

**CIVIC CENTER BOARD OF MANAGERS**  
**WEDNESDAY, AUGUST 27, 2025**  
**CENTURY CENTER – RECITAL HALL**  
**1:00PM**

**Members Present**

Aaron Perri	Randy Kelly
Judd McNally	Jill Scicchitano
AJ Patel	Austin Gammage

**Members Absent**

Heather Goralski
Canneth Lee

The meeting was called to order at 1:02 p.m. by President Aaron Perri.

**Consent Agenda**

President Perri entertained motion to approve the consent agenda, including (1) Minutes of the 5/22/25 meeting and (2) 1<sup>st</sup> quarter claims from Century Center; Randy Kelly motioned to approve, Judd McNally seconded, and motion carried.

**President's Report**

Perri acknowledged the efforts around the management contract, budget, and facility expansion at the Morris, and highlighted the thriving activities at the Century Center.

- **New Board Member Appointment:** Perri announced the mayor's appointment of Matt Kahn as the fifth and final appointee to the board, noting his background and involvement in the community.

**Venues Report**

**Palais Royale**

Dezha Moore, General Manager of Venues, reported, summarized below:

**1. Financial Overview**

- **Q2 Revenue:** \$24,000
- **Q2 Expenses:** \$32,000
- **Net Loss:** About \$8,000 for the quarter, but this is offset by a joint licensing fund with Navarre Hospitality Group (current balance: \$59,000).
- **Year-End Forecast:** Revenue projected at \$230,868 (including joint licensing fund); expenses projected at \$209,889.
- **Utilities & Repairs:** Higher natural gas bills due to a harsh winter; increased equipment repair costs from unexpected maintenance needs.

**2. Event Activity**

- **2025 Remaining Events:** 33 events scheduled for the rest of the year.
- **2026 Bookings:** 43 events already booked (not including the new Raclin Murphy Encore Center).
- **Holiday Parties:** Four out of five December holiday parties are new to the venue, having previously been hosted elsewhere—an encouraging sign for new business.

**3. Revenue & Expense Management**

- **Joint Licensing Fund:** This fund with Navarre Hospitality Group helps offset operating losses and is expected to contribute at least \$25,000 annually to the bottom line.
- **Trash Cost Savings:** The Palais now splits trash costs with other tenants (Fatbird, Navarre), reducing this expense line compared to previous years.
- **General Fund:** The Palais operates under the city's general fund (Fund 101), which provides a financial safety net compared to other venues like the Morris or Century Center.

**4. Rental Fees & Strategy**

- **Fee Structure:** The team is working to finalize and vote on new rental fees at the next board meeting, aiming to promote the new Raclin Murphy Encore Center and attract more bookings.

- **Competitive Positioning:** The Palais team is proud of attracting new business and believes that the new holiday parties will help offset slower months (like September).

## 5. Operational Notes

- **Maintenance & Repairs:** Ongoing focus on keeping the facility in good repair, with some unexpected costs this year.
- **Financial Reporting:** The team is committed to accurately reflecting shared costs and revenue streams in their reporting.

## Morris Performing Arts Center

Dezha Moore, General Manager of Venues, reported, summarized below:

### 1. Financial Overview

- **Capital Fund:** Revenue at \$120,000; expenses at \$6.6 million (mainly due to ongoing construction); reserves at \$216,000.
- **Operations Fund (602):**
  - Reconciled the 725-box office account (liability account for promoter payments), recovering \$543,000 accumulated over 2–3 years.
  - Q2 revenue: \$1.1 million; expenses: \$378,000; net gain: \$735,000.
  - Year-to-date revenue: \$1.49 million; expenses: just under \$1 million (includes a \$450,000 city subsidy).
  - Year-end forecast: Revenue projected at just over \$2.1 million (including the \$543,000 reconciliation); expenses at \$1.8 million.
  - Higher expenses attributed to a harsh winter (increased utilities), new billboard promotions, unexpected repairs, and a decrease in part-time hours due to a “dark period.”

### 2. Ticket Sales & Events

- **Ticket Sales:** Promoters' ticket revenue at \$1.6 million; 37,528 tickets sold so far in 2025 (comparing full year 2024 to half-year 2025).
- **Community Events:**
  - Festival of Dance (600 attendees, 50th anniversary with local dance companies).
  - Movies at the Morris (1,800+ attendees).
  - Sneaker Art Competition (part of Equity in the Arts program): 20 high school and 20 middle school students participated; South Bend students won both high school and middle school categories at the Indiana State Fair.
- **Major Shows:** Les Misérables had 9,787 attendees over 8 shows; fee revenue from this show was \$122,000 (still pending final settlement).
- **Other Programming:** South Bend Symphony Pops and Masterworks, Fridays by the Fountain (12 of 13 shows were held; one canceled due to rain).
- **Upcoming:** 100 events scheduled for 2025, 61 already booked for 2026. Broadway season starts in December, but with fewer shows and shorter runs due to changes by ATG.

### 3. Rental Fee Changes

- No rental fee increases in 6–7 years; proposed increases for 2026 to coincide with the opening of the Raclin Murphy Encore Center.
- Proposed new rates for various spaces (e.g., Granada, Historic Lobby, Cabaret Lounge, Encore Center Lobby).
- Aim: Keep the venue accessible while generating new revenue and staying competitive with local market rates.
- Board feedback invited; formal approval planned for the next meeting.

### 4. Budget & Revenue Strategy

- 2026 budget projects revenue at \$2.15 million and expenses at \$2 million, aiming for a \$95,000 surplus.
- Revenue projections are ambitious, especially since 2025's revenue was boosted by

one-time items (box office reconciliation and city transfer).

- Plans to increase events (from 120 to 150), rental fees, commissions, concessions, and fundraising (Royal Box program now fully managed in-house).
- Expense increases expected due to new space (20,000 sq. ft. from Encore Center), higher maintenance, supplies, travel, education, licenses, and subscriptions.
- Noted that most expenses are fixed, with only part-time labor being variable.

## 5. Operational Notes & Board Discussion

- Health insurance line item saw a significant increase; city is reviewing.
- IT allocation costs are higher due to the new building; all passed to Morris.
- Board expressed caution about ambitious revenue targets, especially with fewer Broadway shows.
- Management is confident that new space, improved marketing (including a new platform, Hive), and programming will drive additional revenue.
- \$543,000 in reserve funds provides a cushion for unexpected needs.

### Century Center

Dezha Moore, General Manager of Venues, and Rebekah Love, General Manager, reported:

#### 1. Capital & Maintenance

- \$500,000 received from the Hotel Motel Tax Board for capital projects, plus \$100,000 from the city.
- Maintenance team has been busy with repairs and upgrades, including:
- Plaster repairs at the Morris
- Bendix chain motor inspection
- Fire door inspection for the Skywalk
- City Hall garage (now 121 Wayne garage) transition and upgrades

#### 2. Event Highlights & Economic Impact

- Robotics Competition: Now an annual international convention, generating upwards of 4,200 hotel room nights. Hosted 2,000+ attendees, including 9 international teams and 96 teams total.
- Goodwill Military Stand Down: First time hosted, with excellent turnout.
- Sunburst: Successful event, returning next year.
- Barletta: Recent event with creative engagement (mini putt, longest putt contest for a boat). Next year, Barletta will hold both a dealer show and a new retail show, expected to generate 1,200 hotel room nights over two weeks.
- Upcoming Events: Ramen Con (September), Christian Educators (rotates with Fort Wayne, 1,300 hotel room nights), Junior Achievement (new win over Fort Wayne), and the Black Legacy Project (in partnership with the Morris).

#### 3. Financials

- Current Status: ASM income statement shows a deficit (due to slow months like August and December), but city income statement is positive.
- Year-End Projection: Expected to break even or be slightly down due to the loss of the Grand Design show (supply chain issues), but that event is contracted for next year.
- EBIT: 28% (trending well, with costs and labor in line).
- Hotel Room Nights: Over 12,000 actualized so far in 2025 (up from 4,000 in May); projected 15,000+ for 2026 (16% higher than May's projection).

#### 4. Client & Guest Feedback

- Net Promoter Score: Increased by 10 points since last meeting (now at 72), with a 50% response rate on surveys.
- Feedback: Robotics competition and other new events received strong positive feedback. Over 1,500 "in the moment" guest surveys completed year-to-date.

- Common Feedback: The building is old, but guests appreciate the service and experience.

## 5. Capital Improvements & Funding

- List of capital improvements for 2025–2026 presented to the Hotel Motel Tax Board.
- Additional \$400,000 subsidy from the board will fund improvements over the next 15 months.
- Some delays in accessing funds due to administrative allocation issues, but these are being resolved.

## 6. Operational & Budget Notes

- Revenue expected to increase with parking and event growth.
- Utilities and operational expenses are higher than anticipated, but overall expenses are well-managed.
- Administrative allocations from the city have increased, raising questions about cost assignment and transparency.
- Conservative budget proposal, with some stretch targets for revenue

### Raclin Murphy Encore Center

Patrick Sherman, Director of Project Management, reported, summarized:

#### 1. Construction Progress

- The project is progressing well, with the building's exterior glazing and terracotta cladding being installed. The terracotta is highlighted as a durable, attractive material.
- The lounge area and outdoor patio are taking shape on the upper floor.
- The back of the building is nearly closed in, with CMU (concrete masonry unit) walls up and mechanical, electrical, and plumbing (MEP) work underway.

#### 2. Monumental Stairs & Interior Features

- Installation of the monumental staircase is a major milestone. The metal framework is in place, with solid wood treads and glass railings to follow.
- The stairs are visible from both inside and outside, creating a dramatic architectural feature.
- The second floor features a very high ceiling and exposed brick from the original building, adding to the dramatic effect.

#### 3. Lighting System

- A custom, programmable lighting fixture will be installed on the second floor, designed to enhance the space's ambiance and support event needs (e.g., signaling intermissions).
- The lighting system is dynamic, with a mix of pendant sizes and types, and is programmable for different moods and events.
- The final cost of the lighting system came in \$20,000 under budget.

#### 4. Structural Work & Safety

- Significant work has been done to "punch through" old brick walls to connect the new and old spaces. This required careful structural engineering due to the building's age.
- The old stairway on the first floor is being removed for safety and to make way for the new design.
- The new building will serve as emergency egress during the "dark period" (when the main building's exits are blocked for construction).

#### 5. Timeline & Schedule

- The "dark period" for the Morris was extended slightly due to wall complications but is expected to end by October 22, 2025.
- The Encore Center is on track for substantial completion by December 2025, with the new space ready for use in early 2026.
- Some material delays (e.g., tile from Italy) were noted but are being managed.

## **6. Future Phases**

- Phase 3: Plans are underway for a new parking garage and apartment development behind the Morris. Seven Diamonds LLC was selected as the development partner.
- The city will construct the garage (about 400 spaces), and the developer will build apartments (about 200 units) above it.
- Design and financing details are being worked out, with construction targeted for 2026–2027.

## **7. Board & Community Considerations**

- The board discussed the importance of including upgrades to Morris's exterior signage and marquees as part of the overall project.
- The project is currently on budget and on schedule, with ongoing coordination between city staff, contractors, and the board.
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### **Management Contract Discussion – Century Center**

Vice President Jill Scicchitano gave an update on this subcommittee:

#### **1. Background & Subcommittee Formation**

- The board formed a subcommittee in March to explore options for the management of Century Center, as the current contract with ASM Global expires December 31, 2025.
- The subcommittee includes board members Aaron Perri, Jill Scicchitano, Judd McNally & Heather Goralski; and has engaged in research, stakeholder meetings, and drafted a preliminary RFQ (Request for Qualifications).

#### **2. Research & Stakeholder Engagement**

- The subcommittee reviewed different management models used in other cities.
- They met with various community stakeholders interested in the future of Century Center.
- The process was described as highly collaborative.

#### **3. Emerging Proposal**

- A leading proposal has emerged: Visit South Bend Mishawaka (VSBM) would assume responsibility for sales, marketing, and strategic oversight of Century Center.
- In the immediate term, ASM Global would continue day-to-day operations under a management agreement, working in partnership with VSBM.
- This model was not the initial direction, but it is now seen as an exciting opportunity for local control and alignment with regional tourism efforts.

#### **4. Next Steps & Board Action**

- The subcommittee requested board approval to continue negotiations and further explore this management model.
- Any board action at this stage would not obligate the board to reach a final agreement; it simply allows the subcommittee to pursue discussions and bring back a formal recommendation.
- The timeline aims for a recommendation before the next board meeting, with VSBM expected to present formally to the board.

#### **5. Board Discussion & Feedback**

- Board members asked clarifying questions about how ASM Global would fit into the new model (ASM would handle daily operations, VSBM would provide strategic oversight).
- There was general support for the direction, with board members expressing excitement about the potential for local expertise and growth.
- Randy Kelly motioned, and AJ Patel seconded, and motion carried; the board unanimously approved to allow the subcommittee to continue negotiations and bring back a proposal for consideration.

#### **6. Acknowledgments**

- The board thanked the subcommittee, VSBM, ASM Global, and all involved for their work and collaboration.

- The process was described as open, diligent, and focused on finding the best solution for the facility and community.

## **Budget Proposals**

### **1. Overview & Process**

- Draft budgets for the Morris Performing Arts Center, Palais, and Century Center were presented for board review and feedback.
- Budgets are still under review by the mayor's office and subject to change before final approval by the City Council.
- The executive committee and venue/finance staff met to address line items and ensure accuracy.

### **2. Morris Performing Arts Center**

- **Projected Revenue:** \$2.15 million (about \$200,000 higher than the 2025 proposal).
- **Projected Expenses:** \$2 million (about \$198,000 higher than 2025).
- **Surplus Goal:** \$95,000.
- **Key Revenue Drivers:**
  - Increase in number of events (from 120 to 150).
  - Higher rental fees, commissions, concessions, and event sales.
  - Royal Box program is now fully managed in-house (goal: \$50,000).
  - Marquee and merchandise sales increases.
  - Addition of 20,000 sq. ft. of new space (Raclin Murphy Encore Center).
- **Key Expense Drivers:**
  - Higher maintenance, supplies, cleaning, and building repair costs.
  - Increased travel, education, licenses, and subscriptions to keep up with trends and compliance.
  - Health insurance line item saw a significant increase (under review by the city).
  - IT allocation costs are higher due to the new building.
- **Risks & Cautions:**
  - 2025 revenue was boosted by one-time items (box office reconciliation and city transfer); 2026 targets are ambitious.
  - Most expenses are fixed, with only part-time labor being variable.
  - Board expressed caution about ambitious revenue targets, especially with fewer Broadway shows.

### **3. Palais**

- **Projected Revenue:** \$182,000.
- **Projected Expenses:** \$196,000.
- **Deficit:** ~\$14,000 but expected to be offset by joint licensing funds (minimum \$25,000/year).
- **Notes:**
  - Similar increases in utilities and maintenance as the Morris.
  - Trash costs are now accurately split with partners, reducing this line item.
  - 43 events have already been booked for 2026.

### **4. Century Center**

- **Revenue:** Expected to increase, especially from parking and event growth.
- **Expenses:** Utilities and operational costs are higher than anticipated, but overall well-managed.
- **Administrative Allocations:** Noted significant increase in city administrative allocations, raising questions about cost assignment and transparency.
- **Capital:** \$800,000 for 2026 capital improvements, with \$400,000 from board reserves and \$800,000 matched by the Hotel Motel Tax Board.

- **Conservative Approach:** Budget is conservative but includes some stretch targets for revenue.

## 5. Board Discussion & Approval

- Judd McNally motioned, AJ Patel seconded, and motion carried with the understanding that:
  - Some changes are still expected (especially regarding the Morris's health insurance line and other expense details).
  - The final budgets will be subject to further review and approval by the City Council.
  - The board's approval is a key step, but ultimate authority rests with the City Council.
- Board emphasized the importance of transparency, realism in revenue projections, and careful management of fixed and variable expenses.
- The board acknowledged the hard work of staff and management in preparing the budgets and committed to ongoing oversight and adjustments as needed.

## Adjournment

- The board recognized the efforts of the executive committee, venue staff, and finance team for their thoroughness and collaboration.
- Special thanks were given to those who prepared and organized the budget documents and meeting materials.
- With no new business raised, the meeting was adjourned at 2:37pm.

Next board meeting is scheduled for November 4, 2025, at 8:30 AM at Century Center.

AP: CLK