

CIVIC CENTER (14)

AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY

STATEMENT OF PURPOSE:

The Civic Center Department provides and promotes world class facilities and services for conventions, trade shows, banquets, special events, cultural events and major public and sporting events in order to create both temporary and permanent economic impact to the City of Detroit.

AGENCY GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Reduce administrative, operational and maintenance costs.
4. Improve employee morale through the implementation of Total Quality Management principles, including employee training and empowerment initiatives.
5. Improve communication and cooperation with Detroit hospitality service providers (hotels, Detroit Metro Convention and Visitors Bureau, etc.)

AGENCY FINANCIAL SUMMARY:

2007-08 <u>Requested</u>		2006-07 <u>Budget</u>	2007-08 <u>Recommended</u>	Increase (Decrease)
\$15,174,657	City Appropriations	\$ 13,521,503	\$ 18,528,020	\$ 5,006,517
-	Capital Reinvestment	-	200,000	200,000
<u>1,500,000</u>	Renewal and Replacement Funds	<u>\$ 1,250,000</u>	<u>1,500,000</u>	<u>250,000</u>
\$16,674,657	Total Appropriations	\$ 14,771,503	\$ 20,228,020	\$ 5,456,517
\$ 8,509,496	Operating Revenues	\$ 8,011,607	\$ 6,663,854	\$ (1,347,753)
-	Capital Reinvestment	-	200,000	200,000
<u>1,500,000</u>	Renewal and Replacement Funds	<u>1,250,000</u>	<u>1,500,000</u>	<u>250,000</u>
10,009,496	Total Revenues	\$ 9,261,607	\$ 8,363,854	\$ (897,753)
\$6,665,161	NET TAX COST:	\$ 5,509,896	<u>\$ 11,864,166</u>	6,354,270

AGENCY EMPLOYEE STATISTICS:

2007-08 <u>Requested</u>		2006-07 <u>Budget</u>	04-01-07 <u>Actual</u>	2007-08 <u>Recommended</u>	Increase (Decrease)
<u>35</u>	City Positions	<u>32</u>	<u>35</u>	<u>36</u>	<u>4</u>
35	Total Positions	32	35	36	4

ACTIVITIES IN THIS AGENCY:

	2006-07 <u>Budget</u>	2007-08 <u>Recommended</u>	Increase (Decrease)
Administrative Services	\$ 1,127,593	1,268,056	\$ 140,463
Civic Center Facilities Operations	13,147,317	18,038,791	4,891,474
Property Management	<u>496,593</u>	<u>921,173</u>	<u>424,580</u>
Total Appropriations	\$14,771,503	\$ 20,228,020	\$ 5,456,517

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

ACTIVITY DESCRIPTION: ADMINISTRATIVE SERVICES

The Civic Center Department's Administrative Services unit establishes and implements policies, and provides all technical and administrative support to ensure the long-term viability of the Cobo Center complex as a world class attraction that serves as an economic catalyst for the City of Detroit and the State of Michigan. The unit provides and promotes a safe, attractive, well-managed, customer-friendly environment for Detroiters and visitors, making Cobo a magnet for conventions, trade shows, conferences, banquets and special events. The unit also monitors and maximizes the business relationship with Cobo's labor unions, exclusive contractors, Olympia Arenas, Incorporated and the Detroit Metro Convention and Visitors Bureau (DMCVB).

GOALS:

1. Reduce administrative, operational and maintenance costs.
2. Improve employee moral by providing employees with training and empowerment initiatives
3. Develop new revenue sources.

MAJOR INITIATIVES FOR FY 2006-07:

- In 2005-06 and 2006-07 Civic Center completed the most prolific facility upgrading since its expansion in 1989.
- Purchased 15,000 new meeting rooms chairs, 600 tables, 50 risers/staging and 72 new lecterns.
- Redesigned our food court and constructed a state of the art restaurant and lounge, "the vÜ".
- Remodeled 14 restrooms, which included ADA compliancy.
- Replaced antiquated fire/security system with state of the art systems including new digital cameras.
- Installed WIFI access in public spaces at Cobo Center and Hart Plaza.
- Developed a new efficiency agreement with our exhibit hall labor unions. These unions orchestrate the production of the North American International Auto Show (NAIAS), which provides \$550 million of economic impact to the region.

PLANNING FOR THE FUTURE FOR FY 2007-08, FY 2008-09 and BEYOND:

- It is the Civic Center's highest priority to become more competitive and generate more economic impact for the region.
- The Civic Center has recently entered into new contracts with our exclusive electrical and janitorial contractors.
- To aggressively seek to expand Cobo Center in order to remain competitive with new convention centers around the country.
- To develop a preventative maintenance program that anticipates maintenance related problems.

CIVIC CENTER (14)

ADMINISTRATIVE SERVICES MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2004-05 Actual	2005-06 Actual	2006-07 Projection	2007-08 Target
Outputs: Units of Activity directed toward Goals				
Number of major events bookings - building rentals	48	49	50	53
Efficiency: Program Costs related to Units of Activity				
Contractual services as percent of total costs	23%	22%	*2.3%	19%
Activity Costs	\$1,357,551	\$1,297,756	\$1,127,593	\$1,268,056

*In FY 2006-07, security and janitorial services were transferred to the General Services Department. In FY 2007-08, janitorial services are transferred back to Civic Center.

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Administration	2006-07 Redbook		2007-08 Dept Final Request		2007-08 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Administration						
<i>APPROPRIATION ORGANIZATION</i>						
00008 - Administration						
140010 - Administration	5	\$742,593	5	\$767,705	7	\$863,056
140030 - Arena Taxes	0	\$385,000	0	\$405,000	0	\$405,000
APPROPRIATION TOTAL	5	\$1,127,593	5	\$1,172,705	7	\$1,268,056
ACTIVITY TOTAL	5	\$1,127,593	5	\$1,172,705	7	\$1,268,056

CITY OF DETROIT
Budget Development for FY 2007-2008
Appropriations - Summary Objects

	2006-07 Redbook	2007-08 Dept Final Request	2007-08 Mayor's Budget Rec
AC0514 - Administrative Services			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	351,610	350,285	419,592
EMPBENESL - Employee Benefi	259,526	254,871	281,915
PROFSVCSL - Professional/Cont	54,000	60,000	60,000
OPERSUPSL - Operating Supplie	25,000	25,000	25,000
OPERSVCSL - Operating Service	50,169	74,549	73,549
OTHEXPSSL - Other Expenses	387,288	408,000	408,000
<i>A14000 - Civic Center</i>	<i>1,127,593</i>	<i>1,172,705</i>	<i>1,268,056</i>
AC0514 - Administrative Services	1,127,593	1,172,705	1,268,056
Grand Total	1,127,593	1,172,705	1,268,056

CIVIC CENTER (14)

CIVIC CENTER FACILITIES OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: CIVIC CENTER FACILITIES OPERATIONS

The Civic Center Department's Facilities Operations unit provides management, event coordination, maintenance, security, customer service, food service and a positive environment in one of the nation's largest exhibition centers. Sales and marketing staff are included in this section and work closely with Administrative Services and the Detroit Metro Convention and Visitors Bureau (DMCVB). This unit manages a substantial volume of city property and is primarily responsible for the management and/or tenant relations for Joe Louis Arena, Cobo Arena, Veterans Memorial Building and Ford Auditorium. The Civic Center Department also manages, operates and controls the chilled water and refrigeration plant. The chilled water is supplied by the Civic Center Department and distributed to Joe Louis Arena, Cobo Arena, and the Veterans Memorial Building (Ford/UAW Training Center) for use in their HVAC system.

GOALS:

1. Heighten our level of customer satisfaction by providing a safe and attractive facility with a responsive, customer-driven staff.
2. Increase booking and event-generated revenue through proactive initiatives, causing an increased demand for hospitality services that relate to Cobo activity.
3. Improve communication and cooperation with Detroit hospitality service providers (hotels, DMCVB, etc.)

MAJOR INITIATIVES FOR FY 2006-07:

- Remodeled seventy (70) meeting rooms and five (5) banquet/ballrooms, which included new state of the art furniture, podiums and stages.
- Worked in conjunction with MDOT and DEGC to complete a \$13 million streetscape project from Washington Blvd. to Cobo Arena, west to Hart Plaza.
- Completed major improvements in the Lodge Freeway Tunnel, which enhanced the entrance to downtown.

PLANNING FOR THE FUTURE FOR FY 2007-08, FY 2008-09 and BEYOND:

- NAACP National Convention – July 7-10, 2007
 - National Model Railroad Association – National Train Show – July 27-29, 2007
 - Materials, Science and Technology 2007 – September 17-20, 2007
 - American Gear Manufacturers Association – Gear Expo 2007 – October 7-10, 2007
 - National Science Teachers North/Midwest Area Conference – October 18-20, 2007
 - Michigan Association of Public School Academies – Michigan Charter School Conference – November 1-2, 2007
 - One Goal Hockey Show – November 9-11, 2007
- Additionally, following are the public shows & tradeshow held at Cobo Center during the first quarter of 2008:
- Auto Show, Boat Show, Dog Show and Autorama
 - SAE World Congress – April 14-17, 2008
 - NAACP Freedom Fund Dinner – April 27, 2008
 - Installation of new carpet for the main atrium, corridors and meeting rooms.
 - Installation of an electronic central locking system for the meeting rooms.
 - Major roof repairs and repair and maintenance of exhibit hall concrete floors.

CIVIC CENTER (14)

CENTER FACILITIES OPERATIONS MEASURES AND TARGETS

Type of Performance Measure:		2004-05	2005-06	2006-07	2007-08
List of Measures		Actual	Actual	Projection	Target
Efficiency: Program costs related to Units of Activity					
Hall rentals as percent of total rentals		67%	65%	66%	67%
Restaurant concession as percent of total revenue		23.4%	24%	25%	20%
Activity Costs		\$22,970,008	\$24,656,110	\$13,147,317	\$18,038,791

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Sales & Marketing Cobo Center	2006-07 Redbook		2007-08 Dept Final Request		2007-08 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<i>APPROPRIATION ORGANIZATION</i>						
00011 - Cobo Center						
140040 - Sales & Marketing	9	\$1,123,245	9	\$1,155,679	8	\$928,201
140045 - Operations	4	\$316,696	4	\$363,309	4	\$352,488
140060 - Information Desk	0	\$38,680	0	\$38,324	0	\$37,175
140090 - Maintenance	0	\$9,737,812	0	\$10,838,714	0	\$14,153,492
140100 - Building Services	10	\$674,008	13	\$884,608	13	\$860,826
140110 - Building Services Extra Service	0	\$6,876	0	\$6,813	0	\$6,609
APPROPRIATION TOTAL	23	\$11,897,317	26	\$13,287,447	25	\$16,338,791
00890 - Cobo - Renewal and Replacement						
140050 - Renewal & Replacement	0	\$1,250,000	0	\$1,500,000	0	\$1,500,000
APPROPRIATION TOTAL	0	\$1,250,000	0	\$1,500,000	0	\$1,500,000
10318 - Capital Improvement - Bonds - Civic Cent						
140055 - Capital Improvement - Bonds	0	\$0	0	\$0	0	\$200,000
APPROPRIATION TOTAL	0	\$0	0	\$0	0	\$200,000
ACTIVITY TOTAL	23	\$13,147,317	26	\$14,787,447	25	\$18,038,791

CITY OF DETROIT
Budget Development for FY 2007-2008
Appropriations - Summary Objects

	2006-07 Redbook	2007-08 Dept Final Request	2007-08 Mayor's Budget Rec
AC1514 - Civic Center Facilities Operations			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	1,078,846	1,198,542	1,140,041
EMPBENESL - Employee Benefi	744,201	860,648	760,715
PROFSVCSL - Professional/Cont	300,000	300,000	3,511,778
OPERSUPSL - Operating Supplie	1,000	1,000	1,000
OPERSVCSL - Operating Service	7,694,332	7,816,350	7,819,350
CAPOUTLSL - Capital Outlays/Mi	1,250,000	1,500,000	1,700,000
OTHEXPSSL - Other Expenses	15,000	15,000	10,000
FIXEDCHGSL - Fixed Charges	2,063,938	3,095,907	3,095,907
<i>A14000 - Civic Center</i>	<i>13,147,317</i>	<i>14,787,447</i>	<i>18,038,791</i>
AC1514 - Civic Center Facilities Operation:	13,147,317	14,787,447	18,038,791
Grand Total	13,147,317	14,787,447	18,038,791

CIVIC CENTER (14)

PROPERTY MANAGEMENT ACTIVITY INFORMATION

ACTIVITY DESCRIPTION: PROPERTY MANAGEMENT

The Property Management Division includes cleanup, maintenance, security, and customer service for Hart Plaza. This Division is primarily responsible for the management and/or tenants relations for Hart Plaza, and Ford Auditorium.

GOAL:

Heighten customer satisfaction with City of Detroit tourist and special event attractions, by providing safe and attractive facilities with responsive, customer-driven staff.

MAJOR INITIATIVES FOR FY 2006-07:

- Renovated the Hart Plaza Lounge, provided lighting upgrades.
- Installed a new state of the art electronic marquee billboard.
- The Dodge Fountain has been completely renovated with new lighting and water patterns that exceed the capabilities of the original fountains' design.
- Entertain an RFP for a new janitorial contract.

PLANNING FOR THE FUTURE FOR FY 2007-08, FY 2008-09 and BEYOND:

After Labor Day 2007, a major renovation and upgrade of the Hart Plaza – Ford Auditorium area. Ford Auditorium will be demolished, funds are available in the Planning and Development Department for this purpose. It will be replaced with an outdoor amphitheatre. The hard surface plaza at Hart Plaza will become a greener and inviting venue. Work is expected to be completed by Summer 2008.

CIVIC CENTER (14)

PROPERTY MANAGEMENT MEASURES AND TARGETS INFORMATION

Type of Performance Measure:		2004-05	2005-06	2006-07	2007-08
List of Measures		Actual	Actual	Projection	Target
Outputs: Units of Activity directed toward Goals					
No. of activity hours at Hart Plaza		350	350	325	300
Activity Costs		\$1,212,442	\$1,092,395	\$496,593	\$921,173

CITY OF DETROIT
Civic Center Department
Financial Detail by Appropriation and Organization

Property Management Administration	2006-07 Redbook		2007-08 Dept Final Request		2007-08 Mayor's Budget Rec	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Property Management						
<i>APPROPRIATION</i>						
<i>ORGANIZATION</i>						
11150 - Property Management						
140350 - Property Management Administration	4	\$194,718	4	\$223,945	4	\$198,209
140370 - Hart Plaza Management	0	\$301,875	0	\$490,560	0	\$722,964
APPROPRIATION TOTAL	4	\$496,593	4	\$714,505	4	\$921,173
ACTIVITY TOTAL	4	\$496,593	4	\$714,505	4	\$921,173

CITY OF DETROIT
Budget Development for FY 2007-2008
Appropriations - Summary Objects

	2006-07	2007-08	2007-08
	Redbook	Dept Final	Mayor's
		Request	Budget Rec
AC3514 - Property Management			
<i>A14000 - Civic Center</i>			
SALWAGESL - Salary & Wages	123,267	130,877	129,546
EMPBENESL - Employee Benefi	71,451	93,068	68,663
PROFSVCSL - Professional/Cont	0	0	237,279
OPERSVCSL - Operating Service	301,875	490,560	485,685
CAPEQUPSL - Capital Equipmen	0	0	0
<i>A14000 - Civic Center</i>	<i>496,593</i>	<i>714,505</i>	<i>921,173</i>
AC3514 - Property Management	496,593	714,505	921,173
Grand Total	496,593	714,505	921,173

CITY OF DETROIT
Budget Development for FY 2007-2008
Appropriation Summary - Revenues

	2005-06 Actuals	2006-07 Redbook	2007-08 Dept Final Request	2007-08 Mayor's Budget Rec	Variance
A14000 - Civic Center					
<i>00008 - Administration</i>					
447300 - Other Utility Revenue	450	525,000	525,000	0	(525,000)
447505 - Telephone And Telegran	0	100	100	800	700
447555 - Other Reimbursements	0	31,023	3,000	3,000	(28,023)
462130 - Building Rentals	1,635,291	2,300,000	2,969,962	2,300,000	0
463100 - Miscellaneous Concess	940,228	1,785,000	1,785,000	1,500,000	(285,000)
463175 - Restaurant Concessions	1,393,617	1,750,000	1,750,000	1,500,000	(250,000)
463185 - Checking Concessions	289	50,000	50,000	40,000	(10,000)
464100 - Sales Of City Real Prop	11	0	0	0	0
472130 - Equipment Rentals	6,920	50,000	50,000	30,000	(20,000)
474100 - Miscellaneous Receipts	190,205	5,000	5,000	10,000	5,000
510100 - Street Funds Reimburse	0	79,370	29,434	29,434	(49,936)
<i>00008 - Administration</i>	<i>4,167,011</i>	<i>6,575,493</i>	<i>7,167,496</i>	<i>5,413,234</i>	<i>(1,162,259)</i>
<i>00011 - Cobo Center</i>					
447300 - Other Utility Revenue	(1,616,502)	0	0	0	0
462130 - Building Rentals	140,560	0	0	0	0
463100 - Miscellaneous Concess	(28,000)	0	0	0	0
472130 - Equipment Rentals	1,745	0	0	0	0
474100 - Miscellaneous Receipts	7,205	0	0	0	0
510100 - Street Funds Reimburse	79,370	0	0	0	0
<i>00011 - Cobo Center</i>	<i>(1,415,622)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>00890 - Cobo - Renewal and Replacement</i>					
461100 - Earnings On Investment	108,831	0	0	0	0
510325 - Transfers From Other Fu	1,173,480	1,250,000	1,500,000	1,500,000	250,000
<i>00890 - Cobo - Renewal and Replacem</i>	<i>1,282,311</i>	<i>1,250,000</i>	<i>1,500,000</i>	<i>1,500,000</i>	<i>250,000</i>
<i>10318 - Capital Improvement - Bonds - Civic Cent</i>					
461100 - Earnings On Investment	0	0	0	200,000	200,000
<i>10318 - Capital Improvement - Bonds -</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>200,000</i>	<i>200,000</i>
<i>11150 - Property Management</i>					
447300 - Other Utility Revenue	311,001	50,000	50,000	0	(50,000)
462125 - Rental - Acquired Prope	0	10,000	0	0	(10,000)
462130 - Building Rentals	747,971	1,376,114	1,292,000	1,250,620	(125,494)
462140 - Building Rentals -Si	18,000	0	0	0	0
<i>11150 - Property Management</i>	<i>1,076,972</i>	<i>1,436,114</i>	<i>1,342,000</i>	<i>1,250,620</i>	<i>(185,494)</i>
A14000 - Civic Center	5,110,672	9,261,607	10,009,496	8,363,854	(897,753)
Grand Total	5,110,672	9,261,607	10,009,496	8,363,854	(897,753)

CITY OF DETROIT
MAYOR'S 2007/2008 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2006	DEPT REQUEST	MAYORS FY 2007
Organization	2007 FTE	FY 2007 2008	2008 FTE
Classification			
00008 - Administration			
140010 - Administration			
Director - Civic Center	1	1	1
Deputy Director - Civic Center	1	1	1
General Manager - Civic Center	1	1	1
Manager I - Civic Center	1	1	1
Executive Secretary III	1	1	1
Executive Secretary II	0	0	1
Clerk	0	0	1
Total Administration	5	5	7
Total Administration	5	5	7
00011 - Cobo Center			
140040 - Sales & Marketing			
Manager II - Civic Center	1	1	0
Manager I - Civic Center	1	1	1
Sales Manager - Civic Center	1	1	1
Asst Sales Mgr - Civic Center	1	1	1
Admin Asst GD III	1	1	1
Sr Civic Center Account Rep	1	1	1
Civic Center Account Rep	3	3	3
Total Sales & Marketing	9	9	8
140045 - Operations			
Civic Center Svcs Foreman	2	2	2
Civic Center Svcs Supervisor	1	1	1
Prin Civic Center Oper Asst	1	1	1
Total Operations	4	4	4
140100 - Building Services			
Civic Center Facility Worker	10	13	13
Total Building Services	10	13	13
Total Cobo Center	23	26	25

CITY OF DETROIT
MAYOR'S 2007/2008 RECOMMENDED BUDGET

Civic Center

Appropriation	REDBOOK FY 2006	DEPT REQUEST	MAYORS FY 2007
Organization	2007 FTE	FY 2007 2008	2008 FTE
Classification			
11150 - Property Management			
140350 - Property Management Administration			
Sr Civic Center Account Rep	1	1	1
Civic Center Account Rep	1	1	1
Civic Center Event Coord-Spec	2	2	2
Total Property Management Administration	4	4	4
Total Property Management	4	4	4
Agency Total	32	35	36