

**Civic Center Board of Managers
Personnel and Finance Committee
Monday, July 8, 2019
1:00 P.M.
Century Center CEO Suite/Board Room**

Present

David Varner

Absent

Randy Kelly

Staff

Jeff Jarnecke

Marika Anderson

Maricela Juarez

Shirley Rynearson

Mary Ellen Smith

Others

Aaron Perri, Civic Center Board, Pres.

Chair Varner called the meeting to order at 1:00 p.m.

FY2020 BUDGET PRESENTATION

Jarnecke explained that the Century Center FY 2020 Budget would be presented to the City Mayor's office, Civic Center Board, Hotel-Motel Board and South Bend Common Council. Jarnecke reviewed the proposed FY 2020 Century Center Budget funds attached.

Century Center Fund 670/General Fund – FY 2020 Total Revenue projected increased from 2018 actual and 2019 budgeted amounts; Supplies and Personnel expenses increased; Other Interfund Allocation expense increased because of now including for the first time the City allocation for an administrative charge; net proposed deficit/loss of \$62,225. Jarnecke commented that all bank accounts have been moved to earn more Interest Income. Tax revenue will decrease due to the State of Indiana mandated reallocation of tax dollars to a new Mishawaka sports facility and Potawatomi Zoo. Discussion followed that four entities will now receive Hotel-Motel Tax: Century Center, Convention & Visitors Bureau/Visit South Bend Mishawaka, Potawatomi Zoo and the new Mishawaka sports facility. Possibly the Hotel-Motel Tax could be increased and a Food & Beverage Tax could be added.

Century Center Fund 671/Capital Fund – FY 2020 Emergency Expenditures are budgeted at \$20,000 for machinery and equipment. The Board of Managers requested a \$2 million commitment in 2020 for renovation of the Bendix Theater for e-sports.

Century Center Fund 672/Energy Conservation Debt Service – This fund was established for debt service payments of the 2015 Century Center Energy conservation bonds used to make improvements at Century Center including a new solar panel roof and energy efficiency projects. The bond will be paid off over a 15-year period with the final payment due May 2031.

Morris Performing Arts Center Funds 404/General Fund – FY 2020 Personnel Expense will decrease from 2019 budgeted amount because a marketing position will be shared with VPA and a Housekeeping position will be shared with Century Center. FY 2020 Repairs and Maintenance expense increased as the HVAC system is needing more repairs in the aging building. FY 2020 Revenue from Charges for Services is expected to slightly increase. Relationships are strong with promoters South Bend Symphony Orchestra, Broadway Theatre League of South Bend and American Theatre Guild in Kansas City. Staff are discussing with BTL and ATG to have 3-week long shows every year instead of in alternate years. The theater relies on other promoters to bring business. The Morris continues to have a strong economic impact in the community.

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Palais Royale Fund 405/General Fund – FY 2020 Personnel Expense will decrease from 2019 budgeted amount by moving one maintenance position to the Morris budget. FY 2020 Services & Charges Expenses are budgeted to decrease. Revenue includes 30% of Food & Beverage sales. Number of 2020 booked events is down. The Palais Royale is now competing with many new event venues at Notre Dame, the Gillespie Center, the Armory, and the Brick. Conversations with Navarre Hospitality, exclusive food and beverage provider, have resulted in a planned new second sales position at their expense and Navarre Hospitality pays more of the event expenses such as housekeeping and security. The contract with Navarre Hospitality ends 12-31-20 and a different business operating model may be considered such as having different food and beverage providers (Navarre Hospitality, SMG/Savor, and a third provider.)

Morris Performing Arts Center Fund 273/Palais Royale Marketing – FY 2020 Revenue budgeted amount of \$15,000 is for sponsorships, ads on ticket envelopes and to accept donations. Discussion followed on naming rights at Four Winds Field, South Bend school fields, and 1st Source Bank 3-year naming rights for the Zamboni ice machine at Howard Park. Jarnecke will ask Priscilla Phillips, Administrative Assistant, what firm was previously hired to market Century Center in the past.

Morris Performing Arts Center Fund 274/Morris Self-Promotion – The Morris will present one show in 2019 and 1-2 shows in 2020. The fund was created to pay expenses over revenue for self-promoted shows. Varner suggested to cap the fund at \$150,000.

Morris Performing Arts Center Fund 416/Morris Capital - Revenue is received from a ticket surcharge of \$1.00 for every ticket sold and some interest earned on the fund's cash balance. FY 2020 planned capital expenditures include: \$20,000 fire panel upgrade; \$20,000 security access control upgrade; \$25,000 backstage rigging, batten fixes, rail flies; \$25,000 soft goods, legs and borders replaced; \$5,000 electrical cord upgrades; and \$40,000 for miscellaneous supplies, tools, equipment and unexpected services.

Morris Performing Arts Center Fund 450/Palais Royale Historic Preservation – This fund receives 2% of catering and facility rental revenue received from events. FY 2020 planned expenditures include wall repairs (interior and exterior) including painting, light fixtures, etc.

Perri commented that the City has mandated that all departments have a decreased reliance on the General Fund. Revenues are up and expenses are down except for the Palais Royale.

Discussion followed on creating a consolidated Budget for Century Center, Morris, and Palais Royale showing economic impact including number of hotel rooms.

Varner will report to the Civic Center Board of Managers at the upcoming July 10, 2019, meeting that this group met to review the FY 2020 Budget for Century Center, Morris, and Palais Royale and suggested that the Budget be presented to the Civic Center Board of Managers for consideration. Perri as President will request a motion to approve the budget at the meeting.

Adjournment

With no further business, Varner called for adjournment at 2:20 p.m.