

PALM BEACH COUNTY
Convention Center Operations

FY 2015 Budget

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PALM BEACH COUNTY CONVENTION CENTER

MISSION STATEMENT:

The mission of the Palm Beach County Convention Center is to work harmoniously with Discover Palm Beach County and its affiliated agencies to attract regional, national and international tradeshows, conventions and meetings to the facility that will create a profound economic impact on the surrounding community. Our staff is dedicated to exceeding the expectations of our clients by offering state-of-the-art accommodations, detail-oriented sales and events teams, expertly trained service staff and an award-winning culinary department.

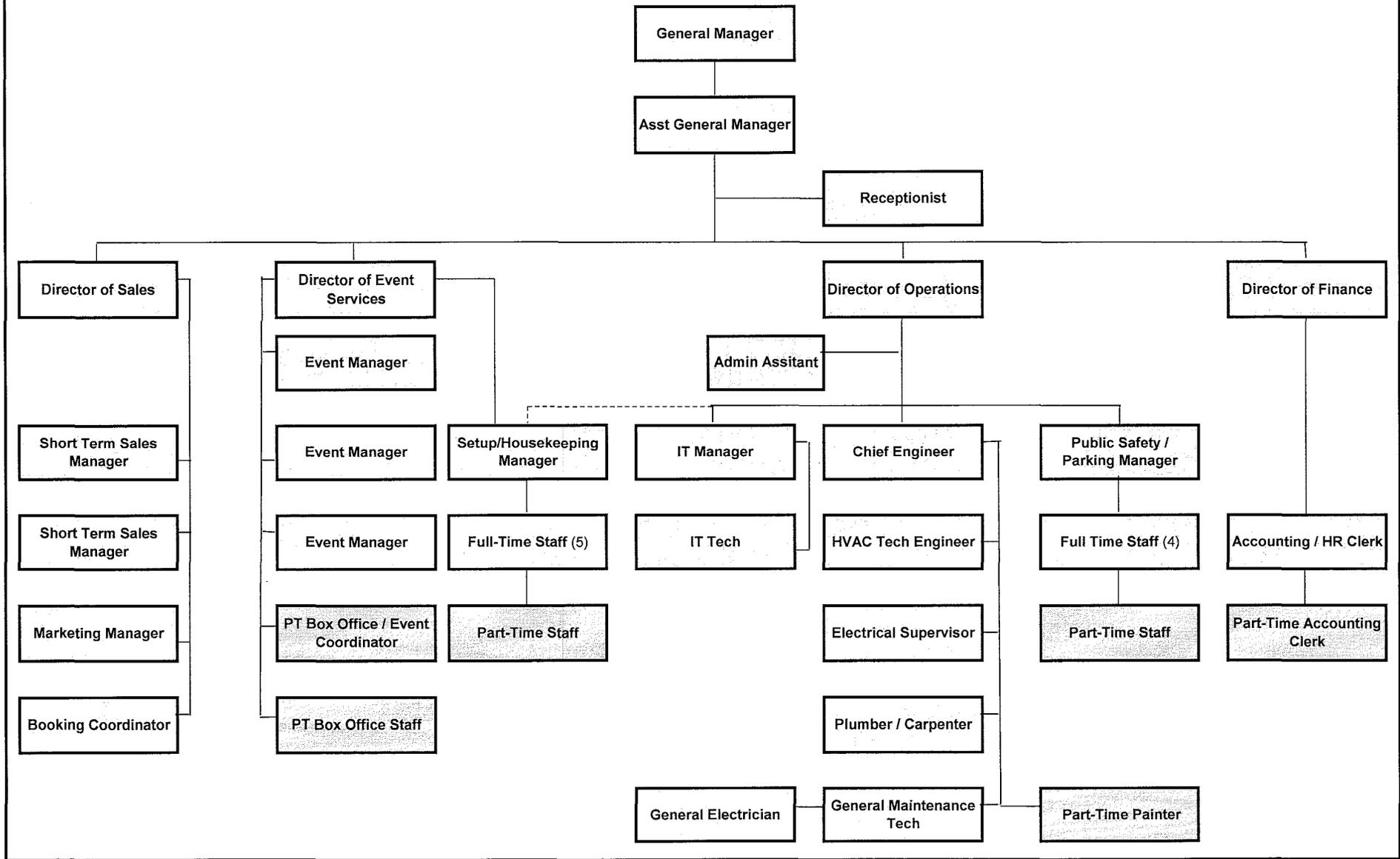
The Convention Center opened on January 1, 2004. The 350,000 square foot facility includes 100,000 square feet of exhibit space, 22,000 square feet of ballroom space and 21,000 square feet of meeting space. The building is owned by Palm Beach County and financed with revenue bonds. The Convention Center is located at 650 Okeechobee Boulevard, West Palm Beach, Florida.

Palm Beach County has contracted with Spectra Venue Management (SVM) as the management and operational team for the building as well as, Spectra Food Services & Hospitality (SFSH) to handle all food and beverage operations. SVM employs approximately 35 full time employees and SFSH employs approximately 10 full time employees.

SVM has the task of overseeing the daily operations and management of the entire facility. Their main responsibilities include; sales, marketing, event management and facility operations. The types of business they pursue include, but not limited to; conventions, conferences, tradeshows, consumer shows, sporting events and meetings. SFSH, provides food and beverage support for these events as well as contracts stand-alone social food and beverage events.

Operating costs are offset by the generation of revenue through space rentals, food and beverage sales and building services and equipment. Other means of financing the Convention Center include the inter-local agreement with the City of West Palm Beach, Transfer In, miscellaneous advertising revenue, and interest.

Palm Beach County Convention Center Organizational Chart (Budget FY15)



FY 2016 OBJECTIVES

- 1 Achieve targeted gross rental revenue of \$1.776 million while both the hotel and parking garage construction projects are fully underway.
- 2 Implement Phase II of PBCCC Sales and Marketing Department transformation which includes the addition of one sales manager to the department to allow the PBCCC Director of Sales and Marketing to commit optimal time to working with the CVB, Hilton, Marriot, Sports Commission and internal staff on booking room night business.
- 3 Confirm at least 7000 Room Nights to be actualized for FY2016.
- 4 Solidify working relationship with new Hilton West Palm Beach both operationally and from a Sales and Marketing perspective during initial year of relationship. This includes using shared operational services, increasing qualified lead generation and booking future room night business.
- 5 During hotel and parking garage construction, also complete R&R Projects (Facility painting, new carpeting, front courtyard art installation, security card swipe and camera system upgrade, Food and Beverage POS locations) in cooperation with the County Facilities department. Estimates expense for all projects is \$3,000,000.
- 6 Realize F&B net sales of \$560,605 amidst hotel and garage construction.

<u>PERFORMANCE MEASUREMENTS</u>	<u>Actual FY 2014</u>	<u>Estimated FY 2015</u>	<u>Projected FY 2016</u>	<u>Type</u>	<u>Obj</u>
Division Name					
Gross Rental Revenue	\$ 1,781,170	\$ 1,780,560	\$ 1,776,676	Output	1
Total number of events	315	280	252	Output	2
Food and beverage sales (Gross) millions	\$ 2.41	\$ 1.98	N/A		
Food and beverage sales (Net sales)	\$ 471,959	\$ 518,786	\$ 560,605	Output	6
Number of events Food & Beverage/Banquets	66	75	71	Output	2
Number of events Meetings, Conventions, and Shows	249	205	181	Output	2
PBCCC Sales Team Only Booked/Contracted Room Nigh	N/A	N/A	10,000	Output	3
PBCCC Sales Team Only FY Actual Room Nights	N/A	N/A	7,000	Output	3

* revised as of 03/31/2015

**TOURIST DEVELOPMENT COUNCIL FY 2016
PROPOSED BUDGET**

	11.05%	10.87%	7.00%	5.00%	5.00%	21.43%	13.13%	3.00%
	ACTUAL	ACTUAL	FORECAST	Adopted	Modified	FORECAST	Proposed	BUDGET
CONVENTION CENTER OPERATIONS	2013	2014	2014	BUDGET	BUDGET	2015	2016	BUDGET
CATEGORY F -FUND 1450	2013	2014	2014	2015	2015	2015	2016	2017
BALANCE FORWARD	\$ 1,440,485	\$ 2,013,581	\$ 2,013,581	\$ 1,747,981	\$ 1,972,860	\$ 1,972,860	\$ 1,151,961	\$ 900,807
BED TAX REVENUE	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807	\$ -	\$ -	\$ -
RENTAL REVENUE	\$ 1,772,799	\$ 1,781,170	\$ 1,789,003	\$ 1,772,561	\$ 1,772,561	\$ 1,780,560	\$ 1,776,676	\$ 1,829,976
FOOD & BEVERAGE (NET)	\$ 575,471	\$ 471,959	\$ 541,250	\$ 533,355	\$ 533,355	\$ 518,786	\$ 560,605	\$ 577,423
CITY OF WEST PALM BEACH ILA	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
NET BLDG. SERVICE REVENUE	\$ 929,618	\$ 1,001,448	\$ 910,225	\$ 901,092	\$ 901,092	\$ 1,078,553	\$ 855,092	\$ 880,745
INTEREST INCOME	\$ (4,602)	\$ 21,426	\$ -	\$ -	\$ -	\$ 22,238	\$ 20,557	\$ 20,374
ADVERTISING AND OTHER MISC. INCOME	\$ 10,000	\$ 10,459	\$ 10,459	\$ 20,000	\$ 20,000	\$ 10,000	\$ 20,000	\$ 20,000
TRANSFERS IN FUND 1458	\$ 880,000	\$ 800,000	\$ 800,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,600,000	\$ 1,700,000
STATUTORY HOLDBACK RETURN PYF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,147
STATUTORY HOLDBACK	\$ -	\$ -	\$ -	\$ (186,541)	\$ (186,541)	\$ -	\$ (174,147)	\$ (178,926)
TOTAL AVAILABLE FUNDS	\$ 6,107,578	\$ 6,603,850	\$ 6,568,325	\$ 6,392,255	\$ 6,617,134	\$ 6,732,997	\$ 6,060,744	\$ 6,174,546
CONVENTION CENTER OPERATING EXPENSE	\$ 3,770,060	\$ 4,029,627	\$ 4,200,093	\$ 4,348,610	\$ 4,348,610	\$ 4,302,071	\$ 4,598,507	\$ 4,828,432
INSURANCE	\$ 194,085	\$ 388,170	\$ 388,170	\$ 388,170	\$ 388,170	\$ 388,170	\$ 388,170	\$ 399,815
LEGAL	\$ 855	\$ 75	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,150
CAPITAL OUTLAY	\$ 27,830	\$ 99,678	\$ 100,000	\$ 75,000	\$ 775,000	\$ 775,000	\$ 75,000	\$ 100,000
OTHER	\$ 8,222	\$ 5,878	\$ 8,898	\$ 11,294	\$ 11,294	\$ 11,294	\$ 11,695	\$ 12,046
TDC CHARGE-OFF ADMIN.	\$ 89,138	\$ 103,755	\$ 109,376	\$ 126,201	\$ 126,201	\$ 99,501	\$ 81,565	\$ 83,960
COLLECTION FEES	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ -	\$ -	\$ -
TRANSFERS OUT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ 4,093,997	\$ 4,630,990	\$ 4,820,344	\$ 4,958,082	\$ 5,658,082	\$ 5,581,036	\$ 5,159,937	\$ 5,429,403
CONV. CTR. RESERVE	\$ 2,013,581	\$ 1,972,860	\$ 1,747,981	\$ 1,434,173	\$ 959,052	\$ 1,151,961	\$ 900,807	\$ 745,143
TDC RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONV. CTR. RESERVE	\$ 2,013,581	\$ 1,972,860	\$ 1,747,981	\$ 1,434,173	\$ 959,052	\$ 1,151,961	\$ 900,807	\$ 745,143
OVERALL EXPENSE BUDGET	\$ 6,107,578	\$ 6,603,850	\$ 6,568,325	\$ 6,392,255	\$ 6,617,134	\$ 6,732,997	\$ 6,060,744	\$ 6,174,546

PALM BEACH COUNTY CONVENTION CENTER
Financial Operations Budget
FISCAL YEAR 2016

	FY12 Actual	FY13 Actual	FY14 Actual	FY 15 Budget	FY15 Forecast	FY16 Budget	FY16 Budget vs FY15 Budget	% Inc (Dec) FY16 Budget vs FY15 Forecast	FY16 Budget vs FY15 Forecast	% Inc (Dec) FY16 Budget vs FY15 Forecast
Operating Revenue										
Gross Rent Revenue	\$ 1,649,838	\$ 1,772,799	\$ 1,781,170	\$ 1,772,561	\$ 1,780,560	\$ 1,776,676	\$ 4,115	0.23%	\$ (3,884)	-0.22%
Net F&B Revenue	\$ 411,374	\$ 488,689	\$ 471,958	\$ 533,355	\$ 518,786	\$ 560,605	\$ 27,250	5.11%	\$ 41,819	8.06%
Advertising Revenue	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000	\$ -	0.00%	\$ 10,000	100.00%
Net Building Services Revenue	\$ 866,607	\$ 1,016,401	\$ 1,001,449	\$ 901,092	\$ 1,078,553	\$ 855,092	\$ (46,000)	-5.10%	\$ (223,461)	-20.72%
Total Operating Revenue	\$ 2,937,819	\$ 3,287,889	\$ 3,264,577	\$ 3,227,008	\$ 3,387,899	\$ 3,212,373	\$ (14,635)	-0.45%	\$ (175,526)	-5.18%
Operating Expenses										
Finance	\$ 292,763	\$ 349,439	\$ 353,443	\$ 375,416	\$ 383,757	\$ 398,147	\$ 22,731	6.05%	\$ 14,390	3.75%
Event Services	\$ 368,547	\$ 400,024	\$ 403,559	\$ 467,008	\$ 455,948	\$ 602,273	\$ 135,265	28.96%	\$ 146,325	32.09%
Operations - Administrative	\$ 156,606	\$ 172,602	\$ 194,353	\$ 213,301	\$ 199,951	\$ 213,402	\$ 101	0.05%	\$ 13,451	6.73%
Operations - Setup & Housekeeping	\$ 211,100	\$ 211,637	\$ 250,051	\$ 296,704	\$ 292,659	\$ 307,116	\$ 10,412	3.51%	\$ 14,457	4.94%
Operations - Engineering & Maintenance	\$ 235,819	\$ 243,949	\$ 253,692	\$ 260,776	\$ 266,642	\$ 270,740	\$ 9,964	3.82%	\$ 4,098	1.54%
Operations - Security	\$ 329,014	\$ 320,664	\$ 331,657	\$ 351,207	\$ 349,522	\$ 367,058	\$ 15,851	4.51%	\$ 17,536	5.02%
Operations - Information Technology	\$ 1,399,145	\$ 1,358,469	\$ 1,391,121	\$ 1,458,517	\$ 1,463,282	\$ 1,507,193	\$ 48,676	3.34%	\$ 43,911	3.00%
Parking Operations	\$ 311,074	\$ 310,969	\$ 302,880	\$ 336,394	\$ 321,404	\$ 334,359	\$ (2,035)	-0.60%	\$ 12,955	4.03%
Overhead	\$ 149,884	\$ 175,453	\$ 181,679	\$ 188,677	\$ 185,485	\$ 203,644	\$ 14,967	7.93%	\$ 18,159	9.79%
Other Income	\$ 5,933	\$ 7,206	\$ 5,304	\$ 2,400	\$ 5,300	\$ 2,400	\$ -	0.00%	\$ (2,900)	-54.72%
Other Expense	\$ 334,739	\$ 363,798	\$ 359,503	\$ 394,011	\$ 378,121	\$ 392,174	\$ (1,837)	-0.47%	\$ 14,053	3.72%
Total Operating Expenses	\$ 3,794,624	\$ 3,914,210	\$ 4,027,242	\$ 4,344,411	\$ 4,302,071	\$ 4,598,506	\$ 254,095	5.85%	\$ 296,435	6.89%
Net Operating Income (Loss) Before Cap-X	\$ (856,805)	\$ (626,321)	\$ (762,665)	\$ (1,117,403)	\$ (914,172)	\$ (1,386,133)	\$ (268,730)	-24.05%	\$ (471,961)	-51.63%
Capital Expenditures	\$ 13,746	\$ 27,830	\$ 99,678	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	0.00%	\$ -	0.00%
Net Operating Income (Loss) After Cap-X	\$ (870,551)	\$ (654,151)	\$ (862,343)	\$ (1,192,403)	\$ (989,172)	\$ (1,461,133)	\$ (268,730)	-22.54%	\$ (471,961)	-47.71%
* Fiscal year 2008 was the first year all sales and marketing expenses were included in the budget.										
Direct County Revenue										
Bed Tax Revenue	\$ 268,186	\$ 253,807	\$ 253,807	\$ 253,807	\$ -	\$ -	\$ (253,807)	-100.00%	\$ -	0.00%
City of WPB Contributions	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	0.00%	\$ -	0.00%
Pool Investment Interest Income	\$ 25,298	\$ (4,602)	\$ 21,426	\$ -	\$ 22,238	\$ 20,557	\$ 20,557	0.00%	\$ (1,681)	-7.56%
Change in Fair Value	\$ 8,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Transfers In Fund Reserves	\$ 825,000	\$ 880,000	\$ 800,000	\$ 1,100,000	\$ 1,100,000	\$ 1,600,000	\$ 500,000	45.45%	\$ 500,000	45.45%
Statutory Holdback Return PYF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Statutory Holdback	\$ -	\$ -	\$ -	\$ (186,541)	\$ -	\$ (174,147)	\$ 12,394	-6.64%	\$ (174,147)	0.00%
Total Direct County Revenue*	\$ 1,377,150	\$ 1,379,205	\$ 1,325,233	\$ 1,417,266	\$ 1,372,238	\$ 1,696,410	\$ 279,144	0.196959	\$ 324,172.00	23.62%
Direct County Expenses										
Legal Services	\$ 12,039	\$ 855	\$ 75	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.00%	\$ -	0.00%
Communications/Suncom-Toll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Insurance & Surety Bonds	\$ 388,170	\$ 194,085	\$ 388,170	\$ 388,170	\$ 388,170	\$ 388,170	\$ -	0.00%	\$ -	0.00%
Tax Collector Commissions	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ -	\$ -	\$ (3,807)	-100.00%	\$ -	0.00%
TDC Charge-Off Admin	\$ 84,112	\$ 89,138	\$ 103,755	\$ 126,201	\$ 99,501	\$ 81,565	\$ (44,636)	-35.37%	\$ (17,936)	-18.03%
Inspector General Fee	\$ 7,296	\$ 8,195	\$ 5,868	\$ 8,194	\$ 8,194	\$ 8,440	\$ 246	3.00%	\$ 246	3.00%
Materials/Supplies Operating	\$ 38	\$ 27	\$ 10	\$ 3,100	\$ 3,100	\$ 3,255	\$ 155	5.00%	\$ 155	5.00%
Machinery and Equipment	\$ -	\$ -	\$ -	\$ 700,000	\$ 700,000	\$ -	\$ (700,000)	0.00%	\$ (700,000)	0.00%
Total Direct County Expenses*	\$ 495,462	\$ 296,107	\$ 501,685	\$ 1,234,472	\$ 1,203,965	\$ 486,430	\$ (748,042)	-60.60%	\$ (717,535.00)	-59.60%
Net Income (Loss)	\$ 11,137	\$ 428,947	\$ (38,795)	\$ (1,009,609)	\$ (820,899)	\$ (251,153)	\$ 758,456	75.12%	\$ 569,746	69.41%

*Note: County Revenue & Expenses are recorded on Cash Basis Accounting

PALM BEACH COUNTY

Convention Center Actuals
FY 2003 to Present

Staff	8 Actual FY 03	32 Actual FY 04	35 Actual FY 05	39 Actual FY 06	38 Actual FY 07	40 Actual FY 08	35 Actual FY 09	34 Actual FY 10	53 Actual FY 11	63 Actual FY 12	60 Actual FY 13	67 Actual FY 14	60 Actual FY 15
BALANCE FORWARD	-	1,720,984	2,192,829	1,927,277	1,374,870	2,033,383	2,368,087	1,797,870	1,526,480	1,551,227	1,440,485	2,013,581	1,972,860
REVENUES													
Convention Center Sales		1,689,704	2,750,771	2,737,289	2,905,485	3,027,161	3,070,364	3,168,186	2,713,238	2,937,819	3,287,888	3,264,577	3,167,310
Refund Prior Yr Exp	-	-	-	-	-	62,757	3,093	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-	-	8,666	-	459	-
Interest	45,942	49,642	38,266	45,626	98,309	71,480	105,649	52,768	9,070	25,299	(4,601)	21,427	12,941
City of WPB	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Bed Taxes	253,807	253,807	253,807	253,807	253,807	253,807	253,807	253,807	253,807	268,186	253,807	253,807	-
Transfer In 4th Cent	1,000,000	1,700,000	700,000	270,000	1,350,000	900,000	500,000	500,000	-	-	-	-	-
Transfer In 1st Cent	-	-	-	-	-	-	-	-	1,350,000	825,000	880,000	800,000	1,100,000
Transfer In Special Prj	1,157,516	4,341	-	-	-	-	-	-	-	-	-	-	-
Transfer In CVB	-	-	-	-	-	253,800	-	-	-	-	-	-	-
Total Revenues	2,457,265	3,947,494	3,992,844	3,556,722	4,857,601	4,819,005	4,182,913	4,224,761	4,576,115	4,314,970	4,667,094	4,590,269	4,530,251
Total Sources of Funds	2,457,265	5,668,478	6,185,673	5,483,999	6,232,471	6,852,388	6,551,000	6,022,631	6,102,595	5,866,197	6,107,579	6,603,850	6,503,111
EXPENDITURES													
Contract/Operating Expense	413,843	2,858,941	3,633,865	3,745,114	3,938,533	4,094,953	4,302,111	4,026,483	3,991,894	3,930,249	3,797,890	4,129,305	4,033,992
Insurance/ Audit	29,700	373,769	415,728	144,279	186,661	379,517	438,649	440,000	440,000	388,170	194,085	388,170	388,170
Legal Fees	-	4,338	3,813	4,018	19,800	5,973	7,980	25,605	2,520	12,039	855	75	975
TDC Indirect	-	-	-	-	-	-	-	-	107,964	84,112	89,138	103,755	113,734
Machinery & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	598,302
Other	-	-	-	-	-	52	583	256	5,183	7,335	8,223	5,878	7,556
Tax Collectors Fees	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	-
Transfers Out - CVB	288,931	234,795	201,184	211,911	50,287	-	-	-	-	-	-	-	-
Total Expenditures	736,281	3,475,649	4,258,396	4,109,129	4,199,088	4,484,302	4,753,130	4,496,151	4,551,368	4,425,712	4,093,998	4,630,990	5,142,729
Profit/(Loss) before subsidies*	(690,339)	(1,736,303)	(1,469,359)	(1,326,214)	(1,195,294)	(1,322,903)	(1,574,024)	(1,275,197)	(1,829,060)	(1,453,928)	(810,711)	(1,344,528)	(1,962,478)
Ending Reserve Balance	1,720,984	2,192,829	1,927,277	1,374,870	2,033,383	2,368,087	1,797,870	1,526,480	1,551,227	1,440,485	2,013,581	1,972,860	1,360,382

* Profit/(Loss) before other revenue subsidies. Subsidies include funds from the City of West Palm Beach, Transfers In and bed taxes .

Number of Events	-	144	288	309	311	359	265	253	294	354	307	315	253
Number of Attendees at Event	-	223,913	241,675	199,057	218,119	224,285	225,336	287,056	278,986	238,355	225,493	196,013	205,390
Actual Room Nights	-	798	883	2,124	2,983	3,891	6,329	10,958	8,411	9,289	13,773	11,150	11,894

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**PALM BEACH COUNTY
TOURIST DEVELOPMENT COUNCIL
CONVENTION CENTER OPERATIONS
RESERVES**

<u>FUND1450-CONVENTION CENTER</u>	2015 ACTUAL
BALANCE FORWARD	<u>\$ 1,972,860</u>
BED TAXES	\$ -
RENTAL REVENUE	1,671,231
FOOD & BEVERAGE (NET)	407,867
CITY OF WEST PALM BEACH	250,000
NET BLDG SERVICE REVENUE	1,077,961
ADVERTISING REVENUE	10,250
INTEREST INCOME	12,941
OTHER MISCELLANEOUS INCOME	-
TRANSFERS IN 1ST CENT	<u>1,100,000</u>
TOTAL REVENUES	<u>\$ 4,530,251</u>
TOTAL AVAILABLE FUNDS	\$ 6,503,111
OPERATING EXPENSE - INDIRECT	\$ 113,734
LEGAL SERVICES - COUNTY ATTORNEY	975
OTHER CONTRACTUAL SERVICES -CONV. CTR. OPERATIONS	4,033,992
CAPITAL OPERATING EXPENSE	-
MACHINERY & EQUIPMENT- RISERS	598,302
INSURANCE	388,170
INSPECTOR GENERAL FEE	7,556
TOTAL EXPENDITURES	<u><u>\$ 5,142,729</u></u>
RESERVES	<u><u>\$ 1,360,382</u></u>