

CIVIC CENTER COMMISSION

MEETING MINUTES

3-25-2021

Attendees:

CCC Members Present: Chairman John Harrity, Commissioner Jim Knowlton, Commissioner Lowell Alexander, Commissioner John Brissette, and Commissioner Penelope Herideen

City: John Odell, Candee Raphaelson

SMG: Sandy Dunn, Jim Moughan, Melissa Bishop

Call to Order: Chairman Harrity brought the meeting to order at 9:05 a.m. John Odell took the roll call. Four Commissioners present. Commissioner Brissette joined shortly after.

Chairman Harrity asked for a moment of silence for Candee's Mom, Dorothy Raphaelson, who passed away on March 8th, 2021.

Chairman Harrity made a motion to accept the minutes, Commissioner Herideen accepted. All in favor.

Chairman Harrity then asked John Odell for the Capital Project update. With respect to the vault design, John explained they are continuing to proceed but there was a delay due to a change in a designer. He expects a new cost estimate Monday or Tuesday and will email when available to the Commissioners. Chairman Harrity asked if it was still going to be in the \$790,000 range and John said to expect a significant higher estimate due to the changes requested by National Grid. He is pushing for a response as he would like to get the design update going.

Chairman Harrity then asked Sandy how long she expected the beds, etc. to be in the DCU Center. Sandy said at least through April 15th and possibly the end of April. John Odell then discussed the update for the phones/cameras bids that were expected back in a couple of weeks. He is working with the architect and Arcadis on updated proposals for Phase II so that when the information from the Federal Government with respect to the 1.9 Trillion stimulus package comes through decisions can be made. At this time the amount is a wild card as are the limitations that will be placed on the funds. It is known that the startup costs related to Covid will be allowed so the city is hopeful some funding will be allowed to fill some of the pandemic related shortfall. Chairman Harrity then asked Sandy if the DCU Center was still being paid by UMass and was told yes, rent and utilities, no out of pocket costs and not for the ballroom. Sandy reiterated that completing the vault project now while closed and slow in the summer is preferable than after reopening. The concern is the exhibit hall would not be available and if it was next summer it would be tragic. John Odell said he understood.

ASM Global Update: Sandy reported they were still in a holding pattern as the hospital was still set up with beds and equipment. UMass is supplying 24/7 security outside. The space is deemed sanitary but there is no need for anyone to go in and out at this point. Chairman Harrity asked about the broken window on the Foster Street side of the building and how the damage was caused. Sandy said it was vandalism and John Odell and his office were working on getting it fixed. John explained the back story on why it was taking longer than it should. Apparently the issue is the contractor hired wanted to use a window he regarded as equal as opposed to the identical window that was there so they were in disagreement and it was taking longer than anticipated. Chairman Harrity said it was a good reason to get the security cameras up and running. Sandy talked about the reopening plan that was allowed on the 22nd to allow 12 percent capacity. The first event was confirmed by Jim Moughan is Becker College on May 8th and Assumption College on May 9th, as long as Covid related restrictions don't change. Sandy said the Pirates season was starting on May 22nd and there were repairs to be done and purchases to be made. With very little revenue coming in and it being the slowest time of the year she had a meeting with the City Finance group and John to discuss what could be done to initiate the repairs, restocking and hiring needs sooner rather than later. Staff needs to be brought back as the Pirates individual game tickets would be on sale on April 23rd so the box office was opening on April 19th.

Chairman Harrity noted that the City Manager was holding the high school graduations at Polar Park. He inquired if in the case of inclement weather if it was possible to move them into the center. Sandy said no.

Melissa Bishop then updated the financials. As Sandy had stated, the box office will open daily beginning April 19th and the Pirates tickets will go on sale on April 23rd with a maximum seating of 1,740 seats (12%) observing the 6 foot social distancing between family pods or individuals. The Human Resources Manager has resigned to take a new job and the position is now posted. Until it is filled corporate, ASM will assist with part time people. For FY21, from July through January the loss is almost \$1.2 million. The forecasting at this point for entire fiscal year 2021 is a loss of \$988,331.00. This includes revenue from the Netflix movie as well as rent from the field hospital and the Pirates, reduced by indirect expenses. The fiscal year 2022 budget has been submitted and there will be more information to come next meeting. Sandy then added that the development of the fiscal year budget was done in February of last year, prior to any knowledge of the Covid pandemic. She added that Melissa reforecasts the budget monthly at this time. Sandy also mentioned that two positions had been filled: an HVAC technician and a licensed electrician. She asked if anyone had any referral for the plant manager position that was still open. Chairman Harrity asked how it was being advertised and she responded by noting the usual websites, Workforce Central, Veteran's, Facebook, etc. Chairman Harrity asked if she had thought about using the billboard outside the center. She had not but thought it a great idea and would discuss with Veronica in Marketing who was coming back part time after being furloughed since last May.

Chairman Harrity then updated the commission on his and Sandy's meeting with Bob Cousy and his daughter. Sandy said Veronica would be getting the June 18th information out as soon as she came back. Sandy then discussing a video made with the Pirates and the good news that for most concerts, although postponed, people were not requesting refunds. Windows of Worcester approached her regarding art display and since the building was empty Sandy was able to allow them to put up stick displays. With respect to Operations, Honeywell, which is updating HVAC and related control systems throughout the facility, has moved into the convention center. This had not effected the ongoing use of the HVAC. The arena area work is substantially complete. There is a number/person to contact 24/7 if

any changes are needed in temperature or any other issue since the staff is not yet trained. Challenges with Rein Café continue as the afternoon sun is so harsh it is unbearably hot in the café. Window treatments were installed but a bigger, better solution is needed. There is no air conditioning and the chiller for the building would need to be turned on which is not economically feasible. Rein Café has suggested terminating the contract if this cannot be resolved quickly. Chairman Harrity suggested a canopy but Sandy said would not be enough.

Sales: Jim Moughan said the new phase has generated renewed activity and there was a possibility of several graduations. 220 students would be the limit on the floor so a few high schools will go forward. There is also a lot of hesitation about the Fall events and because these events have to be scheduled so far in advance there is a lot of trepidation. The NE/SAE - New England Society of Association Executives - is working hard to keep in touch with their existing members using new tools and they are a big piece of the DCU business.

Chairman Harrity thanked Sandy, Jim, and their entire team on behalf of the Commission for the excellent job and tireless work during this time.

Sandy pointed out that with the arena at 12% capacity, even if the state went to 50% the limitation would still be 2500 people due to social distancing and although the Pirates and Rainers will play she does not expect any touring until they are in the 7000 people range. She also wanted to give Jim kudos for his terrific job with the collections. He was gracious but relentless and really did a fantastic job. She also mentioned that ASM president Ron Benison was elevated to the Board of Directors and Bob Newman was elected new president. More info will follow in the next report. Mr. Newman was formally the president of the House of Blues for the past ten years. Chairman Harrity inquired about the concession stands at the graduations and Sandy said the state was not allowing food. For the Pirates games the concession stand will be cut significantly to avoid lines as well as all the rules surrounding covered and wrapped food. The mobile purchasing system is not being recommended to the city at this time as the cost is \$5500 per month and is far too much at this time. They will be accepting cash and credit cards.

Chairman Harrity made a motion to adjourn after confirming the next meeting is Thursday, April 23rd at 9:00 a.m. via WebEx. Commissioner Brissette second. All in favor.

DCU Center - Capital Project Update 3-19-2021*

| Funding Source | Projects | Assignment | Estimated Value | Current/Actual Value | Status | Expected Completion | Comments |
|---------------------------|--|---------------------|----------------------|----------------------|---------|---------------------|--|
| 1 DCU - Special District | Vault Upgrade | JO/RT | \$ 790,000 | \$ 790,000 | Design | TBD | Design at ~50%. Expecting price estimate shortly. |
| 5 DCU - Special District | Telephone and Camera System | Tech Services/RT | \$ 475,000 | \$ 810,000 | Design | Winter/Spring 2021 | Design completed and cabling contract out to bid. Work expected to begin in late Spring and run through the summer. |
| 9 DCU - Special District | Exterior DCU Signs - Interior LEDs (5) | RT | \$ 110,000 | \$ 110,000 | Design | Winter/Spring 2021 | Design scope complete. Held until weather allowed safe access. Will be put out to bid next week. |
| 11 DCU - Special District | DCU - Iceplant Control System | RT/LLB | \$ 12,000 | \$ 12,000 | Pending | On Hold | TBD |
| 15 DCU - Special District | Ballroom Chairs | JO | \$ 240,000 | \$ 240,000 | Pending | On Hold | Final chair selection in process - funding availability an issue |
| 16 DCU - Special District | Door Controls S Elevator - Replace | RT | \$ 25,000 | \$ 25,000 | Pending | On Hold | Per SMG Specs |
| DCU - Special District | Phase 2 | JO/Populous/Arcadis | \$ 20,500,000 | \$ 20,500,000 | Pending | On Hold | Schematic Design Complete - Architect (populous) and OPM (Arcadis) have been contacted. New design costs being calculated by Populous. |
| Total = | | | \$ 22,152,000 | \$ 22,487,000 | | | |
| Variance = | | | \$ 335,000 | | | | 1.5% |

* Please note: Due to Covid19 pandemic most capital funding has been delayed causing many projects, including the Phase 2 upgrades, to be put on hold.



COVID 19 UPDATES

- **UMMMC DCU Center Field Hospital** – On March 15th at 7:00 PM, the Field Hospital officially closed. All equipment will remain in place for at least a month. This space will be turnkey if there is a spike in COVID 19 cases requiring a surge hospital. This is a conservative approach in light of the highly contagious variants as well as anticipated travel during spring break and the expansion to phase 4 of the reopening here in Massachusetts in the coming months.
- **Reopening Plan** – With Governor Baker’s announcement that arenas can open effective March 22nd with a capacity of up to 12% as long as the seating is 6’ socially distanced and the overall operating plan is approved by the local health department. This would provide for a maximum capacity of 1,776 for the arena. While the number of events that would take place in this reduced capacity is limited, immediately following the announcement, we received many calls from colleges and high schools regarding the possibility of hosting graduations. In addition, we have conducted several meetings and walk throughs with the Pirates who have always intended to proceed with their season schedule. With “Pod Seating”, the capacity will result in all levels of the venue being open which will also increase operating costs.

As we assess the reopening plan, we are reviewing the status of furloughed staff. Historically, this time of year has the least number of events. The first event contemplated is a college graduation on May 9. The first general public event will be the MA Pirates on May 22.

The reopening plan also requires monies to prepare for Venue Shield COVID 19 compliance measures. These include the purchase of sanitation equipment, sanitation and hygiene supplies, build out of customer service area with plexi shields, uniforms, etc. Also, to conserve monies in the past year, supplies have been consumed and will need to be restocked including all inventory of food stuffs in the catering and concession departments.

When reopening, many of the amenities enjoyed by fans will be paused to ensure the safety of fans and staff members. Suite seating will be reduced, club areas will be closed, concession items will be reduced

to ensure quick service, water coolers will be disabled, etc. A complete plan was previously submitted to the Commission.

The restart budgets are in process for further discussion with the City specific to cash flow.

BOX OFFICE, HUMAN RESOURCES, FINANCE

Box Office

- **Operation & MA Pirates On Sale** - The box office is scheduled to open on a daily basis effective April 19, 2021. This aligns with the Massachusetts Pirates going on sale with individual game tickets which is scheduled for April 23rd. Currently, season and group ticket sales are available through their offices only. The seating configuration will be aligned with State mandates, currently at 12% of capacity with 6' distancing. The capacity for the Pirates is projected at a maximum of 1,740. The final number will be confirmed after approval by the Department of Public Health.

Human Resources

- **Openings** – Recruitment continues for several key full-time positions including the Plant Manager. This past month, the Human Resource Manager submitted her resignation to accept another position. Unfortunately, this comes at a time when recruitment of part time employees to work the upcoming events is just beginning. In the short term, other staff members will assist with this effort and the position is now posted.
- **National Recruitment** - ASM Global corporate offices continue to support the field entities with the anticipation of 350 venues worldwide coming back on line in the next 3-6 months. In addition to closely monitoring Covid-19 impacts to staffing and developing new protocols to ensure a safe environment for our team members, corporate HR is developing a national recruitment strategy that will include vacancies across all venues. This will be of particular importance for the industry specific skills required in the Director level positions where there are vacancies. Fortunately, to date, this will not be an issue at the DCU Center but we will have a significant number of full time manager level and part time positions available.

Finance

- **Financial Statement** - July through January resulted in a loss of \$1,197,533. The original budget July through January is a loss of \$353,845. Leaving us \$843,688 below budget. This budget was developed and submitted prior to the pandemic.

The original FY 2021 budget is a net income of \$464,317. The current forecast to the end of the year is a net loss of \$988,331 which includes revenue from the Netflix movie shoot, rent from the field hospital, 3 Pirates games and reduced indirect expenses based on ASM Global's cost mitigation efforts.

Year to date savings from indirect expenses (compared to budget) is \$2,048,799.

| No. of Events | Jan | YTD Actual vs Budget | 12 Month FY21 Budget | 12 Month FY21 Reforecast | Variance |
|-------------------------------|-----------|----------------------|----------------------|--------------------------|-------------|
| Total# of Events | 0 | 1 | | | |
| Budget | 30 | 156 | 324 | 4 | (320) |
| Variance | (30) | (155) | | | |
| Total Event Income | | | | | |
| Actual | 0 | 84,634 | | | |
| Budget | 393,743 | 2,747,635 | 5,867,000 | 151,234 | (5,715,766) |
| Variance | (393,743) | (2,663,001) | | | |
| Other Operating Income | | | | | |
| Actual | 20,040 | 197,445 | | | |
| Budget | 61,632 | 426,931 | 709,023 | 1,317,429 | 608,406 |
| Variance | (41,592) | (229,486) | | | |
| Indirect Expenses | | | | | |
| Actual | 262,998 | 1,479,612 | | | |
| Budget | 527,367 | 3,528,411 | 6,111,706 | 2,456,993 | (3,654,713) |
| Variance | (264,369) | (2,048,799) | | | |
| Net Income | | | | | |
| Actual | (242,959) | (1,197,533) | | | |
| Budget | (71,992) | (353,845) | 464,317 | (988,330) | (1,452,647) |
| Variance | (170,967) | (843,688) | | | |

- **FY 2022 Budget** – The FY 2022 budget is in final review with ASM Global and the City. This will be included in the Civic Center Commission April 2021 highlights.

MARKETING

Massachusetts Pirates & DCU Center collaborate on reopening video

After Governor Baker’s announcement of arenas to reopen with reduced capacities, the Massachusetts Pirates jumped on the news to ignite their fans. Veronica VanJura, DCU Center Marketing Director and the MA Pirates Marketing team, a player and a cheerleader filmed a hype video to kick off their opening game on May 22nd. The video was shared on 10 different social media platforms, including a cross promotion from Discover Central Massachusetts and the IFL Social Media Pages. A wave of positive & excited fan feedback flooded the comment sections and assuring the team that fans are certainly ready for football to return!



Godsmack reschedules their WAAF Big Gig Anniversary show

Godsmack officially announced their second reschedule date - a move from April 24th, 2020 to April 30th, 2022. By postponing a full year, it is Godsmack’s goal to ensure 100% of the fans holding tickets will be able to attend. This concert was put on sale prior to the pandemic and has over 8,500 seats sold with only a small number of requested refunds and additional ticket sales taking place. Even with a 60% capacity, the tickets were not sold in a social distanced manner resulting in significant challenges prior to a full capacity being permitted. Overall, fans were positive about receiving the updated news and continue to look forward to the concert in 2022.

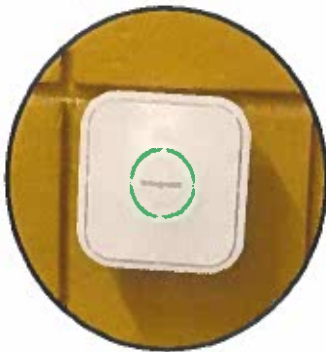
Windows of Worcester along Foster Street

As you stroll along Foster street to treat yourself to a Glazy Susan donut, you will see the Windows of Worcester Standing Branches Exhibit. This program has various size exhibits displayed in public windows throughout the City. Due to events in the venue, the DCU Center has been unable to participate in the past. This year was a perfect opportunity to provide access to the large windows on Foster Street.

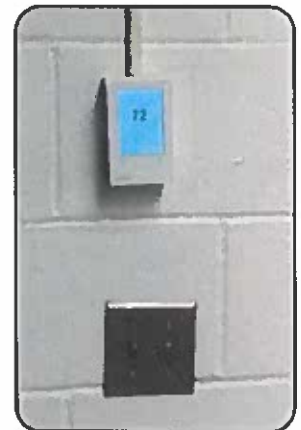


OPERATIONS

Building Control System



As part of the City project for the installation of a building energy management control system, the contractor is installing new sensors and digital thermostats. This is a significant upgrade from the older pneumatic thermostats. This will enable us to better respond to the client's needs as it relates to heating & cooling. This new system allows us to see what is happening and change what is needed in real time from a computer location.



Helping Reign Café Install Window Treatments

The Technician's assisted to install the curtains/drapes that Reign Café & Glazy Susan purchased for their space. While this should assist with solar heat in the space, ASM Global has reached out to the City for assistance in solving the temperature control in this area in a cost effective manner.



SALES

Sales Activity – As noted above, there is a renewed interest from schools regarding graduations for both colleges and high schools. These discussions are ongoing. In addition, a number of smaller groups have show interest in socially distant events once the Field Hospital is finally closed. These are events that might have been held in smaller hotel meeting room spaces that will now require larger locations to comply with 6' distancing. These discussions are also ongoing.

New England Society of Association Executives (NE/SAE) - As one of the organizations that we belong to for updates on trends in the meeting industry and to assist with sales leads for conferences and trade shows.


In the most recent newsletter, they noted 4 Lessons that Associations have found necessary to survive the pandemic and the rebuilding of their events through 2021.

- **Needing to be resilient:** Changing how they do events, smaller, hybrid and virtual for the time being.
- **Being Transparent:** Keeping in touch with your members by constant communication, and knowing that all that they are going through is temporary and live events will be back stronger and are needed by the associations, as in most cases, they are a major needed funding source.

-Putting together a Tool Box: Making sure that Zoom fatigue does not take place during this down time of not meeting in person. Making sure they have the right tools to keep members engaged during this period.

-Associations don't need to do it alone: Organizations are sharing how they have worked through this pandemic in ways they never thought they would have thought. All of them have been suddenly pushed into the "virtually everything" world as noted by the IT director of NEWWA their largest annual Trade Show.

The survival of associations and the programming they host here at the DCU Center is an integral aspect of our annual business. In addition, they provide for the greatest economic impact to the City of Worcester than any other type of event we host. For them to survive and thrive is critical for us and the City hospitality community.

|  | | Civic Center Commission Report March 2021 | | | | | |
|---|--------------------|--|---------------|--------------|---------------------------|-----------------|--------------------|
| Name | Banquet/ Social | Conference/C onvention/Tr adeshow | Date of Event | # of Days | Anticipated Attendance | New Business | Repeat Business |
| Banquet/Social Contracts | | | | | | | |
| Conference/Convention/Tradeshow Contracts | | | | | | | |
| | | 0 | | 0 | 0 | 0 | 0 |
| Proposals | | | | | | | |
| Signature Productions | | 1 | Summer 21 | 3 | 1000 | | 1 |
| Mass Judges Awards Program | 1 | | Fall 2021 | 1 | 300 | 1 | |
| McInerney Irish Feish | | 1 | 10/10/21 | 1 | 1,000 | | 1 |
| Friendly House Awards | 1 | | Fall 2021 | 1 | 350 | 1 | |
| New England Railroad Trade Show | | 1 | 11/04/21 | 1 | 400 | | 1 |
| Shrewsbury HS AP Testing | | 1 | 05/01/21 | 10 | 800 | 1 | |
| Ben Penrod - Comic Con Promoter | | 1 | Spril 2022 | 3 | 3,000 | 1 | |
| Algonquin HS Graduation | | 1 | 06/06/21 | 1 | 1,500 | 1 | |
| WPI Graduation | | 1 | 05/01/21 | 4 | 4,500 | 1 | |
| Worcester Homecoming | | 1 | 06/01/22 | 1 | 125 | 1 | |
| | 2 | 8 | | 26 | 12,975 | 7 | 3 |
| Site Visits & Appointments | | | | | | | |
| Umass Hospital Event Staff | | | | | | | |