

1 Minutes of the Redevelopment Agency of Centerville City/Davis Center for the Performing Arts
2 Administrative Control Board meeting held Tuesday, September 3, 2013 at 5:35 p.m. in the
3 Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.

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5 **MEMBERS PRESENT**

6 Justin Y. Allen, RDA of Centerville City/ACB Board Member
7 Ken Averett, RDA of Centerville City
8 John T. Higginson, RDA of Centerville City/ACB Board Member
9 Beth Holbrook, ACB Board Member (Bountiful City Councilwoman)
10 John Marc Knight, ACB Board Member (Bountiful City Councilman)
11 Sherri Lyn Lindstrom, RDA of Centerville City/ACB Board Member
12 Ronald G. Russell, RDA of Centerville City Chair/ACB Chair (Centerville City Mayor)

13
14 **MEMBER ABSENT**

15 Lawrence Wright, RDA of Centerville City

16
17 **STAFF PRESENT**

18 Blaine Lutz, Centerville Finance Director
19 Lisa Romney, Centerville City Attorney
20 Jacob Smith, Management Assistant
21 Gary Hill, Bountiful City Manager
22 Jansen Davis, CPT Executive Director
23 David Peterson, CPT Chief Financial Officer
24 Katie Rust, Recording Secretary

25
26 **STAFF ABSENT**

27 Steve Thacker, RDA Executive Director

28
29 **MINUTES REVIEW AND ACCEPTANCE**

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31 The minutes of the August 6, 2013 RDA meeting were reviewed. Director Allen made a
32 **motion** to approve the minutes. Director Lindstrom seconded the motion, which passed by
33 unanimous vote of the Centerville RDA (5-0).

34
35 **REVIEW OF INDEPENDENT AUDITORS' REPORT FOR CENTERPOINT LEGACY**
36 **THEATRE FOR 2012**

37
38 Blaine Lutz expressed appreciation to the administrators at CenterPoint Legacy Theatre
39 (CPT) for having an independent audit performed for FY 2012. Mr. Lutz stated that the bottom
40 line is good, due in part to accelerated donations from the Haven Barlow family. This enabled
41 CPT to pay off most of their remaining construction obligation and will allow sizeable
42 contributions into the Operations Reserve Fund and the Maintenance Reserve Fund. Mr. Lutz
43 feels there is good oversight by the Board and Audit Committee, and complimented Jan Davis,
44 CPT Executive Director, for making sure that necessary maintenance occurs. The two-level
45 covered parking structure being constructed next to the Theatre building should be completed
46 by the end of October.

47
48 **DEPOSITS INTO THE CPT OPERATIONS RESERVE FUND AND MAINTENANCE**
49 **RESERVE FUND**

50
51 Mr. Lutz explained it was always the intent that when CPT's revenues exceeded
52 expenses, the profits would be put into reserve funds for continuing maintenance and
53 operations expenses. Page 4 of the audit report – "Statement of Activities and Changes in Net

1 Assets" (2012) – shows "Changes in net assets" of \$115,293. CPT and City staff recommend
2 these funds be divided equally and transferred into the Operations Reserve Fund (ORF) and the
3 Maintenance Reserve Fund (MRF). Lisa Romney, Centerville City Attorney, stated that the
4 RDA and ACB Board are required to approve the amounts going into the reserve funds.

5
6 Sherri Lyn Lindstrom, ACB Board Member, made a **motion** to approve the transfer of
7 \$115,293 to be split equally between the ORF and the MRF. John T. Higginson, ACB Board
8 Member, seconded the motion, which passed by unanimous vote of the Administrative Control
9 Board (6-0).

10
11 Director Allen made a **motion** that the RDA approve the deposit of \$115,293 to be split
12 equally between the ORF and the MRF. Director Lindstrom seconded the motion, which passed
13 by unanimous vote of the RDA (5-0).

14
15 Lisa Romney recommended the Lease be amended again to push back the due date for
16 the annual deposit into the MRF from May 1 to June 30, to allow the annual audit to be
17 completed. The RDA/ACB members indicated agreement with the suggestion, and a formal
18 amendment will be brought to a future meeting of the RDA/ACB for approval.

19 20 **REVIEW OF 6-MONTH FINANCIAL REPORT FOR 2013**

21
22 David Peterson, CPT Chief Financial Officer, presented a 6-month financial report for the
23 period ending June 30, 2013. Revenues were substantially ahead of budget, and expenses
24 were approximately equal to the budget for the 6-month period.

25 26 **CENTERPOINT'S REMAINING CONSTRUCTION OBLIGATION**

27
28 CPT recently sent a check in the amount of \$177,457 to the RDA to pay most of the
29 remaining balance of CPT's construction cost obligation. The outstanding balance is now only
30 \$56,000. At a recent meeting, CPT and City staff discussed what would be a reasonable period
31 to expect the payment of the remaining amount. Lisa Romney explained the staff
32 recommendation of June 30, 2015 for the new target date for the payment of the \$56,000. This
33 would allow annual "profits" for 2013 and 2014 to be transferred into the ORF and MRF to bring
34 those two reserve funds closer to the limits of \$200,000 and \$300,000 respectfully, as identified
35 in the Operating Lease.

36
37 Blaine Lutz explained staff's recommendation that the RDA put the \$177,457 received
38 from CPT into the Theatre Reserve Fund (TRF) instead of remaining as unrestricted funds in
39 the RDA Fund. This would increase the TRF balance to a more desirable level, based on what
40 staff have learned about the anticipated long-term major maintenance needs of such a facility.
41 Mayor Russell expressed support for placing the \$177,457 into the TRF.

42
43 Director Higginson made a **motion** to transfer the \$177,457 received from CPT into the
44 TRF. Director Lindstrom seconded the motion. Director Averett commented that the donation
45 amounts reported for fundraising activities such as pavers and seats seem very low, and asked
46 if there is a donation plan in place. Mr. Davis responded that the pavers and seat fundraisers
47 were advertised in conjunction with the building construction and have tapered off with
48 construction completion, but there are plans to regenerate the donations for pavers and theater
49 seats. He also reported on grant possibilities, show sponsorships, and annual fundraising
50 events that will bring in donations. Mr. Peterson stated he feels there is a good funnel of
51 donation activity occurring. The motion passed by unanimous vote of the RDA (5-0).

REVIEW OF LEASE MAINTENANCE PROVISIONS

Lisa Romney, Centerville City Attorney, reported that she has reviewed the Lease Maintenance Agreement to confirm which entities are responsible for maintenance. The Lease Agreement clearly states that the Association is responsible for all repair and maintenance obligations for the Theatre building, and it is her opinion that the Lease Agreement does not need to be amended to clarify the parties' maintenance and repair obligations. The RDA retains responsibility for the chiller and boiler on the HVAC system, as well as structural integrity matters relating to the building. She stated the goal is to build up the reserve funds in the early years of operation to pay for maintenance as necessary. A long-term maintenance plan should be researched, analyzed and prepared to guide future repair and maintenance policy and obligations.

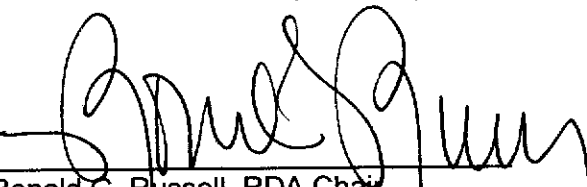
CPT PROGRESS REPORT/UPDATE

Jan Davis reported on staffing changes at the Theatre. He reported strong ticket sales for the Barlow Theater. Enrollment at the academy is up, with First National Bank acting as sponsor. The building continues to be rented for events when available. Mr. Davis also reported that CPT will shift to two-tiered ticket pricing in 2014, with separate ticket prices for the balcony and main floor, with the intent to move to a three-tiered system in the future.

Chair Russell stated he feels it is important that the Theatre continue to meet community needs. Beth Holbrook, ACB Board Member, asked how CPT compares to similar organizations in the area. Mr. Davis responded that there is not a volunteer community theater with comparable facilities to closely compare to CPT. Strong ticket sales indicate outstanding support from the community. John Marc Knight, ACB Board Member, commented he thinks it is amazing the Theatre has come this far in such a short time.

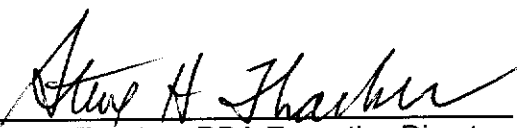
ADJOURNMENT

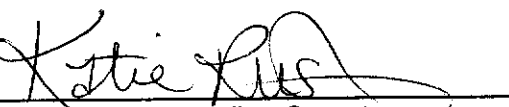
At 6:37 p.m. Director Allen made a **motion** to adjourn. The motion was seconded by Director Lindstrom and passed by unanimous vote of the ACB (6-0).


Ronald G. Russell, RDA Chair

9-25-2013

Date Approved


Steve Thacker, RDA Executive Director


Katie Rust, Recording Secretary

