

**CIVIC CENTER BOARD OF MANAGERS
THURSDAY, NOVEMBER 21, 2024
CENTURY CENTER – RECITAL HALL
8:30 A.M.**

Members Present

Linda Doshi
Austin Gammage
Heather Goralski
Randy Kelly

Canneth Lee
Aaron Perri
Judd McNally

Members Absent

A.J. Patel
Jill Scicchitano

The meeting was called to order at 8:33 a.m. by President Aaron Perri.

Consent Agenda

President Perri entertained motion to approve the consent agenda, including (1) Minutes of the 10/3/24 special meeting; (2) Financials for Q3 2024. Linda Doshi motioned to approve; Judd McNally seconded; and motion carried.

President's Report

Aaron Perri welcomed Jordan Gathers who has been officially named Executive Director of Venues, Parks & Arts. Jordan had been serving as interim director. Perri reported that Gathers is actively seeking a new GM for Venues and he is down to 7 finalists and hoping to have the position filled by the new year.

Perri reported that on 10/14/14 the City of South Bend budget was approved with kudos to Canneth Lee and the City Finance Department for keeping everything on schedule and getting it approved.

Perri mentioned keeping in touch with Jeff Jarnecke and his team on the St. Joseph County-wide Tourism Master Plan. The plan is taking a little longer than expected to put together, so Perri is looking forward to engaging with that next year.

Perri stated the ASM/Legends contract is up at the end of 2025. A priority of next year will be reviewing the contract and options moving forward.

Perri stated the Morris expansion is well underway. He really enjoys the social media posts and engagement the Morris has been putting into documenting the construction. We will want to look at the staffing, programming, budget, etc. for 2025 approval to be implemented in 2026. The board has talked about this several times and Linda Doshi is credited for helping to establish a "rainy day" fund for the maintenance at the Century Center. This fund is informally targeted to maintain about \$1 million in reserves. Perri recommended that the board institutes a similar strategy for the Morris as it now operates as an enterprise fund within the City as opposed to the general fund. Perri recommends working with the new GM and finance team to get something like this in place.

Perri talked about the Century Center welcoming 22,000 guests in the next 6-8 weeks going into the holiday schedule along with the Morris and Palais Royale already having a lot of events booked for the holiday season. He also made special mention of the Jurassic Quest event that recently took place at Century Center. While the venues typically aim for economic impact goals, he was impressed how the staff worked with A Rosie Place for Children to ensure medically fragile children had special access to the event. A reminder that economic goals and equity goals can work together.

Perri concluded that this was the last meeting for retiring board member, Linda Doshi. Linda has served on the board since 7/19/06. Perri scrubbed the meeting minutes from her first

meeting and found the following comment which he thought was interesting and that really captured her time on the board: "Linda Doshi commented on her tour of the building and complimented Scott Herczeg on the neat and clean condition of the boiler room." Perri stated that really colored her time here because he knows that Linda spent most of her time on the Building and Grounds Committee and oversaw dozens of capital improvement projects.

Mayor Mueller thanked the board for the invitation to attend the meeting and stated he was there to give Linda a key to the City for her many years of service, nearly 20 years. He thanked her for everything she has done for South Bend, not just on this board, but the Art Museum and other boards. Perri once again thanked Linda for filling her seat for the last 18 years and for her extreme generosity to this community. Linda remarked that this is a wonderful community to live in and everyone should give back whichever way they can. Perri commented that the Mayor will appoint a new member in due time.

Venues Report

Palais Royale

Amber Schisler, Director of Ticketing & Strategy and Interim Co-General Manager of Venues, started with the financial summary of the Palais Royale for Q4, stating it is showing an income loss of about \$35k. She talked with Allie Mojsiejenko, Sales & Event Specialist at Palais, about this, who explained that there were three very late cancellations, and one was a very large holiday party in December, which represented about \$40k of lost revenue, which canceled at the final hour for a peak-weekend engagement. The way Thanksgiving and Christmas holidays fall on the calendar this year, there weren't many weekend dates available during the shorter holiday season. In 2023, there were more weekends during the holiday season between Thanksgiving and Christmas. The Palais General Fund 101 Q4 projected revenues are relatively low at about \$3500, whereas the previous months were well over \$5k. These numbers should even out by the end of the year with a possible slight loss, but she doesn't think it will be the \$35k stated on the presented current financial statement. The Historic Preservation Fund 450 (largely a depository for catering commissions from Navarre Hospitality Group plus interest earned) shows a total revenue of about \$18,600 through Q3. That fund is performing well over what the projection should be at 114% of projected revenue for the year. There were technically 13 events in total in Q3 in the Palais Royale, but the Rafaella Ballet shows as one event for its daily rehearsals through June, with 20 days of booking for the space. There were 11 receptions/weddings and two private events. Amber showed the upcoming events in the Palais for Q4 and mentioned there aren't many weekends available due to Notre Dame's schedule and the short season. Amber also showed the 2025 Palais events, with 39 events currently confirmed, many with multiple days of booking.

Morris Performing Arts Center

Amber presented the financial statement for the MPAC Capital Fund 416, which had a deposit of \$1.5M, mid-year in Q2, and expenditures beginning in Q3. The official Groundbreaking Ceremony was in September during Q3. Construction is currently slightly behind schedule, though they are regaining ground. The delay is due to cabling, fiber optics, and other underground infrastructure discovered during the demolition and excavation.

The financial statement for MPAC Operations Fund 602 shows \$43k net for the year, which is profitable, though below projections. The goal is to have a larger operational surplus, which is typical for Q3. There is a greater saturation of large events in Q4, and the American Theatre Guild has delayed the opening of sales for the Broadway in South Bend Season for 24/25; this should help equalize profits to be more consistent with projections by the end of Q4.

Amber mentioned that she and Jane Moore have been working with the Finance team and Jordan Gathers to streamline the recording and reporting categories for the financial statements presented to the Board since September. Special acknowledgment is due to Michelle Shaw and Tanner Liestman for their flexibility and dedication. Because of this diligence, the Annual Report, Q4 statements, and upcoming reporting will be easier to understand. The Morris currently has 78 confirmed events for 2025, with an annual goal of 100. Current 2025 confirmed bookings out-pace previous years despite the stage being dark in September and part of October in 2025 due to the construction team connecting the new building to the old at that time. Amber highlighted the number of confirmed bookings from the past seasons to highlight Jane Moore's stellar work, increasing the number and quality of bookings since her tenure at MPAC began. Since she started, bookings have been up 25% or more yearly. In 2025, the goal will still be 100+ events, even with the stage being dark for those 8 weeks of construction.

Attendance reports were presented, and SBSO Salute to Freedom attendance significantly outperformed expectations. Also, Jeff Dunham vastly outperformed regular comedy shows regarding average attendance. Q3 showed the end of the Fridays by the Fountain season for 2025. Though attendance numbers are difficult to quantify, Amber has collected AI data through PlacerAI. The AI data showed that an average of 400 people would visit the plaza during a Fridays by the Fountain Event and stay for around 15 minutes. These people have been excluded from headcounts in the past.

Attendance and community engagement were reported for Q4 thus far. In Q4, Amy Grant had just over 1000 patrons attend, and the Enchanted Kingdom Ball utilized the entire building (Morris, Granada, & Palais), with attendees enjoying photo ops, live artists, a vendor fair, and a cosplay-centered dance. The Shein Trust Young People's Discovery Concerts had over 5,000 students attend, many visiting for the first time. The SBSO Harry Potter Movie with Live Orchestra had just over 3,000 attendees. Polar Express (a free event sponsored by Pulse FM) had about 2500 people with holiday festivities and a live reindeer outside! She also mentioned that the third year of the SBSO Dia De Los Muertos free event was featured on the front page of the South Bend Tribune. Dr Marvin Curtis wanted to highlight the students at Edison School who made the 135 masks for the event, which was paid for by the Notre Dame Alumni Association. The masks adorned the stage during the event, which was very exciting for the students to have their artwork displayed. Four Ofrendas were placed around the city -- at the Morris, the Potawatomi Zoo, The Museum of Art, and the St. Joseph County Public Library

Raclin-Murphy Encore Center

Amber stated that ground was broken on 9/17/24, with several photo opportunities for volunteers and stakeholders, and speakers to celebrate the new project and legacy of the Morris. The pre-existing parking lot has been demolished, and footings and the elevator foundation are being poured. ChoiceLight is laying fiber optic, and the construction and owner teams are continuing their FF&E selections and anticipation of new building specs for the Equity in Arts and Flex spaces.

Board Member Randy Kelly mentioned his appreciation for all the work, especially in the interim phase. Linda Doshi commented that the report was very clear. Perri commented that the Hotel-Motel Tax Board said the same thing about Amber's presentation; they all appreciated it. Canneth Lee then asked about how AI works, and Amber explained.

Century Center

Rebekah Love, General Manager of Century Center, reported Century Center is showing a loss of \$417k as expenses come before they can collect. By year end they should be in the black. Per the budget, they are down considering where they were projected to be this year. Two large

conferences contracts did not come to fruition, and they also thought they would be visited by Presidential Candidates as well. Previously, the Presidential Candidates brought in quite a bit of revenue. While they are behind in budget, they will be profitable. Judd McNally asked if they could do the financials based on an accrual basis and not a cash basis. Rebekah stated she has the financials for the Century Center but most of it goes through the City which she does not have visibility. To show they are profitable, they are expected to hit 30% EBITA, which is the annual goal. Presently, they are projected to be at 29.4% and at the end of October they were sitting at 27.8%. Judd McNally then asked if there was any reason they didn't add back depreciation and Rebekah stated they have never done that before. Perri guessed the building, a capital asset, is owned by the City and not part of that provision, which probably ends up on the City's books. Q3 events Century Center had 3k cheerleaders and will have 8k more this weekend; Cops & Goblins was larger than expected with just over 14k attendance. Barletta Boat events had huge hotel room nights with a big economic impact and a special night at LaSalle Grill. Star Martial Arts and Amazon Groundbreaking were also largely attended. More will be done with the Amazon group, with a few events scheduled for 2025. Michiana Fight League with three events per year, over 2k guests per show, which contributed to hotel room nights. Jurassic Quest had over 18k guests and Aaron Perri mentioned earlier how Jurassic Quest visited A Rosie Place's facility. The Marine Corp Ball returned; they have not hosted a banquet since prior to COVID. Upcoming events include American Cornhole which is an annual pro-series event. Brewfest 1/18/25 is expecting 1200 guests. After the Presidential election there were 15 event inquiries: a notable one being the International Robotics Competition with 2000 hotel room nights for June 2025. This would be done in conjunction with the Morris as they want to use the stage, along with the South Bend Cubs facility. Another inquiry was from Godfrey Bennington Dealer Show, which has not been hosted at Century Center since 2017, is a big money maker. They use the docks behind Crowe and spare no expense. The proposal was sent Monday so this will be added to the hotel room night numbers. Hotel room nights for the year have been actualized over 13k, projected to host 22k guests through the remainder of the year, anticipating at finishing the year with over 16k hotel room nights. Hotel night projections for 2025 are over 15k and for 2026 is 11k; which is way ahead of previous years.

Net Promotor score has increased since the last time presented. The new system requires a link to be clicked so there was not a great response rate for the first 6 months. "In the moment" surveys response rate has had an uptick in the last 2 months with a response rate of 87% with glowing reviews. Most comments are about updating the facility.

Tom Roberts, Director of Food & Beverage, and Brandy Charles, Director of Sales, were both nominated for Excellence in Service Awards, which is a national competition. It has dwindled down to 50 from across the country and they are still in the running.

Rebekah mentioned she had talked with Aaron Perri about creating a community engagement presentation which has been completed, and she will send over to share.

Perri remarked he is very excited about the Robotics Competition as an event because they want to use more than just the one facility, engaging in multiple locations and that's the kind of events they want to see. They should have an answer by 12/1/24.

IATSE Local 187 Contract

Jane Moore, Director of Booking & Event Services at the Morris, gave a summary of the changes made to the IATSE Union Agreement, along with special thanks to Jean, the Union representative, for her patience and guidance through the 11 months of negotiations. The agreement was last reviewed in 2019 and signed for renewal in 2020, effective through

December 31, 2023. This new agreement will be effective as soon as it is signed and will go through June 30, 2027. The start/end dates were adjusted to mid-year, which aligns more with the theatre schedule. Highlights of the contract: The Union agreed to adjusted rates for special events that are free/non-ticketed, presented by the Morris, and will be discussed on a case-by-case basis, such as "Movies at the Morris." The employer/employee designation was updated to clarify that the Morris and the City does not take on Union workers as employees, ultimately naming the Union payroll service listed on their W2s the employer of record. Other changes included work minimums for load in/load out, previously 3 hours, are now 4 hours; overtime was adjusted based on how the Fair Labor Standards Act calculates overtime, which is with a blended rate formula; and hourly wage were due for an increase, the lowest base rate was \$23.35/hr. and is now \$25.50/hr. Pay scale varies based on positions within the Union. President Perri entertained the motion to approve the contract; Randy Kelly motioned to approve; Canneth Lee seconded; and motion carried unanimously.

Adjournment

With no further business, President Perri adjourned the meeting at 9:22 a. m. **The next scheduled meeting is for 2/13/25 at the Century Center.**

AP: CLK