

JCEP Board Meeting with representatives of Helms Briscoe, Thursday, October 15, 2009

Attendance: Ellen Burton, Deborah Thomason, Rick Gibson, Stan Moore, Betty Winterger, Karen Hatch Gagne, Mike Woods, Edwin Jones, Deborah Tootle, Mary Ann Lienhart-Cross, Marsha Lockard, Judy Breland, , Mike Kuhns, HelmsBrisco - Jill Slater and Patty Richbourg (has offered to be on any Conference Calls needed), Sandy Corridon - recorder.

Ellen thanked everyone for their participation and highlighted the email sent last night (10/14).

Background information sent to the JCEP Board by Ellen Burton prior to meeting with Helms Briscoe:

Prior to our meeting tomorrow I would like to provide some historical perspective on the Galaxy IV bid process, as I know it.

Following the Galaxy III Conference in September 2008 the JCEP Board prepared and issued the RFP for the Galaxy IV Conference. One bid was received by the JCEP Board for the Galaxy IV Conference, and that bid was from Pennsylvania.

During the June 2009 JCEP Board Meeting the JCEP Board reviewed Pennsylvania's bid package and accepted the bid from Pennsylvania for the Galaxy IV Conference to be held in Pittsburgh in 2013.

During the next three weeks Fred Miller, JCEP President at that time, realized that Pennsylvania had utilized the services of HelmsBriscoe, (HB), based upon NACAA's agreement with HB. Fred further notified the JCEP Board on July 21, 2009 that legal counsel had advised him that by signing the contracts with the hotels he would obligate JCEP to allow HB to recoup 10% of the Galaxy IV room block, as specified in the agreement that NACAA has with HB.

Fred further asked each JCEP partner association for their commitment to being full partners in Galaxy IV. Associations indicated they would know by October 2009. Thus it was decided that the decision related to the contracts would be made during a JCEP Board Meeting to be held in October 2009. HB was notified that a decision would be made in October 2009 and HB made no contact with JCEP until the first week of October when an email message was sent to both Fred and Ellen. Ellen responded that the decision was to be made on October 12 and within one to two days following the October 12 JCEP Board Meeting she would contact HB.

Additionally, following up on Fred's information sent on July 21, 2009 Ellen contacted legal counsel and was informed of the legal implications of the agreement that NACAA has with HB. Ellen was also informed by her legal counsel that in her role as President-elect and then President of JCEP she should avoid any negotiating with HB prior to the JCEP Board's action regarding the contract issue. To do otherwise could be construed as "intent" and could have legal implications for JCEP. Thus Ellen did not make any contact with HB until after the vote was taken on October 12; except to respond to the HB email asking if the decision regarding the contracts had been made.

On October 13 Ellen made contact with HB. Ellen informed HB that during the October 12,2009 JCEP Board Meeting the JCEP Board had approved the signing of the contracts with the hotels outlined in the Galaxy IV Bid. HelmsBriscoe expressed their appreciation and indicated because of the continuing decrease in business for many hotels HelmsBriscoe felt it would be a good time to further discuss concessions with the hotels. HelmsBriscoe further explained that between now and the end of the year is a good time to work further with the hotels. This time frame is good because, in addition to the economic considerations, hotel staff are trying to sign clients prior to the end of the year as the signing of clients influences if and how much of a bonus a hotel staff may receive.

Thus--the reason for our meeting on Thursday, October 15 at 2:00 pm CDT.

During the meeting with HB we have an opportunity to discuss items we would like to see in the contracts. HB will be follow up prior to any contracts being signed.

In answer to a question that I received, the present Galaxy Conference Section in the JCEP Handbook does not address this type of situation. (The new Galaxy Conference Section, as presented by Carol Schlitt to the JCEP Board during our October 12 meeting does address this potential situation.) Further it is my firm belief that the Pennsylvania Committee acted in good faith in developing their bid and did not understand the potential obligations of utilizing the professional planning services of HelmsBriscoe.

By setting this meeting I am hoping to provide an opportunity for JCEP to establish a conversation with HB and move the Galaxy IV Conference process forward.

I hope to hear you on the conference call tomorrow.
Ellen

HelmsBriscoe offered information and asked for any questions.

- Formal Contract process for the Hotels in Pittsburg. Now is a good time - prior to Dec. 31st - hotel people are trying to get as much business on the books as possible for revenue goals and bonus goals with end of year numbers.
- **HOTELS** - some of the limited service properties will be asked for attrition waive. Also a 1 year out review, without penalty.
- Westin Convention Center 400 rooms \$229/single \$239/double
- Omni William Penn 400 rooms \$189
- Hilton - 6 blocks - farther away than any other 400 rooms \$169
- Renaissance Hilton 100 rooms \$179/single \$199/double
- Hampton Inn and Suites 40 rooms \$199
- Contracts/ license agreement/ secured spaced
- 1314 rooms for peak nights and 5,586 room nights - historic
- RFP - conservative 1100 rooms on peak and total 4,680 - will be able to add rooms as needed.
- Room Rates are not inflated based on cost of commission - hotels will state this in the contract.
- In the event we find ourselves in an attrition situation - HB will check with their other contacts to see if they have needs in Pittsburg to help pick up the extra rooms.

- **Convention Center Rental** - exhibit/functions/ food and beverage \$67,250 to rent Convention Center in Pittsburgh. In Indy we had a \$5 room rate to offset the convention rental. Also Food and Beverage offsets cost.
- Rebate for the Convention Center - take total room nights divided by \$67,250 come up with \$12 -- other rebate would be about \$14.50 - Note: any rebate will affect room rate. Lower rebate could be worked on - lower rebate generates less revenue.
- Will contact Pittsburg Convention and Visitors Bureau for any kind of subsidy to offset convention expenses.
- HB will have all the contracts and will present to their Hospitality Attorney at no charge to us.
- HB will be available for our Meeting Planner, when hired, to walk through the contracts and license agreement with the Center and introduce them to the Hotel, etc.
- Housing and Registration - suggest we hire an on-sight planner.

IN the Bid Package - Do we need more copies of Bid Package printed. There were 12 for 18 people.
Ellen will copy for those who request it.

Included: financial information/ convention center/ room compensation policy 1 for 40-50 attendance. 2 Bedroom Presidential Suites for 2 night - 2 hotels - yes/ 10 Hospitality Suites at group

rate. VIP airport shuttle - not necessary. Complementary parking for Galaxy Staff. Hotel meeting room costs - vary.

HB - shared rate history - 2008 Galaxy - Indy - Embassy \$159/single double Westin \$159 Marriott \$169 Courtyard \$149 Hyatt \$175 - all included a \$5 rebate.
Sun 10 Mon 100 Tues 400 Wed 1025 Thurs 1100/100% Fri 1065/97% Sat 890/81% Sun 890
Historically- Sun 11 Mon 115 Tues 478 Wed Thurs Fri 1276/97% Sat 1064/87% Sun 1062

Rebates to cut cost of convention center. \$5/Indy - There will be other ancillary revenues - audio-visual/ set-up/ additional staff. \$27,930 generated in revenues- based on room rebate. (\$24,755 - for Indy - we were given some concessions because we moved our event.)

HelmsBriscoe - Patty will send the space assignment for the Convention Center.

- Will need to know - what space each Association wants at each Hotel. Give as much specifics as each Association can document.
- Moving some of the sessions away from the Center will reduce rental costs of the Center.
- Will send Competitive Matrix - hotel package and center rental. Day by Day Room blocks for 2008 and 2013. Room rates.
- Will negotiate for reduced Hotel Room Rates (\$169)
- 21 day cut off - may be extended
- Comp Policy 1/40 - industry standard 1/50
- Needs of Staff Rooms at 50% off.
Staff rooms were provided for Galaxy Meeting Steering Committee members - 16.
- Food and Beverage - will be approached again - Don't say/ Don't look if you bring in food.
- Need 6 Presidential Suites - use these in place of Hospitality Suites. (Hospitality Suites - will give back to hotels to get something else.)
- Airport Transfers - not necessary / will give back to get something else.

Will see distance from airport to hotel and typical taxi (\$35) and shuttle (\$20 each way)

- Complementary Parking for staff - good idea - 16.

Steering Committee - how far ahead of time do they meet at the property - 2 $\frac{1}{2}$ - 3 years

- they meet up to twice a year each year.
- 16 - 20 room rentals.
- When do they meet - will ask Diane - when/how many days/ food and beverage - ballpark meeting specs. There were 7 additional meetings in addition to the conference itself.
- May suggest that committee meets immediately after Galaxy for evaluation rather than incurring more expenses.

Indianapolis Hotels - Patty will get the history - good for talking points.

Hyatt \$29,000 - actual spent room rate \$175
Weston \$45,000 - food and beverage minimum room rate \$159
Embassy Suites - no food & beverage minimum
Courtyard by Marriott

Convention Center - meals help reduce rental costs - Galaxy had large luncheons at Convention Center.

Assignment of Headquarter Hotels. Concern regarding differing costs and distances.

A hotel is set aside, but people can select which hotel they will go to.

Patty will negotiate for the \$169/ single/double at all conference hotels.

CONCERNS:

- ❖ Galaxy Management Steering Committee will be encouraged to utilize Adobe CONNECT to reduce costs and that will affect Patty's negotiations with hotels.
- ❖ When HB worked with PA was it just for hotels or housing and registration? - Patty - housing and registration is not something that HB does - but they can suggest someone - typically cost is built into registration for registration service.
- ❖ Given that we're trying to be conservative in our Room Blocks - we also don't want to have to pay twice the room rate IF we need to add rooms. Patty will build in a 10% reduction by the review date without penalty. Likewise can we raise the hotel room block by the review date.

Patty (HB) will send Ellen Burton information to be forwarded to the group, and Ellen will make copies of the PA proposal if asked.

Sandy Corridon, recorder