

# Georgia World Congress Center Authority

## BOARD OF GOVERNORS MEETING

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May 22, 2018



**Authority**



**Financial**



# ACTION ITEM

## Approval of Minutes

### April 24, 2018





# APRIL FINANCIAL UPDATE

Janet Arsenault  
Sr. Director of Finance







# Financial Snapshot – April 2018

## Profit/Loss



**Actual** **\$351,073**

**Budgeted** **\$550,444**

**Actual YTD** **\$5,244,977**

**Budgeted YTD** **\$271,308**



**Actual** **\$5.3M**

**Budget** **\$5.4M** **<2.51%**

**H/M Tax** **FY17** **\$5.1M** **>2.37%**



**Customers**  
(Estimated)

**241,266**



**Economic Impact**  
(Estimated)

**\$156.9M**





# FY19 Budget Review

**Jen LeMaster, Chief Administrative Officer**

**Janet Arsenault, Sr. Director of Finance**





# AGENDA

- Background
- FY18 Forecast Update
- Staff Recommendations
  - FY19 Budget
  - FY18 Surplus





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# SEPTEMBER RETREAT REVIEW

FY19 REVENUE

\$54,082,762

FY19 EXPENSES

\$50,138,862

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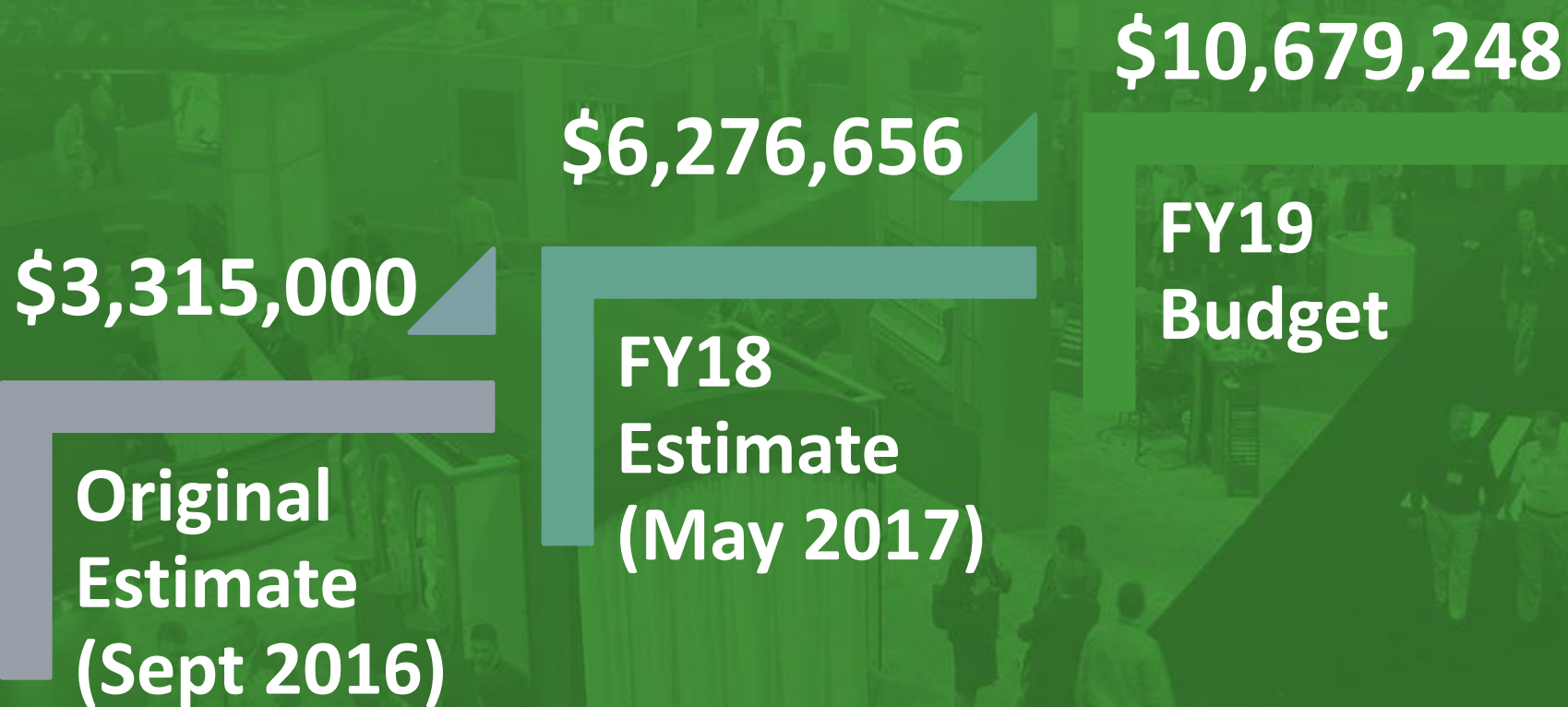
FY19 NET PROFIT

\$3,943,900



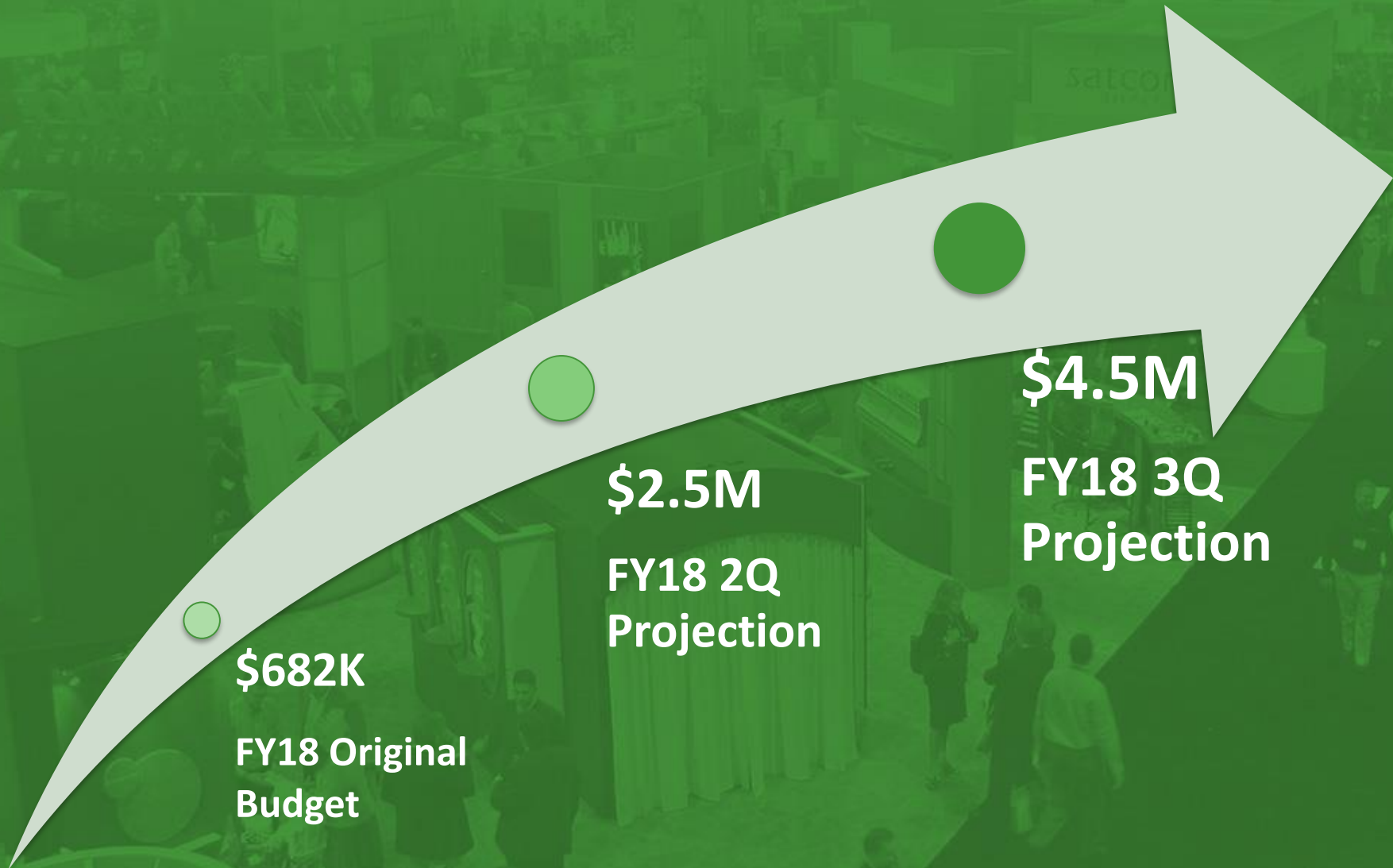


# MBS LICENSE & REVENUE IMPACTS





# \$ FY18 FORECAST UPDATE



\$682K

FY18 Original  
Budget

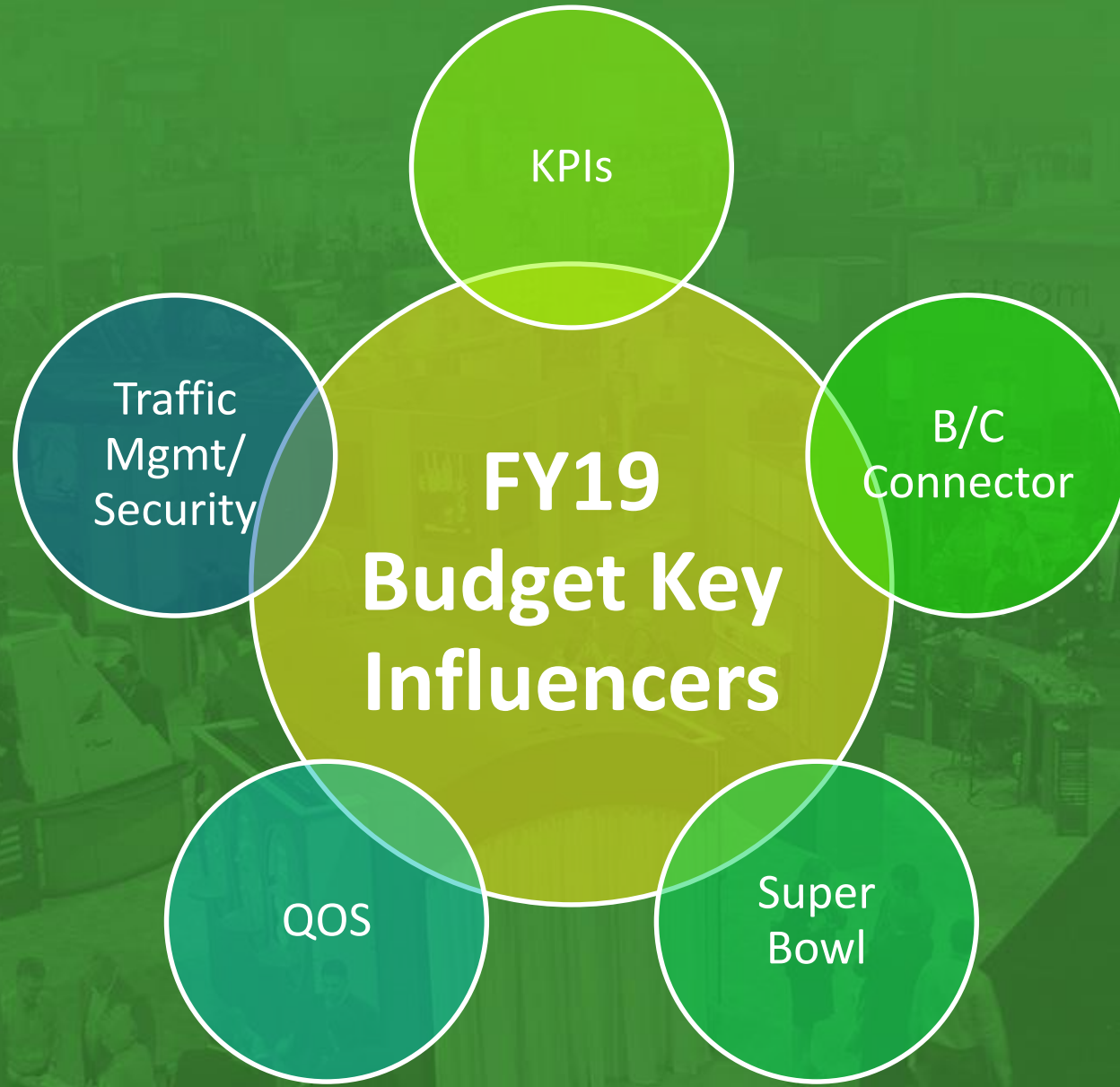
\$2.5M

FY18 2Q  
Projection

\$4.5M

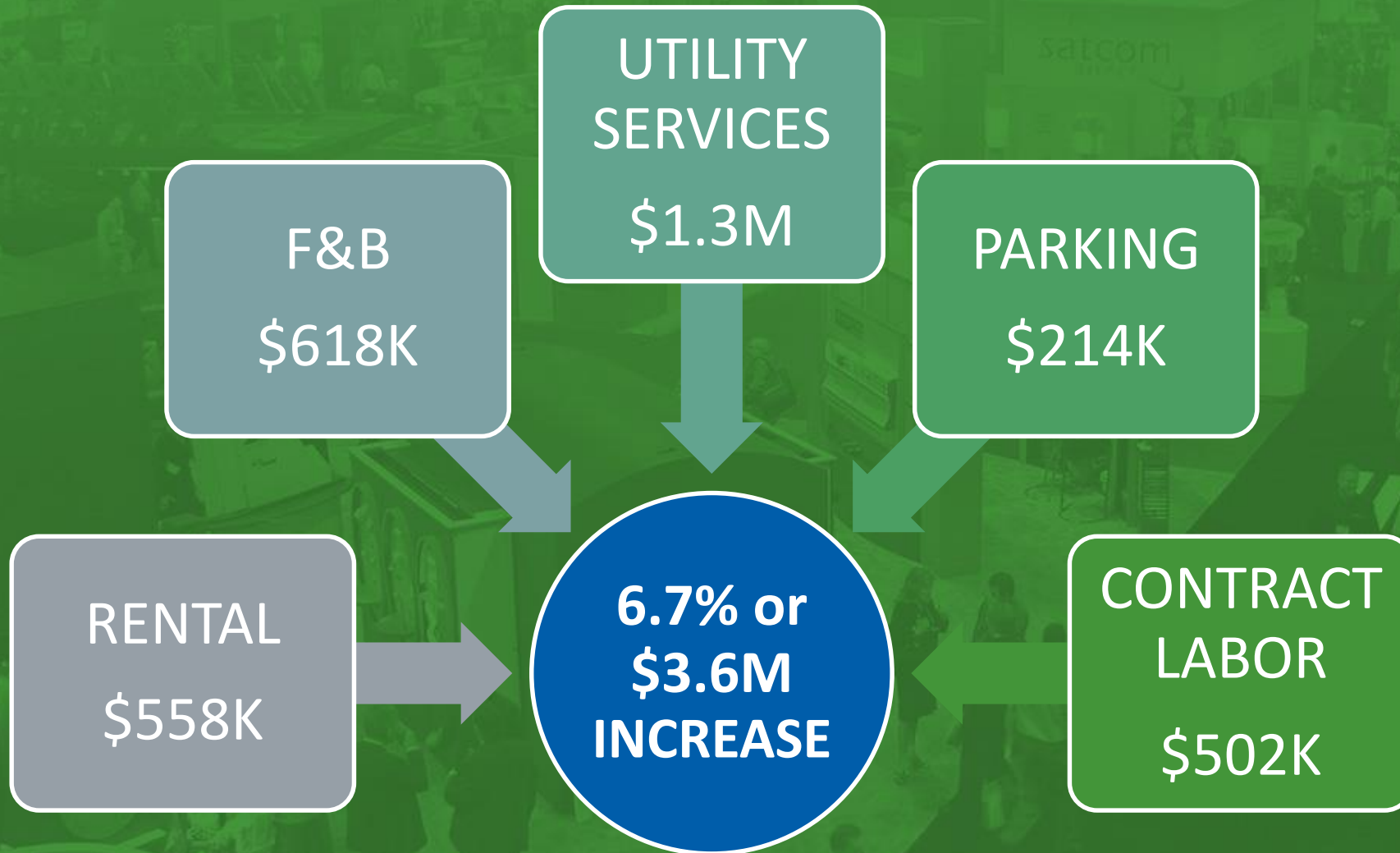
FY18 3Q  
Projection







# FY19 BUDGET REVENUE HIGHLIGHTS







# FY19 BUDGET EXPENSE HIGHLIGHTS

**Overall  
11.5% or  
\$5.7M  
increase**

## Personnel Services (\$3.2M increase)

- Super Bowl/MBS traffic mgmt - \$1.4M (offsetting revenue)
- Fringe Benefit Increase (5%) - \$594K
- Market Adjustments (hourly, front line) \$433K
- Merit Increases (3%) - \$425K

## KPI Influence Examples

- Facility Maintenance /Repairs - \$263K
- Customer Advisory Board - \$100K
- Technology - \$170K

## Quality Operating Standards

- Deployment of Resources





# FY19 BUDGET RECOMMENDATION

	Projection	Budget	Variance	
<u>REVENUE</u>	FY 2018	FY 2019		
Rental	\$ 14,341,626	\$ 14,900,000	\$ 558,374	
Food & Beverage	5,164,649	5,782,900	618,251	
Exhibit Utility Service	8,620,522	9,940,425	1,319,903	
Parking	9,026,746	9,240,885	214,139	
Hotel/Motel Tax	6,403,982	6,815,201	411,219	
Contract Labor/Services	3,115,274	3,617,140	501,866	
Telecom/Audio	1,763,295	1,676,772	(86,523)	
Advertising/Sponsorship	1,717,369	1,942,000	224,631	
Land Lease	2,500,000	2,550,000	50,000	
Other	1,722,932	1,533,999	(188,933)	
	<b>\$ 54,376,395</b>	<b>\$ 57,999,322</b>	<b>\$ 3,622,927</b>	<b>6.7%</b>
<u>EXPENSES</u>				
Personnel Services	\$ 29,247,596	\$ 32,441,389	\$ 3,193,793	
Regular Operating	11,001,976	11,619,129	617,153	
Equipment Purchases	514,058	279,972	(234,086)	
Per Diem/Fees/Contracts	6,560,051	6,894,788	334,737	
Projects	-	1,500,000	1,500,000	
Computer Charges/Other	2,545,392	2,858,532	313,140	
	<b>\$ 49,869,073</b>	<b>\$ 55,593,810</b>	<b>\$ 5,724,737</b>	<b>11.5%</b>
<b>OPERATING PROFIT(LOSS)</b>	<b>\$ 4,507,322</b>	<b>\$ 2,405,512</b>	<b>\$ (2,101,810)</b>	





# FY18 SURPLUS RECOMMENDATIONS

**Projects: \$1.6M**  
Life Safety, Building Failures, Customer-Facing Enhancements

**Excess net profit above \$4.5M: Projects**

**Reserve \$500K for Incentive Comp Plan**

**Hotel Expense Reserve: \$500K**

**Invest \$400K in OPEB Trust Fund**

**Remaining \$1.5M to go to Fund Balance**







# BOARD ACTION

- Finance Committee has been briefed by staff and approved advancing the FY19 Budget to the Board for their consideration and action.
- Staff recommends approval of the FY19 Budget including the allocation of FY18 surplus.





Questions?





# NEXT MEETING

Tuesday, June 26, 2018

