

1 Minutes of the Redevelopment Agency of Centerville City/Davis Center for the Performing Arts
2 Administrative Control Board meeting held Tuesday, December 1, 2015 at 5:30 p.m. in the
3 Centerville City Council Chambers, 250 North Main Street, Centerville, Utah.
4

5 **MEMBERS PRESENT**

6 Ken Averett, RDA of Centerville City, ACB Secretary
7 Paul Cutler, RDA of Centerville City Chair, ACB Chair, Centerville Mayor
8 Tamilyn Fillmore, RDA of Centerville City
9 John T. Higginson, RDA of Centerville City Vice Chair/ACB Vice Chair
10 Stephanie Ivie, RDA of Centerville City
11 John Marc Knight, ACB Board Member, Bountiful City Council (left at 6:26 p.m.)
12 Lawrence Wright, RDA of Centerville City, ACB Board Member
13

14 **MEMBER ABSENT**

15 John Pitt, ACB Board Member, Bountiful City Council
16

17 **STAFF PRESENT**

18 Steve Thacker, RDA Executive Director
19 Lisa Romney, Centerville City Attorney
20 Jacob Smith, Management Assistant
21 Jansen Davis, CPT Executive Director
22 Katie Rust, Recording Secretary
23

24 **STAFF ABSENT**

25 Blaine Lutz, Centerville Finance Director
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27 **MINUTES REVIEW AND ACCEPTANCE**

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29 The minutes of the October 20, 2015 RDA/ACB meeting were reviewed. ACB Board
30 member Knight made a **motion** to approve the minutes. Vice Chair Higginson seconded the
31 motion, which passed by unanimous combined vote of the RDA and ACB (7-0).
32

33 **AMENDMENTS TO OPERATING LEASE**

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35 In their April 2015 meeting, the RDA/ACB directed staff to prepare amendments to the
36 Lease Agreement to accomplish the following: 1) create a Capital Projects Reserve Fund
37 (CRF); and 2) change the due date for the annual audited financial statements from 120 days to
38 150 days following close of the CenterPoint Theatre (CPT) fiscal year. The need for a CRF
39 became apparent at the end of 2014 when CPT management expressed a desire to use some
40 of the donated funds to construct a partition at the west end of the mezzanine. As a temporary
41 solution, CPT was allowed to deposit those funds into the Maintenance Reserve Fund (MRF) for
42 later use in 2015, but the RDA/ACB agreed in April 2015 that it would be appropriate to create a
43 third reserve fund – in addition to the MRF and ORF (Operations Reserve Fund) – to hold funds
44 designated for specific capital projects. Steve Thacker, RDA Executive Director, explained that
45 regular monthly rent will continue to go to the Theater Reserve Fund (TRF), controlled by the
46 RDA. The Operating Lease amendment would allow CPT to place surplus revenues in the CRF
47 instead of becoming variable rent after caps in the MRF and ORF are reached, to save for
48 capital projects and enable projects to take place across fiscal years. Chair Cutler and ACB
49 Board member Knight both commented they suspect CPT will not be at the variable rent stage
50 for quite some time. Jan Davis, CPT Executive Director, stated that, although the CRF would
51 be controlled by CPT, the CPT Board has a desire to work with the RDA/ACB on individual
52 projects. Director Wright expressed a desire for a clear separation between the 501(c)(3) (CPT)
53 and the owner of the property (the City). He said he feels strongly that the property owner
54 should make the decisions regarding physical capital improvements. Mr. Davis clarified that
55 CPT would propose a capital improvement to the RDA; if the RDA does not agree to the

1 improvement, CPT would need to revise its proposal. ACB Board member Knight said he does
2 not have any concern with creation of the CRF, considering all decisions are made by the
3 RDA/ACB. Director Fillmore commented that, if CPT is making enough revenue to save money
4 toward building improvements, the City benefits as the building owner. Director Wright said he
5 feels there must be a separation between government and the 501(c)(3), and this would take
6 away the separation. Vice Chair Higginson responded that RDA/ACB approval is still required
7 for capital projects.

8
9 Lisa Romney, Centerville City Attorney, explained that CPT would like to have five
10 months after close of their fiscal year to submit the audited financial statements rather than the
11 current four months. Director Wright asked what would happen to the funds if CPT were to
12 leave the Center for the Performing Arts. Mayor Cutler stated that CPT has no plan to leave the
13 Performing Arts Center, but it would be worth looking into.

14
15 ACB Board member Knight made a **motion** for the ACB to recommend RDA approval of
16 Amendment No. 8 to the Lease and Operating Agreement for the Davis Center for the
17 Performing Arts. ACB Secretary Averett seconded the motion, which passed by unanimous
18 vote of the ACB (5-0).

19
20 RDA Director Wright made a **motion** to approve Amendment No. 8 to the Lease and
21 Operating Agreement for the Davis Center for the Performing Arts, with the stipulation that staff
22 look into what would happen to the funds in the unlikely event that the Lease is terminated.
23 RDA Director Ivie seconded the motion, which passed by unanimous of the RDA (6-0).

24 25 **2016 BUDGET FOR CENTERPOINT THEATRE**

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27 The Lease and Operating Agreement between the RDA and CPT requires CPT to
28 submit an annual budget for the next year to the RDA/ACB for review and comment. The Lease
29 Agreement specifically requires approval from the RDA/ACB of the facilities maintenance
30 portion of that budget. Mr. Thacker reported that he met with Mr. Davis to review the proposed
31 budget, and he recommends approval of the 2016 Facilities Maintenance Budget by the RDA.
32 Mr. Davis presented the CPT 2016 Budget compared to the 2015 Budget, and answered
33 questions from the RDA/ACB. Director Wright asked if it would be possible for CPT to provide a
34 free production to Centerville and Bountiful citizens to give the opportunity to those who cannot
35 usually afford to attend. Mr. Davis responded it is an interesting idea that he will take back to
36 the CPT Board. ACB Board member Knight made a **motion** to return to discussion of the
37 Budget, which was seconded by ACB Secretary Averett. ACB Board member Knight later
38 withdrew his motion. Mr. Davis discussed facility rentals with the RDA/ACB, and explained
39 specific Budget projections.

40
41 Mr. Davis stated that the biggest change in the 2016 Facilities Maintenance Budget is
42 the addition of the HVAC contract. Mr. Thacker expressed the hope that once the HVAC
43 maintenance contract is in place and the system is working efficiently the HVAC costs will
44 reduce. Director Wright made a **joint motion** of the RDA/ACB to approve the 2016 Facilities
45 Maintenance Budget and acknowledge the overall 2016 Budget, and to ask that CPT consider
46 offering a free production for non-ticket holders in the community. Vice Chair Higginson
47 seconded the joint motion, which passed by unanimous combined vote of the RDA/ACB (7-0).

48
49 With the conclusion of ACB business, ACB Board member Knight left the meeting at
50 6:26 p.m.

RDA BUSINESS – STATUS OF DEBT SERVICE

Mr. Thacker presented outstanding debt data for the last ten fiscal years by type. It is projected that the Performing Arts Center bond will be completely paid off by 2021. The Parrish Lane Gateway RDA Project Area will also end in 2021. Chair Cutler mentioned the possibility of setting up a revolving loan fund that would essentially extend some of the RDA capabilities in the area. Director Fillmore said she feels it would be prudent to save funds for betterment costs when the overpass is redone. Director Wright said he feels the RDA needs to be smart and not spend the principal so that revenue is generated. Director Fillmore requested a report from staff regarding expiration of the Project Area and what can be done with the funds. Mr. Thacker explained the opportunity utilized by the City when Freedom Hills Park was initiated to keep a portion of the "haircut" tax dollars that would otherwise have returned to taxing entities, as reimbursement for the costs of constructing that park. Those "haircut" revenues are now being used to pay a portion of the City's annual UTOPIA pledge. The RDA discussed aspects of the planned Fire District property tax.

ADJOURNMENT

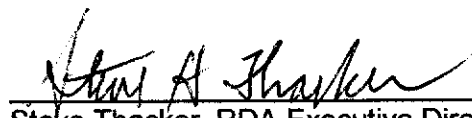
At 6:48 p.m. Director Wright made a **motion** to adjourn the meeting. Chair Cutler seconded the motion, which passed by unanimous vote (6-0).



Paul A. Cutler, RDA Chair

12-15-2015

Date Approved



Steve Thacker, RDA Executive Director



Katie Rust, Recording Secretary

