



TIMES UNION CENTER

ALBANY, NEW YORK



AN  MANAGED FACILITY

51 South Pearl Street Albany, New York 12207 (518) 487-2000 Fax (518) 487-2020

MEMORANDUM

To: Honorable Wanda F. Willingham, Chair
Honorable Andrew Joyce – Chairman – Albany County Legislature
Honorable Members of the Audit & Finance Committee
Honorable Members of the Albany County Legislature

From: Bob Belber – General Manager
Times Union Center

Date: October 15, 2021

Re: Response to October 6, 2021 Request for Information Re: Proposed 2022 Budget


Please accept my apology for not submitting this information prior to the deadline of yesterday. Attached are answers to the questions that were asked in your 10/6/21 memo. The Times Union Center was shut down for ¾ of 2020 and gradually reopened with numerous restrictions that were adhered to in order to keep the public, our employees and event personnel safe while we began to present events again this past summer. The Albany Empire within the NAL hosted their first season within the TU Center with the first games capped at just 25% of sellable capacity. Eventually the State of NY allowed the capacity to expand to 100% and various protocols had to be enforced to maintain safety for all. The team owners did the best they could given the circumstances and the team won the NAL championship in early August. The WWE, Lady A, Dude Perfect and a sold out Palace Theater show (AJR) were all presented since reopening. In addition, the NCAA Division I Men's Ice Hockey presented their East Regional Championship here at the TU Center in March of 2021 with only 10% of sellable capacity allowed. Seven high schools hosted their graduations here along with St Rose and Siena's commencements. The TU Center continued to serve as a distribution location for the community where businesses in Albany County could pick up hand sanitizer, Schools could pick up masks, COVID tests were made available here and the Albany County Health Department did a fantastic job of hosting vaccination POD's here at the arena during the pandemic. Our limited SMG staff assisted the County with all of these initiatives and worked around the event schedule to provide days to enable these health-related facility uses to take place. As we move into the fall of 2021 and into 2022. I pledge to Albany County to manage the operations of the Albany County Civic Center with a close eye on minimizing expenses while maximizing revenues to generate the highest profits possible. We hear that children ages 5 to 12 will soon have access to the vaccines to help fight COVID. I believe this is key to our ability to once and for all move this pandemic from a public crisis management issue to being able to treat the illness in doctor's offices and which can then eliminate most of the COVID protocols thereafter. I welcome your review of our answers and if you have any questions, we would be happy to provide further information.



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October 15, 2021

INFORMATION REQUIRED BY AUDIT & FINANCE COMMITTEE - ALBANY COUNTY LEGISLATURE

To: Honorable Wanda F. Willingham, Chair
Honorable Members of the Albany County Legislature Audit & Finance Committee

Please see the answers to all questions listed below:

1. Identify department representative appearing before the Audit & Finance Committee for your agency budget presentation. Bob Belber – General Manager
2. Identify by line item all vacant positions in your department. Finance Manager
3. Identify by line item any new position(s), how the position(s) will be funded and the reimbursement rate(s), if applicable. There are no new positions available.
4. Identify by line item any proposed salary increase(s) beyond union contract commitments or any proposed salary increase(s) that is related to the County Buyout Program of 2020. Include justification for those raise(s). No salary increases and the TU Center staff is not involved with the County Buyout Program of 2020.
5. Identify by line item any position proposed to be eliminated or salary decreased. No eliminated positions and no salary decreases will exist.
6. Identify by line item all positions that are funded by grant money, the percentage of funding provided by the grant and indicate whether there is a commitment that the grant has been renewed for 2022. No positions are funded with grant money.
7. Identify by line item all job titles proposed to be changed or moved to another line item (e.g., reclassifications) No job titles and no moving of positions to other line items.
8. Provide an itemized breakdown of specific expenditures regarding fees for services lines and miscellaneous contractual expense lines and indicate 2021 expenditures compared to 2022 proposed expenditures. No fees are being paid out for services. SMG will not receive a fee for 2021 due to the projected loss that is expected to be sustained due to COVID. SMG also did not receive any fees for 2020 due to losses sustained. It is our hope that Albany County might consider in the coming months an extension of the term of the existing SMG management contract for two additional years to allow us to make up for managing the facility for the two years (2020 & 2021) without receiving any compensation to SMG.
9. Identify any new initiatives and/or eliminated programs, and reimbursements associated with those programs. SMG reduced expenses of operating the facility greatly with furloughs and expense cuts in almost every area in 2021. Many staff members are now



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coming back to work with a solid lineup of sports and entertainment coming in the 4th quarter of 2021 and into 2022. A continued concentrated effort to cut down on utility costs and operational expenses will take place in 2022. New revenue generating initiatives will be launched including the introduction of Premium Seats, which will generate over \$300K in net revenue annually starting in 2022. A focused approach to booking special events on non-event days both inside the arena and out on the street in front of the arena during warm months will be launched in 2022. A new concept use for the reception space between the parking garage and the concourse at Level #3 of the garage will be presented to the County for consideration to build out another bar area which could be booked for private reception events or opened up to the public depending on the event and situation. SMG will be working closely with Aramark to make sure there are more points of sale (POS) available at all events to cut down on wait time to purchase concessions.

10. Identify all County vehicles used by your department. Include the title of any employee(s) assigned each vehicle and the reason for the assignment of a County vehicle to that employee. There are no Albany County vehicles used at the TU Center.
11. Provide a specific breakdown of the use for the proposed funding for all Conferences/Training/Tuition line items in your department budget. SMG mandates that all SMG employees must take annual training sessions provided by SMG in the following areas:
 - New York State Sexual Harassment Prevention
 - Customer Service Training
 - What is Diversity and Inclusion
 - Workplace Security – What You Need to Know
 - Ransomware Attack and Incident Response Planning
 - Cyber Security – How to Stay Safe Online
 - Cyber Security Risks and Social Media

These training sessions are developed and administered online by the SMG/ASM Global corporate office and is a major reason why our company is the biggest and best facility management company in the world. These extensive training programs and the platforms used online cost the Times Union Center less than \$3,000 annually. Over 600 full and part time employees will be trained in 2022.


12. Provide a specific breakdown of overtime line items in your department budget including the actual overtime expenditures for the previous two years. No overtime permitted.



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FIRST DEPUTY CLERK

13. Identify by line item any positions that were established/changed during the 2021 fiscal year. Most of the full time staff remained furloughed for the first six to eight months of the year. Some were gradually brought back to work when we started to reopen in May-August. In September, the majority of staff members were returned to work from furlough. No changes to positions took place.

14. Please describe the biggest risk your department faces and the actions you have taken (or will take in 2022) to better understand that risk and mitigate it. Multiple revenue generating and revenue retention issues had to be taken in 2021 as we reopened the TU Center. While adhering to CDC, NY State Health and County Health Department guidelines events that were previously postponed were moved in some cases multiple times in order to allow the shows to be presented with enough capacity to permit promoters to cover at least most of their costs. The requirement from NY State where attendances at events with 5,000 or more will continue to cause the need to have patrons as well as staff show proof of vaccination or proof of a negative COVID test to gain entry. Some larger concert artists have opted to move their tours into 2022 in hopes that these requirements might eventually be reduced once more people and their children are eventually vaccinated.

The naming rights agreement with the Times Union will end at the end of 2021 and a RFP has been issued in order to obtain bids from interested companies that would like to see their name on the Albany County Civic Center going forward. SMG feels comfortable that the budgeted revenues contained within the 2022 budget from naming rights will be generated from a new partner.

SMG worked hard during the pandemic to stay in touch with suite holders and advertisers so we could retain solid relationships and updates about bookings coming later in 2021 and into 2022 have been provided so they all can see what a great schedule of events we have booked. Our Director of Corporate Sales – Gary Holle and I both kept in contact throughout the last 18 months with over 130 companies that contract either for suites or advertising in the facility. In addition, we were able to offer Premium Seats to the companies that have been on the suite waiting list for years and currently over 90% of the Premium Seats have been sold.



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15. Please list performance indicators and metrics used by your department and current statistics for those metrics. The TU Center in Albany has been one of the best performing arenas that SMG manages in the US. SMG merged with AEG Facilities just prior to the start of the pandemic and a new company ASM Global was formed. SMG is a subsidiary of ASM Global. Over 325 stadiums, arenas, convention centers and theaters are managed by ASM throughout the world. For close to 25 years SMG provided an annual net operating profit near \$1 million dollars prior to the pandemic. During the pandemic SMG contracted with two new teams that came to Albany. The NAL Albany Empire and the NLL Albany FireWolves now call Albany home along with the Siena College Men's Basketball program. Compared to other similar sized markets/arenas in the US, our schedule of confirmed sports and entertainment events as well as concert date holds for Q4 of 2021 and into 2022 & 2023 is ahead of the pack.
16. Note specifically all potential new unfunded mandates, regulations, risks to grant revenues, risks to reimbursement revenues, from any source. No mandates and no grants.