

From: Susan Mazurski February 16, 2012 10:09:51 AM
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APPROVED
To: SimsburyCT_SelectMin
Cc:

Board of Selectmen
Special Joint Meeting with Performing Arts Center Board
January 23, 2012
5:30 p.m.

Minutes of Special Meeting

A special joint meeting of the Board of Selectmen and the Performing Arts Center Board was held at Simsbury Town Hall, 933 Hopmeadow Street, Simsbury, CT 06070 on January 23, 2012.

Board of Selectmen Members Mary Glassman, John Hampton, Sean Askham, Nancy Haase, Lisa Heavner and Moira Wertheimer and Performing Arts Center Board ("PAC Board") Members Ferg Jansen, Cathy Barnard, Janet Goman, Sharon Lawson and Greg Piecuch were present. Also present were Robert Hensley, Director of Finance/Treasurer Mary Ann Harris, Director of Culture, Parks & Recreation Gerard Toner and Director of Administrative Services Tom Cooke.

1. Call to Order

Ms. Glassman called the meeting to order at 5:35 p.m.

2. Approve the request from Gold, Orluk and Partners to amend the license fee for the Jim Calhoun Cancer Challenge Walk/Ride from \$5,500 to \$5,000 for the 2012 event.

Ms. Glassman noted that the Board of Selectmen had approved the PAC Board's initial recommendation of a \$5,500 fee and asked why it was recommending the reduction. Mr. Piecuch responded that the intent had been to increase the fee by \$1,000 over last year but the Calhoun event was notified late and the increase was not implemented. As a result, Calhoun last year paid \$4,000. The Boards reviewed the fees received from Gold, Orluk and Partners and other users of the Performing Arts Center ("PAC") facility in prior years, noting that both higher and lower fees have been received for use of the PAC. Mr. Hampton stated that in 2011, the Calhoun event used permanent paint on the bicycle trail causing permanent damage and that a

security deposit should be considered.

The Boards proceeded to discuss the advisability of adopting a fee structure for the PAC, of developing a "conditions of use" punch list for users to identify the Town's expectations with respect to use of the facility, and of regular use of a security deposit. The Boards discussed asking the consultant hired to review the operation of the PAC to review these issues. Mr. Askham recommended approval of a \$5,000 fee with a \$500 security deposit. Mr. Hensley pointed out that maintaining a good relationship with Gold, Orluk was also a priority.

Ms. Heavner moved that the fee be reduced to \$5,000 with a \$500 security deposit and asked the Director of Culture, Parks and Recreation to prepare guidelines for organizations using the PAC so that they are aware of the Town's expectations for care of the facility. Mr. Hampton seconded the motion, and the Board of Selectmen unanimously passed the motion.

3. Review of the PAC financials for FY 2012-2011 and FY 2011-2012 to date.

Ms. Glassman asked Ms. Harris to review the financial records for the PAC for the prior fiscal year and the current fiscal year. Ms. Harris stated that, contrary to information requested by members of the PAC Board from SunGard, the Town's financial software (Pentamation) is not capable of producing profit and loss statements. The Trial Balances provided in the meeting materials reflects the capabilities of Pentamation. Ms. Harris provided the Boards with a memorandum explaining the Performing Arts Center fund balance with an excel spreadsheet, prepared by Ms. Harris based on Pentamation data. She noted that the PAC had a starting fund balance on July 1, 2010 of \$87,715 and that the starting fund balance on July 1, 2011 was \$30,379. PAC financial activity up to and including December, 2011 resulted in an increase for a current fund balance of \$32,415.

Ms. Harris also pointed out that the Town's financial system was based on a July 1 to June 30 fiscal year, and that all Town departments were required to submit budget documents on the fiscal year basis. Ms. Harris added that the PAC Board would be expected to submit a budget consistent with this timeline.

Discussion ensued concerning the impact of the timing of third party payments on the fund balance numbers, the costs charged to the PAC account, and the process for submitting charges to the account. The Boards also

discussed the process for consideration of capital improvements to the PAC.

Ms. Glassman stated that there was no reason for the Board of Selectmen to vote on the PAC Board Budget this evening and that the PAC Board should submit its budget, including any capital improvement recommendations, to the Director of Finance as part of the regular budget process. Ms. Harris noted that the budget information provided with her memorandum was final and that there would be no further adjustments to the account.

4. Review and possible vote on PAC Manager Contract.

Ms. Glassman asked Mr. Cooke to review the contract proposed by the PAC Board. Mr. Cooke summarized the terms of the proposed contract and compared it to the terms of the contracts for the prior season (the 2011 PAC Management contract and the 2011 Septemberfest Management contract). He noted that the draft presented combined the two contracts from the prior year into one with additional language to ensure that the Town would not be making additional incentive payments on events that lost money for the Town. Mr. Cooke reviewed some proposed modifications to the draft, including (1) an opportunity for final Board review of Septemberfest to ensure that it was financially viable, (2) clarification of terms to make sure that payment terms were clear and review of the definition of "entertainment event" in the contract.

The Boards discussed the draft contract and the proposed modifications. Mr. Hensley questioned whether the July review of Septemberfest proposed by Mr. Cooke was necessary and further discussion ensued concerning the steps necessary to protect the Town from any financial lost. The Boards also discussed the definition of "entertainment event" and agreed that additional events brought in by the Culture, Parks and Recreation department were not entertainment events for which the PAC manager would receive compensation.

Mr. Askham moved the approval of the contract with the modifications as discussed in the memorandum and the agreement with respect to the definition of "entertainment event." Ms. Wertheimer seconded the motion and it passed unanimously.

5. Review and possible vote on four (4) Outside Consultant Proposals and recommendation for transfer of funds

Ms. Glassman explained that when the concept of hiring an outside consultant first came up in the previous fiscal year when the Town had funds available to cover the cost of the consultant but the PAC Board did not move forward with the process. Ms. Glassman added that the PAC was an important community resource, that retaining a consultant to review the

PAC's operations was critical to its future success and necessary to determine the long term capital improvement needs of the facility. She said the funding could come from reserve or transfers from the current budget once savings have been identified. She recommended that the PAC move forward with selection of the consultant and pay for the consultant out of its current funds. She said she was committed to directing the Finance Director to identify savings in this year's budget to transfer back to the PAC budget. Mr. Askham said he was not in favor of transferring out of reserves or approving anything without identifying the accounts. Ms. Glassman said another option is to have the PAC board include the request in the 2012-2013 budget but that would delay the report significantly.

Discussion ensued concerning the likely availability of funds in the Town's budget and the advisability of identifying potential funding sources. Ms. Glassman asked Ms. Harris to identify potential sources of funds for transfer at an appropriate time in fiscal year 2011-2012.

Mr. Jansen stated that the Board had already identified two preferred candidates from the four responses to the Town's request for proposal and felt strongly about moving forward. Ms. Glassman said she would support the PAC board moving forward with the consultant with the understanding that the Town would identify funds to repay the PAC account. Ms. Haase asked for a clarification of Ms. Glassman's motion.

Ms. Heavner made a motion that the PAC Board move forward with selection and payment of a consultant with the understanding that funds in the Town's budget would be identified for transfer to the PAC account to cover the cost. Ms. Wertheimer seconded the motion and it passed unanimously.

6. Adjournment

Mr. Askham moved to adjourn the meeting, Ms. Heavner seconded the motion and it passed unanimously. The meeting adjourned at 7:10 p.m.

Respectfully submitted,

Mary A. Glassman, First Selectman