



# Agenda

---

## Board of Directors

**Friday, October 4, 2019**  
**Following CAA Operations Committee Meeting**  
**Kent County Commission Chambers**  
**300 Monroe Avenue, NW, Grand Rapids, MI**

- |    |  |                |
|----|--|----------------|
| 1. | Call to Order  | Steve Heacock  |
| 2. | Minutes of August 2, 2019  | Action         |
| 3. | Committee Reports  |                |
|    | A. Operations Committee  | Information    |
|    | B. Finance Committee   |                |
|    | i. Consolidated Financial Statement for Period Ending August 31, 2019        | Action         |
|    | ii. SMG August 2019 Financial Statements – DeVos Place® and Van Andel Arena® | Information    |
| 4. | Director & Officer Insurance Renewal   | Action         |
| 5. | SMG Report and Facilities Calendars  | Rich MacKeigan |
| 6. | Public Comment   |                |
| 7. | CAA Board Member Comments  |                |
| 8. | Adjournment  |                |

**Next Meeting Date: Friday, November 1, 2019**

**MINUTES OF THE GRAND RAPIDS-KENT COUNTY  
CONVENTION/ARENA AUTHORITY  
MEETING OF BOARD OF DIRECTORS  
300 MONROE AVENUE, NW | GRAND RAPIDS, MI  
Friday, August 2, 2019**

Attendance

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

Members Absent: Rosalynn Bliss  
Lew Chamberlin

Staff/Others:	Tom Bennett	Experience Grand Rapids
	Scott Gorsline	Grand Rapids Griffins
	Chris Knape	K Corner Consulting
	Rich MacKeigan	SMG
	Doug Small	Experience Grand Rapids
	Eddie Tadlock	SMG
	Brad Thomas	Progressive AE
	John Van Houten	Progressive AE
	Susan Waddell	CAA
	Mark Washington	City of Grand Rapids
	Robert White	CAA
	Jessica Wood	Dickinson Wright

**1. Call to Order**

Chairperson, Steve Heacock, called the meeting to order at 8:30 a.m. Secretary/Treasurer, Richard Winn, recorded the meeting minutes.

**2. Minutes of Prior Meeting**

*Motion by Ms. Klohs, support by Mr. Wilson, to approve the June 7, 2019, Minutes. Motion carried.*

**3. Committee Reports**

**A. Operations Committee**

**i. Experience Grand Rapids Report**

Mr. Bennett provided an overview of the CVB's recent bookings, sales activities, site visits, marketing efforts, and major bid presentations. The Smith Travel Research Star Report revealed that June was a little slow, although overall strong year-to-date. Staff booked six groups for the convention center including Michigan Council of Exceptional Children, Michigan Association of Insurance Agents, S. Abraham & Sons, and Amway IBO. During June and July, the sale team was busy on the road for trade shows, meetings, and sales missions. The CVB hosted its 27-hour visit and held Put a Fork in It, with four food trucks, in Lansing.

**B. Finance Committee**

i. Acceptance of June 2019 Consolidated Financial Statements

*Motion by Mr. Winn, support by Mr. Wilson, to (i) accept the June 2019 Consolidated Financial Statements and (ii) authorize an increase in the FY 2020 capital appropriation of \$1,305,305, representing the total of FY 2019 balances estimated to be expended in FY 2020 to complete the projects. Motion carried.*

ii. SMG June 2019 DeVos Place® and Van Andel Arena®  
Financial Statements

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

**4. Auto Parking System Periodic Reporting**

The quarterly report regarding the City/County utilization of discounted DeVos Place® monthly parking passes was included as an information item.

**5. Application to Liquor Control Commission for Special License**

Mr. MacKeigan requested approval to submit an application to the Michigan Liquor Control Commission for special liquor licenses in conjunction with the International Wine, Beer & Food Festival that will be held November 21-23, 2019.

*Motion by Ms. Klohs, support by Mr. Wilson, to approve an application to the Michigan Liquor Control Commission for special liquor licenses in conjunction with the International Wine, Beer & Food Festival. Motion carried.*

**6. SMG Report and Facilities Calendars**

Mr. MacKeigan reported that the Proof of Concept Task Force work continues as it related to the amphitheater and DeVos Place® headquarters hotel. Locker room renovations are ongoing at the Van Andel Arena®. The merger between AEG and SMG may be announced in the next couple of months.

**7. Public Comment**

None.

**8. Adjournment**

The meeting adjourned at 8:55 a.m. The next CAA Board meeting is Friday, October 4, 2019.

---

Richard A. Winn, Recording Secretary

**Grand Rapids-Kent County  
Convention/Arena Authority  
Consolidated Financial Report**

**August 31, 2019**

	<b>Page</b>
Dashboard	1
Summary by Facility	
Rolling Forecast	2
Year-to-Date Comparable	3
Trend Analysis	
Monthly Net Operating Proceeds - FY19 & FY20	4
Lagging 12 Months Net Operating Proceeds	5
Significant Notes	6
Administrative Accounts	
Year-to-Date Comparable	7
Special Accounts - Amphitheater Project	8



**Financial Dashboard  
Year-To-Date (2 Months)  
August 31, 2019**

<b>Van Andel Arena®</b>						
	<b>All Events</b>			<b>Concert</b>		
	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
<b>Events</b>	7	7	5	6	7	5
<b>Attendance</b>	53,255	58,000	39,765	43,940	58,000	39,765
<b>Event Income</b>	\$ 463,358	\$ 697,202	\$ 368,580	\$ 376,356	\$ 697,202	\$ 368,580
<b>DeVos Place®</b>						
	<b>All Events</b>			<b>Convention/Trade</b>		
	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>	<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
<b>Events</b>	45	59	69	26	41	26
<b>Attendance</b>	39,685	42,650	35,170	25,690	30,450	22,645
<b>Event Income</b>	\$ 549,450	\$ 590,884	\$ 556,897	\$ 351,469	\$ 409,185	\$ 341,875
				<b>Prior Year</b>	<b>Budget</b>	<b>Actual</b>
	<b>Operating Income (Loss)</b>			\$ (110,627)	\$ (53,588)	\$ (515,231)
	<b>Capital/Repair/Replacement</b>			(589,821)	(605,360)	(605,360)
	<b>Net - To/(From) on Fund Balance</b>			\$ (700,448)	\$ (658,948)	\$ (1,120,591) <sup>(1)</sup>

\*NOTES: (1):

Unrestricted Fund Balance (preliminary) @ June 30, 2019                      \$ 24,369,664

**Grand Rapids-Kent County Convention/Arena Authority**  
**Summary by Facility/Other**  
**Fiscal Year Ending June 30, 2020**

	FY 2020			FY 2019	
	7/1 - 8/31 Year-to-Date	Roll	Estimate <sup>(1)</sup>	Budget	Prior Year
<b>Van Andel Arena</b>					
Operating - Revenues	727,451	\$ -	\$ -	\$ 6,261,150	\$ 8,797,609
- Expenses - Facilities	(737,147)			(4,467,311)	(4,523,497)
- Base Management Fees	(29,407)			(179,969)	(176,440)
- Incentive Fee	-			(118,412)	(196,210)
Net Operating Income (Loss)	(39,103)		-	1,495,458	3,901,462
Parking	64,580			409,000	368,000
Pedestrian Safety	(2,809)			(97,400)	(130,605)
<b>Net Proceeds (Cost) of VAA</b>	<b>22,668</b>		<b>-</b>	<b>1,807,058</b>	<b>4,138,857</b>
<b>DeVos Place Convention Center</b>					
Operating - Revenues	566,283			6,697,333	7,306,195
- Expenses - Facilities	(1,141,768)			(6,672,635)	(7,107,159)
- Base Management Fees	(29,407)			(179,969)	(176,440)
- Incentive Fee	-			(241,526)	(151,879)
Net Operating Income (Loss)	(604,892)		-	(396,797)	(129,283)
Parking	214,288			1,285,730	1,336,967
Pedestrian Safety	(722)			(51,500)	(63,017)
<b>Net Proceeds (Cost) of DVP</b>	<b>(391,326)</b>		<b>-</b>	<b>837,433</b>	<b>1,144,667</b>
<b>Other</b>					
Revenues	90,516			685,750 <sup>(3)</sup>	651,353
Expenses	(237,089)			(1,637,828)	(974,663)
<b>Net Other</b>	<b>(146,573)</b>		<b>-</b>	<b>(952,078)</b>	<b>(323,310)</b>
<b>Total Net Proceeds/Operating</b>	<b>(515,231)</b>	<b>-</b>	<b>-</b>	<b>1,692,413</b>	<b>4,960,214</b>
Capital/Repair Expenditures	(605,360)			(4,994,905) <sup>(2)</sup>	(4,294,340)
<b>Results Net of Capital/Repair Expenditures</b>	<b>(1,120,591)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,302,492)</b>	<b>\$ 665,874</b>

Notes:

<sup>(1)</sup> First quarter updated full-year estimate provided at November 1st Board meeting.

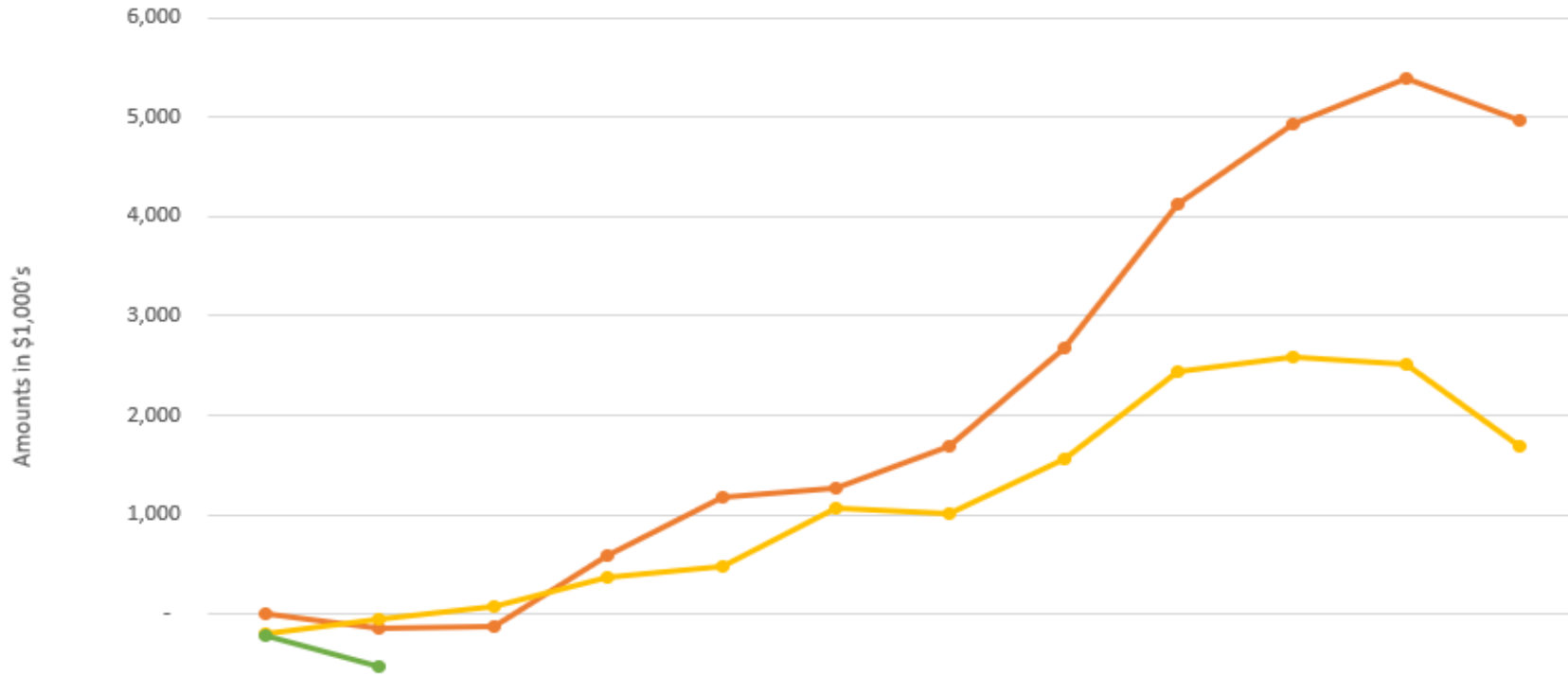
<sup>(2)</sup> Includes budget amendment to provide for several capital project balances carried over from FY 19. See June 2019 consolidated financial report for details.

<sup>(3)</sup> Excludes 4/4/19 deposit of \$5 million grant proceeds from State of Michigan.

**Grand Rapids-Kent County Convention/Arena Authority**  
**Budget Summary by Facility/Other**  
**Financial Trends for Year Ending August 31, 2019**

	Annual			Year-To-Date		
	FY 2019 Final	FY 2020 Budget	Change Positive (Negative)	FY 2019 7/1-8/31	FY 2020 7/1 - 8/31	Change Positive (Negative)
<b>Van Andel Arena</b>						
Operating - Revenues	\$ 8,797,609	\$ 6,261,150	(28.8)	\$ 856,000	727,451	(15.0)
- Expenses - Facilities	(4,523,497)	(4,467,311)	1.2	(697,528)	(737,147)	(5.7)
- Base Management Fees	(176,440)	(179,969)	(2.0)	(29,407)	(29,407)	-
- Incentive Fee	(196,210)	(118,412)	39.7	-	-	-
Net Operating Income (Loss)	3,901,462	1,495,458	(61.7)	129,065	(39,103)	(130.3)
Parking	368,000	409,000	11.1	71,124	64,580	(9.2)
Pedestrian Safety	(130,605)	(97,400)	25.4	(6,463)	(2,809)	56.5
<b>Net Proceeds (Cost) of VAA</b>	<b>4,138,857</b>	<b>1,807,058</b>	<b>(56.3)</b>	<b>193,726</b>	<b>22,668</b>	<b>(88.3)</b>
<b>DeVos Place Convention Center</b>						
Operating - Revenues	7,306,195	6,697,333	(8.3)	555,035	566,283	2.0
- Expenses - Facilities	(7,107,159)	(6,672,635)	6.1	(1,044,007)	(1,141,768)	(9.4)
- Base Management Fees	(176,440)	(179,969)	(2.0)	(29,407)	(29,407)	-
- Incentive Fee	(151,879)	(241,526)	(59.0)	-	-	-
Net Operating Income (Loss)	(129,283)	(396,797)	(206.9)	(518,378)	(604,892)	(16.7)
Parking	1,336,967	1,285,730	(3.8)	219,325	214,288	(2.3)
Pedestrian Safety	(63,017)	(51,500)	18.3	(2,913)	(722)	(75.2)
<b>Net Proceeds (Cost) of DVP</b>	<b>1,144,667</b>	<b>837,433</b>	<b>(26.8)</b>	<b>(301,966)</b>	<b>(391,326)</b>	<b>(29.6)</b>
<b>Other</b>						
Revenues	651,353	685,750	5.3	65,640	90,516	37.9
Expenses	(974,663)	(1,637,828)	(68.0)	(68,027)	(237,089)	(248.5)
<b>Net Other</b>	<b>(323,310)</b>	<b>(952,078)</b>	<b>(194.4)</b>	<b>(2,387)</b>	<b>(146,573)</b>	<b>(6,040.5)</b>
<b>Total Net Proceeds/Operating</b>	<b>4,960,214</b>	<b>1,692,413</b>	<b>(65.9)</b>	<b>(110,627)</b>	<b>(515,231)</b>	<b>(365.7)</b>
Capital/Repair Expenditures	(4,294,340)	(4,994,905)	(16.3)	(589,821)	(605,360)	(2.6)
<b>Results Net of Capital Expenditures</b>	<b>\$ 665,874</b>	<b>\$ (3,302,492)</b>	<b>(496.0)</b>	<b>\$ (700,448)</b>	<b>(1,120,591)</b>	<b>(60.0)</b>

### CAA Trends Monthly Net Operating Proceeds through August 31, 2019

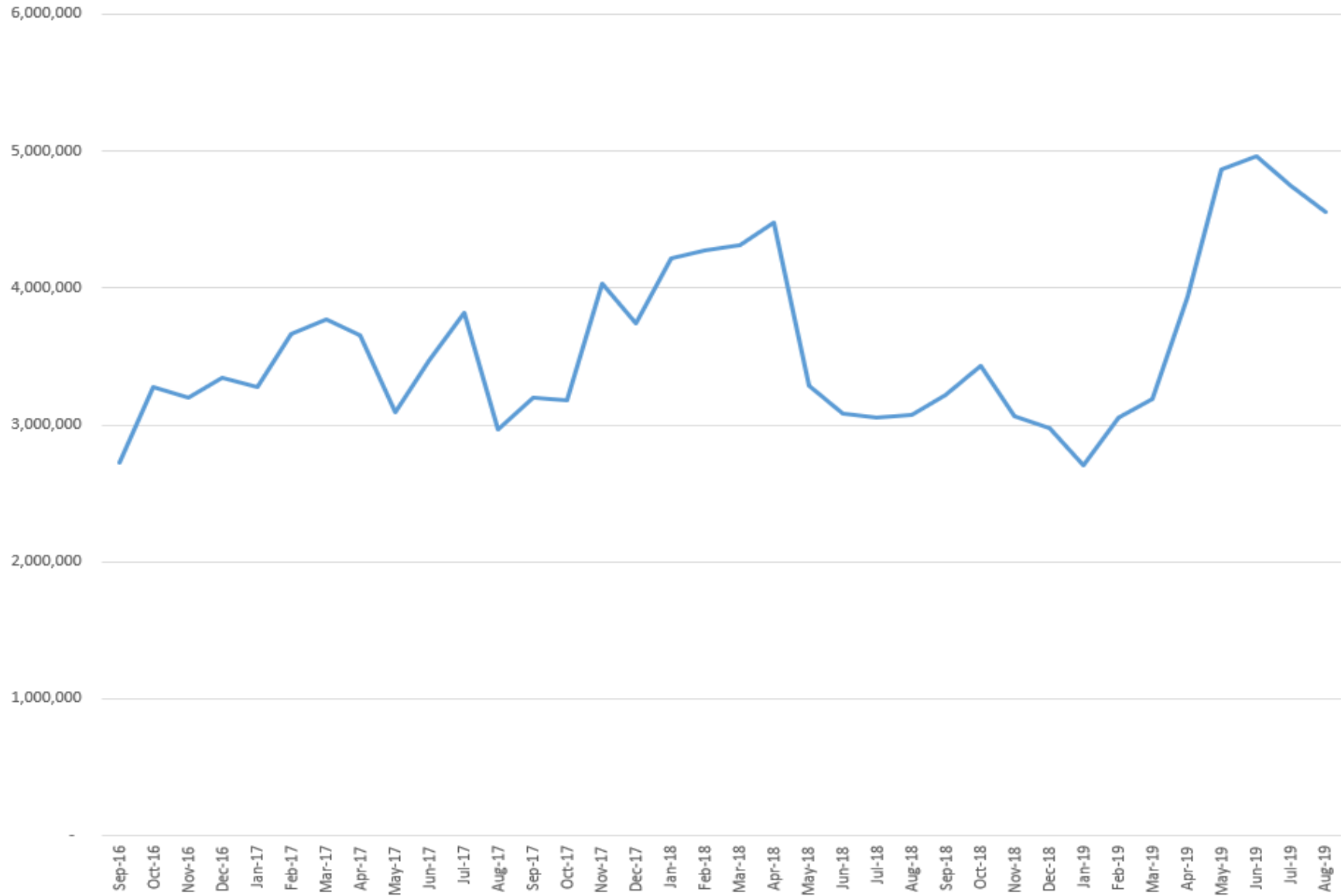


(1,000)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<span style="color: orange;">—●</span> FY19 Actual	4	(134)	(125)	590	1,177	1,267	1,697	2,675	4,129	4,937	5,389	4,960
<span style="color: yellow;">—●</span> FY20 Budget	(201)	(54)	73	372	486	1,063	1,007	1,567	2,448	2,586	2,512	1,692
<span style="color: green;">—●</span> FY20 Actual	(218)	(515)										

Accumulative Net Proceeds by Month



## Lagging 12 Months Net Operating Proceeds



## Significant Notes

### Van Andel Arena®

- Page 1 - Five concerts generated \$368,580 in event revenue, a decrease of (2.1%) from prior year (6 concerts) of \$376,356.
- Page 3 - Net proceeds of (\$22,668) decreased by (88.3%) from prior year of \$193,726.

### DeVos Place®

- Page 1 - Convention/trade show business generated \$341,875 in event revenue, a decrease of (2.7%) from prior year (attendance decreased from 25,690 to 22,645) of \$351,469.
- Page 3 - Net "proceeds" of (\$391,326) decreased by (29.6%) from prior year Net Proceeds of (\$301,966).

**Grand Rapids-Kent County Convention/Arena Authority**  
**Administrative Accounts**  
**Net Other Detail**  
**August 31, 2019**

	<u>Annual</u>			<u>Actual</u>		
	<u>FY 2019 Final</u>	<u>FY 2020 Budget</u>	<u>Change Positive (Negative)</u>	<u>FY 2019 7/1-8/31</u>	<u>FY 2020 7/1-8/31</u>	<u>Change Positive (Negative)</u>
Other						
Revenues						
Interest/Capital Contr.	\$ 580,124	\$ 564,750	(2.7)	\$ 65,640	\$ 90,516 <sup>(1)</sup>	37.9
Miscellaneous	71,229	121,000	69.9	-	-	-
	<u>651,353</u>	<u>685,750</u>	5.2	<u>65,640</u>	<u>90,516</u>	<u>37.9</u>
Expenses						
Marketing (CVB/Sports)	200,000	200,000	-	-	-	-
Diversity Initiative	231,339	275,000	(18.9)	(3,074)	19,538	(635.6)
Wages/Benefits	144,774	148,815	(2.8)	16,948	14,195	16.2
Professional Services	69,606	80,000	(14.9)	264	484	(83.3)
DID Assessment	62,616	64,500	(3.0)	62,616	43,569	30.4
Food & Beverage Repairs	14,095	40,000	(183.8)	-	-	-
Consulting Services	159,794	689,513 <sup>(2)</sup>	(331.5)	(18,037)	151,393	(839.3)
Landscaping	26,134	25,000	4.3	-	-	-
Procurement of Art	26,904	30,000	(11.5)	-	-	-
Insurance	21,457	25,000	(16.5)	6,547	6,029	7.9
Supplies/Other	17,944	60,000	(234.3)	2,763	1,881	31.9
	<u>974,663</u>	<u>1,637,828</u>	<u>(68.0)</u>	<u>68,027</u>	<u>237,089</u>	<u>(248.5)</u>
Net Proceeds - Operating	<u>\$ (323,310)</u>	<u>\$ (952,078)</u>	<u>(194.5)</u>	<u>\$ (2,387)</u>	<u>\$ (146,573)</u>	<u>(6,040.5)</u>

Notes:

<sup>(1)</sup> Excludes 4/4/19 deposit of \$5 million grant proceeds from the State of Michigan.

<sup>(2)</sup> SMG-\$54,290, \$50,000 DVP long-term capital study, and hotel project manager/other project consultants-\$85,223, and \$500,000-Proof of Concept Task Force - including the engagement of architects, costing experts, and geological experts.



# DEVOS PLACE

## DE VOS PLACE

FINANCIAL STATEMENT  
FOR THE MONTH ENDED AUGUST 31, 2019

Distribution:

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



---

*An SMG Managed Facility*

DE VOS PLACE  
 ROLLING FORECAST  
 FISCAL YEAR ENDING JUNE 30, 2020

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	69	418	487	487	-
ATTENDANCE	35,170	629,400	664,570	664,570	-
DIRECT EVENT INCOME	253,493	3,041,783	3,295,276	3,295,276	-
ANCILLARY INCOME	244,181	2,354,518	2,598,699	2,598,699	-
OTHER EVENT INCOME	59,224	694,134	753,358	753,358	-
<b>TOTAL EVENT REVENUE</b>	<b>556,898</b>	<b>6,090,435</b>	<b>6,647,333</b>	<b>6,647,333</b>	<b>-</b>
<b>TOTAL OTHER REVENUE</b>	<b>9,386</b>	<b>40,614</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>
<b>TOTAL OPERATING REVENUE</b>	<b>566,284</b>	<b>6,131,049</b>	<b>6,697,333</b>	<b>6,697,333</b>	<b>-</b>
<b>INDIRECT EXPENSES</b>					
EXECUTIVE	44,369	202,754	247,123	247,123	-
FINANCE	57,776	241,089	298,865	298,865	-
MARKETING	35,580	139,732	175,312	175,312	-
OPERATIONS	229,473	1,445,398	1,674,871	1,674,871	-
EVENT SERVICES	274,874	1,162,814	1,437,688	1,437,688	-
BOX OFFICE	50,299	140,416	190,715	190,715	-
SALES	84,989	437,339	522,328	522,328	-
OVERHEAD	393,814	1,911,888	2,305,702	2,305,702	-
<b>TOTAL OPERATING EXP.</b>	<b>1,171,176</b>	<b>5,681,430</b>	<b>6,852,604</b>	<b>6,852,604</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>(604,892)</b>	<b>449,619</b>	<b>(155,271)</b>	<b>(155,271)</b>	<b>-</b>
INCENTIVE FEE		239,673	239,673	241,526	1,853
<b>NET OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>(604,892)</b>	<b>209,946</b>	<b>(394,944)</b>	<b>(396,797)</b>	<b>1,853</b>

Comments:

DeVos Place finished August a little behind budget overall with event activity coming in at expected levels offset by higher than budgeted expenses.

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

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

/

**DE VOS PLACE  
FINANCIAL STATEMENT HIGHLIGHTS  
FISCAL YEAR ENDING JUNE 30, 2020**

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

<b>MONTH</b>	August Actual	August Budget	August FY 2019
Number of Events	44	32	22
Attendance	26,011	32,800	27,833
Direct Event Income	\$143,742	\$163,431	\$174,934
Ancillary Income	164,335	172,862	158,915
Other Event Income	13,943	8,000	30,149
Other Operating Income	7,578	4,166	2,087
Indirect Expenses	(633,201)	(571,051)	(606,534)
Net Income	(\$303,603)	(\$222,592)	(\$240,449)

<b>YTD</b>	YTD 2020 Actual	YTD 2020 Budget	YTD 2019 Prior Year
Number of Events	69	59	45
Attendance	35,170	43,350	39,685
Direct Event Income	\$253,492	\$266,810	\$268,953
Ancillary Income	244,181	292,074	205,695
Other Event Income	59,224	32,000	74,802
Other Operating Income	9,386	8,332	5,585
Indirect Expenses	(1,171,175)	(1,142,102)	(1,073,414)
Net Income	(\$604,892)	(\$542,886)	(\$518,378)

**EVENT INCOME**

Event income came in a little below budget overall. Event days are skewed a little high as a small training event was hosted during multiple days of the month, however, was not a high revenue producing event.

**ANCILLARY INCOME**

Ancillary income came in at consistent levels for the month.

**INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, brings it mostly in line for the fiscal year to date. Increase due more to timing than any trend at this point.

**DeVos Place**  
**Income Statement**  
**For the Two Months Ended August 31, 2019**

	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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$191,186	\$206,953	\$ (15,767)	\$211,578	\$307,070	\$326,398	\$ (19,328)	\$328,307
Service Revenue	155,186	185,368	(30,182)	164,340	304,097	292,355	11,742	270,857
Service Expenses	(202,630)	(228,890)	26,260	(200,984)	(357,675)	(351,943)	(5,732)	(330,211)
<b>Total Direct Event Income</b>	<b>143,742</b>	<b>163,431</b>	<b>(19,689)</b>	<b>174,934</b>	<b>253,492</b>	<b>266,810</b>	<b>(13,318)</b>	<b>268,953</b>
<b>Ancillary Income</b>								
F&B Concession	5,302	6,430	(1,128)	10,278	13,619	15,392	(1,773)	18,696
F&B Catering	43,342	62,764	(19,422)	70,366	83,724	106,226	(22,502)	82,837
Novelty Sales	8,261	1,000	7,261	3,386	9,582	4,000	5,582	4,670
Booth Cleaning	31,542	39,508	(7,966)	33,628	35,840	50,300	(14,460)	35,435
Telephone/Long Distance	0	300	(300)	338	0	300	(300)	338
Electrical Services	30,114	35,796	(5,682)	30,993	37,814	50,412	(12,598)	33,723
Audio Visual	26,938	11,490	15,448	3,543	37,888	39,938	(2,050)	17,989
Internet Services	10,346	7,551	2,795	2,133	11,759	10,675	1,084	2,036
Equipment Rental	8,490	8,023	467	4,250	13,955	14,831	(876)	9,971
<b>Total Ancillary Income</b>	<b>164,335</b>	<b>172,862</b>	<b>(8,527)</b>	<b>158,915</b>	<b>244,181</b>	<b>292,074</b>	<b>(47,893)</b>	<b>205,695</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	13,943	8,000	5,943	30,149	59,224	32,000	27,224	74,802
<b>Total Other Event Income</b>	<b>13,943</b>	<b>8,000</b>	<b>5,943</b>	<b>30,149</b>	<b>59,224</b>	<b>32,000</b>	<b>27,224</b>	<b>74,802</b>
<b>Total Event Income</b>	<b>322,020</b>	<b>344,293</b>	<b>(22,273)</b>	<b>363,998</b>	<b>556,897</b>	<b>590,884</b>	<b>(33,987)</b>	<b>549,450</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	942	1,333	(391)	1,377	1,883	2,666	(783)	2,448
Advertising	0	1,000	(1,000)	0	0	2,000	(2,000)	0
Other Income	6,636	1,833	4,803	710	7,503	3,666	3,837	3,137
<b>Total Other Operating Income</b>	<b>7,578</b>	<b>4,166</b>	<b>3,412</b>	<b>2,087</b>	<b>9,386</b>	<b>8,332</b>	<b>1,054</b>	<b>5,585</b>
<b>Adjusted Gross Income</b>	<b>329,598</b>	<b>348,459</b>	<b>(18,861)</b>	<b>366,085</b>	<b>566,283</b>	<b>599,216</b>	<b>(32,933)</b>	<b>555,035</b>
<b>Operating Expenses</b>								
Salaries and Wages	418,336	359,752	58,584	409,781	715,752	719,504	(3,752)	679,349
Payroll Taxes and Benefits	55,289	105,577	(50,288)	61,397	97,356	211,154	(113,798)	115,574
Labor Allocations to Events	(202,485)	(216,387)	13,902	(229,167)	(355,958)	(432,774)	76,816	(374,096)
<b>Net Salaries and Benefits</b>	<b>271,140</b>	<b>248,942</b>	<b>22,198</b>	<b>242,011</b>	<b>457,150</b>	<b>497,884</b>	<b>(40,734)</b>	<b>420,827</b>
Contracted Services	43,571	23,692	19,879	40,438	81,246	47,384	33,862	77,793
General and Administrative Operations	78,927	34,502	44,425	44,441	130,100	69,004	61,096	73,225
Repair and Maintenance	31,587	13,613	17,974	24,602	40,564	27,226	13,338	31,034
Operational Supplies	40,099	47,100	(7,001)	48,949	121,034	94,200	26,834	91,518
Insurance	11,826	24,675	(12,849)	44,014	29,608	49,350	(19,742)	53,888
Utilities	14,726	20,463	(5,737)	14,892	25,377	40,926	(15,549)	25,948
SMG Management Fees	126,622	143,067	(16,445)	132,484	256,689	286,134	(29,445)	269,774
	14,703	14,997	(294)	14,703	29,407	29,994	(587)	29,407
<b>Total Operating Expenses</b>	<b>633,201</b>	<b>571,051</b>	<b>62,150</b>	<b>606,534</b>	<b>1,171,175</b>	<b>1,142,102</b>	<b>29,073</b>	<b>1,073,414</b>
<b>Net Income(Loss) From Operatic</b>	<b>(303,603)</b>	<b>(222,592)</b>	<b>(81,011)</b>	<b>(240,449)</b>	<b>(604,892)</b>	<b>(542,886)</b>	<b>(62,006)</b>	<b>(518,378)</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>(303,603)</b>	<b>(222,592)</b>	<b>(81,011)</b>	<b>(240,449)</b>	<b>(604,892)</b>	<b>(542,886)</b>	<b>(62,006)</b>	<b>(518,378)</b>



**SMG DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Year to Date Event Summary Report**  
**For the Two Months Ended August 31, 2019**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	26	41	22,645	30,450	341,875	409,185
Consumer/Gated Shows	-	-	-	-	-	-
DeVos Performance Hall	8	4	8,490	6,000	134,125	74,800
Banquets	-	3	-	2,200	-	35,944
Meetings	13	9	1,710	3,050	55,531	64,085
Other	22	2	2,325	950	25,367	6,870
<b>GRAND TOTALS</b>	<b>69</b>	<b>59</b>	<b>35,170</b>	<b>42,650</b>	<b>556,897</b>	<b>590,884</b>

As Percentage of Overall

Convention/Trade Shows	37.68%	69.49%	64.39%	71.40%	61.39%	69.25%
Consumer/Gated Shows	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Devos Performance Hall	11.59%	6.78%	24.14%	14.07%	24.08%	12.66%
Ballroom Exclusive	0.00%	5.08%	0.00%	5.16%	0.00%	6.08%
Meetings	18.84%	15.25%	4.86%	7.15%	9.97%	10.85%
Other	31.88%	3.39%	6.61%	2.23%	4.56%	1.16%

**DeVos Place  
Balance Sheet  
As of August 31, 2019**

**ASSETS**

**Current Assets**

Cash	1,424,690
Account Receivable	743,580
Prepaid Expenses	231,477

**Total Current Assets** -----  
\$2,399,747

**Total Assets** -----  
\$2,399,747  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	322,363
Accrued Expenses	367,492
Deferred Income	78,026
Advanced Ticket Sales & Deposits	1,230,826

**Total Current Liabilities** -----  
\$1,998,707

**Other Liabilities**

**Equity**

Funds Remitted to CAA	-
Funds Received by CAA	(6,000)
Expenses Paid Direct by CAA	230,708
Beginning Balance Equity	781,225
Current Year Equity	(604,892)

**Total Equity** -----  
\$401,040

**Total Liabilities and Equity** -----  
\$2,399,747  
=====

5

**SMG - DeVos Place**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of August 31, 2019**

---

Current - Under 30 Days	
Food & Beverage	48,664
Ticketing	65,269
Merchandise	-
Decorating	31,542
Audio/Visual	26,937
Van Andel Arena	46,905
Operating	293,703
Over 30 Days	100,485
Over 60 Days	130,075
Over 90 Days	
Total Accounts Receivable	743,580

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2020**

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Unaudited
Net Revenue above Expenses	1,613,870	(155,271)	1,458,599	4,120,269
Benchmark <sup>++</sup>			1,050,000	1,050,000
Excess	1,613,870	(155,271)	408,599	3,070,269

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	179,263	179,263	358,526	352,880
Incentive Fee				
Revenue	6,261,150	6,697,333	12,958,483	16,103,804
Benchmark Revenue	5,232,400	4,622,800	9,855,200	9,700,000
Revenue Excess	1,028,750	2,074,533	3,103,283	6,403,804
Incentive Fee <sup>**</sup>	118,853	239,673	358,526	352,880
Total SMG Management Fee	298,116	418,936	717,052	705,760

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

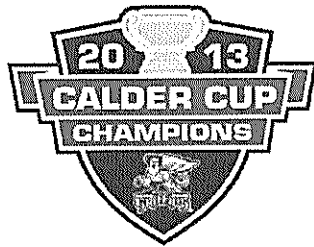
<sup>++</sup> SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:  
 Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.  
 Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.  
 Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



# VAN ANDEL ARENA

FINANCIAL STATEMENT  
FOR THE MONTH ENDED AUGUST 31, 2019

PROUD HOME OF THE GRAND RAPIDS GRIFFINS – TWO TIME CALDER CUPS CHAMPIONS



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  
 ROLLING FORECAST  
 FISCAL YEAR ENDING JUNE 30, 2020

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	5	89	94	94	-
ATTENDANCE	39,765	567,535	607,300	607,300	-
DIRECT EVENT INCOME	53,006	1,335,664	1,388,670	1,388,670	-
ANCILLARY INCOME	177,990	1,431,290	1,609,280	1,609,280	-
OTHER EVENT INCOME	137,584	731,516	869,100	869,100	-
<b>TOTAL EVENT INCOME</b>	<b>368,580</b>	<b>3,498,470</b>	<b>3,867,050</b>	<b>3,867,050</b>	<b>-</b>
TOTAL OTHER INCOME	358,871	2,035,229	2,394,100	2,394,100	-
<b>TOTAL INCOME</b>	<b>727,451</b>	<b>5,533,699</b>	<b>6,261,150</b>	<b>6,261,150</b>	<b>-</b>
INDIRECT EXPENSES					
EXECUTIVE	38,349	218,798	257,147	257,147	-
FINANCE	53,848	181,771	235,619	235,619	-
MARKETING	52,935	268,285	321,220	321,220	-
OPERATIONS	361,084	1,732,995	2,094,079	2,094,079	-
BOX OFFICE	34,620	261,953	296,573	296,573	-
LUXURY SEATING	-	-	-	-	-
SKYWALK ADMIN	6,165	47,935	54,100	54,100	-
OVERHEAD	219,552	1,168,990	1,388,542	1,388,542	-
<b>TOTAL INDIRECT EXP.</b>	<b>766,554</b>	<b>3,880,727</b>	<b>4,647,280</b>	<b>4,647,280</b>	<b>-</b>
<b>NET REVENUE ABOVE EXPENSES</b>	<b>(39,103)</b>	<b>1,652,972</b>	<b>1,613,870</b>	<b>1,613,870</b>	<b>-</b>
LESS INCENTIVE FEE		118,853	118,853	118,412	(441)
<b>NET REVENUE ABOVE EXPENSES AFTER INCENTIVE</b>	<b>(39,103)</b>	<b>1,534,119</b>	<b>1,495,017</b>	<b>1,495,458</b>	<b>(441)</b>

Comments:

August looked to be pretty solid month for the Arena until 2 concerts (Willie Nelson and Alabama) ended up cancelling at the last minute. The other shows hosted during the month performed well, however, could not make up for the shortfall generated from the 2 lost shows.

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

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

**VAN ANDEL ARENA  
FINANCIAL STATEMENT HIGHLIGHTS  
FOR FISCAL YEAR ENDING JUNE 30, 2020**

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

<b>MONTH</b>	August Actual	August Budget	August FY 2019
Number of Events	3	5	2
Attendance	25,201	42,000	14,544
Direct Event Income	\$83,994	\$219,000	\$36,144
Ancillary Income	128,131	161,712	67,803
Other Event Income	81,264	143,000	63,024
Other Operating Income	186,397	259,971	185,769
Indirect Expenses	(438,098)	(387,273)	(389,765)
Net Income	\$41,688	\$396,410	(\$37,025)

<b>YTD</b>	YTD 2020 Actual	YTD 2020 Budget	YTD 2019 Prior Year
Number of Events	5	7	7
Attendance	39,765	58,000	53,255
Direct Event Income	\$53,006	\$289,000	\$86,674
Ancillary Income	177,990	209,202	202,853
Other Event Income	137,584	199,000	173,831
Other Operating Income	358,871	447,942	392,642
Indirect Expenses	(766,554)	(774,546)	(726,935)
Net Income	(\$39,103)	\$370,598	\$129,065

**EVENT INCOME**

Direct event income fell below expectations due to hosting only 3 concerts versus the originally budgeted 5 shows.

**ANCILLARY INCOME**

Ancillary income fell below budget for the month due to the lower than expected shows, however, per cap spending for the shows hosted exceeded expectations.

**INDIRECT EXPENSES**

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

**Van Andel Arena**  
**Income Statement**  
For the Two Months Ended August 31, 2019

	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
<b>Event Income</b>								
<b>Direct Event Income</b>								
Rental Income	\$101,012	\$249,000	(\$147,988)	\$38,638	\$60,346	\$331,000	(\$270,654)	\$57,746
Service Revenue	202,296	300,000	(97,704)	149,963	342,948	420,000	(77,052)	557,427
Service Expenses	(219,314)	(330,000)	110,686	(152,457)	(350,288)	(462,000)	111,712	(528,499)
<b>Total Direct Event Income</b>	<b>83,994</b>	<b>219,000</b>	<b>(135,006)</b>	<b>36,144</b>	<b>53,006</b>	<b>289,000</b>	<b>(235,994)</b>	<b>86,674</b>
<b>Ancillary Income</b>								
F&B Concession	97,343	130,512	(33,169)	53,871	136,460	167,082	(30,622)	165,621
F&B Catering	9,212	11,700	(2,488)	4,798	14,419	16,380	(1,961)	17,721
Novelty Sales	21,576	19,500	2,076	9,134	27,111	25,740	1,371	19,511
Booth Cleaning	-	-	-	-	-	-	-	-
Audio Visual	-	-	-	-	-	-	-	-
Other Ancillary	-	-	-	-	-	-	-	-
<b>Total Ancillary Income</b>	<b>128,131</b>	<b>161,712</b>	<b>(33,581)</b>	<b>67,803</b>	<b>177,990</b>	<b>209,202</b>	<b>(31,212)</b>	<b>202,853</b>
<b>Other Event Income</b>								
Ticket Rebates(Per Event)	81,264	143,000	(61,736)	63,024	137,584	199,000	(61,416)	173,831
<b>Total Other Event Income</b>	<b>81,264</b>	<b>143,000</b>	<b>(61,736)</b>	<b>63,024</b>	<b>137,584</b>	<b>199,000</b>	<b>(61,416)</b>	<b>173,831</b>
<b>Total Event Income</b>	<b>293,389</b>	<b>523,712</b>	<b>(230,323)</b>	<b>166,971</b>	<b>368,580</b>	<b>697,202</b>	<b>(328,622)</b>	<b>463,358</b>
<b>Other Operating Income</b>								
Luxury Box Agreements	129,083	201,888	(72,805)	123,684	244,826	331,776	(86,950)	276,104
Advertising	51,243	52,083	(840)	50,942	102,485	104,166	(1,681)	101,883
Other Income	6,071	6,000	71	11,143	11,560	12,000	(440)	14,655
<b>Total Other Operating Income</b>	<b>186,397</b>	<b>259,971</b>	<b>(73,574)</b>	<b>185,769</b>	<b>358,871</b>	<b>447,942</b>	<b>(89,071)</b>	<b>392,642</b>
<b>Adjusted Gross Income</b>	<b>479,786</b>	<b>783,683</b>	<b>(303,897)</b>	<b>352,740</b>	<b>727,451</b>	<b>1,145,144</b>	<b>(417,693)</b>	<b>856,000</b>
<b>Operating Expenses</b>								
Salaries and Wages	246,520	197,102	49,418	222,343	434,418	394,204	40,214	428,893
Payroll Taxes and Benefits	22,205	57,957	(35,752)	10,962	36,248	115,914	(79,666)	60,506
Labor Allocations to Events	(68,577)	(87,885)	19,308	(37,994)	(122,294)	(175,770)	53,476	(160,279)
<b>Net Salaries and Benefits</b>	<b>200,148</b>	<b>167,174</b>	<b>32,974</b>	<b>195,311</b>	<b>348,372</b>	<b>334,348</b>	<b>14,024</b>	<b>329,120</b>
Contracted Services	29,543	23,800	5,743	30,401	47,923	47,600	323	60,710
General and Administrative	65,926	33,598	32,328	25,474	106,996	67,196	39,800	58,775
Operations	2,928	7,899	(4,971)	12,400	5,559	15,798	(10,239)	15,400
Repair and Maintenance	16,445	30,875	(14,430)	32,095	27,933	61,750	(33,817)	59,378
Operational Supplies	32,787	21,558	11,229	12,580	51,030	43,116	7,914	27,674
Insurance	12,035	14,739	(2,704)	6,464	18,639	29,478	(10,839)	18,739
Utilities	63,583	72,633	(9,050)	60,337	130,695	145,266	(14,571)	127,732
SMG Management Fees	14,703	14,997	(294)	14,703	29,407	29,994	(587)	29,407
<b>Total Operating Expenses</b>	<b>438,098</b>	<b>387,273</b>	<b>50,825</b>	<b>389,765</b>	<b>766,554</b>	<b>774,546</b>	<b>(7,992)</b>	<b>726,935</b>
<b>Net Income(Loss) From Operations</b>	<b>41,688</b>	<b>396,410</b>	<b>(354,722)</b>	<b>(37,025)</b>	<b>(39,103)</b>	<b>370,598</b>	<b>(409,701)</b>	<b>129,065</b>
<b>Other Non-Operating Expenses</b>								
<b>Adjusted Net Income(Loss)</b>	<b>41,688</b>	<b>396,410</b>	<b>(354,722)</b>	<b>(37,025)</b>	<b>(39,103)</b>	<b>370,598</b>	<b>(409,701)</b>	<b>129,065</b>



**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Event Summary**  
**For the One Month Ended July 31, 2019**

Event Type	Events/Days		Attendance		Total Event Income	
	Actual	Budget	Actual	Budget	Actual	Budget
Family Show						
Sporting Event						
Concert	5	7	39,765	58,000	368,580	697,202
Team Home Games						
Other						
<b>GRAND TOTALS</b>	<b>5</b>	<b>7</b>	<b>39,765</b>	<b>58,000</b>	<b>368,580</b>	<b>697,202</b>
<b>As Percentage of Overall</b>						
Family Show	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sporting Event	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Concert	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Team Home Games	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Van Andel Arena  
Balance Sheet  
As of August 31, 2019**

**ASSETS**

**Current Assets**

Cash	9,231,071
Account Receivable	86,695
Prepaid Expenses	88,359

**Total Current Assets**

-----  
\$9,406,125

**Total Assets**

-----  
\$9,406,125  
=====

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accounts Payable	2,746,839
Accrued Expenses	309,151
Deferred Income	1,596,249
Advanced Ticket Sales & Deposits	5,874,468

**Total Current Liabilities**

-----  
\$10,526,707

**Other Liabilities**

**Equity**

Funds Remitted to CAA	(1,315,398)
Expenses Paid Direct by CAA	106,719
Beginning Balance Equity	127,201
Current Year Equity	(39,103)

**Total Equity**

-----  
(\$1,120,582)

**Total Liabilities and Equity**

-----  
\$9,406,125  
=====

5

**SMG - Van Andel Arena**  
**Grand Rapids - Kent County Convention/Arena Authority**  
**Summary of Accounts Receivable**  
**As of August 31, 2019**

---

Current - Under 30 Days	
Food & Beverage	-
Ticketing	31,249
Merchandise	17,813
Permanent Advertising	-
DeVos Place	(46,905)
Operating	45,945
Over 30 Days	13,584
Over 60 Days	25,009
Over 90 Days	
Total Accounts Receivable	86,695

**SMG - Van Andel Arena & DeVos Place  
Grand Rapids - Kent County Convention/Arena Authority  
Management Fee Summary  
Fiscal Year Ending June 30, 2020**

---

**MANAGEMENT FEE SUMMARY**

	Arena Estimate	DeVos Place Estimate	Total Estimate	FY 2019 Unaudited
Net Revenue above Expenses	1,613,870	(155,271)	1,458,599	4,120,269
Benchmark <sup>++</sup>			1,050,000	1,050,000
Excess	1,613,870	(155,271)	408,599	3,070,269

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	179,263	179,263	358,526	352,880
Incentive Fee				
Revenue	6,261,150	6,697,333	12,958,483	16,103,804
Benchmark Revenue	5,232,400	4,622,800	9,855,200	9,700,000
Revenue Excess	1,028,750	2,074,533	3,103,283	6,403,804
Incentive Fee **	118,853	239,673	358,526	352,880
Total SMG Management Fee	298,116	418,936	717,052	705,760

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

<sup>++</sup> SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts:

- Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee.
- Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee.
- Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



## Memorandum

**To:** CAA Board Members  
**From:** Susan Waddell, Administrative Manager  
**Date:** October 1, 2019  
**Re:** Directors' & Officers' Insurance Renewal

---

The CAA current insurance policy expired on August 23, 2019, and we just received the renewal coverage proposal. Below is a summary of the renewal proposal:

Insurer: Michigan Municipal Risk Management Authority (MMRMA)  
2018-19 Expiring premium: \$17,349  
2019-20 Renewal premium: \$17,647  
Total Change \$ 298  
% Change (+ -) 1.7%

<u>Summary of Various Coverages</u>	<u>Limit</u>	<u>Deductible</u>
Liability	\$15,000,000	\$0
Terrorism Liability	\$5,000,000	\$0
Faithful Performance	Per Statute	\$0
Auto Liability - No-Fault	Per Statute	\$0
Terrorism Property & Crime	\$50,000,000	\$0
Member's Newly Acquired/ Constructed Property	\$10,000,000	\$0
Buildings & Personal Property	\$1,010,070	\$0
Fine Art	\$2,000,000	\$0
Blanket Employee Fidelity	\$1,000,000	\$0
Data Breach & Privacy Liability	\$5,000,000	\$25,000

**Action Requested:** Approve insurance renewal proposal.