

Minutes
Finance Committee Meeting
3:15 pm, January, 22, 2013
First Floor-North Conference Room, City Hall

Present: Vice Mayor Esther Manheimer, Chair; Councilman Chris Pelly,
Councilman Marc Hunt

Staff: Lauren Bradley, Jeff Richardson, Roderick Simmons,
Tony McDowell, Eric Hardy, Pat Liguori, Cheryl Heywood

Proposed Consulting contract for Analysis of Alternative WNC Nature Center Management and Governance

Mr. Roderick Simmons, Parks, Recreation and Cultural Arts Director, told the committee that under the direction of council, staff is working to reduce the subsidy at the Nature Center, and look at such things as long term sustainability, positioning the Nature Center to become a regional facility, who our community partners should be and how do we make a case statement for the Nature Center to be supported regionally and what the funding for that would look like. Staff is recommending that we enter into a contract with the consultant David Welsh, of Zoo Advisors, who did the master plan for the nature center. Staff would bring the recommendations made by the consultant, back to the finance committee and then move it to council as part of the budget process.

Vice Mayor Manheimer asked what the amount of the contract is for. Mr. Simmons said it is \$13,000, not taking into consideration travel expenses.

Councilman Hunt asked if staff talked with several consulting people or if this was the only one. Mr. Simmons said that staff had previously hired Mr. Welsh to look at the nature center operations, giving him information and expertise that it would take a new consultant a fair amount of time to get up to speed. Consequently, hiring a new consultant would cost more money.

Vice Mayor Manheimer asked if the Friends of the Nature Center know about this plan and if they are supportive. Mr. Simmons said yes, they are supportive, and said that he has spoken with Holly Stiles, the Chair of Friends of the Nature Center. The board is aware of the process and staff has had several meetings with them and they are fully on board with moving forward.

Councilman Pelly asked if from their initial review, whether they have identified cost saving measures that could be implemented. Mr. Simmons said that the re-vamp of operations, some cost saving initiatives and revenue producing items such as investing in could be implemented in the short term to move it to more of a self sustaining business model.

Councilman Hunt said that in terms of the programs that are delivered by the Nature Center, one alternative he hopes the consultant will look at is to find efficiency while keeping a high level of service, and to look at a range of different financial outcomes .

Staff will move forward on this and report back to the committee.

Moog Fest Financial Performance

Mr. Chris Corl, US Cellular Center Business Manager, gave the committee some background information. In June, 2012 staff came to the finance committee for the consideration of a resolution to enter into a partnership agreement between AC Entertainment and the US Cellular Center for 2012 Moog Fest. This request was approved by full council and a resolution was passed for a partnership agreement between AC Entertainment in cooperation with Moog Foundation and Moog Music to produce the annual event.

Prior to the festival in 2012 AC Entertainment created and presented a budget projection to City Council. In June of 2012, Sam Powers presented to Council outlining AC Entertainment's request for a partnership agreement. The staff report that was given to council at that meeting was also given to the Civic Center Commission prior to presentation to Council. The Civic Center Commission suggested that the City should not partner with AC Entertainment for Moogfest 2012. The financial range presented to council detailed a 'best case' scenario of \$96,443 in profits and a 'worst case' scenario of \$3,544 in profits to the U.S. Cellular Center. Moogfest 2012 saw a total of 5972 tickets sold with 6,304 unique ticket entries throughout the event. For Moogfest 2012, initial budgeted expenses were projected at \$767,923.80. Final, actual budget came in at \$682,718.91. Initial forecasted ticket revenues were projected at \$780,188.68. Final actual ticket revenues came in at \$505,749.52. Initial forecasted ancillary revenues were projected at \$141,193.00. Final, actual ancillary revenues came in at \$190,268.15.

After the conclusion of the festival, Moog Music and AC Entertainment discontinued the licensing agreement for the 'Moogfest' name used by AC Entertainment. AC Entertainment has announced plans to host a music festival here in Asheville, by the name of "Mountain Oasis Electric Music Summit" in 2013

Councilman Pelly asked if AC Entertainment has any sense from their initial review of whether there is cost saving measures that could be implemented. Mr. Corl said that there are some areas that can be addressed for additional cost savings on the expense side of the event. However, expenses in 2012 came in around \$80,000 under projections. Staff & AC Entertainment are in the process of discussing ways to keep expenses low for future events.

Mr. Corl suggested that staff be directed to re-negotiate the 'festival' deal with AC Entertainment for 2013's Mountain Oasis Electric Music Summit, as 2012's deal structure was not an ideal situation for the U.S. Cellular Center or the City of Asheville.

Mr. Corl said that AC Entertainment is going to have an electric music summit starting in 2013, and has plans to continue having the festival as long as it is financially feasible.

Vice Mayor Manheimer adjourned the meeting at 4:00pm