



CITY OF CONCORD

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Finance

Brian G. LeBrun
Deputy City Manager
Finance

REPORT TO MAYOR AND THE CITY COUNCIL

FROM: Brian G. LeBrun, Deputy City Manager - Finance

DATE: February 21, 2017

SUBJECT: Auditorium Agreement and Recommendation

Recommendation

Accept this report, approve keeping the Audi fee structure the same as 2016 and approve an extension of the Auditorium Management Agreement to 2022.

Background

On February 21, 2017, Chip Chesley and Jay Burgess, representing the General Services Department; David Gill representing the Parks and Recreation Department and myself, met with Friends of the Auditorium President Steven Meier, Treasurer Merwyn Bagan, and Marketing Chair Carol Bagan.

The purpose of the meeting was the annual review of contract compliance on the part of the two parties, a review of the fiscal operations of the Concord Auditorium, and discussion of the programs and upgrades by the Friends of the Audi. Section 5.A.3. of the contract provides for an annual meeting to be held in January to discuss contract items.

Financial Activity

David Gill presented a spreadsheet for the revenue and expenses incurred by the Auditorium for the past year and projections for Fiscal 2017. These were presented on an operating and capital budget basis, along with the cash value of products and services provided by the Friends. A comprehensive review indicates that, on a budgetary basis in 2017, the City Auditorium is projecting a surplus of \$9,780. However, the Friends have contributed a total of \$7,762.50 through in-kind labor and donations, primarily related to their "pitch in" process as documented in the attached report plus \$100,000 seat restoration capital project. The City contributed \$20,000 for ceiling refurbishing which brings the final projected position to a positive

\$97,542.50 for Fiscal Year 2017. Additionally, it is interesting to note that the City Auditorium was rented to 29 different groups for 74 rehearsals and 83 for shows during this time period.

General Services provided assistance to the Audi for a variety of projects throughout the year including ceiling refurbishing and painting.

The seat renovation project that the Friends of the Audi have been working on this year is nearly complete and will meet its target of \$100,000. These funds were raised in 6 months with Betty Hoadley as the Chair. Administrative expenses were less than 1% of the project.

Marketing

The Promotion Committee of volunteers continues to bring new promotional opportunities to the Audi, including production of calendars of upcoming events, Concord TV-22: weekly “What’s Happening at the Audi” program, Box office infoline, Friends information phone, Friends of the Audi website, Creation and distribution of posters for Friends shows and others on request, Maintenance of billboards, Chamber of Commerce participation in; Business After Hours, Annual Business Showcase, Creative Concord Committee and Funds for education Golf Project, and Maintenance of 5,000 plus mailing list and 500 plus e-list – coop with Community Players and Arts Presenters of Northern New England participation.

Rate Increases

The Friends and the City discussed a rate increase for the FY 2018 show season. Considering the nearly complete \$100,000 capital project, the projected operating surplus and the fact that many of the current renters are also the same groups that will have been volunteering and making donation, it was the recommendation of the Friends to keep the rental rates level for the upcoming season. The City Administration concurs with the recommendation.

Contract Extension

The group discussed the recommendation to extend the contract until 2022. This will continue to provide for a typical five-year contract, which allows the Friends of the Audi to be in a position to apply for a variety of Arts related grants. The term of the agreement under section 5.B., which provides for termination at any time by a mutual agreement of either party with a 6 month notice or 60 days for violation of any term of the agreement, will remain in effect. The City Administration feels there is no adverse condition being placed on either party in granting this request.

Thanks

Appreciation goes to the Friends for their efforts and those of Jeff Hoadley, Jay Burgess, David Gill and Terri Stevenson for successfully managing this relationship on behalf of the City.

cc: Thomas J. Aspell, Jr.
Janice Bonenfant
Chip Chesley
David Gill
Merwyn & Carol Bagan