

**Minutes of the Meeting of the  
Board of Directors of the  
Detroit Regional Convention Facility Authority  
February 25, 2010  
8:30 a.m.  
Cobo Conference & Exhibition Center**

---

A Public Meeting of the Board of Directors of the Detroit Regional Convention Facility Authority (the "Authority"), was held at 8:30 a.m. on February 25, 2010 pursuant to the requirements set forth in the Regional Convention Facility Authority Act (MCL 141.1351, et seq).

**I. Roll Call**

The meeting was called to order by Chairman, L. Alexander at 8:30 a.m.

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

**Absent:** None

**Also present:** W. Watkins, T. McNulty, G. Brown, T. Tuskey, M. Racine,  
Racine & Associates, M. Powers, DMCVB; and  
Various Members of the Public

**II. Approval of Minutes**

Upon Motion by J. Abdoo, duly seconded by W. Guillebeaux, for approval of the Minutes of the regular meeting of the Authority held Thursday, February 11, 2010.

**UNANIMOUSLY APPROVED**

**III. Report of the Interim Chief Executive Officer**

Interim Chief Executive Officer, Walter C. Watkins, Jr., presented his report to the Board. His report included information regarding all of the following matters:

- The RFP/Q Status Report dated February 17, 2010;
- The Strategic Development Document containing initial recommendations of the Committee was distributed to staff and will be posted on the Cobo Website;
- The Food Services Request for Proposals status and the pre-bid meeting; and
- The Boat Show, AutoRama and BET events held and to be held at Cobo Center.

#### **IV. Report of the Interim Chief Financial Officer**

Interim Chief Financial Officer, Thomas F. McNulty, presented his report to the Board. Mr. McNulty's report included information regarding all of the following:

- Issues that have arisen and are being dealt with regarding the Food Services RFP, including efforts to assure that a level playing field is available to all proposers;
- The status of the audit of the stub period of September 15, 2009 through September 30, 2009;
- Status of discussions and meetings with the City of Detroit General Retirement System with regard to establishing the process for Cobo employees to continue to participate in the City pension plan;
- Status of in-depth review of all contracts and variable staffing models;
- The Profit and Loss Budget vs. Actual (the "Variance Analysis") for the first three months of the Authority fiscal year, i.e. October 1, 2009 through December 31, 2009, that was reviewed and discussed at the February 11, 2010 Board meeting was distributed and discussed with staff, with a focus on establishing practices so as to operate with a balanced budget;
- Ongoing evaluation of operating costs, subsidy potential, revenues, and additional sources of funds in order to address financial challenges that are projected in 2011 and thereafter;
- The status of the bond offering and financing arrangements, which may include bank financing; and
- Phase II of the Strategic Planning process is underway, with management accessing some of the same firms for assistance that provided bids in the initial phase of the strategic planning process.

#### **V. Discussion Re: Master Bond Authorizing Resolution**

Bond counsel, Mr. Jeffery Aronoff of Miller Canfield Paddock & Stone, provided a presentation with regard to the Draft Master Bond Authorizing Resolution, its purpose and content, in summary. Mr. Aronoff's presentation included explanations with regard to the type of bond issuance to be completed, the collateral to be provided, the transition of the City bonds to the Authority, and the on-going efforts of the Bond Capital Working Group to provide for as much flexibility as possible, in the short term as well as long term.

#### **VI. Interim Owner's Representative's Report**

Interim Owner's Representative, Gary Brown presented his report to the Board. Mr. Brown's report included information regarding all of the following:

- Continued work on identifying improvement projects to be considered while working on the Strategic Direction Document, to assure that projects can be accomplished without any conflict with future improvement plans;
- Information regarding the needs of the facility manager with respect to various capital eligible improvements at Cobo Center, which tasks are currently being performed pursuant to a global city agreement for construction management services, and which Mr. Brown recommends would be more cost effective if the services were performed

under a new Authority contract, with a contractor to be determined through an RFP process;

Whereupon, Mr. Brown requested approval to issue a Request for Proposals for a construction management firm to provide labor and materials on an as needed and directed basis.

Upon Motion by W. Guillebeaux, seconded by J. Abdo to approve the issuance of a Request for Proposals for construction management services at Cobo Center.

#### **UNANIMOUSLY APPROVED**

- Information regarding efforts to improve Cobo Center's energy policies and practices, which Mr. Brown refers to as a "strategic facility improvement and infrastructure improvement and upgrade plan";
- Recommendation that a Request for Qualifications be issued to find qualified energy consultants to assist with the creation of the Strategic Plan. The services of the consultant would be limited to an assessment of the existing Cobo Center with resulting recommendations as to how to reduce operational expenses.
  - o W. Guillebeaux pointed out that the Subcommittee would like more current information and data for purposes of addressing energy savings practices in the Strategic Plan.
  - o There was discussion with regard to the timing of the retention of such a consultant, and the status of the State of Michigan grant application that was submitted by the Authority for funds for clean/sustainable energy projects.

Upon Motion duly made and seconded, the matter of a Request for Qualifications for an energy consultant was tabled until the Subcommittee presents a more formal proposal for the Board's consideration.

#### **UNANIMOUSLY APPROVED**

### **VII. Interim Director Communications Report**

Interim Director of Communications, J. Dickens provided his report which included information on all of the following:

- Recommendation that posting the Strategic Development Document on the website would be helpful to the Authority and his efforts in communicating what has been accomplished and what is yet to come;
- Information regarding the status of the former Cobo website name which had expired; and
- Information regarding the new website and plans for further upgrading of the website.

### **VIII. Consideration of Resolution Extending Interim Staff Contract Agreements**

Chairman Alexander pointed out that the Independent Contractor Agreements with the Interim Chief Executive Officer, Interim Chief Financial Officer, Interim Owner's

Representative and Interim Director of Communications had expired. After some discussion, a Motion was made by W. Guillebeaux, and seconded by J. Abdoo, as follows:

**WHEREAS**, pursuant to the Regional Convention Facility Authority Act, being Act 554 of Michigan Public Acts of 2008, as amended (the “Act”), the Board of Directors of the Detroit Regional Convention Facility Authority (the “Board”) entered into Independent Contractor Agreements on August 15, 2009 (the “Agreements”), which Agreements were extended until February 14, 2010, with the following entities, to provide assistance to the Board by performing various management duties, for the interim positions specified:

Walter C. Watkins, Jr., Interim Chief Executive Officer, through  
**WCW Enterprises, LLC;**

Thomas F. McNulty, Interim Chief Financial Officer, through  
**Macke Group, Inc.;**

Gary M. Brown, Interim Owner’s Representative, through  
**Diversity in Design GMB, LLC;**

Jamaine A. Dickens, Interim Director of Communications, through  
**Commerce Communications Group, Inc.**

Together, the foregoing are collectively referred to as the “Transition Team”.

**WHEREAS**, although the Agreements technically expired on February 14, 2010, said Agreements, by their terms may be renewed for additional thirty (30) day periods thereafter by mutual written agreement of the parties to each Agreement; and

**WHEREAS**, the Transition Team and the Board have continued to perform under the Agreements despite the technical expiration thereof; and

**WHEREAS**, the Board continues to require the assistance of the Transition Team and the Transition Team is willing to continue to provide such assistance under the same terms and conditions.

**NOW, THEREFORE BE IT RESOLVED:**

1. The Board ratifies the continuation of the Agreements for the period February 15, 2010 through the date of this Resolution; and
2. The Board authorizes the extension of each of the Agreements for an additional ninety (90) days, unless terminated earlier; and
3. The Board requests that legal counsel prepare the appropriate amendment to each of the Agreements; and
4. Chairman, Larry Alexander is authorized to sign such amendatory documentation, on behalf of the Board.

**UNANIMOUSLY APPROVED**

## **IX. Old Business**

There was no Old Business to discuss.

## **X. New Business**

Chairman Alexander reviewed the current Board meeting schedule for the month of March 2010:

March 11, 2010 @ 2:30 p.m.

March 25, 2010 @ 2:30 p.m.

Future Board meetings were scheduled as follows:

April 8, 2010 @ 8:30 a.m.

April 26, 2010 @ 8:30 a.m.

May 6, 2010 @ 8:30 a.m.

May 20, 2010 @ 2:30 p.m.

## **XI. Public Comment**

Mathew Schenk commented on three matters:

1. The Authority's ability to seek assistance from the Airport Authority with regard to the process of transitioning employees from the City to the Authority as it pertains to the maintenance of their pension plans with the City; the Airport Authority went through a similar transition with Wayne County employees in the recent past;
2. Suggestion that the City may have allocated Homeland Security Funds for Cobo Center, which may still be available to the Authority for security improvements and/or costs; and
3. Concerns regarding the number of consulting contracts being issued by the Authority.

## **XII. Consideration of Legal Counsel Report**

Upon Motion duly made and seconded, the Board determined to adjourn the meeting and proceed to a closed session for purposes of considering the legal counsel report.

**UNANIMOUSLY APPROVED**

## **XIII. Meeting Reconvened**

Roll Call confirmed that all Directors were present and accounted for when the meeting reconvened at 12:40 p.m.

W. Guillebeaux confirmed that due to the length of this Board meeting, the Subcommittee meeting scheduled for February 25, 2010 was cancelled and would be rescheduled.

**XIV. Adjournment**

Motion by W. Guillebeaux, seconded by M. Carroll, to adjourn the meeting at 12:41 p.m.

**UNANIMOUSLY APPROVED**

Respectfully submitted,



Waymon Guillebeaux

Secretary