

The Finance Committee, each year, reviews the performance of ASM Global (formerly SMG) as the management company for the City's Convention Center.

A little history for the Committee is below

- March 2014, the City entered a management services contract with SMG for the operation of the Branson Convention Center (BCC).
- April 1, 2014, SMG began operating the facility.
- December 1, 2019, the City entered into an additional 5-year Management Services Contract with SMG.
- January 1, 2024, the City entered into an additional 3-year Management Services Contract with ASM Global, formerly known as SMG.
- The agreement stipulates a fixed management fee and provides for an additional annual incentive fee, which may be provided to ASM Global upon the attainment of certain performance criteria, up to the maximum of the fixed management fee.
- Each of the 6 criteria had a weighting, which would be used to determine the maximum fee per category.

1. Customer & Client Satisfaction (20%) –

- a. The level of Customer and Client satisfaction shall be determined by survey conducted by an independent third party selected by the CITY. In order to achieve this portion of the incentive fee the survey results must show that ASM Global has achieved an average Customer/Client satisfaction rating of at least 90% or greater over the course of the Operating year.
- b. ASM Global shall report quarterly to the CITY on progress to attain goals and objectives. The content, questions, language used, reporting methods and rating system of the survey instrument will be developed in collaboration with ASM Global and the CITY, however the CITY reserves the right to make final determination as to the content, questions, language used, reporting methods and rating system of the survey instrument. Such Customer and Client satisfaction survey results shall be returned simultaneously to the CITY and to ASM Global.

2. Completion of Goals & Objectives (20%) –

- a. To achieve this portion of the Incentive payment ASM Global must have completely and successfully completed those goals and objectives which are assigned by the CITY.
- b. ASM Global shall report quarterly to the CITY on progress to attain goals and objectives. Determination of successful completion shall be at the sole discretion of the CITY.

3. Improved Operating Financial Condition (20%) –

- a. Either Increasing Gross Revenues or Reducing Gross Expenses so that the operating loss of the BCC is lower than the average operating loss from the previous three operating years.
 - i. ASM Global shall earn 25% of this component for reductions between 3% and 5%,

- ii. 50% of this component for reductions over 5% up to 7%,
 - iii. 75% of this component if the reduction is between 7% and 10%, and ASM Global may earn
 - iv. 100% of this component for reductions of over 10%.
 - b. All such reductions must take place without degradation in service or a reduction in maintenance expenditures unless ASM Global can demonstrate that such cost reductions will not adversely impact the condition or operation of the BCC, the determination of which will be in the sole discretion of the CITY
- 4. Responsiveness (10%) –**
- a. To achieve this portion of the Incentive payment, ASM Global shall demonstrate adherence to the terms and policies contained in or referenced in this agreement. The determination of ASM Global's performance under this paragraph shall be made at the sole discretion of the CITY.
- 5. Ingenuity & Creativity (20%) –**
- a. Providing an increase in unique and independently generated convention center bookings and events over the previous year and a reduction of over the previous year of where the convention center is not booked for an event. The determination of ASM Global's performance under this paragraph shall be made in the sole discretion of the CITY.
- 6. Feedback from Chamber/Hotel Group (10%) –**
- a. Based on feedback from the Branson Chamber of Commerce, the Convention Center Hotel Operator, the Convention Center Hotel Owner, and the Branson/Lakes Area Chamber of Improved Operating Financial Condition – The ASM Global agreement provides 4 tiers of percentage of the category incentive based on a reduced net subsidy.

The maximum incentive fee is \$159,084.12. The committee's recommendation will be calculated on the chart below to determine the total recommended fee for FY2024:

CRITERIA	FEE	WT.	SCORE	AMT.
<u>Customer & Client Satisfaction</u>	$\$159,084.12 \times 20\% \times 100\% = \underline{\$31,816.82}$			
<u>Completion of Goals & Objectives</u>	$\$159,084.12 \times 20\% \times 100\% = \underline{\$31,816.82}$			
<u>Improved Operating Financial Condition</u>	$\$159,084.12 \times 20\% \times 100\% = \underline{\$31,816.82}$			
<u>Responsiveness</u>	$\$159,084.12 \times 10\% \times 100\% = \underline{\$15,908.42}$			
<u>Ingenuity & Creativity</u>	$\$159,084.12 \times 20\% \times 100\% = \underline{\$31,816.82}$			
<u>Feedback from Chamber/Hotel Group</u>	$\$159,084.12 \times 10\% \times 100\% = \underline{\$15,908.42}$			
TOTAL INCENTIVE FEE AWARDED:	<u>\$159,084.12</u>			