

Five Flags Commission Meeting Monday August 24, 2009

Present: Bryce Parks, Sue Balsamo, Rod Bakke, Cindy Fuller, Gil Spence, Joyce White, Don Howes, and Ali Levasseur

Commissioner Parks called meeting to order.

Approval of Minutes: Commissioner Balsamo motioned to approve minutes of June 22 meeting. Commissioner Bakke seconded the motion.

Old Business:

- As acting Chair, Rod Bakke swore in Bryce Parks and Cindy Fuller for three more years of service on the Five Flags Commission.
- Commissioner Balsamo asked about the Credit Card machines. General Manager explained we have leased, from US Bank, three mobile credit machines for use in concession stands, and a new “land line” machine for the Box Office. The machines were used for our WWE event in June and will reactivate them on September 1. Gift Card denominations can be “loaded” at the Box Office, with a \$10 minimum. This option potentially, will see a 20-25% in concession sales.
- Commissioner Bakke and General Manager presented information from the conference call with reps from Michael Feldman’s show, *Whad’YA Know?*, and Iowa Public Radio (IPR). October 2010 dates are on hold. We are waiting to hear back. It will be a live broadcast, 10am-12pm, as a celebration of the Theater’s 100th birthday/anniversary.
- Commissioner Parks left meeting for an appointment.

New Business:

- No new business was presented at this time.

General Manager provided departmental reports as follows:

Operations Department:

- Midland Communications – providers of new IP Voice Phone System using Shoretel equipment (still waiting for switchover). Gil stated the new system seems to work better.
- Completed installation of in-house video feed (to TV’s on upper concourse)
- Soliciting bids to replace the building’s PA system, one bid is in, from CEC for \$10K.
- Remodeling projects include Administrative work area and Employee Area in basement. In Employee Area new lockers were bought for employees items. In FY11 CIP budget, funds are allocated to provide additional improvements – hopefully adding a kitchen cabinets and a sink.
- Ice installation for 2009-10 hockey season began on August 21

Marketing and Promotions:

- Broadway Series booked (Michael Flatley’s “Lord of the Dance” and “Cats”). Event information was mail to various bank groups. If the series is successful, the promoter may bring 4 shows next year.
- Booked an MMA event with new local promoter

June Events Presented:

- Corn Cob National Wrestling Tournament – June 6
- Xtreme Dance Recitals – June 13-14
- FBN “Bad Seed” – June 5-7, 12-14
- Iowa Ayrshire Association - June 16-20
- WWE Raw – June 21

July Events Presented:

- Civil Service Exam – July 7
- Wedding in Theatre – July 11
- World Wrestling Camp – July 19-21

August Events Presented:

- Civil Service Tests – August 11, 18, 25
- City Meeting – August 10
- Youth Hockey Activities – August 12, 26
- DSO Auditions – August 29, 30

Financial, HR, Accounting Report:

Since the Commission did not meet in July, the discussion of the FY09 financials was presented at the August meeting. Don Howes presented the June 30, 2009 financial report as follows:

- Completed fiscal year FY09 and came in under benchmark by \$16,475
 - Don delivered a Recap of FY09
 - FY09
 - YTD Actual Adjusted Gross Income \$477,869; Budgeted \$498,767.
 - Compared to FY08 YTD Actual AGI \$450,185.
 - YTD Actual Total Indirect Expenses \$1,243,276; Budgeted \$1,266,922.
 - Actual expenses decreased \$23,646 from budgeted.
 - Month of June
 - Total Ancillary Income \$14,919; Total Event income \$29,803; Adjusted Gross Income \$30,741; Total Indirect Expenses \$129,355; with a Net Income of \$98,614.
- Commissioner Fuller questioned why the Event Total document does not tie to the Adjusted Gross Income on the financial statement. Don explained that the Event Total document is basically a statistical table – depicting revenue and expenses explicitly related to an “event.” Adjust Gross Income reflected on the financial statement reflects income from “all” Ancillary revenue sources.
- Commissioner Balsamo asked what is included in the Ancillary Income. Don answered, catering, concessions, Ticketmaster rebate and facility fee.
- One-year Thunderbird Contract 2009-10 – prepared and submitted to ownership
 - Contract not yet executed for current season
 - T-Birds still in arrears \$12,045.35 from last year’s season
 - General Manager reported on the status of the Thunderbird contract. Dr. Field had written a letter to the City Manager asking that the Facility Fee to be taken out of the contract. Van Milligan responded that the revenue from the Facility Fee had been reflected in the budget; therefore, the facility fee would stay in the contract. Joyce resubmitted the contract to Dr. Field. When she received it back from Dr. Field, the Facility Fee was crossed out, he was not

paying it. The part of the contract where the Thunderbirds were responsible to pay for painting the Five Flags Logo on the ice was also crossed out. General Manager sent the contract to her supervisor, Tom Lorenz. Dr. Field had asked Joyce to bring his contract issues to her Commission. As an advisory board, Joyce asked the Commission for their comments and advise. Discussion ensued along two points.

- Commissioner Balsamo asked if the Balance Due for last year's season was either of the items Dr. Field did not want to pay.
- Don explained, "no" it is just a Balance Due, Thunderbirds often have a Balance Due to pay before getting on ice for a new season. General Manager stated that beginning of 2007 ice season Thunderbirds had a \$42,000 balance; 2008 ice season a \$7,000 balance; and for the 2009 ice season, a \$12,045.35 balance.
- Gil stated that the \$12,000 balance was what Fee Dr. Field wanted out of the contract. Joyce stated "no," this year the balance happened to be the same number, but Dr. Field had crossed out the Facility Fee on the contract. Every year Dr. Field requests that the Facility Fee be removed from the contract.
- Commissioner Fuller suggested that Dr. Field might be upset that the High School teams sell their own tickets, and incur no facility fee. Don explained that the two events weren't comparable in terms of scope and expense. Additionally, the Facility Fee is a surcharge on top of the ticket price. It represents additional revenue, designed to offset the operating cost of the building. All other facility users pay the facility fee, which is attached to the price of the ticket; therefore, the facility fee is, in essence, passed on to the consumer. The Thunderbirds have chosen not to pass the Facility Fee on to the patron. Five Flags capped the facility fee at \$12,000. The facility fee is reflected in the financial settlement as a part of the per game fee. If this cap were removed, the Thunderbirds would pay \$1 for every ticket sold to Five Flags. Last year without the cap Thunderbirds would have paid around \$17,000 for Facility Fee. Dr. Field does not want to push the Facility Fee to the patrons, or the Thunderbirds to pay the Facility Fee. Gil, Don, and Joyce suggest that should the Facility Fee be removed from the Per-Game fee, another area of expense would go up to keep the Per-Game fee the same amount of money.
- Commissioner Bakke brought us back to the fact that the contract is in the hand of SMG. Joyce stated, yes, Tom Lorenz is working with Dr. Field now, but Dr. Field did want the Commission to hear his request and respond. Joyce made a copy of Dr. Fields letter for them. Discussion continued with the Commission coming to a response to give to Dr. Field. Commissioner Balsamo and Fuller suggested that the City had placed SMG to make the decisions, so the Commission should stick to the decision. It was decided that the Commission could not give a response to Dr. Field without seeing what Tom Lorenz has offered. When Joyce receives Tom's letter back to Dr. Field, she will forward it on to the Commission.
- The General Manager advised the Commission that the new contract contains a clause which allows the collection of fees and revenues on a "game-by-game" basis. The Commission agrees with this contractual stipulation.

- Youth Hockey Contract – prepared and submitted based on full season of ice usage
 - Contract not yet executed for current season

Upcoming Box Office on Sales:

- Gaither Vocal Band – Reunited Tour, Show date (September 12) – On sale May 18
- DSO - on sale August 17
- T-Birds - “
- “Of Mice and Men” - “
- Lord of the Dance - on sale August 24
- Cats - “

Food and Beverage:

- Preparing for health inspection in August
- Adding chocolate milk to product line

Other:

Staff Development

- IAAM Senior Executive Symposium at Cornell University, New York on June 22-25
 - excellent
- Six Operations employees participated in Track Two, a “Safe Ice Resurfacer Operator” (SIRO) training program held at Oregon Community Sports Arena in Oregon, WI. Attending were Joe Baxter, Doug Paul, A.J. Kennedy, Mike Howes, Ron Swift, and Gary Hubanks. The program was offered by STAR.
- Two Operations employees (Bob Richardson and J.R. Richardson) participated in Track One of the STAR program. The Track One program included a facility tour and covered topics on Dehumidification Prevention Maintenance and Overview; Refrigeration Preventative Maintenance; Problem Solving in the Refrigeration Room; and Ways to Save Money Around the Arena. The day-long seminar also included introduction of vendors and new members and provided a forum for an open exchange of ideas.
- Alyson Tasker attended a two-day Ticketmaster training session designed to provide additional information on report generation.

Adjournment of Monthly Commission Meeting:

Commissioner Parks adjourned the meeting. Commissioner Bakke and Balsamo seconded.

Next meeting: in the General Manager’s Office on Tuesday September 29, 2009 at 4:00PM. Five Flags staff will place a call “Thursday before” and a “Tuesday of” email to remind commissioners of the meeting.