

MEETING OF THE
UPACA BOARD OF DIRECTORS
Thursday, January 10, 2019
9:00am
Eccles Theater – Tanner Lounge

MEETING MINUTES

1. Roll Call and Introduction of Guests

Board Members:

- Max Burdick
- Darrin Casper
- Holly Yocom
- Dee-Dee Darby-Duffin
- Jennifer Bruno
- Patrick Leary

Attending Staff and Guests

- Sarah Pearce, Arts and Culture
- Angela Vanderwell, Arts and Culture
- Matt Castillo, Arts and Culture
- Scott Butters, Arts and Culture
- Craig Wangsgard, Salt Lake County District Attorney's Office
- Susan Lundmark, Salt Lake City RDA

2. Approval of minutes November 1, 2018.

Mr. Burdick states that there should be three changes. Ms. Darby-Duffin should be listed as a board member and her first name is capitalized, Dee-Dee. Lastly, Ms. Fritts should be listed as a board member.

Mr. Leary makes a MOTION to approve the minutes with the changes. Ms. Yocom seconds. All approved.

3. Review of Public Comments

Chair Burdick called for public comments. There were no public comments.

4. Potential Closed Session – *Approx. 25 minutes.*

Mr. Casper makes a MOTION to move into closed session to discuss current litigation.

ROLL CALL:

Mr. Burdick – aye
Mr. Casper – aye
Ms. Yocom – aye
Ms. Bruno – aye
Mr. Leary – aye

Ms. Darby-Duffin - aye

5. Current Business

a. Budget for UPACA Legal Fees (Darrin Casper) *Approx. 5 minutes*

Action: Vote to approve expanded budget

Mr. Casper makes a MOTION to authorize additional \$6,000 for legal fees with a second from Mr. Leary. All approved.

Ms. Bruno left the meeting.

Mr. Butters and Mr. Castillo joined the meeting.

b. Financial Update (Matt Castillo) – *Approx. 10 minutes.*

Building Financials

Mr. Castillo states the financial reports look different than in the past. The highlighted orange column is the fiscal year 2018 budget forecast. These numbers will change a little bit as they receive invoices.

In Building Financials, it is been a fantastic year. Broadway and Live events outperformed expectations, as well as concessions. We met budgeted concessions figure within six months.

On the expense side, it is the same story. Maintenance is still up from 2017, but still below what we estimated. We will see that number continue to tick up, but it will level off eventually. Expenses are less than budgeted. The net income is \$2.6 million, which is \$0.5 million more than budgeted.

Mr. Casper asked, do you know the gas cost portion of facilities?

Ms. Vanderwell said we will look into it.

Mr. Casper stated that Salt Lake County just completed an RFP to move to natural gas. We are anticipating a 15% savings in 2019, and up to 40% in 2020.

Mr. Castillo states that the fourth page is the forecast of the bucket distribution. There is a slight chance that we might hit the fourth bucket.

SITE Financials

Mr. Castillo states that these are preliminary numbers and might change a bit. Activity in terms of revenue was not quite as expected. We are working hard to activate the space and get the word out about the rates, and hopefully the upgrades will help with that. Expenses are lower than budgeted. To Mr. Bellevue's request, for the next board meeting we will come back with more specific actuals in the budget and continue to work to more efficiently operate the space.

Mr. Casper asked if the changes recommended by the board, the new allocation method and true-up, were annualized into this?

Mr. Castillo responds yes, those are all reflected for the full 2018 fiscal year.

Board Operating Budget

Mr. Castillo states that even though we budgeted to cover full insurance, this only reflects the county share. We will discuss in more detail whether we want to put this into operating budget in a future meeting.

Arts for All

Mr. Castillo states that this budget is straightforward. We are continuing to find creative ways to utilize tickets. There is a healthy fund balance to purchase tickets in 2019.

Ms. Darby Duffin asks where the \$500,000 came from.

Mr. Castillo responds, at the end of 2019 we'll have a fund balance available. We increase the amount budgeted in 2019 so we can purchase tickets. That \$500,000 is covered by fund balance carried over from 2018.

c. Concessions Contract Addendum (Angela Vanderwell) – *Approx. 10 minutes*

Action: Vote to approve Concessions Contract addendum

Ms. Vanderwell states we need approval for an addendum. Changes are as follows:

- Miller Lounge and Garff Suite fulfillment services were outlined and clarified. We added language to address extended concessions in the bistro area on an interim basis.
- We added the requirement of the concessionaire have a manager or assistant manager on site for all events, and to attend production and calendar meetings.
- Clarified maintenance and small repair responsibilities between concessionaire and theater.
- Further clarification of rental fee calculated as an aggregate 30% on concession sales.
- Added more details to required concession sales reporting.
- Broadway subscriber benefit of water fulfillment were outlined. Not in original agreement.
- Added terms of fulfillment of themed concessions request through touring shows. Not in original agreement.

Mr. Casper asked how are the sales relative to prior concessionaire? As a customer, it seems like I am in and out of the line much quicker. Does it translate to greater sales?

Mr. Butters replies yes. As shown on the budget reports, concessions sales are exceeding expectations.

Mr. Casper asks, have they been paying their commissions?

Mr. Butters replied, yes.

Ms. Yocom makes a MOTION to approve Concessions contract addendum with a second by Mr. Casper. All approved.

d. Building Project Budget Update (Holly Yocom/Susan Lundmark) – *Approx. 10 minutes*

Ms. Yocom states the RDA has some remaining funds in the project budget. Salt Lake County sent an email to Mayor Biskupski and RDA asking to allow us to take those funds and use it on things that were needed in the building such as:

- Black Box Theater risers
- Regent Street Black Box Public Stairway improvements
- Delta Hall Bariatric Chairs
- Building Storage Access
- Interior and Exterior Signage
- Black Box Projection System, Black Box Audio Equipment, Event Furniture.

Ms. Yocom states the RDA has agreed to use the remaining project funds to cover most items on the list. There are a few items we are still discussing. The RDA would like to pursue naming rights for the Black Box and potentially use those funds to cover the additional items.

Ms. Bruno asks are there sufficient leftover capital funds to pay for these things?

Ms. Yocom states that there is approximately \$1M leftover in that fund that she is aware of. We emailed Danny Waltz to find out if they wanted to do naming rights first before purchasing the needed items for the Black Box as using the site operations would require a subsidy from the city regardless of where the funding came from.

Ms. Lundmark states that she didn't see a reply to that question. It's on her list to get naming rights contract back up and running.

Mr. Burdick asks what is the cost value of the remaining items?

Ms. Yocom states the cost is a little under \$200,000. There was also a request for Delta Hall projectors and audio, about \$140,000. They RDA suggested that we put that in the Operations Budget but we will need to do a priority analysis first.

Ms. Bruno states the Delta Hall has a different demand level, where maybe people would be willing to pay for it, where the Black Box we are still trying to get people in.

Ms. Vanderwell states that the Black Box needs to be a 'plug-and-play' space.

Ms. Yocom states that she asked what information the city needs and is awaiting next steps.

Ms. Pearce states that Ms. Vanderwell is working with her team to get exact quotes. They will continue to have regular meetings with RDA.

6. Management Updates (Angela Vanderwell and Sarah Pearce) – *Approx. 15 minutes*

Ms. Vanderwell states that we were featured in the Eccles Foundation 60th Anniversary report, which is great exposure.

Ms. Pearce states Center for the Arts is changing its name to Salt Lake County Arts and Culture. It will be rolled out at the beginning of February and on the website.

Ms. Vanderwell states that on the topic of SITE activation, the Holiday Art Installation was a great success. She will send out a time-lapse video. It will be kept up through January 13, 2019.

Ms. Vanderwell states that we are working with the RDA and GSBS Architects to conduct a study for McCarthy Plaza activation.

Ms. Bruno asks, will you be coordinating with the Cultural Core group?

Ms. Pearce states that she and Kristian Anderson sit on that committee, and one of the original missions was to promote everything else going on outside of the Eccles Theater.

Ms. Vanderwell states that we started the study as an access-controlled study only, and we just asked them for a quote for additional scope.

Ms. Lundmark states that additional scope did include stakeholder engagement, which will include Downtown Alliance, The Blocks, and the Cultural Core.

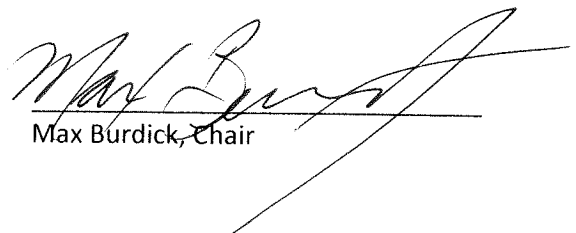
Ms. Vanderwell states that the RFP for restaurateur for the lobby closes today. The selection committee will meet next week will go through proposals. We are expecting to award the contract the first week in February.

On programming, Ms. Vanderwell states that Wicked runs January 30-March 3, 2019. Five-week run, and it has been a sellout.

Ms. Pearce states that the July meeting lands on the 4th. Suggest moving it to July 11th.

7. Next meeting: March 7, 2019

8. Adjournment


Max Burdick, Chair