
Supplies/Other	16,024	60,000	274.4	10,112	15,699	55.3
	<u>702,863</u>	<u>966,450</u>	<u>36.9</u>	<u>500,791</u>	<u>595,341</u>	<u>18.9</u>
Net Proceeds - Operating	<u>\$ (328,687)</u>	<u>\$ (781,450)</u>	<u>(136.5)</u>	<u>\$ (347,680)</u>	<u>\$ (466,449)</u>	<u>(34.2)</u>



VAN ANDEL ARENA

FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2016

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



Distribution:

Grand Rapids – KentCounty Convention / Arena Authority

Robert White

Joe Romano

Gary McAneney

John Szudzik

Richard MacKeigan

Chris Machuta




An SMG Managed Facility

VAN ANDEL ARENA
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2016

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	82	28	110	98	12
ATTENDANCE	498,062	154,900	652,962	563,000	89,962
DIRECT EVENT INCOME	955,916	43,232	999,148	1,169,825	(170,677)
ANCILLARY INCOME	1,220,201	481,254	1,701,455	1,338,243	363,212
OTHER EVENT INCOME	456,160	134,700	590,860	522,590	68,270
TOTAL EVENT INCOME	2,632,277	659,186	3,291,463	3,030,658	260,805
TOTAL OTHER INCOME	1,755,984	603,600	2,359,584	2,042,790	316,794
TOTAL INCOME	4,388,261	1,262,786	5,651,047	5,073,448	577,599
INDIRECT EXPENSES					
EXECUTIVE	153,549	41,321	194,870	207,761	12,891
FINANCE	159,504	53,424	212,928	237,778	24,850
MARKETING	232,120	62,880	295,000	331,989	36,989
OPERATIONS	1,408,632	462,262	1,870,894	1,770,356	(100,538)
BOX OFFICE	101,074	40,421	141,495	151,243	9,748
LUXURY SEATING	32,239	21,154	53,393	98,799	45,406
SKYWALK ADMIN	39,299	8,965	48,264	51,660	3,396
OVERHEAD	1,121,842	399,866	1,521,708	1,448,831	(72,877)
TOTAL INDIRECT EXP.	3,248,257	1,090,293	4,338,552	4,298,417	(40,135)
NET REVENUE ABOVE EXPENSES	1,140,004	172,493	1,312,495	775,031	537,464
LESS INCENTIVE FEE		86,788	86,788	5,552	(81,236)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,140,004	85,705	1,225,707	769,479	456,228

Comments:

The Arena concludes a very successful 3rd quarter of the fiscal year and heads into the final quarter well positioned to finish the fiscal year well ahead of budget.


General Manager


Director of Finance

**VAN ANDEL ARENA
FINANCIAL STATEMENT HIGHLIGHTS
FOR FISCAL YEAR ENDING JUNE 30, 2016**

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

MONTH	March Actual	March Budget	March FY 2015
Number of Events	13	11	17
Attendance	94,096	60,500	100,378
Direct Event Income	\$238,687	\$172,660	\$169,037
Ancillary Income	225,916	153,220	224,254
Other Event Income	138,194	67,110	85,928
Other Operating Income	230,333	170,435	173,794
Indirect Expenses	(411,464)	(358,200)	(325,249)
Net Income	\$421,666	\$205,225	\$327,764

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	82	79	80
Attendance	498,062	449,500	477,958
Direct Event Income	\$955,916	\$900,260	\$863,745
Ancillary Income	1,220,201	1,081,413	1,217,822
Other Event Income	456,160	442,260	511,053
Other Operating Income	1,755,984	1,552,574	1,700,811
Indirect Expenses	(3,248,257)	(3,223,800)	(3,119,982)
Net Income	\$1,140,004	\$752,707	\$1,173,449

EVENT INCOME

Event income came in ahead of budget on the strength of sold out Elton John and Fall Out Boy Concerts.

ANCILLARY INCOME

Ancillary income came in ahead of budget as per caps across the board performed very well.

INDIRECT EXPENSES

Indirect expenses came in at expected levels for the month and conclude the 3rd quarter very consistent with budget overall.

Van Andel Arena
Income Statement
For the Nine Months Ending March 31, 2016

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$363,516	\$271,237	92,279	\$278,063	\$1,627,632	\$1,343,592	284,040	\$1,329,992
Service Revenue	261,891	71,386	190,505	171,711	1,259,493	1,145,452	114,041	1,494,056
Service Expenses	(386,720)	(169,963)	(216,757)	(280,737)	(1,931,209)	(1,588,784)	(342,425)	(1,960,303)
Total Direct Event Income	238,687	172,660	66,027	169,037	955,916	900,260	55,656	863,745
Ancillary Income								
F&B Concession	194,341	139,466	54,875	202,098	1,053,271	961,419	91,852	1,039,043
F&B Catering	19,808	8,776	11,032	14,747	101,154	54,476	46,678	94,321
Novelty Sales	11,767	4,978	6,789	7,409	65,421	65,518	(97)	82,810
Booth Cleaning	0	0	0	0	355	0	355	1,002
Audio Visual	0	0	0	0	0	0	0	146
Other Ancillary	0	0	0	0	0	0	0	500
Total Ancillary Income	225,916	153,220	72,696	224,254	1,220,201	1,081,413	138,788	1,217,822
Other Event Income								
Ticket Rebates(Per Event)	138,194	67,110	71,084	85,928	456,160	442,260	13,900	511,053
Total Other Event Income	138,194	67,110	71,084	85,928	456,160	442,260	13,900	511,053
Total Event Income	602,797	392,990	209,807	479,219	2,632,277	2,423,933	208,344	2,592,620
Other Operating Income								
Luxury Box Agreements	170,088	114,352	55,736	127,407	1,206,995	1,050,738	156,257	1,245,311
Advertising	56,680	52,083	4,597	42,734	497,360	468,752	28,608	403,414
Other Income	3,565	4,000	(435)	3,653	51,629	33,084	18,545	52,086
Total Other Operating Income	230,333	170,435	59,898	173,794	1,755,984	1,552,574	203,410	1,700,811
Adjusted Gross Income	833,130	563,425	269,705	653,013	4,388,261	3,976,507	411,754	4,293,431
Operating Expenses								
Salaries and Wages	183,264	174,009	9,255	166,335	1,592,953	1,566,081	26,872	1,731,041
Payroll Taxes and Benefits	62,181	50,789	11,392	58,347	468,714	457,101	11,613	514,955
Labor Allocations to Events	(98,876)	(69,965)	(28,911)	(110,751)	(729,580)	(629,685)	(99,895)	(969,382)
Net Salaries and Benefits	146,569	154,833	(8,264)	113,931	1,332,087	1,393,497	(61,410)	1,276,614
Contracted Services	19,152	20,928	(1,776)	18,367	184,391	188,352	(3,961)	178,469
General and Administrative	53,079	30,368	22,711	24,419	273,179	273,312	(133)	269,703
Operations	4,081	7,365	(3,284)	3,057	40,885	66,285	(25,400)	38,250
Repair and Maintenance	31,795	21,924	9,871	21,959	238,032	197,316	40,716	225,373
Operational Supplies	26,571	15,417	11,154	23,147	165,802	138,753	27,049	141,388
Insurance	26,740	10,830	15,910	21,143	149,631	97,470	52,161	132,939
Utilities	89,148	81,863	7,285	84,912	735,294	736,767	(1,473)	728,418
SMG Management Fees	14,329	14,672	(343)	14,314	128,956	132,048	(3,092)	128,828
Total Operating Expenses	411,464	358,200	53,264	325,249	3,248,257	3,223,800	24,457	3,119,982
Net Income(Loss) From Operations	421,666	205,225	216,441	327,764	1,140,004	752,707	387,297	1,173,449
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	421,666	205,225	216,441	327,764	1,140,004	752,707	387,297	1,173,449

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SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary
For the Nine Months Ended March 31, 2016

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show	19	20	61,912	57,500	190,923	179,275
Sporting Event	6	6	34,176	28,000	318,027	250,912
Concert	18	18	138,662	155,000	1,433,321	1,451,422
Team Home Games	35	34	243,698	204,000	528,305	526,694
Other	4	1	19,614	5,000	161,699	15,630
GRAND TOTALS	82	79	498,062	449,500	2,632,277	2,423,933

As Percentage of Overall

Family Show	23.17%	25.32%	12.43%	12.79%	7.25%	7.40%
Sporting Event	7.32%	7.59%	6.86%	6.23%	12.08%	10.35%
Concert	21.95%	22.78%	27.84%	34.48%	54.45%	59.88%
Team Home Games	42.68%	43.04%	48.93%	45.38%	20.07%	21.73%
Other	4.88%	1.27%	3.94%	1.11%	6.14%	0.64%

**Van Andel Arena
Balance Sheet
As of March 31, 2016**

ASSETS

Current Assets

Cash	4,655,890
Account Receivable	550,818
Prepaid Expenses	52,764

Total Current Assets	<hr/>	\$5,259,472
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Total Assets	<hr/>	\$5,259,472
	<hr/>	

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	753,948
Accrued Expenses	718,942
Deferred Income	1,113,832
Advanced Ticket Sales & Deposits	3,859,312

Total Current Liabilities	<hr/>	\$6,446,035
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Other Liabilities

Equity

Funds Remitted to CAA	(1,254,949)
Expenses Paid Direct by CAA	666,701
Beginning Balance Equity	(1,738,315)
Current Year Equity	1,140,001

Total Equity	<hr/>	(\$1,186,563)
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Total Liabilities and Equity	<hr/>	\$5,259,472
	<hr/>	

SMG - Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of March 31, 2016

Current - Under 30 Days	
Food & Beverage	332,914
Ticketing	39,814
Merchandise	-
Permanent Advertising	-
DeVos Place	(7,121)
Operating	113,921
 Over 30 Days	 48,642
 Over 60 Days	 22,648
 Over 90 Days	
 Total Accounts Receivable	 550,818

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2016**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	1,312,495	174,039	1,486,534	1,566,575
Benchmark ++			750,000	750,000
Excess	1,312,495	174,039	736,534	816,575

Incentive Fee Calculation (Only if above greater than zero)

	Arena Actual	DeVos Place Actual	Total Actual	Total Actual
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	5,651,047	6,230,500	11,881,547	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	601,047	1,780,500	2,381,547	2,476,188
Incentive Fee **	86,788	257,096	343,884	343,540
Total SMG Management Fee	258,730	429,038	687,768	687,080

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

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

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DEVOS PLACE

DE VOS PLACE

FINANCIAL STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2016

Distribution:

Grand Rapids – KentCounty Convention / Arena Authority
Robert White
Joe Romano
Gary McAneney
John Szudzik
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

DE VOS PLACE
ROLLING FORECAST
FISCAL YEAR ENDING JUNE 30, 2016

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	342	113	455	467	(12)
ATTENDANCE	475,653	116,905	592,558	482,600	109,958
DIRECT EVENT INCOME	2,552,286	620,261	3,172,547	2,939,400	233,147
ANCILLARY INCOME	1,801,904	793,247	2,595,151	2,639,860	(44,709)
OTHER EVENT INCOME	340,662	89,694	430,356	302,450	127,906
TOTAL EVENT REVENUE	4,694,852	1,503,202	6,198,054	5,881,710	316,344
TOTAL OTHER REVENUE	26,233	6,213	32,446	32,000	446
TOTAL OPERATING REVENUE	4,721,085	1,509,415	6,230,500	5,913,710	316,790
INDIRECT EXPENSES					
EXECUTIVE	157,942	42,429	200,371	203,461	3,090
FINANCE	192,483	66,842	259,325	259,654	329
MARKETING	106,670	33,928	140,598	126,596	(14,002)
OPERATIONS	1,166,606	408,588	1,575,194	1,541,029	(34,165)
EVENT SERVICES	760,581	333,660	1,094,241	1,096,667	2,426
BOX OFFICE	97,531	34,510	132,041	91,932	(40,109)
SALES	282,702	95,970	378,672	402,048	23,376
OVERHEAD	1,699,852	576,167	2,276,019	2,197,084	(78,935)
TOTAL OPERATING EXP.	4,464,367	1,592,094	6,056,461	5,918,471	(137,990)
NET REVENUE ABOVE EXPENSES	256,718	(82,679)	174,039	(4,761)	178,800
INCENTIVE FEE		257,096	257,096	346,578	89,482
NET OPERATING REVENUE OVER OPERATING EXPENSES	256,718	(339,775)	(83,057)	(351,339)	268,282

Comments:

DeVos Place heads into the final quarter of the fiscal year ahead of both budget and prior year and it is anticipated that the fiscal year will conclude with revenues above expenses overall.


General Manager


Finance Director

DE VOS PLACE
FINANCIAL STATEMENT HIGHLIGHTS
FISCAL YEAR ENDING JUNE 30, 2016

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

MONTH	March Actual	March Budget	March FY 2015
Number of Events	55	55	71
Attendance	92,674	69,251	103,888
Direct Event Income	\$475,300	\$440,779	\$501,532
Ancillary Income	288,407	378,136	319,703
Other Event Income	54,381	26,194	80,548
Other Operating Income	2,082	2,666	2,112
Indirect Expenses	(540,390)	(493,206)	(551,177)
Net Income	\$279,780	\$354,569	\$352,718

YTD	YTD 2016 Actual	YTD 2016 Budget	YTD 2015 Prior Year
Number of Events	342	334	393
Attendance	475,653	378,077	475,385
Direct Event Income	\$2,552,286	\$2,335,470	\$2,502,856
Ancillary Income	1,801,904	2,034,683	1,796,646
Other Event Income	340,662	186,732	325,704
Other Operating Income	26,233	23,994	23,481
Indirect Expenses	(4,464,367)	(4,438,854)	(4,543,884)
Net Income	\$256,718	\$142,025	\$104,803

EVENT INCOME

Event income came in a little ahead of budget for the month, however, consistent with forecast.

ANCILLARY INCOME

Ancillary income, as expected, fell short of budget for the month but should pick back up for the 4th quarter.

INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month and remain consistent with year to date overall.

DeVos Place
Income Statement
For the Nine Months Ending March 31, 2016

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
Event Income								
Direct Event Income								
Rental Income	\$511,374	\$457,100	\$54,274	\$532,819	\$2,767,773	\$2,425,700	\$342,073	\$2,756,568
Service Revenue	247,924	230,415	17,509	255,408	2,045,508	1,463,959	581,549	1,942,208
Service Expenses	(283,998)	(246,736)	(37,262)	(286,695)	(2,260,995)	(1,554,189)	(706,806)	(2,195,920)
Total Direct Event Income	475,300	440,779	34,521	501,532	2,552,286	2,335,470	216,816	2,502,856
Ancillary Income								
F&B Concession	46,725	35,892	10,833	47,293	192,296	164,899	27,397	160,925
F&B Catering	54,232	116,263	(62,031)	62,162	483,601	641,303	(157,702)	554,010
Novelty Sales	6,213	1,158	5,055	1,524	12,623	7,139	5,484	8,497
Booth Cleaning	38,249	56,583	(18,334)	47,241	270,670	271,217	(547)	265,070
Telephone/Long Distance	263	0	263	450	1,275	0	1,275	1,688
Electrical Services	69,095	76,032	(6,937)	70,350	348,151	411,694	(63,543)	335,981
Audio Visual	25,161	51,058	(25,897)	41,401	237,039	298,889	(61,850)	202,045
Internet Services	27,981	18,382	9,599	16,469	103,668	94,755	8,913	97,551
Equipment Rental	20,488	22,768	(2,280)	32,813	152,581	144,787	7,794	170,879
Total Ancillary Income	288,407	378,136	(89,729)	319,703	1,801,904	2,034,683	(232,779)	1,796,646
Other Event Income								
Ticket Rebates(Per Event)	54,381	26,194	28,187	80,548	340,662	186,732	153,930	325,704
Total Other Event Income	54,381	26,194	28,187	80,548	340,662	186,732	153,930	325,704
Total Event Income	818,088	845,109	(27,021)	901,783	4,694,852	4,556,885	137,967	4,625,206
Other Operating Income								
Luxury Box Agreements	1,557	1,333	224	1,199	14,658	11,997	2,661	11,510
Other Income	525	1,333	(808)	913	11,575	11,997	(422)	11,971
Total Other Operating Income	2,082	2,666	(584)	2,112	26,233	23,994	2,239	23,481
Adjusted Gross Income	820,170	847,775	(27,605)	903,895	4,721,085	4,580,879	140,206	4,648,687
Operating Expenses								
Salaries and Wages	260,952	269,834	(8,882)	265,266	2,340,279	2,428,506	(88,227)	2,366,529
Payroll Taxes and Benefits	82,971	85,238	(2,267)	93,904	758,546	767,142	(8,596)	780,808
Labor Allocations to Events	(142,069)	(154,688)	12,619	(146,212)	(1,352,161)	(1,392,192)	40,031	(1,365,677)
Net Salaries and Benefits	201,854	200,384	1,470	212,958	1,746,664	1,803,456	(56,792)	1,781,660
Contracted Services	30,739	20,820	9,919	18,082	258,403	187,380	71,023	234,828
General and Administrative	57,659	30,510	27,149	33,011	312,157	274,590	37,567	272,556
Operations	5,499	11,146	(5,647)	5,620	83,697	100,314	(16,617)	105,066
Repair and Maintenance	40,533	41,350	(817)	58,053	417,818	372,150	45,668	402,627
Operational Supplies	19,106	20,225	(1,119)	20,293	172,916	182,025	(9,109)	144,132
Insurance	29,490	17,616	11,874	33,097	175,910	158,544	17,366	190,904
Utilities	141,181	136,483	4,698	141,435	1,167,846	1,228,347	(60,501)	1,268,969
SMG Management Fees	14,329	14,672	(343)	28,628	128,956	132,048	(3,092)	143,142
Total Operating Expenses	540,390	493,206	47,184	551,177	4,464,367	4,438,854	25,513	4,543,884
Net Income(Loss) From Operations	279,780	354,569	(74,789)	352,718	256,718	142,025	114,693	104,803
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	279,780	354,569	(74,789)	352,718	256,718	142,025	114,693	104,803

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SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Year to Date Event Summary Report
For the Nine Months Ended March 31, 2016

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	88	87	94,786	87,000	1,611,012	1,809,078
Consumer/Gated Shows	53	50	188,715	141,864	1,279,015	1,134,303
DeVos Performance Hall	100	90	135,525	102,863	1,029,585	798,827
Banquets	20	21	16,940	13,650	160,475	213,717
Meetings	57	60	18,792	21,000	455,036	410,640
Other	24	26	20,895	11,700	159,730	190,320
GRAND TOTALS	342	334	475,653	378,077	4,694,852	4,556,885

As Percentage of Overall

Convention/Trade Shows	25.73%	26.05%	19.93%	23.01%	34.31%	39.70%
Consumer/Gated Shows	15.50%	14.97%	39.67%	37.52%	27.24%	24.89%
Devos Performance Hall	29.24%	26.95%	28.49%	27.21%	21.93%	17.53%
Ballroom Exclusive	5.85%	6.29%	3.56%	3.61%	3.42%	4.69%
Meetings	16.67%	17.96%	3.95%	5.55%	9.69%	9.01%
Other	7.02%	7.78%	4.39%	3.09%	3.40%	4.18%

DeVos Place
Balance Sheet
As of March 31, 2016

ASSETS

Current Assets

Cash	5,365,517
Account Receivable	684,093
Prepaid Expenses	142,959

Total Current Assets		\$6,192,570
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Total Assets

\$6,192,570

LIABILITIES AND EQUITY

Current Liabilities

Accounts Payable	255,521
Accrued Expenses	469,748
Deferred Income	257,330
Advanced Ticket Sales & Deposits	3,864,148

Total Current Liabilities		\$4,846,746
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Other Liabilities

Equity

Funds Remitted to CAA	(552,915)
Expenses Paid Direct by CAA	1,056,246
Beginning Balance Equity	585,776
Current Year Equity	256,717

Total Equity		\$1,345,824
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Total Liabilities and Equity

\$6,192,570

5

SMG - DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Summary of Accounts Receivable
As of March 31, 2016

Current - Under 30 Days	
Food & Beverage	10,956
Ticketing	206,236
Merchandise	7,295
Decorating	38,249
Audio/Visual	25,161
Van Andel Arena	7,121
Operating	277,095
 Over 30 Days	 88,110
 Over 60 Days	 23,870
 Over 90 Days	
 Total Accounts Receivable	 684,093

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2016**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2015 Actual
Net Revenue above Expenses	1,312,495	174,039	1,486,534	1,566,575
Benchmark ++			750,000	750,000
Excess	1,312,495	174,039	736,534	816,575

Incentive Fee Calculation (Only if above greater than zero)

	Arena Actual	DeVos Place Actual	Total Actual	Total Actual
Base Fee	171,942	171,942	343,884	343,540
Incentive Fee				
Revenue	5,651,047	6,230,500	11,881,547	11,876,188
Benchmark Revenue	5,050,000	4,450,000	9,500,000	9,400,000
Revenue Excess	601,047	1,780,500	2,381,547	2,476,188
Incentive Fee **	86,788	257,096	343,884	343,540
Total SMG Management Fee	258,730	429,038	687,768	687,080

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

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



Memorandum

To: Grand Rapids – Kent County
Convention/Arena Authority

From: Robert J. White

Date: April 29, 2016

Re: Convention/Arena Authority (CAA)
Fiscal Year 2017 Budget Recommendation

The attached material summarizes a requested CAA Administrative Operating Budget and Consolidated Income Statement for the Fiscal Year beginning July 1, 2016 (Fiscal Year 2017). The format of the report provides the Board with an overview of Fiscal Year 2015 actual, Fiscal Year 2016 estimate, and Fiscal Year 2017 preliminary recommendations. Preliminary Finance Committee review will be held on May 6th, with final Board review scheduled for June 3rd.

Table A provides a summary of the facility manager (SMG) budget documents submitted under separate cover. Based on SMG's most recent "budget roll," the current year forecast has been updated to a net operating income balance of \$1,142,650. Funding, requested for FY 2017, would generate a net operating income of \$443,333.

The Fiscal Year 2017 consolidated income statement (Table C) forecasts a net operating income totaling \$626,601. This income will be applied to finance, in part, a capital outlay request totaling \$3,099,000. The balance of the funds required will be supported by interest earnings and a drawdown from the capital reserve account.

Table B provides a summary of the CAA administrative budget. Revenues in this account include regularly scheduled transfers from the facility manager, parking, interest and other miscellaneous contributions to the organization. Expenditures from this account include provision for utilities, capital repair/replacement/improvement (as defined in the SMG management contract), parking management fees, landscape plantings, and other administrative expenses. Table B-1, attached hereto, provides additional details concerning utility and miscellaneous administrative expenditure accounts.

On the basis of these initial budgetary estimates, it is expected that the CAA will close its Fiscal Year 2016 activities with a "fund balance" approximating \$20.8 million. This would include a recommended minimum operating reserve balance of \$3.9 million and a capital repair/replacement/improvement reserve of \$16.9 million.

The current Table D has been included along with the original Fiscal Year 2017 budget materials. This report provides a “Budget Summary by Facility/Other” formatted report. It organizes revenues and expenses in three activity areas including Van Andel Arena®, DeVos Place® Convention Center, and other. This report provides all of the same information contained in Table C, but also allows the reader to view the overall operations of each facility incorporating therein the revenues generated by the parking facilities attached or adjacent to the buildings and police-pedestrian safety services.

Richard MacKeigan, Chris Machuta, Sue Waddell, and I participated in preparation of the attached recommended budget. We would expect to present this to the Finance Committee, at its May meeting, and be prepared to answer any additional questions which may arise from a review of this material.

Attachments:

Table A – SMG Operating Budgets (Summary)

Table B – CAA Administrative Budget

Table C – Consolidated Income Statement

Table D – Budget Summary by Facility

Table E – Ten-Year History of a Consolidated Income Statement

Table F – Fifteen-Year Projection of Fund Balance (Reserves)

Table A
Grand Rapids-Kent County Convention/Arena Authority
SMG Facilities Budget
Fiscal Years Ending June 30, 2015 - 2017

	FY 2015	FY 2016		FY 2017
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	\$ 5,651,047	\$ 5,339,860
- Expenses - Facilities	(4,077,497)	(4,122,352)	(4,166,610)	(4,198,238)
- Management Fees	(171,770)	(176,065)	(171,942)	(177,826)
- Incentive Fees	(109,538)	(5,552)	(86,788)	(56,138)
Net Operating Income	<u>1,430,731</u>	<u>769,479</u>	<u>1,225,707</u>	<u>907,658</u>
DeVos Place				
Operating - Revenues	\$ 6,086,652	\$ 5,913,710	\$ 6,230,500	\$ 5,779,735
- Expenses - Facilities	(5,888,576)	(5,742,406)	(5,884,519)	(5,766,720)
- Management Fees	(171,770)	(176,065)	(171,942)	(177,826)
- Incentive Fees	(234,002)	(346,578)	(257,096)	(299,514)
Net Operating Loss	<u>\$ (207,696)</u>	<u>\$ (351,339)</u>	<u>\$ (83,057)</u>	<u>\$ (464,325)</u>
Net Available to CAA:				
Van Andel Arena	\$ 1,430,731	\$ 769,479	\$ 1,225,707	\$ 907,658
DeVos Place	<u>(207,696)</u>	<u>(351,339)</u>	<u>(83,057)</u>	<u>(464,325)</u>
	<u>\$ 1,223,035</u>	<u>\$ 418,140</u>	<u>\$ 1,142,650</u>	<u>\$ 443,333</u>

Table B
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2015-2017

	<u>FY2015</u>	<u>FY 2016</u>		<u>FY 2017</u>
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Revenues:				
Facility Operations	\$ 1,223,035	\$ 418,140	\$ 1,142,650	\$ 443,333
Utility Reimbursement	<u>2,410,976</u>	<u>2,480,960</u>	<u>2,322,443</u>	<u>2,415,960</u>
Transfers from SMG	3,634,011	2,899,100	3,465,093	2,859,293
DeVos Place Parking ⁽¹⁾	1,102,165	1,098,900	1,187,570	1,187,570
VanAndel Parking ⁽¹⁾	162,279	160,084	197,352	197,352
Interest ⁽²⁾	93,959	100,000	114,436	154,358
Miscellaneous ⁽⁷⁾	<u>280,217</u>	<u>85,000</u>	<u>104,456</u>	<u>54,456</u>
Total Revenues	<u>5,272,631</u>	<u>4,343,084</u>	<u>5,068,907</u>	<u>4,453,029</u>
Expenditures:				
Utilities ⁽⁴⁾	2,410,976	2,480,960	2,322,443	2,415,960
Other Operating ⁽⁵⁾	394,242	527,661	506,903	622,484
Administration/Other ⁽⁶⁾	601,232	796,450	840,859	633,626
Facility Maintenance	379,802	-	-	-
Capital	<u>750,141</u>	<u>2,774,000</u>	<u>2,457,812</u>	<u>3,099,000</u> ⁽³⁾
Total Expenditures	<u>4,536,393</u>	<u>6,579,071</u>	<u>6,128,017</u>	<u>6,771,070</u>
Net Excess (Deficit)	<u>\$ 736,238</u>	<u>\$ (2,235,987)</u>	<u>\$ (1,059,110)</u>	<u>\$ (2,318,041)</u>

Notes: See Following Pages

Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Administrative - Operating / Capital Replacement Budget
FY 2017 Recommendation

Notes:

⁽¹⁾DeVos Place Parking Rates:

	FY 2014	FY 2015	FY 2016	FY 2017
30 Minutes	\$ 1.25	\$ 1.50	\$ 1.50	\$ 1.50
Daily Maximum	12.00	15.00	15.00	15.00
Event	8.00	9.00	9.00	9.00
Monthly -Public	152.00	154.00	154.00	154.00
-Reserved Premium	57.00	58.00	58.00	58.00
-County/SMG (O+M)	39.10	34.47	36.06	36.06

Van Andel Arena Parking Rates:

Event	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
Non-Event Coin Unit	5.00	5.00	5.00	5.00
Monthly -Public	75.00	76.00	76.00	76.00

el Arena (Area #2) rate changes will be considered by the City Commission on May 24th.
cost" based rate will be calculated based on the adopted FY17 budget.

⁽²⁾ \$20.6 million (3/31/16 pool balance) in invested funds at 0.75%.

⁽³⁾ FY 2017 Eligible Projects:

Carryover Projects:

VAA Retractable Seating	\$ 275,000
Lyon Street Dock Concrete	30,000

Van Andel Arena®

Upper Bowl Drape System	600,000
Security Upgrades-Metal Detector Gates Signage	145,000
Security Upgrades-Camera System	175,000
Refurbish Basketball Locker Room	50,000
Arena Bowl Lighting Conversion to LED	450,000
Concourse Lighting Conversion to LED	40,000
Entrance Exterior Lighting	35,000
Upgrade/Replace Outdoor Marquee	250,000
Electronic Interior Signage	100,000
Compressor Rebuilds (4) Phase II of IV	140,000
Concrete Sidewalk Repair-West Side	100,000

DeVos Place®

Theater Lobby Carpet Replace	54,000
Theater Sound Package Phase II	95,000
Lighting, Secchia Lobby, Ballroom Overlook to LED	125,000
Rebuild Two Chillers	100,000
Security Camera Upgrades/New Phase II	150,000
Exterior Concrete Reseal and Coating	150,000
Rewire Equipment Cable TV System	35,000

Total FY 2017 Capital Budget	<u><u>\$ 3,099,000</u></u>
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Table B-1
Grand Rapids-Kent County Convention/Arena Authority
Detail of Expenditure Estimates
FY 2015-2017

	FY 2015	FY 2016		FY 2017
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Utilities⁽⁴⁾:				
Electricity	\$ 1,585,637	\$ 1,622,000	\$ 1,665,398	\$ 1,676,000
Steam/Gas	707,181	751,600	536,904	621,600
Water/Sewer	118,158	107,360	120,141	118,360
	<u>\$ 2,410,976</u>	<u>\$ 2,480,960</u>	<u>\$ 2,322,443</u>	<u>\$ 2,415,960</u>
Other Operating⁽⁵⁾:				
Parking Management	\$ 168,669	\$ 183,661	\$ 190,933	\$ 205,522
Pedestrian Safety	143,568	174,000	144,080	146,962
Marketing Campaign	62,711	100,000	100,000	200,000
Repairs - F&B	-	40,000	46,890	40,000
Landscaping	38,920	30,000	25,000	30,000
	<u>\$ 413,868</u>	<u>\$ 527,661</u>	<u>\$ 506,903</u>	<u>\$ 622,484</u>
Administration/Other⁽⁶⁾:				
Wages	\$ 98,731	\$ 95,871	\$ 98,731	\$ 97,957
Benefits	29,642	26,734	29,642	26,468
Accounting/Audit	38,821	33,000	29,500	24,900
Legal Services	28,958	35,000	33,500	35,000
DID Assessment ^(A)	39,720	40,500	53,269	54,335
Consulting Services	138,973	197,345 **	197,345	32,668
Insurance	13,513	24,000	21,861	22,298
Marketing - CVB	75,000	75,000	75,000	75,000
Marketing - Sports Commission	50,000	50,000	50,000	50,000
Diversity Initiative	46,688	129,000	202,011	125,000
Procurement of Art (ArtPrize)	25,162	30,000	30,000	30,000
Other	16,024	60,000	20,000	60,000
	<u>\$ 601,232</u>	<u>\$ 796,450</u>	<u>\$ 840,859</u>	<u>\$ 633,626</u>

Notes:

^(A) Downtown Improvement District special assessment contribution from CAA based on benefit allocation formula.

⁽⁷⁾ Miscellaneous Revenue (FY 2015/2016/2017) includes a \$50,000 annual (5-year) amortization of a capital contribution from SMG under the terms of the new food and beverage agreement.

**SMG-\$32,345 and \$40,000 for a "South Arena Parking Market Analysis," later revised to study potential re-use of meeting room space fronting Monroe Avenue. In addition, a budget amendment (11/6/15) for a "Utility Metering and Long-Term Utility Use Study" in the amount of \$125,000.

Table C
Grand Rapids-Kent County Convention/Arena Authority
Consolidated Income Statement
Fiscal Years Ending June 30, 2015-2017

		FY 2015	FY 2016		FY 2017
		<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Recommendation</u>
Operating Revenue:					
Event	- VanAndel Arena	\$ 1,170,991	\$ 1,169,825	\$ 999,148	\$ 1,254,750
	- DeVos Place	3,154,482	2,939,400	3,172,547	2,953,900
Ancillary	- VanAndel Arena	1,618,571	1,338,243	1,701,455	1,227,760
	- DeVos Place	2,467,318	2,639,860	2,595,151	2,411,335
Other	- VanAndel Arena	2,999,974	2,565,380	2,950,444	2,857,350
	- DeVos Place	464,852	334,450	462,802	414,500
	-Administration	164,506	35,000	54,456	54,456
Parking	- VanAndel Arena	162,279	160,084	197,352	197,352
	- DeVos Place	1,102,165	1,098,900	1,187,570	1,187,570
		<u>13,305,138</u>	<u>12,281,142</u>	<u>13,320,925</u>	<u>12,558,973</u>
Operating Expense / Appropriations:					
Facility Operations					
	- VanAndel Arena	4,077,497	4,122,352	4,166,610	4,198,238
	- DeVos Place	5,888,576	5,742,406	5,884,519	5,766,720
	- Management	343,540	352,130	343,884	355,652
	- Incentive	343,540	352,130	343,884	355,652
	- Parking/Maintenance	394,242	527,661	506,903	622,484
Other Operating		379,802	-	-	-
Administration/Other		601,232	796,450	840,859	633,626
		<u>12,028,429</u>	<u>11,893,129</u>	<u>12,086,659</u>	<u>11,932,372</u>
Operating Income		1,276,709	388,013	1,234,266	626,601
Non-Operating Revenue:					
Interest/Capital Contribution		209,668	150,000	164,436	154,358
Transfer (to) from Capital Acct.		(750,141)	(2,774,000)	(2,457,812)	(3,099,000)
		<u>(540,473)</u>	<u>(2,624,000)</u>	<u>(2,293,376)</u>	<u>(2,944,642)</u>
Net Income (Loss)		736,236	(2,235,987)	(1,059,110)	(2,318,041)
Fund Balance, beg. of yr.		21,160,088	21,896,324	21,896,324	20,837,214
Fund Balance, end of yr.		\$ 21,896,324	\$ 19,660,337	\$ 20,837,214	\$ 18,519,173

Table D
Grand Rapids-Kent County Convention/Arena Authority
Budget Summary by Facility/Other
FY 2015-2016 Actual
FY 2017 Recommendation

	FY 2015	FY 2016		FY 2017
	Actual	Budget	Estimate	Recommendation
Van Andel Arena				
Operating - Revenues	\$ 5,789,536	\$ 5,073,448	\$ 5,651,047	\$ 5,339,860
- Expenses - Facilities	(4,077,497)	(4,122,352)	(4,166,654)	(4,198,238)
- Management Fees	(171,770)	(176,065)	(171,898)	(177,826)
- Incentive Fee	(109,538)	(5,552)	(86,788)	(56,138)
Net Operating Income (Loss)	1,430,731	769,479	1,225,707	907,658
Parking	162,279	160,084	197,352	197,352
Pedestrian Safety	(92,151)	(108,000)	(90,157)	(91,960)
Net Proceeds (Cost) of VAA	1,500,859	821,563	1,332,902	1,013,050
DeVos Place Convention Center				
Operating - Revenues	6,086,652	5,913,710	6,230,500	5,779,735
- Expenses - Facilities	(5,888,576)	(5,742,406)	(5,884,518)	(5,766,720)
- Management Fees	(171,770)	(176,065)	(171,943)	(177,826)
- Incentive Fee	(234,002)	(346,578)	(257,096)	(299,514)
Net Operating Loss	(207,696)	(351,339)	(83,057)	(464,325)
Parking	933,496	915,239	996,637	982,048
Pedestrian Safety	(51,417)	(66,000)	(53,923)	(55,002)
Net Proceeds (Cost) of DVP	674,383	497,900	859,657	462,721
Other				
Revenues				
Interest	159,668	150,000	164,436	154,358
Miscellaneous	214,506	35,000	54,456	54,456
	374,174	185,000	218,892	208,814
Expenses				
Administration	(601,232)	(796,450)	(840,859)	(633,626)
Other Operating	(82,005)	(170,000)	(171,890)	(270,000)
	(683,237)	(966,450)	(1,012,749)	(903,626)
Net Other	(309,063)	(781,450)	(793,857)	(694,812)
Total Net Proceeds/Operating	1,866,179	538,013	1,398,702	780,959
Capital Expenditures	(1,129,943)	(2,774,000)	(2,457,812)	(3,099,000)
Results Net of Capital Expenditures	\$ 736,236	\$ (2,235,987)	\$ (1,059,110)	\$ (2,318,041)

Table E
Grand Rapids-Kent County Convention/Arena Authority
Summary of Consolidated Income Statement - By Facility
Fiscal Years 2008 through 2017
April 28, 2016
(In Thousands)

	Actual								Est.	Rec.
	FY 2008 ⁽¹⁾	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
VAA - Net Proceeds	N/A	\$ 1,529	\$ 1,612	\$ 925	\$ 976	\$ 1,793	\$ 532	\$ 1,610	\$ 1,420	\$ 1,069
DVP - Net Proceeds	N/A	72	36	125	280	784	445	908	1,117	762
SMG Incentive Fees	(308)	(211)	(238)	-	-	(331)	-	(344)	(344)	(356)
Other-Net Proceeds	N/A	354 ⁽²⁾	(126) ⁽²⁾	(276)	(425)	(313) ⁽²⁾	(456)	(308)	(794)	(694)
Total Net Operating	2,091	1,744	1,284	774	831	1,933	521	1,866	1,399	781
Capital	(550)	(566)	(675)	(3,416)	(662)	(962)	(2,565)	(1,130)	(2,458)	(3,099)
Transfer To/(From) Fund Balance	1,541	1,178	609	(2,643)	168	970	(2,044)	736	(1,059)	(2,318)
Fund Balance, End of Year	<u>\$ 22,941</u>	<u>\$ 24,119</u>	<u>\$ 24,728</u>	<u>\$ 22,066</u>	<u>\$ 22,234</u>	<u>\$ 23,204</u>	<u>\$ 21,160</u>	<u>\$ 21,896</u>	<u>\$ 20,837</u>	<u>\$ 18,519</u>

NOTES:

(1) Consolidated Facility Actuals - Not/Available.

(2) Interest - \$648K in FY 2009, \$322K in FY 2010, and declining further to \$93K in FY 2013.

Table F
Grand Rapids-Kent County Convention/Arena Authority
15 Year Fund Balance Projection
(In Thousands)
28-Apr-16

	Beginning Fund Balance	Revenues	Expenses	Net Income/ (Loss)	Capital	Ending Fund Balance
FY 2017	\$ 20,837	\$ 12,713	\$ (11,932)	\$ 781	\$ (3,099)	\$ 18,519
FY 2018	18,519	13,009	(12,158)	851	(1,643)	17,727
FY 2019	17,727	13,411	(12,389)	1,022	(1,676)	17,073
FY 2020	17,073	13,698	(12,624)	1,074	(3,202)	14,496
FY 2021	14,496	14,013	(12,863)	1,150	(3,266)	12,830
FY 2022	12,830	14,312	(13,108)	1,204	(3,331)	10,703
FY 2023	10,703	14,543	(13,357)	1,186	(3,398)	8,491
FY 2024	8,491	14,777	(13,610)	1,167	(3,466)	6,192
FY 2025	6,192	15,015	(13,869)	1,146	(2,545)	4,793
FY 2026	4,793	15,288	(14,133)	1,155	(2,596)	3,352
FY 2027	3,352	15,565	(14,402)	1,163	(2,647)	1,868
FY 2028	1,868	15,848	(14,676)	1,172	(2,700)	340
FY 2029	340	16,136	(14,955)	1,181	(2,754)	(1,233)
FY 2030	(1,233)	16,469	(15,240)	1,229	(2,809)	(2,813)
FY 2031	(2,813)	16,818	(15,531)	1,287	(2,866)	(4,392)

NOTES:

Revenues - Facilities increase by 2% per annum, parking facilities increase by 3% per annum and interest at .75% (2017) to 3.00% (2022) on beginning fund balance each year.

Expense (Operating) - Facilities increase by 2% per annum, parking/administration increase by 1% per annum.

Capital - Indexed at 2% per annum.

DEVOS PLACE

DE VOS PLACE

OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2017

*****INCLUDES MARCH ROLLING FORECAST*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Harry Cann
Hope Parkin
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

DeVos Place
Fiscal Year Ending June 30, 2017
Lead Income Statement

FY 2017 Budget	Prior Year FY 2016 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
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Event Income

Direct Event Income

Rental Income	3,152,400	3,388,034	(235,634)	-6.95%
Service Income	2,800,500	2,870,508	(70,008)	-2.44%
Service Expenses	(2,999,000)	(3,085,995)	86,995	-2.82%
Total Direct Event Income	2,953,900	3,172,547	(218,647)	-6.89%

Ancillary Income

F & B Concessions	186,700	226,446	(39,746)	-17.55%
F & B Catering	814,900	829,585	(14,685)	-1.77%
Novelty Sales	16,500	20,060	(3,560)	-17.75%
Booth Cleaning	312,460	374,691	(62,231)	-16.61%
Telephone/Long Distance	-	1,275	(1,275)	-100.00%
Electrical Services	392,500	396,801	(4,301)	-1.08%
Audio Visual	328,350	372,659	(44,309)	-11.89%
Internet Services	149,475	150,868	(1,393)	-0.92%
Equipment Rental	210,450	222,766	(12,316)	-5.53%
Total Ancillary Income	2,411,335	2,595,151	(183,816)	-7.08%

Other Event Income

Ticket Rebates (Per Event)	382,500	430,356	(47,856)	-11.12%
Total Other Event Income	382,500	430,356	(47,856)	-11.12%

Total Event Income

5,747,735	6,198,054	(450,319)	-7.27%
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Other Operating Income

32,000	32,446	(446)	-1.37%
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Adjusted Gross Income

5,779,735	6,230,500	(450,765)	-7.23%
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Operating Expenses

Employee Salaries and Wages	3,472,434	3,445,372	(27,062)	-0.79%
Benefits	1,138,161	1,101,395	(36,766)	-3.34%
Less: Event Labor Allocations	(2,144,866)	(2,152,881)	(8,015)	0.37%
Net Employee Wages and Benefits	2,465,729	2,393,886	(71,843)	-3.00%
Contracted Services	252,300	334,537	82,237	24.58%
General and Administrative	368,873	397,209	28,336	7.13%
Operations	138,850	138,596	(254)	-0.18%
Repair & Maintenance	529,199	562,091	32,892	5.85%
Supplies	260,700	280,475	19,775	7.05%
Insurance	208,269	242,547	34,278	14.13%
Utilities	1,542,800	1,535,178	(7,622)	-0.50%
SMG Management Fees	173,661	171,942	(1,719)	-1.00%
Total Operating Expenses	5,940,381	6,056,461	116,080	1.92%

Net Income (Loss) From Operations

(160,646)	174,039	(334,685)	-192.30%
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Other Income (Expenses)

Net Income After Other Income (Expenses)

(160,646)	174,039	(334,685)	-192.30%
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DeVos Place
Fiscal Year Ending June 30, 2017
Lead Income Statement

		Prior Year FY 2016 Rolling Forecast	Variance More / (Less)
	Total		
Gross Services Billed			
Advertising	43,284	44,366	(1,082)
Changeover	15,041	15,417	(376)
Stagehands	1,633,333	1,763,959	(130,626)
Security	328,678	299,479	29,199
Ushers/Ticket Takers	212,088	217,390	(5,302)
Box Office - Labor	26,987	27,663	(676)
Box Office - Ticketing Services	280,167	234,790	45,377
Utilities	14,210	14,565	(355)
City/Police/Fire	23,013	23,588	(575)
EMT's	49,558	50,797	(1,239)
Cleaning	48,578	49,792	(1,214)
Insurance	7,162	7,340	(178)
Group Sales Commission	2,738	2,807	(69)
Telephone	4,529	4,642	(113)
Other Production	111,135	113,913	(2,778)
Total Services Billed	2,800,500	2,870,508	(70,007)
Gross Services Expense			
Advertising	74,260	76,413	(2,153)
Stagehands	1,541,936	1,586,664	(44,728)
Security	445,993	458,930	(12,937)
Ushers/Ticket Takers	141,884	146,000	(4,116)
Box Office - Labor	34,720	35,727	(1,007)
Box Office - Ticketing Services	64,740	66,618	(1,878)
City/Police/Fire	16,213	16,684	(471)
EMT's	44,214	45,496	(1,282)
Cleaning	470,362	484,006	(13,644)
Insurance	6,226	6,406	(180)
Group Sales Commission	2,372	2,441	(69)
Telephone	901	928	(27)
Other Production	155,180	159,682	(4,502)
Total Services Expense	2,999,000	3,085,995	(86,994)
Total Service Income (Loss)	(198,500)	(215,487)	16,987

SMG DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Event Summary Report
For Fiscal Year Ending June 30, 2017

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2016	Variance
	FY 2017	FY 2016							
Convention/Trade Shows	95	137	95,000	997,500	(162,500)	954,750	1,789,750	2,111,004	(321,254)
Consumer/Gated Shows	48	54	157,000	817,500	(48,000)	354,630	1,124,130	1,291,936	(167,806)
Banquets	40	24	32,000	140,000	(30,000)	327,400	437,400	349,572	87,828
Meetings	90	65	27,000	270,000	(54,000)	416,790	632,790	643,300	(10,510)
Other	40	24	48,000	160,000	(32,000)	164,640	292,640	259,730	32,910
Devos Performance Hall	141	151	176,750	767,400	128,000	575,625	1,471,025	1,542,512	(71,487)
GRAND TOTALS	454	455	535,750	3,152,400	(198,500)	2,793,835	5,747,735	6,198,054	(450,319)

**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2017**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2016 Forecast
Net Revenue above Expenses	963,796	(164,811)	798,985	1,003,101
Benchmark++			750,000	750,000
Excess	963,796	(164,811)	48,985	253,101

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	177,826	177,826	355,652	343,884
Incentive Fee				
Revenue	5,339,860	5,779,735	11,119,595	11,232,630
Benchmark Revenue	5,100,000	4,500,000	9,600,000	9,500,000
Revenue Excess	239,860	1,279,735	1,519,595	1,732,630
Incentive Fee **	56,138	299,514	355,652	343,884
Total SMG Management Fee	233,964	477,340	711,304	687,768

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

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

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2017

Position	F/Y 2016			F/Y 2017			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager - Ops	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	6.00	10.00	4.00	6.00	10.00	-
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT		1.00	1.00		1.00	1.00	-
Assistant General Manager - Sales	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager		1.00	1.00		1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	1.00	4.00	5.00	1.00	4.00	5.00	-
House Manager		1.00	1.00		1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	28.46	34.54	63.00	28.46	34.54	63.00	-

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VAN ANDEL ARENA

**OPERATING BUDGET
FISCAL YEAR ENDING JUNE 30, 2017**

*****INCLUDES MARCH ROLLING FORECAST*****

Distribution:

Grand Rapids – Kent County Convention / Arena Authority
Robert White
Harry Cann
Hope Parkin
Howard Feldman
Richard MacKeigan
Chris Machuta



An SMG Managed Facility

Van Andel Arena
Fiscal Year Ending June 30, 2017
Lead Income Statement

	Prior Year FY 2016 Rolling Forecast	Variance More / (Less)	Percentage Change Increase (Decrease)
FY 2017 Budget			

Event Income

Direct Event Income

Rental Income	1,839,750	1,670,864	168,886	10.11%
Service Income	1,122,000	1,459,493	(337,493)	-23.12%
Service Expenses	(1,707,000)	(2,131,209)	424,209	-19.90%
Total Direct Event Income	1,254,750	999,148	255,602	25.58%

Ancillary Income

F & B Concessions	1,063,318	1,463,115	(399,797)	-27.33%
F & B Catering	97,152	133,577	(36,426)	-27.27%
Novelty Sales	67,290	104,408	(37,118)	-35.55%
Booth Cleaning	-	355	(355)	
Other Ancillary	-	-	-	#DIV/0!
Total Ancillary Income	1,227,760	1,701,455	(473,696)	-27.84%

Other Event Income

Ticket Rebates (Per Event)	599,500	590,860	8,640	1.46%
Total Other Event Income	599,500	590,860	8,640	1.46%

Total Event Income

3,082,010	3,291,463	(209,454)	-6.36%
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Other Operating Income

2,257,850	2,359,584	(101,734)	-4.31%
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Adjusted Gross Income

5,339,860	5,651,047	(311,188)	-5.51%
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Operating Expenses

Employee Salaries and Wages	2,418,620	2,323,937	(94,683)	-4.07%
Benefits	730,628	674,952	(55,676)	-8.25%
Less: Event Labor Allocations	(1,244,076)	(1,222,773)	21,303	-1.74%
Net Employee Wages and Benefits	1,905,172	1,776,116	(129,056)	-7.27%
Contracted Services	254,400	245,855	(8,545)	-3.48%
General and Administrative	318,970	364,239	45,269	12.43%
Operations	90,784	97,055	6,271	6.46%
Repair & Maintenance	293,090	317,376	24,286	7.65%
Supplies	193,500	231,069	37,569	16.26%
Insurance	129,962	154,508	24,546	15.89%
Utilities	1,012,360	980,392	(31,968)	-3.26%
SMG Management Fees	173,661	171,942	(1,719)	-1.00%
Total Operating Expenses	4,371,899	4,338,552	(33,347)	-0.77%

Net Income (Loss) From Operations

967,961	1,312,495	(344,535)	-26.25%
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Other Income (Expenses)

-	-	-	
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Net Income After Other Income (Expenses)

967,961	1,312,495	(344,535)	-26.25%
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Van Andel Arena
Fiscal Year Ending June 30, 2017
Summary of Service Income

		Prior Year FY 2016 Rolling Forecast	Variance More / (Less)
	Total		
Gross Services Billed			
Advertising	292,009	379,844	(87,835)
Labor	9,455	12,299	(2,844)
Changeover	65,867	85,680	(19,813)
Stagehands	352,696	458,785	(106,089)
Security	54,242	70,558	(16,316)
Ushers/Ticket Takers	47,610	61,931	(14,321)
Box Office - Labor	3,955	5,145	(1,190)
Box Office - Ticket Service	56,137	73,023	(16,886)
City/Police/Fire	5,457	7,098	(1,641)
EMT's	8,407	10,936	(2,529)
Cleaning	50,030	65,079	(15,049)
Group Sales Commission	14,326	18,635	(4,309)
Telephone	8,546	11,117	(2,571)
Other Production	153,264	199,365	(46,101)
Total Service Income Billed	1,122,000	1,459,493	(337,494)
Gross Services Expense			
Advertising	317,949	396,963	(79,014)
Labor	7,675	9,582	(1,907)
Contracted Changeover	120,099	149,945	(29,846)
Stagehands	375,107	468,325	(93,218)
Contracted Security	148,354	185,222	(36,868)
Contracted Ushers/Ticket Takers	132,928	165,963	(33,035)
Box Office Labor	3,019	3,770	(751)
Contracted Ticketing Service	50,880	63,524	(12,644)
City/Police/Fire	12,586	15,713	(3,127)
Contracted EMT's	18,205	22,729	(4,524)
Contracted Cleaning	126,317	157,708	(31,391)
Group Sales Commission	5,920	7,391	(1,471)
Allocated Telephone	2,555	3,190	(635)
Other Production Expense	385,406	481,183	(95,777)
Total Services Expense	1,707,000	2,131,209	(424,208)
Total Service Income (Loss)	(585,000)	(671,716)	86,714

SMG Van Andel Arena
Grand Rapids - Kent County Convention/Arena Authority
Event Summary Report
For Fiscal Year Ending June 30, 2017

Event Type	Events/Days		Attendance	Rent	Service	Ancillary	Total	FY 2016	Variance
	FY 2017	FY 2016							
Family Shows	17	26	55,000	197,500	(104,000)	133,275	226,775	230,923	(4,148)
Sports	8	6	38,000	207,000	(37,000)	173,342	343,342	318,027	25,315
Concerts	23	29	163,000	891,750	(36,000)	874,605	1,730,355	1,917,253	(186,898)
Griffins	38	39	254,600	427,500	(418,000)	582,341	591,841	590,269	1,572
Other	12	10	43,000	116,000	10,000	63,697	189,697	234,989	(45,292)
GRAND TOTALS	98	110	553,600	1,839,750	(585,000)	1,827,260	3,082,010	3,291,461	(209,451)

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**SMG - Van Andel Arena & DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Management Fee Summary
Fiscal Year Ending June 30, 2017**

MANAGEMENT FEE SUMMARY

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2016 Forecast
Net Revenue above Expenses	963,796	(164,811)	798,985	1,003,101
Benchmark++			750,000	750,000
Excess	963,796	(164,811)	48,985	253,101

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Estimate
Base Fee	177,826	177,826	355,652	343,884
Incentive Fee				
Revenue	5,339,860	5,779,735	11,119,595	11,232,630
Benchmark Revenue	5,100,000	4,500,000	9,600,000	9,500,000
Revenue Excess	239,860	1,279,735	1,519,595	1,732,630
Incentive Fee **	56,138	299,514	355,652	343,884
Total SMG Management Fee	233,964	477,340	711,304	687,768

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

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

SMG - Van Andel Arena / DeVos Place
Grand Rapids - Kent County Convention/Arena Authority
Full Time Employee Summary & Allocation
Fiscal Year Ending June 30, 2017

Position	F/Y 2016			F/Y 2017			Change
	VAA	DVP	Total	VAA	DVP	Total	
General Manager	0.50	0.50	1.00	0.50	0.50	1.00	-
Administrative Assistant	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Finance	0.50	0.50	1.00	0.50	0.50	1.00	-
Accounting Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Accounting Support	1.50	1.50	3.00	1.50	1.50	3.00	-
Box Office Manager	0.80	0.20	1.00	0.80	0.20	1.00	-
Assistant Box Office Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Premium Seat/Suite	1.00	-	1.00	1.00	-	1.00	-
Box Office Support	1.00	-	1.00	1.00	-	1.00	-
Director of Marketing	0.50	0.50	1.00	0.50	0.50	1.00	-
Marketing Manager	1.00	-	1.00	1.00	-	1.00	-
Marketing Support	1.00	-	1.00	1.00	-	1.00	-
Group Sales Manager	1.00	-	1.00	1.00	-	1.00	-
Assistant General Manager - Ops	0.50	0.50	1.00	0.50	0.50	1.00	-
Director of Facilities	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Assistant	0.33	0.67	1.00	0.33	0.67	1.00	-
Maintenance Support	4.00	6.00	10.00	4.00	6.00	10.00	-
Operations Manager	1.00	1.00	2.00	1.00	1.00	2.00	-
Operations Support	9.00	8.00	17.00	9.00	8.00	17.00	-
MIS/IT		1.00	1.00		1.00	1.00	-
Assistant General Manager - Sales	-	1.00	1.00	-	1.00	1.00	-
Director of Sales	-	1.00	1.00	-	1.00	1.00	-
Sales Manager		1.00	1.00		1.00	1.00	-
Sales Support	-	1.00	1.00	-	1.00	1.00	-
Director of Event Services	-	1.00	1.00	-	1.00	1.00	-
Event Coordinators	1.00	4.00	5.00	1.00	4.00	5.00	-
House Manager		1.00	1.00		1.00	1.00	-
Receptionist/Admin Support	1.00	1.00	2.00	1.00	1.00	2.00	-
Total	28.46	34.54	63.00	28.46	34.54	63.00	-

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April 28, 2016

TO: CAA Finance Committee, CAA Board of Directors

THROUGH: Rich MacKeigan, Regional General Manager
DeVos Place®/Van Andel Arena®

FROM: Eddie Tadlock, Assistant General Manager, DeVos Place®

RE: Rental Rates, DeVos Place®

I would like to take this opportunity to present SMG's recommendations for Room Rental Rates for DeVos Place®, effective FY July 2017 through FY June 2021. SMG has established a 5-year rate card for DeVos Place® to provide potential clients the option to secure rental rates in outlying years, and in some instances multiple years.

Historically, while rental rates at DeVos Place® have not increased more than 3.25% each year over the past few years (averaging between 2.75% - 3%), our rates continue to hover in the mid-range on the regional average. Our current pricing schedules reflect current economic assumptions in the regional market place and knowledge of rental rates of comparable venues of similar size in the country.

In January and February 2014, Red 7 Media Research & Consulting and EXPO magazine conducted a survey of leading convention center executives and managers. The survey was sent via email to 577 executives and 65 responded for an 11.2% response rate.

Over a five-year period, 65% of responding venues say they have increased their pricing. Twenty-six percent of member venues say their pricing has stayed the same in a five year period (2009-2014).

We consider our current 5-year rate card to be a key marketing element for the facility. Given the flexibility to negotiate rental rates with clients (limited to an increase or reduction no greater than 20% of the approved rates), current rates afford us continued opportunities to be competitive in the bidding process for Regional and National Conventions. By keeping our current 5-year rental rate card, we position ourselves appropriately to deliver the most value for the quality of product we serve.

We have consulted with our partners at the Amway Hotel Corporation and Experience Grand Rapids to assure that the proposed increases are in line with our joint marketing goals.

Attachments: Rental Rate Schedules FY's, 2017, 2018, 2019, 2020, 2021.

ROOM RENTAL RATES

FY 2017 (July 1, 2016 – June 30, 2017)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,300 vs 12%	\$3,300/1 st Performance \$1,650/2 nd Performance	N/A	N/A	\$3,800	N/A
DeVos Hall (Fri-Sat)	\$3,800 vs 12%	\$3,800/1 st Performance \$1,900/2 nd Performance	N/A	N/A	\$4,300	N/A
Hall A-C	\$21,075 vs 12%	N/A	\$17,700 or \$.25 net sq. ft.	\$21,075 or \$.29 net sq. ft.	\$21,075	\$10,950
Hall A-B or B-C	\$14,050 vs 12%	N/A	\$11,800 or \$.25 net sq. ft.	\$14,050 or \$.29 net sq. ft.	\$14,050	\$7,300
Hall A, B, Or C	\$7,025 vs 12%	N/A	\$5,900 or \$.25 net sq. ft.	\$7,025 or \$.29 net sq. ft.	\$7,025	\$3,650
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,600 vs 12%	N/A	\$1,350 or \$.25 net sq. ft.	\$1,600 or \$.29 net sq. ft.	\$1,600	\$1,100
Meeting Rooms Grand Gallery Individual	\$575 vs 12%	N/A	\$575 or \$.25 net sq. ft.	\$575 or \$.29 net sq. ft.	\$575	\$575
Ballroom	\$6,200 vs 12%	N/A	\$5,200 or \$.25 net sq. ft.	\$6,200 or \$.29 net sq. ft.	\$6,200	\$3,700
Ballroom A,B,C-D	\$2,150 vs 12%	N/A	\$2,050 or \$.25 net sq. ft.	\$2,150 or \$.29 net sq. ft.	\$2,150	\$1,700
Ballroom C or D	\$1,300 vs 12%	N/A	\$1,250 or \$.25 net sq. ft.	\$1,300 or \$.29 net sq. ft.	\$1,300	\$1,200
River Overlook Meeting Rooms	\$575 vs 12%	N/A	\$575 per day	\$575 per day	\$575	\$575
Board Room	N/A	N/A	\$625 per day	\$625 per day	\$625	\$625
Monroe Meeting Rooms A-D	\$1,200 vs 12%	N/A	\$1,150 per day	\$1,200 per day	\$1,200	\$1,150
Monroe Meeting Room B, C, or D	N/A	N/A	\$475 per day	\$475 per day	\$475	\$475
Recital Hall or Monroe Meeting Room A	\$850 vs 12%	N/A	\$850 per day	\$850 per day	\$850	\$850

As managers of DeVos Place, SMG has the right to negotiate rental rates with clients, but agrees that such negotiations will be limited to an increase or reduction no greater than 20% of approved rental rates. These fluctuations may be considered if it became the shared position of affected area businesses that mutual special consideration is necessary to attract the business. SMG also has the right to negotiate rates for labor and equipment in accordance with industry standards, including charging for items which may not be included on this rental rate sheet.

ROOM RENTAL RATES

FY 2018 (July 1, 2017 – June 30, 2018)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,400 vs 12%	\$3,400/1 st Performance \$1,700/2 nd Performance	N/A	N/A	\$3,900	N/A
DeVos Hall (Fri-Sat)	\$3,900 vs 12%	\$3,900/1 st Performance \$1,950/2 nd Performance	N/A	N/A	\$4,400	N/A
Hall A-C	\$21,600 vs 12%	N/A	\$18,225 or \$.25 net sq. ft.	\$21,600 or \$.29 net sq. ft.	\$21,600	\$11,250
Hall A-B or B-C	\$14,400 vs 12%	N/A	\$12,150 or \$.25 net sq. ft.	\$14,400 or \$.29 net sq. ft.	\$14,400	\$7,500
Hall A, B, Or C	\$7,200 vs 12%	N/A	\$6,075 or \$.25 net sq. ft.	\$7,200 or \$.29 net sq. ft.	\$7,200	\$3,750
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,650 vs 12%	N/A	\$1,400 or \$.25 net sq. ft.	\$1,650 or \$.29 net sq. ft.	\$1,650	\$1,125
Meeting Rooms Grand Gallery Individual	\$600 vs 12%	N/A	\$600 or \$.25 net sq. ft.	\$600 or \$.29 net sq. ft.	\$600	\$600
Ballroom	\$6,350 vs 12%	N/A	\$5,350 or \$.25 net sq. ft.	\$6,350 or \$.29 net sq. ft.	\$6,350	\$3,800
Ballroom A,B,C-D	\$2,200 vs 12%	N/A	\$2,100 or \$.25 net sq. ft.	\$2,200 or \$.29 net sq. ft.	\$2,200	\$1,750
Ballroom C or D	\$1,350 vs 12%	N/A	\$1,300 or \$.25 net sq. ft.	\$1,350 or \$.29 net sq. ft.	\$1,350	\$1,250
River Overlook Meeting Rooms	\$600 vs 12%	N/A	\$600 per day	\$600 per day	\$600	\$600
Board Room	N/A	N/A	\$650 per day	\$650 per day	\$650	\$650
Monroe Meeting Rooms A-D	\$1,250 vs 12%	N/A	\$1,200 per day	\$1,250 per day	\$1,250	\$1,200
Monroe Meeting Room B, C, or D	N/A	N/A	\$500 per day	\$500 per day	\$500	\$500
Recital Hall or Monroe Meeting Room A	\$900 vs 12%	N/A	\$900 per day	\$900 per day	\$900	\$900

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ROOM RENTAL RATES

FY 2019 (July 1, 2018 – June 30, 2019)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,500 vs 12%	\$3,500/1 st Performance \$1,750/2 nd Performance	N/A	N/A	\$4,000	N/A
DeVos Hall (Fri-Sat)	\$4,000 vs 12%	\$4,000/1 st Performance \$2,000/2 nd Performance	N/A	N/A	\$4,500	N/A
Hall A-C	\$22,125 vs 12%	N/A	\$18,750 or \$.25 net sq. ft.	\$22,125 or \$.29 net sq. ft.	\$22,125	\$11,550
Hall A-B or B-C	\$14,750 vs 12%	N/A	\$12,500 or \$.25 net sq. ft.	\$14,750 or \$.29 net sq. ft.	\$14,750	\$7,700
Hall A, B, Or C	\$7,375 vs 12%	N/A	\$6,250 or \$.25 net sq. ft.	\$7,375 or \$.29 net sq. ft.	\$7,375	\$3,850
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,700 vs 12%	N/A	\$1,450 or \$.25 net sq. ft.	\$1,700 or \$.29 net sq. ft.	\$1,700	\$1,150
Meeting Rooms Grand Gallery Individual	\$625 vs 12%	N/A	\$625 or \$.25 net sq. ft.	\$625 or \$.29 net sq. ft.	\$625	\$625
Ballroom	\$6,500 vs 12%	N/A	\$5,500 or \$.25 net sq. ft.	\$6,500 or \$.29 net sq. ft.	\$6,500	\$3,900
Ballroom A,B,C-D	\$2,250 vs 12%	N/A	\$2,150 or \$.25 net sq. ft.	\$2,250 or \$.29 net sq. ft.	\$2,250	\$1,800
Ballroom C or D	\$1,400 vs 12%	N/A	\$1,350 or \$.25 net sq. ft.	\$1,400 or \$.29 net sq. ft.	\$1,400	\$1,300
River Overlook Meeting Rooms	\$625 vs 12%	N/A	\$625 per day	\$625 per day	\$625	\$625
Board Room	N/A	N/A	\$675 per day	\$675 per day	\$675	\$675
Monroe Meeting Rooms A-D	\$1,300 vs 12%	N/A	\$1,250 per day	\$1,300 per day	\$1,300	\$1,250
Monroe Meeting Room B, C, or D	N/A	N/A	\$525 per day	\$525 per day	\$525	\$525
Recital Hall or Monroe Meeting Room A	\$925 vs 12%	N/A	\$925 per day	\$925 per day	\$925	\$925

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ROOM RENTAL RATES

FY 2020 (July 1, 2019 – June 30, 2020)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,600 vs 12%	\$3,600/1 st Performance \$1,800/2 nd Performance	N/A	N/A	\$4,100	N/A
DeVos Hall (Fri-Sat)	\$4,100 vs 12%	\$4,100/1 st Performance \$2,050/2 nd Performance	N/A	N/A	\$4,600	N/A
Hall A-C	\$22,650 vs 12%	N/A	\$19,275 or \$.25 net sq. ft.	\$22,650 or \$.29 net sq. ft.	\$22,650	\$11,850
Hall A-B or B-C	\$15,100 vs 12%	N/A	\$12,850 or \$.25 net sq. ft.	\$15,100 or \$.29 net sq. ft.	\$15,100	\$7,900
Hall A, B, Or C	\$7,550 vs 12%	N/A	\$6,425 or \$.25 net sq. ft.	\$7,550 or \$.29 net sq. ft.	\$7,550	\$3,950
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,750 vs 12%	N/A	\$1,500 or \$.25 net sq. ft.	\$1,750 or \$.29 net sq. ft.	\$1,750	\$1,175
Meeting Rooms Grand Gallery Individual	\$650 vs 12%	N/A	\$650 or \$.25 net sq. ft.	\$650 or \$.29 net sq. ft.	\$650	\$650
Ballroom	\$6,650 vs 12%	N/A	\$5,650 or \$.25 net sq. ft.	\$6,650 or \$.29 net sq. ft.	\$6,650	\$4,000
Ballroom A,B,C-D	\$2,300 vs 12%	N/A	\$2,200 or \$.25 net sq. ft.	\$2,300 or \$.29 net sq. ft.	\$2,300	\$1,850
Ballroom C or D	\$1,450 vs 12%	N/A	\$1,400 or \$.25 net sq. ft.	\$1,450 or \$.29 net sq. ft.	\$1,450	\$1,350
River Overlook Meeting Rooms	\$650 vs 12%	N/A	\$650 per day	\$650 per day	\$650	\$650
Board Room	N/A	N/A	\$700 per day	\$700 per day	\$700	\$700
Monroe Meeting Rooms A-D	\$1,350 vs 12%	N/A	\$1,300 per day	\$1,350 per day	\$1,350	\$1,300
Monroe Meeting Room B, C, or D	N/A	N/A	\$550 per day	\$550 per day	\$550	\$550
Recital Hall or Monroe Meeting Room A	\$975 vs 12%	N/A	\$975 per day	\$975 per day	\$975	\$975

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ROOM RENTAL RATES

FY 2021(July 1, 2020 – June 30, 2021)

ROOM	PERFORM	ARTS GROUPS	CONVENTION	CONSUMER	ONE DAY MEETING	BANQUET
DeVos Hall (Sun – Thurs)	\$3,700 vs 12%	\$3,700/1 st Performance \$1,850/2 nd Performance	N/A	N/A	\$4,200	N/A
DeVos Hall (Fri-Sat)	\$4,200 vs 12%	\$4,200/1 st Performance \$2,100/2 nd Performance	N/A	N/A	\$4,700	N/A
Hall A-C	\$23,175 vs 12%	N/A	\$19,800 or \$.25 net sq. ft.	\$23,175 or \$.29 net sq. ft.	\$23,175	\$12,150
Hall A-B or B-C	\$15,450 vs 12%	N/A	\$13,200 or \$.25 net sq. ft.	\$15,450 or \$.29 net sq. ft.	\$15,450	\$8,100
Hall A, B, Or C	\$7,725 vs 12%	N/A	\$6,600 or \$.25 net sq. ft.	\$7,725 or \$.29 net sq. ft.	\$7,725	\$4,050
Meeting Rooms Grand Gallery 1 st or 2 nd	\$1,800 vs 12%	N/A	\$1,550 or \$.25 net sq. ft.	\$1,800 or \$.29 net sq. ft.	\$1,800	\$1,200
Meeting Rooms Grand Gallery Individual	\$675 vs 12%	N/A	\$675 or \$.25 net sq. ft.	\$675 or \$.29 net sq. ft.	\$675	\$675
Ballroom	\$6,800 vs 12%	N/A	\$5,800 or \$.25 net sq. ft.	\$6,800 or \$.29 net sq. ft.	\$6,800	\$4,100
Ballroom A,B,C-D	\$2,350 vs 12%	N/A	\$2,250 or \$.25 net sq. ft.	\$2,350 or \$.29 net sq. ft.	\$2,350	\$1,900
Ballroom C or D	\$1,500 vs 12%	N/A	\$1,450 or \$.25 net sq. ft.	\$1,500 or \$.29 net sq. ft.	\$1,500	\$1,400
River Overlook Meeting Rooms	\$675 vs 12%	N/A	\$675 per day	\$675 per day	\$675	\$675
Board Room	N/A	N/A	\$725 per day	\$725 per day	\$725	\$725
Monroe Meeting Rooms A-D	\$1,400 vs 12%	N/A	\$1,350 per day	\$1,400 per day	\$1,400	\$1,350
Monroe Meeting Room B, C, or D	N/A	N/A	\$575 per day	\$575 per day	\$575	\$575
Recital Hall or Monroe Meeting Room A	\$1,000 vs 12%	N/A	\$1,000 per day	\$1,000 per day	\$1,000	\$1,000

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MEMORANDUM

To: CAA Finance Committee

From: Richard MacKeigan

Date: April 12, 2016

Re: Extension of Financial Services Employment Agreement with Robert J. White

On January 1, 2010, the CAA Board entered into a Financial Services Employment Agreement with Robert J. White ("Bob") to provide for certain enhanced financing, contract monitoring, budgeting, and related services for and on behalf of the CAA. The Agreement terminated on June 30, 2013, and has been extended three times for additional one-year periods to June 30, 2016, on the same terms and conditions.

The agreement and extensions set compensation at the rate of \$125 per hour, for services not to exceed 200 hours per year. In each of the last two years, the hours for compensation have been 175.25 for 2015 and 45.50 for 2016 YTD. Bob's 2015 wages were \$21,906.25 and 2016 YTD are \$5,687.50. I am recommending that the CAA extend said agreement again, upon the same terms and conditions contained therein, for one (1) additional year. I have discussed this with Bob and he is happy to continue the relationship for another year.

Over the past six years, Bob has proven to be a valuable employee and has performed the contractual services with the highest degree of professionalism. The CAA and Bob have enjoyed an excellent working relationship and the CAA wishes to continue its affiliation with Bob.

Based on the above, I am requesting the Finance Committee approve, and recommend to the CAA Board of Directors approval of, a one-year extension of the Financial Services Employment Agreement with Robert J. White.



MEMORANDUM

To: Richard A. Winn, Chairperson, CAA Finance Committee

From: Robert W. White, Finance Director

Date: April 29, 2016

Re: FY 2016 Audit Recommendation

The CAA is required by State Statute to retain an auditor for the conduct of annual audits of its books and records. SMG, under the terms of its contract with the CAA (Sec. 6.1 - Records and Audits), is required to produce annual Special Purpose Financial Statements (reviewed by an outside auditor). Preparation of these SPFS includes a review of internal controls and verification of the incentive fee calculation which is part of the contract with SMG.

In 2015, SMG utilized the services of Deloitte at a cost of \$59,500. A set of SPFS was delivered to the CAA in September, 2015. Following completion of the SMG review, the CAA contracted with BDO to conduct an audit of the consolidated financial statements at a cost of \$27,175. This report was delivered to the CAA Board in December, 2015. A copy was thereafter filed with the State Treasurer's Office.

Both CAA and SMG staff recognized the utilization of two different auditors produced some duplication of effort. A joint Request for Proposals, for conduct of the FY2106-2018 audit/reviews, was issued in March. Five responses were received and opened on April 15th. A copy of the bid tabulation is attached following this memo.

The proposals were reviewed by Richard MacKeigan, Chris Machuta, and myself. After discussion, among the group, it is our joint recommendation to designate Rehmann as the auditor for the 2016 GR/KC Convention/Arena Authority financial statements and the 2016 SMG - Special Purpose Financial Statements. SMG retains the right to review this recommendation, going forward, on an annual basis.

**Grand Rapids-Kent County
Convention/Arena Authority
General/Special Audits
FY 2016-2018
4/15/2016**

Respondent	Current	Proposal			Total
	FY 15	FY 16	FY 17	FY 18	Three Years
Rehmann					
- Consolidated	27,175	24,900	26,100	27,400	
- Special	59,500	39,800	41,800	43,800	
	<u>86,675</u>	<u>64,700</u>	<u>67,900</u>	<u>71,200</u>	203,800
BDO					
- Consolidated	27,175	17,150	17,650	18,150	
- Special	59,500	49,000	50,500	52,000	
	<u>86,675</u>	<u>66,150</u>	<u>68,150</u>	<u>70,150</u>	204,450 ⁽¹⁾
Crowe Horwath					
- Consolidated	27,175	23,500	23,500	23,500	
- Special	59,500	51,000	51,000	51,000	
	<u>86,675</u>	<u>74,500</u>	<u>74,500</u>	<u>74,500</u>	223,500
Plante Moran					
- Consolidated	27,175	24,750	25,245	25,750	
- Special	59,500	53,000	54,060	55,140	
	<u>86,675</u>	<u>77,750</u>	<u>79,305</u>	<u>80,890</u>	237,945
Deloitte		82,000	83,500	85,000	250,500 ⁽²⁾

NOTES:

(1) Plus out-of-pocket. Total in FY15 of \$425.

(2) Plus out-of-pocket.