

Convention Facilities Department Team San José, Contractor

M
I
S
S
I
O
N

To increase awareness of San José as a visitor and meetings destination and to ensure the San José's Convention Center and Cultural Facilities are effectively managed to increase revenue, manage costs, improve the local economy, generate TOT and add value to customers, residents, workers, and businesses within the City of San José

City Service Area

Community and Economic Development

Core Services

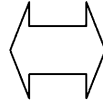
Convention Facilities

To provide facilities and services that attract conventions and events to contribute to the City's economy

Convention Facilities Department

Service Delivery Framework

Core Service
Convention Facilities: <i>To provide facilities and services that attract conventions and events to contribute to the City's economy</i>



Key Operational Services
<ul style="list-style-type: none">• Convention Center Management• Cultural Facilities Management• Sales, Marketing and Communications• Event Services• Financial Services• Technical Services• Food and Beverage Services• Facility and Infrastructure Maintenance• HVAC, Electrical Services• Public Safety• Visitor Services

Convention Facilities Department

Department Budget Summary

Expected 2012-2013 Service Delivery

- Team San José (TSJ) anticipates a 30% reduction in convention business due to the Convention Center Expansion and Renovation project.
- TSJ has assumed a decrease in theater business for resident art partners who anticipate a reduction in their season performances.
- Continue to provide food and beverage services to convention and cultural facilities clients in order to enhance the customer experience and entice/retain business.
- Provide maintenance and repair services to the City's convention and cultural facilities.
- TSJ will continue to produce quality products and services to clients.
- Provide operator perspective around service opportunities and construction management with the Convention Center Expansion and Renovation project.
- Increase awareness of San José as a destination for leisure, meetings, and conventions.

2012-2013 Budget Actions

- Expenditures are reduced to align with the anticipated temporary reduction in revenue related to impacts from the Convention Center expansion/renovation project.
- Repair and maintenance staffing will be eliminated in response to a projected decline in activity and due to the variable times when these services are required. These repairs will now be contractually performed on an as needed, episodic basis.
- The Non-Personal/Equipment appropriation will be eliminated. Funding previously included in this appropriation will be accounted for in the Convention Facilities Operations appropriation, as reflected in the Source and Use of Funds Statement for the Convention and Cultural Affairs Fund.

Operating Funds Managed

N/A

Convention Facilities Department

Department Budget Summary

	2010-2011 Actual 1	2011-2012 Adopted 2	2012-2013 Forecast 3	2012-2013 Proposed 4	% Change (2 to 4)
Dollars by Core Service					
Convention Facilities	\$ 20,000,436	\$ 16,019,059	\$ 16,632,309	\$ 0	(100.0%)
Total	\$ 20,000,436	\$ 16,019,059	\$ 16,632,309	\$ 0	(100.0%)
Dollars by Category					
Personal Services					
Salaries/Benefits	\$ 1,773,323	\$ 1,089,740	\$ 1,110,394	\$ 0	(100.0%)
Overtime	145,711	50,159	50,159	0	(100.0%)
Subtotal	\$ 1,919,034	\$ 1,139,899	\$ 1,160,553	\$ 0	(100.0%)
Non-Personal/Equipment					
Total	\$ 20,000,436	\$ 16,019,059	\$ 16,632,309	\$ 0	(100.0%)
Dollars by Fund					
Conv & Cultural Affairs	\$ 20,000,436	\$ 16,019,059	\$ 16,632,309	\$ 0	(100.0%)
Total	\$ 20,000,436	\$ 16,019,059	\$ 16,632,309	\$ 0	(100.0%)
Authorized Positions by Core Service					
Convention Facilities	9.00	9.00	9.00	0	(100.0%)

Convention Facilities Department

Budget Reconciliation

(2011-2012 Adopted to 2012-2013 Adopted)

	Positions	All Funds (\$)
Prior Year Budget (2011-2012):	9.00	16,019,059
<hr/> Base Adjustments <hr/>		
One-Time Prior Year Expenditures Deleted		
• Convention Facilities Department Unemployment Contribution		(9,062)
One-time Prior Year Expenditures Subtotal:	0.00	(9,062)
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes		29,716
• Non-Personal/Equipment increase to account for changes in utilities, labor, and other costs, driven primarily by anticipated changes to activity levels		592,596
Technical Adjustments Subtotal:	0.00	622,312
2012-2013 Forecast Base Budget:	9.00	16,632,309
<hr/> Budget Proposals Approved <hr/>		
1. Non-Personal/Equipment Recategorization		(15,471,756)
2. Convention Facilities Staffing	(9.00)	(1,160,553)
Total Budget Proposals Approved	(9.00)	(16,632,309)
2012-2013 Adopted Budget Total	0.00	0

Convention Facilities Department

Budget Changes By Department





Adopted Budget Changes	Positions	All Funds (\$)
<p>1. Non-Personal/Equipment Recategorization</p> <p><i>Community and Economic Development CSA</i> <i>Convention Facilities</i></p> <p>This action eliminates the Non-Personal/Equipment appropriation for the Convention Facilities Department. As a result of the elimination of City staffing managed by Team San José, this appropriation will be retitled Convention Facilities Operations and will be reflected as such in the Source and Use of Funds Statement for the Convention and Cultural Affairs Fund, which can be found elsewhere in this document. This new appropriation will fund all Team San José expenses related to the operation of the convention/cultural facilities. As described below, this new appropriation will also reflect the addition of \$903,000 to account for increased contractual expenses associated with repairs and maintenance of the facilities. (Ongoing savings: \$15,471,756)</p> <p>Performance Results: No impacts are anticipated as a result of this action as the expenses in the Non-Personal/Equipment appropriation required to operate the convention/cultural facilities will remain funded in the Convention and Cultural Affairs Fund.</p>		<p>(15,471,756)</p>
<p>2. Convention Facilities Staffing</p> <p><i>Community and Economic Development CSA</i> <i>Convention Facilities</i></p> <p>This action eliminates the remaining nine City positions (2.0 Electrician, 3.0 Air Conditioning Mechanic, and 4.0 Facility Repair Worker) under Team San José management. The addition of \$903,000 in Convention Facilities Operations funding, as described above, will partially offset this action. These positions are tasked with performing maintenance/repair activities on a fixed schedule at the Convention Center and cultural facilities managed by Team San José. However, with the projected decline in activity at the Convention Center in 2012-2013 due to the temporary negative impacts from the expansion/renovation project, and the variable times these activities occur, the positions are approved for elimination. This work will be performed by contractual staff on an as-needed, episodic basis. This action also generates cost savings, which will help ensure that the Convention and Cultural Affairs Fund maintains a positive fund balance through the expansion and renovation period. It should be noted that with the elimination of City staffing under the management of TSJ, City oversight is reduced, resulting in cost savings of \$58,000 for the Convention and Cultural Affairs Fund. (Ongoing savings: \$1,160,533)</p> <p>Performance Results: This action should have minimal impact on the quality of events for customers as the reductions align with anticipated reductions in activity at the convention facilities.</p>	<p>(9.00)</p>	<p>(1,160,533)</p>
<p>2012-2013 Adopted Budget Changes Total</p>	<p>(9.00)</p>	<p>(16,632,309)</p>

Convention Facilities Department

Performance Summary

Convention Facilities

Performance Measures

	2010-2011 Actual	2011-2012 Target	2011-2012 Estimated	2012-2013 Target
 Gross Revenue	\$18.8M	\$12.1M	\$18.6M	\$11.5M
 Gross Operating Profit	(\$2.38M)	(\$4.54M)	(\$3.5M)	\$2.0M
 Economic Impact				
Attendee Days By Type of Visitor:				
- Local/Social	914,312	806,410	678,852	659,693
- Out of Town	53,111	35,986	40,862	35,470
- Exhibitors	8,127	5,719	6,722	4,694
 % of customers that would return to San José again, based on service provided	98%	87%	97%	87%

Changes to Performance Measures from 2011-2012 Adopted Budget: No

Activity and Workload Highlights

	2010-2011 Actual	2011-2012 Forecast	2011-2012 Estimated	2012-2013 Forecast
Number of events at Convention Center and Theaters	280	261	161	250
Performance days at Theaters	297	386	220	352
Delegate Expenditures (\$)	\$77.8M	\$52M	\$52.5M	\$60.5M
Hotel Rooms Booked by Team San José	200,139	218,000	218,000	236,806

Changes to Activity and Workload Highlights from 2011-2012 Adopted Budget: No

Convention Facilities Department

Departmental Position Detail

Position	2011-2012 Adopted	2012-2013 Adopted	Change
Air Conditioning Mechanic	3.00	0.00	(3.00)
Electrician	2.00	0.00	(2.00)
Facility Repair Worker	4.00	0.00	(4.00)
Total Positions	9.00	0.00	(9.00)
