

**Minutes of the Meeting of the
BOARD OF DIRECTORS of the
DETROIT REGIONAL CONVENTION FACILITY AUTHORITY
Cobo Conference & Exhibition Center**

August 4, 2011

A Regular Meeting of the Board of Directors of the Detroit Regional Convention Facility Authority (the "Authority"), was held at 8:30 a.m. on August 4, 2011 pursuant to the requirements set forth in the Regional Convention Facility Authority Act at MCL 141.1351, et seq.

I. ROLL CALL. The regular meeting was called to order by Chairman L. Alexander at 8:42 a.m.

PRESENT: Director L. Alexander, Director J. Abdoo, Director M. Carroll, Director W. Guillebeaux, and Director J. Okotie-Eboh

ABSENT: None.

ALSO PRESENT: P. Bero, T. Connors of SMG, G. Brown, E. Duff of Garan Lucow Miller, P.C., and M. Powers of DMCVB

II. APPROVAL OF MINUTES. A motion to approve the Minutes of the regular meeting of the Authority held July 19, 2011 by J. Okotie-Eboh.

UNANIMOUSLY APPROVED.

III. CEO/CFO REPORT. CEO/CFO Patrick Bero presented his report to the Board which included an update on the following:

- Authority and SMG Financial Reports June 30, 2011:
 1. DRCFA Consolidated Statement of Income;
 2. DRCFA Consolidated Balance Sheet;
 3. DRCFA Administration Rolling Forecast;
 4. DRCFA Administration Statement of Income;
 5. Cobo Facility Statement of Income;
 6. Capital Improvement Program Use of Funds Summary;
 7. Capital Improvement Program Monthly Draw Report; and
 8. SMG Board Reports.
- Construction Insurance Program Update
- Art Appraisal and Recommendation for Engagement of Appraiser

CEO/CFO Patrick Bero presented the following items for action by the Board:

A. Resolution to Approve Engagement of DuMouchelles Certified Fine Arts Auctioneers & Appraisers to Provide Art Appraisal Services to the Authority.

Based upon the recommendation of the CEO/CFO and the Authority having been fully advised in the premises, W. Guillebeaux offered a motion that the Authority resolve to approve the Resolution as presented.

IV. **FINANCING UPDATE.** Steve Kantor of First Southwest presented an update on the Cobo construction and renovation financing.

V. **PROPERTY INSURANCE REVIEW & PRESENTATION.** Justin Swarbrick of Alliant presented a coverage comparison and premium summary between the current property insurance program and the new program proposed by Alliant.

A. **Resolution to Approve Property Insurance Coverage With PEPiP.** Based upon the recommendation of the CEO/CFO and the Authority having been fully advised in the premises, J. Abdo offered a motion that the Authority resolve to move ahead with securing property insurance coverage through the Public Entity Property Insurance Program (PEPIP) as proposed by the DRCFA insurance broker, Alliant, and further authorizes the CEO/CFO and Alliant to execute any necessary documentation to secure the insurance coverage.

UNANIMOUSLY APPROVED.

VI. **REPORT OF FACILITY GENERAL MANAGER.** Facility General Manager, Thom Connors of SMG presented his report to the Board which included the following:

- August Event Overview
- June Monthly Financial Report by Sharon Schuster. Ms. Schuster also presented an update regarding the changes and improvements to the finance department.
- Operations Overview/Projects Update by Claude Molinari
- Sales Report - Recent and Planned Activity by Tom Albrecht
- Marketing Update by Mary Klida

VII. **REPORT OF CHAIR OF DRCFA SUB-COMMITTEE ON EXPANSION & IMPROVEMENTS.** Committee Chair, W. Guillebeaux, presented a summary of the pertinent items addressed in the Projects Status Owners Representative Report dated July 30, 2011.

Committee Chair, W. Guillebeaux, requested further analysis of how the Authority should handle various memorial installations within the Cobo facility during and after the planned construction and renovations, including the Sports Hall of Fame, International Heritage Hall of Fame, and Veterans Memorial Wall.

Committee Chair, W. Guillebeaux, presented the Sub-Committee recommendations for Board action on the following items:

- A. Resolution Board Authorization to Contract for Speciality Consulting Services for Phase IIIa Major Renovation Projects. Motion for approval of Resolution as presented by M. Carroll.

UNANIMOUSLY APPROVED.

VIII. UNFINISHED BUSINESS. None.

IX. NEW BUSINESS. None.

X. PUBLIC COMMENT. The Board heard public comment from Deborah Moore, community activist and teacher on behalf of Simon's Pizza.

XI. ADJOURNMENT. A motion for adjournment of the regular meeting at 10:36 a.m. by J. Okotie-Eboh.

UNANIMOUSLY APPROVED.

Respectfully submitted,



Joseph Abdoo, Secretary

968514.1

Approved: August 18, 2011