

**CIVIC CENTER BOARD OF MANAGERS
THURSDAY, FEBRUARY 16, 2023
CENTURY CENTER – RECITAL HALL
8:30 A.M.**

MEMBERS PRESENT

Linda Doshi	Randy Kelly	A. J. Patel	Jill Scicchitano
Greg Downes	Michael Neises	Aaron Perri	

The meeting was called to order at 8:30 a.m. by President Perri.

CONSENT AGENDA

Perri entertained a motion to approve the consent agenda, including the Minutes of the 5/5/22 and 8/10/22 meetings and approval of 2022 Q3 and Q4 financial reports. Greg Downes motioned to approve; Randy Kelly seconded; and motion carried.

PRESIDENT’S REPORT

Perri welcomed Andrew Scheiber, new General Manager – Venues, to the meeting. Perri announced that Amber Schisler started in January as Director of Ticketing & Strategy at the Morris. He also noted that Dr. Marvin Curtis starts soon in the new position of Diversity and Equity in Public Arts Coordinator.

Perri also announced that Wesley “Wes” Godwin, a 43-year beloved member of Century Center staff, had passed away unexpectedly at his home last week and the funeral was Wednesday. He will be missed by Scott Herczeg, Century Center staff and clients.

Perri reported that Senate Bill 326 on the Professional Sports and Convention Development Area has passed the Indiana Senate unanimously and was sent to the Indiana House. The Bill was authorized by Indiana Senators Ryan Mishler, David Niezgodski and Linda Rogers and is sponsored by State Representatives Maureen Bauer and Jake Teschke. Bill 326 would raise the \$2 million cap to \$5 million. The portion of the Indiana Sales Tax captured each year would be transferred to the City of South Bend to be used for capital improvements to a facility used by a professional sports franchise such as the Four Winds Field baseball stadium. The remaining captured taxes would be transferred each year to City owned venues such as Century Center.

VENUES REPORT

Morris Performing Arts Center

Andrew Schreiber reported that the Morris 2022 Revenue was \$1,617,527 less Expenses of \$1,507,415 leaving a balance of \$110,111 Net Earned. This compared to 2021 Revenue of \$1,617,527 less Expenses of \$1,507,415 leaving Net Income of \$110,111. The Fat Bird restaurant plans for a basement expansion in 2023 Q4 which is conditional upon financing and the space would be used prior to and after Morris shows.

Wendy Garner resigned as Box Office Assistant Director after 34 years of service. A new Assistant Director of Ticketing Sales and Strategy will be hired to engage the community and find more diverse shows. Engaging technology will be utilized such as all-inclusive tickets, concessions, sales kiosk and fraud protection.

Current Capital Projects include finalizing the new carpet installation by next week, new handrails for the Loge Box entrance ramps, new front awnings, and new exterior digital display boards. The new theater seats located in the Mezzanine and Balconies are tight, depending on the curve of the rows and the cup holder locations. Irwin Seating installed a couple of sample solution seats. These would be expensive to replace. Discussion followed and a suggestion was made that season ticket holders may be willing to cover the cost of replacing the seats in the Balconies. Discussion followed regarding the HVAC box on the roof. It was explained that the new air handler will be replaced in April and a crane was at the Morris that morning to lift materials to the roof in preparation.

Century Center

Schreiber reported that Century Center 2022 Revenue was \$4,758,000 less Expenses of \$4,506,000 leaving a balance of \$252,000 Net Earned. This compared to 2021 Revenue of \$812,232 less Expenses of \$1,256,746 left a Net Loss of -444,514. Morris Presents creates new potential for smaller shows to be held at the Bendix Theater.

The Bendix Arena and Gaming Center have been rebranded to The Bendix Arena powered by Xfinity and the Xfinity Gaming Center. Xfinity is looking to expand its partnership with Century Center for party and tournament sponsoring, regional advertising and events, internet subsidy as a gateway to cross promotion of at-home gaming and streaming.

Current Capital Projects include the upstairs bathroom renovation; bathroom fixture updates; parking lot repaving and striping; new Flash parking entrance gate automation to reduce labor costs; new banquet furniture and supplementary kitchen equipment, and repair of Island pavers to utilize the Island for Morris Presents events. Century Center has a contract with EventSys as the new AV provider.

OLD BUSINESS

Morris 100 Campaign Update

Aaron Perri announced that Greg and Mary Downes resigned as Morris 100 Committee Co-Chairs. Brad and Virginia Emberton have been named the new Co-Chairs. Greg Downes reported that the Morris 100 Campaign fundraising is a little over \$26 million (and fell short of the \$27 million goal to break ground on Phase 2. Several asks are challenge grants for the new building and the Equity in the Arts Fund which are both established by the Community Foundation of St. Joseph County. Ideally the project will break ground later this year and a ribbon cutting would be held in 2025.

Perri will meet with the American Electric Power Foundation regarding the Lasvit interactive lighting planned for the new building that will have lighting displays to respond to whatever is happening on stage. The lighting will be the first of its kind in North America.

NEW BUSINESS

Aaron Perri requested that all board members complete, sign and return Mary Ellen Smith the Quality of Interest Statement included in the meeting materials.

Perri next reviewed The Civic Center Board of Managers Resolution No. 23-01 which provides a minor change in the internal accounting of Hotel-Motel Tax Board Fund allocations for Century Center capital expenditures. The Resolution created by Aladean DeRose and St. Joseph County Auditor John Murphy would earmark funds for use in the next year. John Murphy has informed the Indiana State Board of Accounts of the proposed change to disburse to the Controller of the City of South Bend two equal installments in January and July. The funds for capital expenditures of Century Center would be approved by the St. Joseph County Board of Managers for Hotel-Motel Tax. The City Controller would provide the Tax Board President and its Treasurer, and the St. Joseph County Auditor with a report of all capital expenditures made from the funds. Discussion followed on how the accounting burden will shift from St. Joseph County to the City of South Bend Controller and staff. Perri entertained a motion to approve Resolution No. 23-01 with a note that the St. Joseph County Board of Managers for Hotel-Motel Tax will also have the same resolution with one minor change to approve. Linda Doshi moved to approve; Greg Downes seconded; and motion carried.

Perri reviewed information for the ASM Global Century Center 2022 Incentive Fee of \$58,000. The first criteria for the incentive bonus include total hotel rooms benchmark average of 3 prior years which was 7,680 (14,997 in 2019; 1,817 in 2020; 6,225 in 2021) and allows for a \$30,000 fee. The second criteria is the Net Promoter Score which was 76.30 as of 12/31/22 and ASM Global is entitled to 20% of the Incentive Fee less \$2,000 for not receiving 50% response rate which allows

for \$10,000 fee. The third criteria is 30% of the Net Operating Income as of 12/31/22 of \$323,360 which is \$18,000. Perri entertained a motion to approve the ASM Global incentive of \$58,000. Greg Downs moved to approve; Michael Neises seconded; and motion carried.

Perri reviewed the proposed ASM Global incentive benchmarks for 2023 and suggested using 2018, 2019 and 2022 to average the total number of room nights (leaving out the Pandemic years of 2020 and 2021.) The benchmark would then be 14,653 room nights. Perri recommends raising the Net Promoter Score benchmark to 65 (from 60.) The 2023 Budget benchmark of revenue from Operations (no tax, transfers or interest) of \$3,283,000 plus Operational Expenses (no allocations, capital or debt service) of \$4,276,285 would total a Net Operating Loss of -993,285. Perri will have discussions with Craig Liston with ASM Global regarding the board's desire to have Century Center fully staffed and operational to award the incentive. Discussion followed. Perri entertained a motion to approve the proposed ASM Global incentive benchmarks for 2023; Randy Kelly moved to approve; Greg Downes seconded, and motion carried.

Perri stated that ASM Global is currently operating beyond the 12/31/22 expiration date of their current contract. Aladean DeRose is working on a new contract. Perri entertained a motion to extend the contract with ASM Global until the board approves a new contract; Randy Kelly moved to approve; Greg Downes seconded; and motion carried.

ADJOURNMENT

With no further business, President Perri adjourned the meeting at 9:30 a.m.

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