AGENDA
President and Board of Trustees
Village of Arlington Heights
Committee-of-the-Whole
Board Room
Arlington Heights Village Hall
33 S. Arlington Heights Road
Arlington Heights, IL 60005
May 11, 2015
7:30 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL OF MEMBERS

IV. NEW BUSINESS

A. Election of President Pro Tem

B. Performing Arts at Metropolis

V. OTHER BUSINESS

A. Request for Closed Session per 5 ILCS 120/2(c)(21): Discussion of minutes lawfully closed, whether for purposes of approval of the minutes or the semi-annual review of the minutes

- and -

5 ILCS 120/2(c)(11): Litigation, when an action against, affecting or on behalf of the Village has been filed and is pending before a court or administrative tribunal, or when the Board finds that an action is probable or imminent

VI. ADJOURNMENT

Persons with disabilities requiring auxiliary aids or services, such as an American Sign Language interpreter or written materials in accessible formats, should contact David Robb, Disability Services Coordinator, at 33 S. Arlington Heights Road, Arlington Heights, Illinois 60005, (847)368-5793 (Voice), (847)368-5980 (Fax) or drobb@vah.com.

Item: Election of President Pro Tem

Department: Village Manager's Office

Election of President Pro Tem

ATTACHMENTS:

Description	**Type**
Appointment of President Pro Tem	Memorandum

TO: Village Board of Trustees

FROM: Mayor Thomas W. Hayes GWH

DATE: May 5, 2015

RE: Appointment of President Pro Tem

Village Code requires that the appointment of a President Pro Tem be made the second Monday in May following a municipal election. The Code further requires the Village President to send a memorandum advising the Village Board of his/her recommendation the Friday before that meeting.

My recommendation is that Trustee Thomas Glasgow be reappointed as President Pro Tem and I ask for your concurrence with this recommendation. Tom has filled in for me on a number of occasions over the past two years and has always represented the Village in a professional and responsible manner. The assistance of the entire Village Board in representing me at various functions and the Village of Arlington Heights generally in the public arena in the same manner is acknowledged and has been greatly appreciated.

Please let me know if you have any questions or concerns prior to Monday night's meeting.

Item: Performing Arts at Metropolis

Department: Finance Department

ATTACHMENTS:

Description	**Type**
PAM Business Plan	Exhibits
PAM Budget 2015 and Forecast 2016	Exhibits
Proposed Village Contribution to PAM	Exhibits

Performing Arts at Metropolis

Business Plan 2015

Introduction

This plan is a narrative account of current and future strategies which will:

- Secure financial operations of PAM
- Provide consistent and transparent reporting
- Elevate the quality and commercial appeal of programming
- Increase enrollment in the School of the Performing Arts
- Identify and answer questions regarding operations, programming and related theatrical and educational components

Our plan also includes theatrical theory and relevant data to address issues raised in other reports and articles.

This is a working, evolving document which will incorporate input from:

- Performing Arts at Metropolis Board and Executive Committee
- PAM Staff, Senior Staff and Executive Director

Budget snapshots are included in the plan with full budgets accompanying as separate documents.

We will present this plan to the Arlington Heights Village Board.

Sources

A significant portion of data assembled for this plan was drawn from research materials and databases at Theatre Communications Group (tcg.org), an organization considered the prime resource for information and communication within the North American theater community.

tcg Theatre Communications Group

Other Sources Include:

- National Endowment for the Arts
- Johnson Consulting Report
- Arts Alliance

Executive Summary

This Business Plan is predicated on the principles of:

- Transforming and strengthening the Performing Arts at Metropolis (PAM) Board
- Continuing allocation from Village of Arlington Heights Arts & Entertainment Fund
- Alleviating negative media coverage

This plan offers directions to stabilize operations, improve programming, and provide directions for steady, sensible growth.
The purpose of this plan is to provide:

- Directions to realign operations, repair financial policies and continue consistent reporting
- Provide data, policies and explanations for the 2015 budget
- Provide data, policies and directions for the 2016 budget
- Describe policies which will improve financial stability, net margins and gross revenues
- Illustrate policy to significantly improve commercial programming
- Detail plans to build on SOPA's already excellent reputation

Governance

It is the intent of the PAM Board to work with the village to reconfigure the current PAM Board to a new Board of Directors comprised of 7 executive board members including three members to be appointed by the Mayor. It is understood that this change should be accomplished in a timely fashion so as to allow the new Board to be seated, become acclimated and to take an active role early in the operations of this stub year, May through December.

Goals

Goals for 2015/16

- Increase Season Subscribers by 5% (approximately 55) based on higher-visibility commercial programming
- Increase Produced Shows attendance by 5% based on higher-visibility talent options
- Grow SOPA revenue 3 to 6% based on new class offerings and increased marketing initiatives
- Increase sponsorships $15,000 through new corporate initiatives
- Increase Event Production revenue by $20,000
- Establish new Presenters' Club and generate revenues of $10,000
- Initiate time management analysis for personnel efficiency
- Initiate new employee evaluation procedures

PAM will continue to provide monthly financial statements and reports to the appropriate Village representatives. In-person meetings will be scheduled quarterly to review financial results with personnel designated by the Village Board.

Mission

Metropolis Performing Arts Centre serves our Patrons through production, presentation and education of the highest quality theater, arts, music, performing arts and entertainment in the area.

MPAC is a critical component to Arlington Heights' cultural and business character, attracting artists from across the world and patrons from throughout Northern Illinois and beyond. We serve our extended community by providing dynamic cultural experiences which range from entertaining to thought-provoking to life-changing.

Values:

- A hub for uncompromising quality in performing arts and arts education
- A haven for artistic expression
- Growth through purposeful planning and execution

Vision:

MPAC is the preeminent destination for performing arts in the Chicagoland area, where professional entertainment shares center stage with arts education.

Theater is a living history lesson, an interactive museum and laboratory of ideas – equally important to a healthy community as is a library, community center or public park. Using recent MPAC events as an example, where else can one experience Dicken's classic *A Christmas Carol*, *Patsy Cline: She's Got You*, *The Diary of Anne Frank*, the hit children's show *Frindle*, comedy, music, presentations and more dynamic programming within a three month span?

An arts institution is, fundamentally, the sum of its people including:

- Our Patrons: the heart of our purpose
- Our Artists: the actors, writers, directors, designers, musicians, singers, presenters and performers who pour their souls into entertainment which engages, inspires, informs and fulfills the necessary expressions of the human condition
- Our Donors: the angels who endow and nurture our home
- Our Board of Directors: the volunteers who guide and inform us, protect and provide for us and connect MPAC to the community
- Our Staff: the artists, administrators, educators and creative technicians who put on the shows, events, classes and concerts
- Our Faculty: the teachers who instruct, inspire and encourage future artistic generations
- Our Village: the residents, Board of Trustees, Village Staff, and Mayor

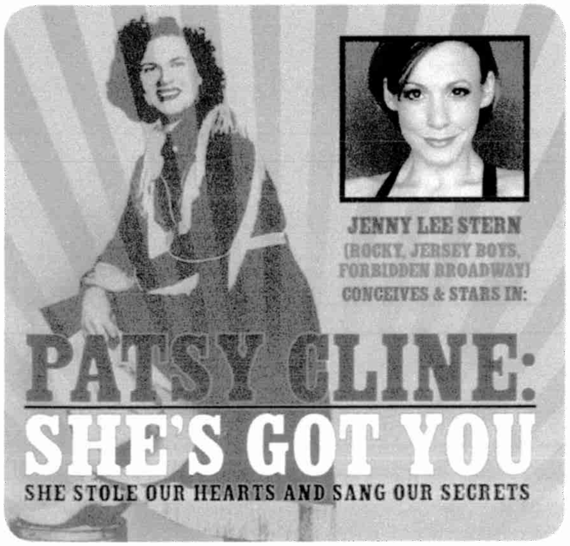
While our artistic mission is bright and clear, we are equally committed to responsible and sustainable business practices which will secure the future of our home. PAM is keenly aware of the investments our stakeholders place in our trust. We strive to provide the highest possible return on those investments.

A Snapshot of Metropolis Performing Arts Centre

On a chilly Thursday in February, our institution was having a very good day. In the morning, our theater hosted 2 sold-out children's shows of *Frindle* with attendance topping 600.

In the afternoon and evening of that same day, 86 students ranging from a 3-year old dancer to a 73-year old improviser were studying and playing while many other students continued honing their talents in strings, percussion, piano and more.

MPAC's day was topped off by a sold-out production of *Patsy Cline: She's Got You*. Our very talented Staff was hustling in every direction: House Managers wrangling street-loads of buses and shepherding children to and from seats. Technicians fine-tuning innumerable specifications and equipment needed for three sold-out shows in one day. Teachers leading even more students through rehearsals of a popular musical and university-level Instructors guiding private lessons in violin, piano, voice and much more. And then to round out the day, the very image of Patsy Cline entertained another 340 patrons.



This is an actual snapshot of Metropolis Performing Arts Centre on Thursday, February 5, 2015. More than 1000 patrons, students, parents, staff and visitors crowded our halls that frosty day, a very good day, with many interesting stories to share. This was not the story told in local papers despite repeated attempts to share positive news about MPAC. While criticism is a standard component for any arts institution, it's time for our patrons and the general public to hear the full story of MPAC, a tale that includes innumerable chapters of success, warmth, education and wonder. As MPAC transitions from a period of challenges to a future of sustainable growth and artistic promise, the new and full story must now be heard.

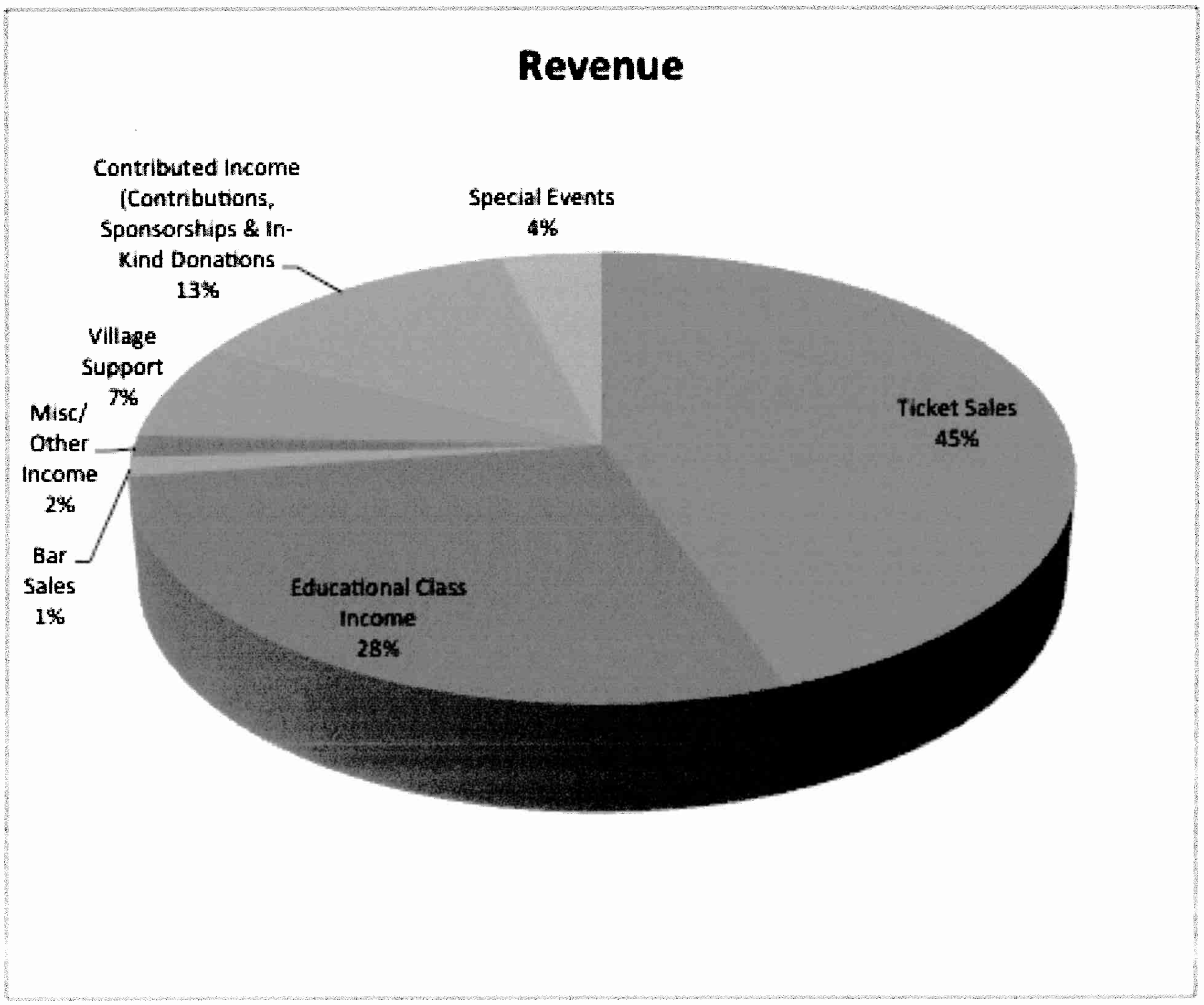
Revenue

Arts institutions rely on six primary sources of revenue generation.

In order of priority, these areas of revenue include:

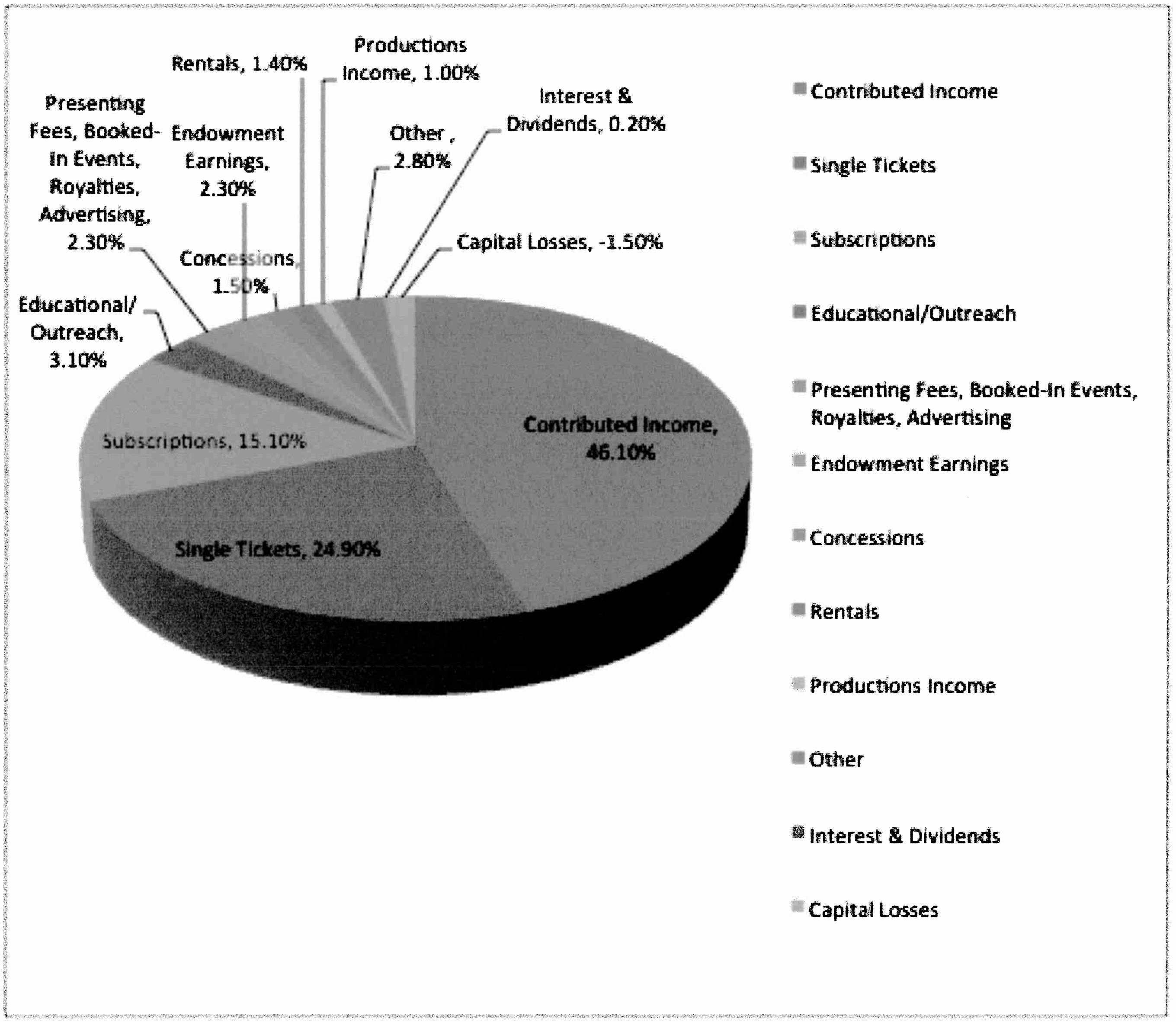
- Admissions – the investments our Patrons make in every performance
- Donor contributions – the investments our benefactors offer in order to sustain business and maintain competitive ticket prices
- Business and Corporate contributions – the investments area companies make to mutually support a local attraction and enterprise partner
- Community Support – investments governing bodies make through legislative mechanisms to support the growth of arts and businesses alike
- Foundations – grant opportunities
- Educational Class Income – the investments families make in the future of arts education

It is noted that Illinois currently ranks 21st in per capita funding for the arts despite its rank as the 5th most-populous state. Similar to other needs, a long history of financial stress at the state level forces reliance on local municipalities to support the arts.



Revenue data is from the period May 2014 - February 2015

According to best practices for comparable successful theaters, revenues should model:



Data from TCG.org

Although the terminology of the TCG group does not match exactly with those used by PAM, this information indicates significant room for growth within the Contributed Income area. This data also shows more financial diversity for PAM which is an overall strength of operations. PAM's demand for tickets is high compared to other institutions. In addition, it should be noted that PAM revenue from education is considerably higher than comparable institutions since many theaters' operations do not include this option.

Programming

Programming

In the past, programming struggled due to several factors:

- Selections were not sufficiently recognizable
- Shows comprised vague or obscure subject matter
- Productions lacked theatrical or public relations "hook"
- Technical and space limitations

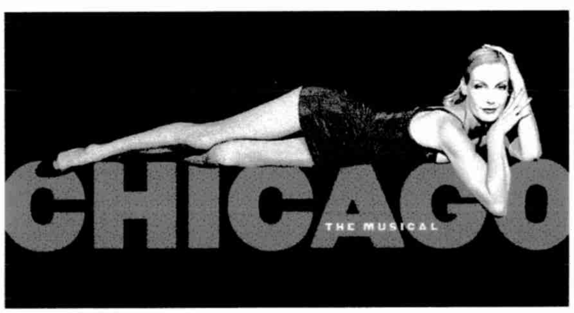
High-quality, high-recognition programming generates opportunities across the institution while instilling a higher level of satisfaction and trust among patrons and stakeholders. Like the high tide which raises all boats, good programming provides benefits such as:

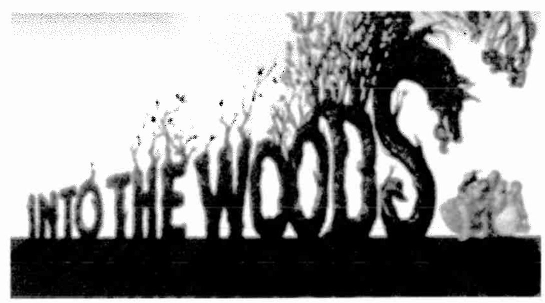
- Increased ticket revenue
- Higher contributions from individual donors
- Higher likelihood and increased sponsorships from businesses
- Better public relations and publicity
- Increased enrollment in SOPA

In parallel with sensible and sustainable financial policies, the value of creation and sustenance of high-quality programming cannot be overstated.

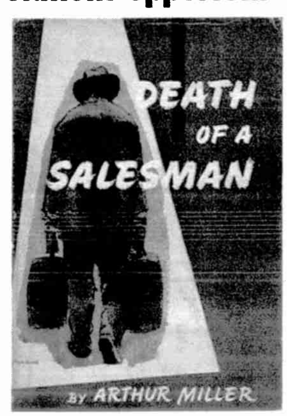
Future theatrical programming will include shows in the following groups:

Category A (50-75%): Broadway or Off-Broadway commercially recognizable productions





Category B (15-25%): Artistically challenging productions which support public relations opportunities



Category C: (15-25%): Original Productions geared toward extra-theatrical audiences (people who don't normally go to "theater")

Original Production rights in negotiation:

Folsom – The Night the Man Became the Man in Black (Johnny Cash recreation)

World Renowned Journalist – world premiere of one man show

Dratch and Fey – sketch comedy show that launched the careers of Tina Fey and Rachel Dratch

Original Programming will also be created by our ensemble of Resident Artists and directed toward niche audiences including:

• Metropolis Senior Citizen Ensemble – matinee, off-night and touring productions of classic music, sketch and improv comedy shows created and presented by a resident troupe of senior performers

• Metropolis Children's Ensemble – matinee and touring productions targeted to young and middle-school audiences featuring subjects like classic fairy tales, spin-offs of fairy tales with moral lessons, *Kid Power, The (Real) Magic of Science, Math Doesn't Add Up, World History in Forty Minutes* and more

• Metropolis Therapeutic Ensemble – in cooperation with SOPA, matinee, off-night and touring productions targeted to relevant audiences created and presented by a hybrid resident troupe of special needs and professional performers

A new PAM Committee – Programming and Artistic Endeavors (PAE) – has been formed comprising of several Board Members with significant theatrical production experience. This Committee will:

• Meet with the Executive Director, Resident Artists and members of Senior Staff to help determine selections of produced works in addition to consulting on shows in development and attending rehearsals to ensure the highest quality theatrical works possible

• Convene focus groups of subscribers, donors, village residents and related patrons to discuss subject matter, genre and shows to determine the best and most popular programming for MPAC audiences

• Use expertise, experience and connections to attract successful theater companies and productions to MPAC

MPAC is proud to announce its 2015/16 subscription season:

MPAC programming is divided into two categories:

- Produced Shows comprised of legitimate and well-known theatrical shows. These shows form the basis for the subscription series.
- Presented Shows comprised of concerts, comedy and related events.

Similar to comparable arts institutions, MPAC embraces the principle of a well-rounded and interesting menu of options for patrons including:

- High-visibility commercial plays and musicals
- Wide range of concerts including rock, cabaret, folk, classical and other forms
- Stand-up, sketch and improv comedy
- Children's and middle-school theater and entertainment
- Recitals, productions and shows showcasing SOPA students

Produced Shows

The Produced Department creates in-house programming for the theater including season subscription series shows like *The Drowsy Chaperone, A Christmas Carol* and children's shows like *The Diary of Anne Frank.*

Production Dept.
2016 Revenue Projection - Budget

	At 40% Ticket Sales	At 45% Ticket Sales
Revenue	703,731.00	791,697.38
Expenses	(741,351.30)	(743,351.29)
Net Income	(37,620.30)	48,346.09

Production Department				
Season	Attendance	# of Performances	Total Sales	% of Tickets Sold
12-13	29,641	174	$621,989.42	40%
13-14	19,512	176	$407,057.15	32%
14-15	20,818	135	$436,435.31	39%

*Numbers reflect completed performances through March 7, 2015

As of 2016, Production projections are based on:

- Expenses for each show use 40% of available seats sold to break even. Holding expenses at this ratio ensures profitability for shows that exceed 40%.
- Revenues for each show are calculated at 40% (break even) and 45% (conservative and viable forecast).

The objective is to hold expenses assuming break-even at the baseline figure of 40% while working hard to exceed that goal. For comparison, overall available combined seat average was 68.6% in 2007 (highest in MPAC history) and 41.59% in 2013 (lowest in MPAC history). Future budgets will use these metrics for revenue and expense projections.

In the past, budgets and projections for Produced Shows were calculated using metrics that varied by production. As of this writing, Produced Shows are budgeted by projecting revenues and expenses using the baseline/break-even point of approximately 40% of available seats. The logic is to conform budgets so that the break-even point is approximately 40% of total seating capacity. This expense calculation is derived from successful operational practices developed by the Executive Director over 4 decades of profitable theatrical production.

Presented Shows

The Presented Department produces outside performances that come into Metropolis Performing Arts Centre including comedians, concerts, and children's theatre productions.

In the past, Presented Shows were budgeted excluding institutional overhead costs: administration, marketing, house and box office management, etc. Budgets and related terms/offers now include:

- Overhead calculations
- More economical guarantees
- Lower box office "splits" with artists – revenue sharing after costs are recouped

Presented Dept.
2016 Revenue Projection - Budget

	Projected using historical house % based on show type	Add 5% Revenue
Revenue	604,750.00	634,987.50
Expenses	(580,106.00)	(580,106.49)
Net Income	24,644.00	54,881.01

Presented Department				
Season	Attendance	# of Performances	Total Sales	% of Tickets Sold
12-13	28,482	184	$552,418.38	47%
13-14	23,119	112	$452,875.88	62%
14-15	18,711	88	$414,075.05	64%

***Numbers reflect completed shows as of March 7, 2015**

As of 2016, Presented projections are based on:

- Expenses are based on a range of calculations (due to the complexity of individual bookings, routings, offers, etc.) and historical data of similar or actual prior shows
- Revenues for each show using historical averages of comparable shows, events and concerts

Revenue projections are based on past comparable productions. 5% increase in revenues is provided based on higher potential gross from major artists currently being pursued: June 8, 2015 Robert Cray concert is one example.

School of the Performing Arts

SOPA Classes Offerings			
Fall 2014			
Class Type	**Number Offered**	**Number Occurred***	**Enrollment**
Drama Group Class	24	18	136
Dance Group Class	7	6	33
D&D Private Coaching	4	4	22
SOPA Production	1	1	30
Music Group Class	14	8	36
Music Camp	1	1	5
Music Private Lesson	3	3	200
Music Private Coaching	3	3	20
Music Trial Lesson	3	2	13
TOTAL	60	46	495
Spring 2015			
Class Type	**Number Offered**	**Number Occurred***	**Enrollment**
Drama Group Class	24	19	165
Dance Group Class	6	5	32
D&D Private Coaching	4	4	22
SOPA Production	2	2	36
Drama Camps	3	3	30
Music Group Class	11	5	32
Music Private Lesson	3	3	195
Music Private Coaching	3	3	11
Music Trial Lesson	3	1	7
TOTAL	59	45	530
Summer 2015**			
Class Type	**Number Offered**	**Number Occurred***	**Enrollment**
Drama Camps	10	–	132
TOTAL	10	–	132
**Not every class offered reaches minimum enrollment and is therefore cancelled.*			
***Registration not open yet for Summer Group Classes, Private Lessons/Coachings.*			
These numbers DO NOT include outreach registrations.			

School of the Performing Arts

SOPA Mission

Metropolis School of the Performing Arts provides highest quality arts classes and performance opportunities, a community of friends with similar interests, an accepting environment and the opportunity to progress to an elite level within the performing arts.

SOPA Pricing Strategy

A yearly comparison is conducted to assess current prices of SOPA lessons, classes, camps, etc. Our comparison focuses on the following types of performing arts schools:

- Both suburban- and city-based schools
- Similarity in building capacity and student population
- Similarity in class/lesson offerings
- Schools whose faculty have similar credentials

Our private lesson pricing is heavily based on the above comparison as well as faculty compensation. Our group class prices assume a minimum of 5 students and are based upon the above comparison, faculty compensation and classroom material costs, if applicable. Prices vary by length of class and semester duration: fall & spring (15 weeks) and summer (8 weeks). Camp prices factor in faculty compensation, counselor compensation and material costs.

SOPA Growth Summary

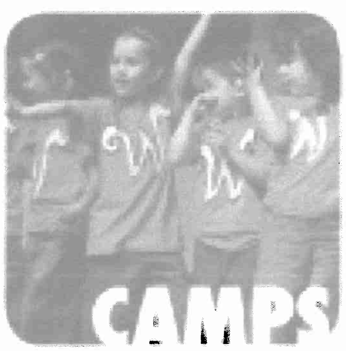
The growth limitations that SOPA is currently experiencing are related to staff size and budgetary restrictions as well as class demand. However, with anticipated future growth, further expansion will be limited due to space restrictions on the second floor of the Metropolis building. Adding additional classrooms and studios in 3-5 years will become a necessity for continued development. School Districts are contacted throughout the year listing classes and activities that are offered. There is the potential to work with local school districts to hold outreach classes at their facilities depending on the class and availability of staff. SOPA previously participated with District 25 in an outreach program titled "Write to the Spotlight".

School of the Performing Arts - Drama & Dance School

Drama & Dance School Introduction

The Drama & Dance School encompasses group classes, private coaching sessions, camps, school productions, and outreach programs. Group classes are offered in acting, musical theatre, improv, and dance for all ages. These classes are taught by experienced, working professionals who give students the opportunity to grow in their theatrical skills through fundamental lessons, in-class games and exercises, group activities and performances.

Private coaching sessions are available for students to receive one-on-one instruction and feedback on audition pieces in acting, singing and dancing. Private coaching sessions also help prepare students for public speaking presentations and to provide industry information. Camps and productions provide practical performance experience, giving students the knowledge of what it takes to put on a show. The Outreach Program partners with several community organizations for residencies that provide performing arts programming to underserved populations such as those with special needs and senior citizens.



Drama & Dance School Overview

- Enrollment (as of 03/16/2015)*
  - Fall 2014: 292 students enrolled, $57,743 in revenue
  - Spring 2015: 313 students enrolled, $71,364 in revenue
  - Summer 2015 (Camps Only): 132 students enrolled, $68,345 in revenue

**These numbers include registrations for group classes, private coaching sessions, camps, productions and outreach programs. Outreach programs are not included in the chart on page 18. Per student revenue fluctuates due to class enrolled in (e.g. camp vs. group class vs. coaching), number of weeks in the semester, etc.*

- Faculty
  - Fall 2014: 11 faculty members
  - Spring 2015: 10 faculty members
  - Backgrounds include: Acting, Directing, Choreographing, Writing, Stand-Up Comedy, Improv, and Film

- Camps & Production
  - Number of camps
    - Spring Break: 3 week-long camps
    - Summer Break: 9 camps (lengths vary) and 1 two-week high school workshop
  - SOPA Productions
    - Children's productions (Grades K-12)
    - 1 per Fall & Spring semester
    - Only current SOPA students are eligible to participate
  - Adult productions (18+)
    - 1 every Spring semester
    - Only current SOPA students are eligible to participate

- Outreach Programs
  - Residencies
    - Arlington Heights Senior Center
    - Arlington Pediatric Therapy - Flourish in the Footlights
    - Clearbrook - Clearbrook on Cue
    - Elmhurst Academy
    - NSWRA - Acting Through Life
    - District 25 - Write to the Spotlight
  - One-Day Programs
    - Beth Judea
    - NWSRA Leisure Ed Workshops
    - Patton School PTA

Drama & Dance School Growth Strategies

6 months - Summer 2015 & Fall 2015

- Revenue Goal: 3-6% growth over Summer 2014 & Fall 2014
- Classes: Updated Drama curriculum to better meet student needs and align with national and state education standards
- Classes: Add new dance class (dance company troupe)
- Workshops: Reintroduce stage combat workshop (this successfully ran in Fall 2014)
- November 1, 2015: Part-time employee (shared with Music School) hired to assist in administrative duties and registrations

12 months - Spring 2016

- Revenue Goal: 3-6% growth over Spring 2015
- Classes: Continue to update and refine Drama curriculum based on review and feedback from Fall 2015
- Camp & Productions: Explore souvenir sponsor options to underwrite cost
- Workshops: Reintroduce playwrighting workshop (this was offered without success in Fall 2014; however, with growth it can be offered again)

18 months - Summer 2016 & Fall 2016

- Revenue Goal: 3-6% growth over Summer 2015 & Fall 2015
- Classes: Continue to update and refine Drama curriculum based on review and feedback from Fall 2014 & Spring 2015
- Classes: Add stage combat class to summer schedule
- Classes: Add on-camera class to regular semester schedule (Fall & Spring)
- Classes: Add new dance class (lyrical, modern dance, or jazz)
- Camp & Productions: Reintroduce *Snowed in Onstage* Winter Break Camp
- April 1, 2016: Part-time, seasonal Assistant Camp Director hired to better meet expansion needs of summer camps

24 months - Spring 2017

- Revenue Goal: 3-6% growth over Spring 2016
- Accreditation for Advanced Placement credit at colleges and universities
- Outreach Program: Outreach Department separated from Drama & Dance School to become an independent department

3+ years

- Additional classroom space
- Possible expansion to the third floor of the Metropolis building

Drama & Dance School Comparative Analysis

Drama & Dance School Comparative Analysis
Group Classes

School	Class Description	Age Range	Class Duration in Weeks	Class Length in Hours	Price Per Class	Approx. per Hour Price
Metropolis School of the Performing Arts Arlington Heights	Acting, musical theatre, improv or dance	Ages 3 - Adults	15	1.0	$225	$15.00
				1.5	$325	$14.45
Laugh Out Loud Inc. Schaumburg	Improv or scenework	Ages 13 +	7-8	2.0	$200-$225	$14.00
The School of the Performing Arts Naperville	Acting, musical theatre or improv	Ages 6 - 17	18	1.0	$265-$280	$14.50-$15.50
	Dance		9	1.0	$162	$18.00
				1.3	$202	$18.00
				1.5	$242	$18.00

Drama & Dance School Summary

The Drama & Dance Department has experienced significant staff turnover in the last 18 months. Fall 2013 saw 100% staff turnover. Barb Wachholz and Maggie Neumayer joined the department in Winter 2013/14 and Stephanie Weddell joined the staff full-time in June 2014 as Drama & Dance School Administrator.

Lesley Swanson served as Interim Performing Arts School Director from Fall 2013 until January 2015. With the promotion of Stephanie Weddell to Drama & Dance School Director in January 2015, the Drama & Dance School department is once again fully staffed. This period of 18 months has been a period of adjustment as the new staff implemented lapsed policies and procedures. Despite these challenges, the Drama & Dance School experienced 4.8% growth in revenue in Fall 2014 over Fall 2013. Small but measurable revenue growth is expected to continue in the next 24 months as the department continues to develop.

School of the Performing Arts - Music School

Music School Introduction

The Music School encompasses group classes, ensembles, private lessons and coachings, workshops and camps. Group classes are offered in voice, guitar and piano for various age groups. These classes are taught by experienced, working professionals. These valuable faculty members give students the opportunity to grow in their musical skills through in-class exercises, group activities and performances. Private lessons are offered in a wide range of instruments to give students individualized attention, focused on each student's particular strengths. Weekly private lessons are a necessity in order for a musician to reach his/her true potential. Private coaching sessions are available for students to receive one-on-one instruction and feedback on audition pieces, music theory and industry information. Workshops and camps provide educational opportunities that supplement the knowledge gained in group classes and private lessons.

Music School Overview

- Enrollment numbers (as of 03/16/2015)
    - Fall 2014: 274 students enrolled, $131,976 in revenue
    - Spring 2015: 245 students enrolled, $128,012 in revenue

Per student revenue fluctuates due to class enrolled in (e.g. private lesson vs. group class), number of weeks in the semester, early vs. late enrollment, etc.

- Faculty
    - Fall 2014: 14 faculty members
    - Spring 2015: 15 faculty members
    - Backgrounds include: Flute, Clarinet, French Horn, Guitar, Violin, Viola, Cello, Percussion, Piano & Voice

- Private Lessons
    - Offer 30-, 45- & 60-minute lessons for all ages
    - Students can start lessons anytime
    - No prior experience is necessary
    - Trial lessons are always available at a reduced rate

- Private Coachings
    - For students who have upcoming auditions and for those who cannot commit to a full 17-week semester
    - Offer 30-, 45- & 60-minute coachings for all ages
    - Times are usually arranged with an instructor directly

- Camps/Workshops
    - Camps typically offered during Winter Break and summer
        - Beginning Guitar Boot Camps
        - Workshops with Artists' Lounge Live performers

Music School Growth Strategies

6 months - Fall 2015

- Summer 2015 Revenue Goal: 3-6% growth over Summer 2014
- Fall 2015 Revenue Goal: 3-6% growth over Fall 2014
- Add at least 2 classes: beginning group violin, beginning group recorder, musical theater for voice, additional group piano
- Hire 1 new violin/viola faculty & 1 new guitar faculty
- November 1, 2015 - part-time employee (shared with Drama & Dance School) hired to assist in administrative duties and concert/recital/performance opportunities
- Reintroduce Winter Break Guitar Boot Camps

12 months - Spring 2016

- Revenue Goal: 3-6% growth over Spring 2015
- Introduce keyboard lab and incorporate into existing beginning group piano class(es)
- Reintroduce Spring Break music camps

18 months - Summer 2016 & Fall 2016

- Revenue Goal: In Summer 2016 & Fall 2016 , see another 3-6% growth over previous year
- Maintain Summer Guitar Bootcamps offerings from Summer 2015
- Add one additional camp: band prep for woodwinds, vocal camp
- Offer at least 2 classes in Fall 2016: beginning group piano for adults, choral option for middle/high school
- Maintain Winter Break Guitar Boot Camps from Fall 2015

24 months

- Accreditation for Advanced Placement credit at colleges and universities

Music School Comparative Analysis - Private Lessons

Music School Comparative Analysis
Private Lessons

School	Age Range	Session Duration in Weeks	Price Per Session	Length of Lesson in Minutes	Price per Lesson
Metropolis School of the Performing Arts Arlington Heights	**All ages**	17	$595	30	$35.00
			$867	45	$51.00
			$1,122	60	$66.00
Elmhurst Music Academy Elmhurst	Ages 5 +	Various Packages	Various Packages	30	$28.00-$30.75
				45	$42.00-$46.25
				60	$56.00-$61.50
Chicago School of Music Chicago	Ages 5 - Adult	16	$500	30	$31.25
			$750	45	$47.00
			$1,000	60	$62.50
Music Institute of Chicago Evanston	Ages 3 - Adult	17	$799	30	$47.00
			$1,126	45	$66.25
			$1,471	60	$86.50
Merit School of Music Chicago	All ages	12	$1,140	30	$38.00
			$2,475	45	$55.00
			$4,320	60	$72.00
		32	$1,050	30	$35.00
			$2,295	45	$51.00
			$4,020	60	$67.00

Music School Summary

The Music School is currently renewing its goals for the future. Fall of 2013 saw 100% staff turnover in the Drama & Dance School, which put a significant amount of added responsibility on the Music School staff. Lesley Swanson, Music School Director, stepped in as Interim Performing Arts School Director, overseeing both departments, from November 2013 through January 2015. During this period, the Music School staff could not fully devote their time to Music School related programs and growing enrollment. Now that the Drama & Dance School is fully-staffed, the Music School looks forward to focusing its efforts on recruitment and expansion of class offerings. The addition of one new voice faculty and a Beginning Group Piano class for Gr 1-3 has helped boost enrollment over the past semester. Several musical instrument petting zoos are scheduled to foster new interest in instrumental music. These petting zoos give children the chance to experience music in a hands-on setting. Children view a presentation, then touch and try a variety of musical instruments. In the short term, the Music School aims to maintain enrollment numbers from fall into spring and see a 3-6% increase in enrollment this summer as compared to last.

Development

Development Department

Overview:

As funding resources continue to shift over the theatrical and political landscapes, MPAC's development department will evolve accordingly, re-evaluating resources within the department as well as developing new initiatives. The Development Department consists of one full-time employee and one part-time employee. While the department does what it can with the resources it has, it is not sufficiently staffed to achieve necessary revenue goals. Development needs the capability to identify, attract and retain new donors and sponsors. Due to past financial and artistic stresses, fundraising has been a challenge. While MPAC has done an excellent job retaining individual giving donors (Friends of Metropolis Annual Giving Program) and significantly increased numbers for fundraising events, we have the potential to grow in the area of Corporate/Business development (sponsors) and higher level memberships (Marquee Members).

Important Note:

While the consensus is that there is a high level of apprehension and tension within the Community about PAM operations, a major emphasis of the Development activities will be to focus on getting more positive publicity in the local press to support and report on PAM activities and to concentrate on developing (and repairing) relationships with key business partners within the community.

For example:

In FY2012-13, during an economy much more challenging than today's, the Development Department produced $482,775.74 in actual contributed income compared to the FY2013-14 actual - $400,500.00 and FY2014-15 projected budget of $328,340.00.

Per our plan, several factors will arise to alleviate this issue:

- Steady repair of errant financial practices
- Higher level of commercially viable programming
- Growing outreach within the local business community
- Committed and engaged PAM Board

While efforts have been passionate and steadfast, local officials and administrators must begin to provide public encouragement or, at the least, change the dialogue from negative to neutral.

As of this plan MPAC retains:

- 600 individual donors with contributions ranging from $35 to over $10K per year.
- 45 corporate sponsors in the forms of cash sponsorship and in-kind donations.

Corporate donations and sponsorship range in value of $100 to $20,000. In prior years, MPAC attracted sponsorships at higher levels. Over the last three fiscal years, contributions from sponsors and donors averaged 27% of MPAC's total revenue from performance operations (excluding tuition income and village allocations). It is notable that donations from individuals as a total have been equal to corporate sponsorships. While this indicates strong support from individuals in our community, an aggressive strategy will be implemented to pursue new corporate partnerships to build a stronger and more sustainable base of support from the business community.

2015 Initiatives

1. Expansion of Development Department

The Development Department currently employs one full-time and one part-time position. A second part-time Development Associate will be added in 2015 and a Corporate Sponsorship Manager added in 2016.

Director of Development – reports to Executive Director and is responsible for managing part-time personnel, managing and overseeing development programs, fundraising events, recruitment of new contributors and sponsors, and identifying and executing grant applications

Special Events Coordinator – reports to Director of Development with focus on fundraising events

Development Associate – reports to Director of Development with focus on individual giving initiatives

Corporate/Business Sponsorship Manager - this person will focus on developing new partnerships to attract financial support and sponsorships from the business community. NOTE: This position is not budgeted at this time but will phase in as contributed revenue increases.

2. Expansion of Marquee Membership within the Friends of Metropolis Annual Giving program

The Marquee Member Program is a premium membership created in 2007 as an important tool to increase higher levels of contributions to MPAC.

Beginning this year, the Development Committee and the MPAC Board will transition the Marquee Program from a donor-with-benefits program to a more exclusive social club whose mission is to support MPAC. Instead of solely receiving benefits, the Marquee "sub-club" will be tasked to expand its membership through subcommittees and smaller clubs: Presenters Club, Producers Club, Events Club.

Examples:

- Producers Club will attract specific theatrical events to the theatre and assist in coordination with PAE and the Executive Director.
- Presenters Club will attract musical acts, comedy performances, guest speakers and related performance arts to MPAC.

The goal is to activate Marquee Members beyond contributions and involve them through the creation and execution of fundraising activities. The keywords are activity, engagement and contribution.

The Presenters Club is currently in formation and will attract a new segment of our community yet to be tapped by MPAC.

3. Implementation of strategies to Corporate/Business partnerships

Corporate and business sponsors are critical to the success of MPAC. Currently MPAC has 45 sponsors of which 32 support in cash and 13 provide in-kind services such as legal, printing, advertising, catering, signage, etc. In-kind sponsors are critical as they help keep costs down for needed items and materials.

In order to retain current sponsors and attract new ones, the Development Team will:

- Bring value - Partner with businesses to create custom strategies that bear measurable ROI.
- Create a connection - Relationships are key to sponsorships and it is the Development Team's responsibility to make our Sponsors feel valued and appreciated.
- Reach out - the Development Team, along with the Executive Director and Board Members, will build positive professional relationships to exceed sponsorship goals of both the businesses and the theatre.
- Identify prospects - the Development Team, PAM Development Committee, Board Members and Executive Diretor will target corporations and businesses that support (or will soon support) the performing arts and support their community.

Existing Fundraising Events

MPAC's Development Team produces 3 signature fundraising events to support MPAC through direct contributions. The purpose of each event is to raise funds for MPAC operations while fostering awareness and understanding of MPAC's contribution to our community. These events are:

- Metropolis Wine Tasting Fundraiser (January)
- Metropolis Gala Fundraiser (April)
- Metropolis Sunday Soiree Fundraiser (October)

In total, the three events are projected to raise $85,000 net after expenses during 2015. MPAC will be looking into additional awareness/ fundraising events this summer.

General Fundraising

Ongoing fundraising efforts include direct mail appeals that ask for general contributions and have the goal of building and increasing our donor base through our Friends of Metropolis and related programs:

- Fall Appeal - targets new members from Arlington Heights and surrounding suburbs.
- Spring Phone Fundraising Appeal - targets existing and lapsed donors/subscribers/SOPA families.
- Brick in the Spotlight - a nameplate program honoring patrons located on the theatre back brick wall.
- Tickets for Hope - targets those in need who would like to attend a show but due to financial challenges are unable to afford it.
- "Friend-raisers" - Members/Board members host receptions to increase awareness and add new members.
- Renewals - retention of current donors on a monthly basis and ask for donation upgrades.

Marketing

Marketing Plan

Marketing Department Overview

The Marketing Department is responsible for planning, oversight and execution of all aspects of marketing, external and internal communications and public relations for all of Metropolis Performing Arts Centre's five divisions. This encompasses the Produced Entertainment Division, Presented Entertainment Division, Music School of the Performing Arts Division, Drama and Dance School of the Performing Arts Division and Development Division and all of their combined programs.

The Marketing Department responsibilities include but are not limited to:

- Maintain and expand entire Metropolis website
- Maintain and grow Social Media efforts on Facebook, Twitter, and Pinterest and maintain behind-the-scenes blog
- Creating and supervising all: direct-mail campaigns, brochures, posters, advertising campaigns, letter campaigns, promotional programs and contests for all divisions of Metropolis
- Planning and executing all PR for shows, the school, outreach programs and development efforts
- Supervising all in-house list management
- Developing a weekly/monthly/yearly production schedule for all projects
- Executing photo and video shoots for media distribution
- Vendor negotiations and development of all marketing trade agreements
- Executing Google Adwords campaigns
- Executing in-house design of flyers, letters and promotional materials
- Developing and implementing the subscription series program
- Coordinating all events related to Metropolis Press Opening
- Acting as a sounding board for the Executive Director and Production Managers on programming - contribute programming and show ideas and work on sales forecasting
- Assisting in developing all sponsorship materials and presentations
- Assisting in all fundraisers such as Sunday Soiree, Gala, etc. and related marketing
- Responsible for marketing budget creation, implementation, tracking and oversight
- Coordinating information for monthly playbills
- Creating e-blasts
- Creating graphics for TV displays
- Posting all events online to event sites

Print

Monthly Postcards

Monthly Postcards are sent 2 months prior. I.e. – December's Postcard was sent October 15th. MPAC switched to monthly postcards from per-show postcard in November 2014; sending approximately 15,000 postcards to our internal database of patrons who have previously purchased.

ALL Postcard

There will be a postcard sent specifically announcing *Artists Lounge Live Series* presented by Michael Ingersoll and Metropolis; sending approximately 5,500 to internal database of patrons who have purchased similar programming in the past.

SOPA Brochure

SOPA Brochures are sent out for 3 sessions: Summer, Spring, and Fall.

Sent to approximately 7,000 from the internal database as well as purchasing lists of 15,000 households with qualified demographic data. An example of one such list qualifications - Families with children under 15 from Arlington Heights, Mount Prospect, Rolling Meadows, and Prospect Heights.

SIA Brochure

The Stories in Action Brochure is sent to approximately 6,000 schools 3 times per year in May, August, and January, strategically placing this mailing to hit at key times of the school year. This includes all performances for school groups being offered in the season.

3 Season Brochures

Each brochure covers all shows booked at the point of design, strategically placed throughout the year. The first brochure goes to approximately 40,000 patrons from Metropolis' internal database. The two mid-season brochures are purchased lists of 40,000 with target demographic data, i.e. households with income over $90,000, ages 45-70, from Arlington Heights, Palatine, Buffalo Grove, Barrington, Prospect Heights, Mount Prospect, Rolling Meadows.

Subscription Brochure

Sent to approximately 7,500 with an internal list and includes information on our Main Stage Shows and how to subscribe.

Newspaper

TribLocal

Every week Metropolis has two ads with the Tribune. Thursdays, Metropolis runs an ad in the Arlington Heights TribLocal (primarily on the cover.) Fridays, the same ad is run in the Trib's "On the Town" section. These ads are used primarily for Metropolis' Main Stage Productions. Every other month Metropolis also runs online ads with the Tribune as part of the Metropolis/Tribune agreement.

Metropolis switched from Daily Herald to TribLocal for their 14/15 season to reach a new audience of readers of the Trib since they had only been advertising with Daily Herald for many years. TribLocal has similar circulation numbers and is quickly growing. Metropolis also received a great trade offer that was more affordable than the previous agreement with Daily Herald.

In 2016, the hope is to increase the marketing budget so that Metropolis will be able to advertise with both publications.

Online

Constant Contact is used for all Metropolis' E-blasts sent from the theatre about once a month to 2 weeks and from SOPA about every 2 weeks.

In 2016, Metropolis hopes to launch a new brand identity incorporating a complete redesign of its website.

Radio

IHeart Radio
A Christmas Carol online ads plus on-air giveaways on Christmas station

WRMN
WRMN provides Metropolis with trade ads for tickets to Main Stage productions

K-Hits
Running two weeks of ads for each of Metropolis' Main Stage productions

Public Relations/Publicity

MPAC currently surrenders press and related publicity to the determinations of each media outlet. The marketing budget includes contracted Public Relations to create press opportunities and improve the reputation of Metropolis which will increase ticket sales and contributed funding. The PR/Publicist will generate opportunities for positive news items across a range of media:

- Unique articles on shows, actors, concerts, performers and more
- Articles and interviews regarding exceptional students
- Personal appearances on radio and television talk shows
- Human interest stories on our Patrons, Board and others
- Human interest stories on special interest and benefit events

Strategic Partners/Preferred Vendors

MPAC has initiated new marketing and partnering initiatives with key complementary partners including:

- Peggy Kinnane's Irish Pub
- Circa '57
- Metropolis Ballroom
- Courtyard by Marriott
- DoubleTree by Hilton

New initiatives include:

- Signage in MPAC lobby directing post-show patrons to drinks/dining options
- Discount offerings through MPAC ticket sales
- Cooperative event marketing to business, corporate and individual potential sales
- Lunch/Dinner-and-a-Show packages

MPI

MPAC is commencing a vigorous marketing program through Meeting Professionals International (MPI) to attract corporate clients seeking off-site locations for business meetings, events, parties and more.

This initiative will increase Event Production revenues from $0 to $75,000 while also establishing a firm basis to approach corporate sponsors.

Miscellaneous

Metropolis would like the opportunity to market with different vendors as they see fit throughout the year and as options become available. These include advertising in senior magazines, advertising through E-blasts using another vendors' list, advertising with Comcast, advertising in other theatres' Playbills, additional radio advertising for concerts based on the type of music of the concert, and much more.

The Invisibility of Metropolis

MPAC is, by comparison to other similar theaters, an institution plagued by nonexistence of many fundamental theatrical and artistic communication components. Representative sampling includes:

- Lack of exterior marquees
- Absence of MPAC-directed publicity and public relations
- Lack of street signage/postering
- Limited community signage opportunities

Concerns associated with these absences can hardly be overstated. Theatrical theory of promotion includes signage many miles away from the institution (posters, bus cards, billboards, street flags, etc.) and ends at the theater itself, bright lights and show names blazoning to everyone.

Important Notes

Marketing is a critical element in theatrical production but marketing is the "logic" of the sale and generally speaking, people do not make buying decisions in the arts based on logic – they buy emotionally.

Functional theatrical promotion relies on marketing to build awareness and curiosity - ads, fliers, posters, mailers, etc. - and publicity/public relations - star power, reviews, reputation, etc. - to close the sale. As publicity initiatives take hold and marketing plans complement higher-visilibility programming, sales will increase.

2015 includes a significant increase in overall Marketing budget compared to the same time frame of the prior year. It is noted that 2014 involved a period of intense stress for the institution necessitating a near-freeze in Marketing expenditures. Budgets from 2015 forward represent accurate and productive expenditures needed to build awareness and audiences for MPAC and SOPA productions, events, classes and concerts.

Capital & Infrastructure

Capital and Infrastructure

MPAC is housed in a building with aging infrastructure and equipment. Operations are functional though constrained by limited space options. A schedule of infrastructure maintenance/improvements, acquisition and replacement of capital equipment is being developed by MPAC and Village of Arlington Heights Staff to identify priorities and develop a capital plan and budget.

The goal is to ensure MPAC will be competitive, sustain operations and remain an appealing venue for performers, students and patrons alike.

The following list is a preliminary identification of major needs.

Short Term - improvements needed for operational and related efficiencies

- Website replacement
- Phone system upgrade/replacement
- Computers replacement per VAH rotation
- Video camera installation in theater for production recording
- Reconstruct service bar including refrigeration

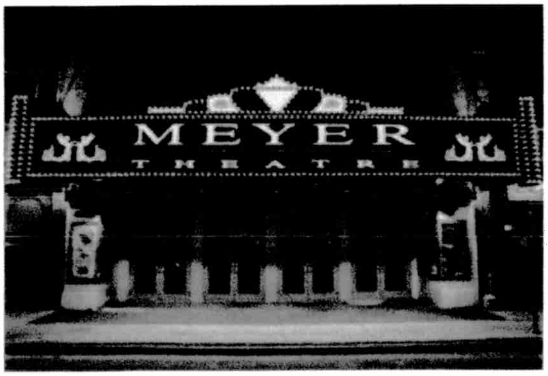
Medium Term - upgrades of infrastructure

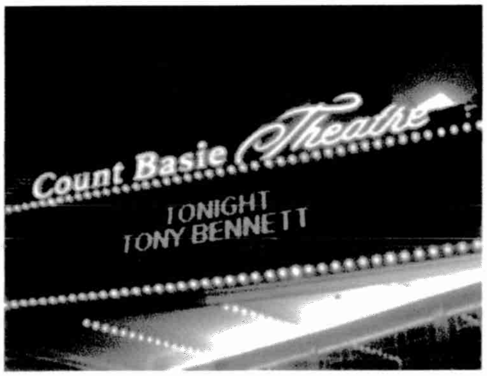
- Refurbish lobby and Box Office
- Refurbish SOPA lobby and add study/lounge area
- Replace theater seats
- Replace stage curtains
- Add/upgrade stage light fixtures, riggings and cables
- Add/upgrade sound riggings and cables
- Add exterior digital marquee: As cited in other areas of this plan, signage for MPAC is woefully inadequate. A digital marquee hung beneath the existing structure will help all facets of messaging, sales and awareness.

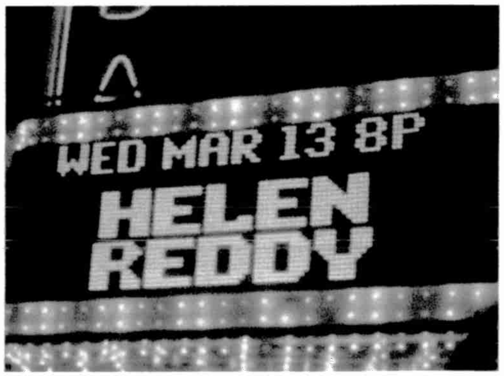
Long Term - expansion of space

- Add balcony

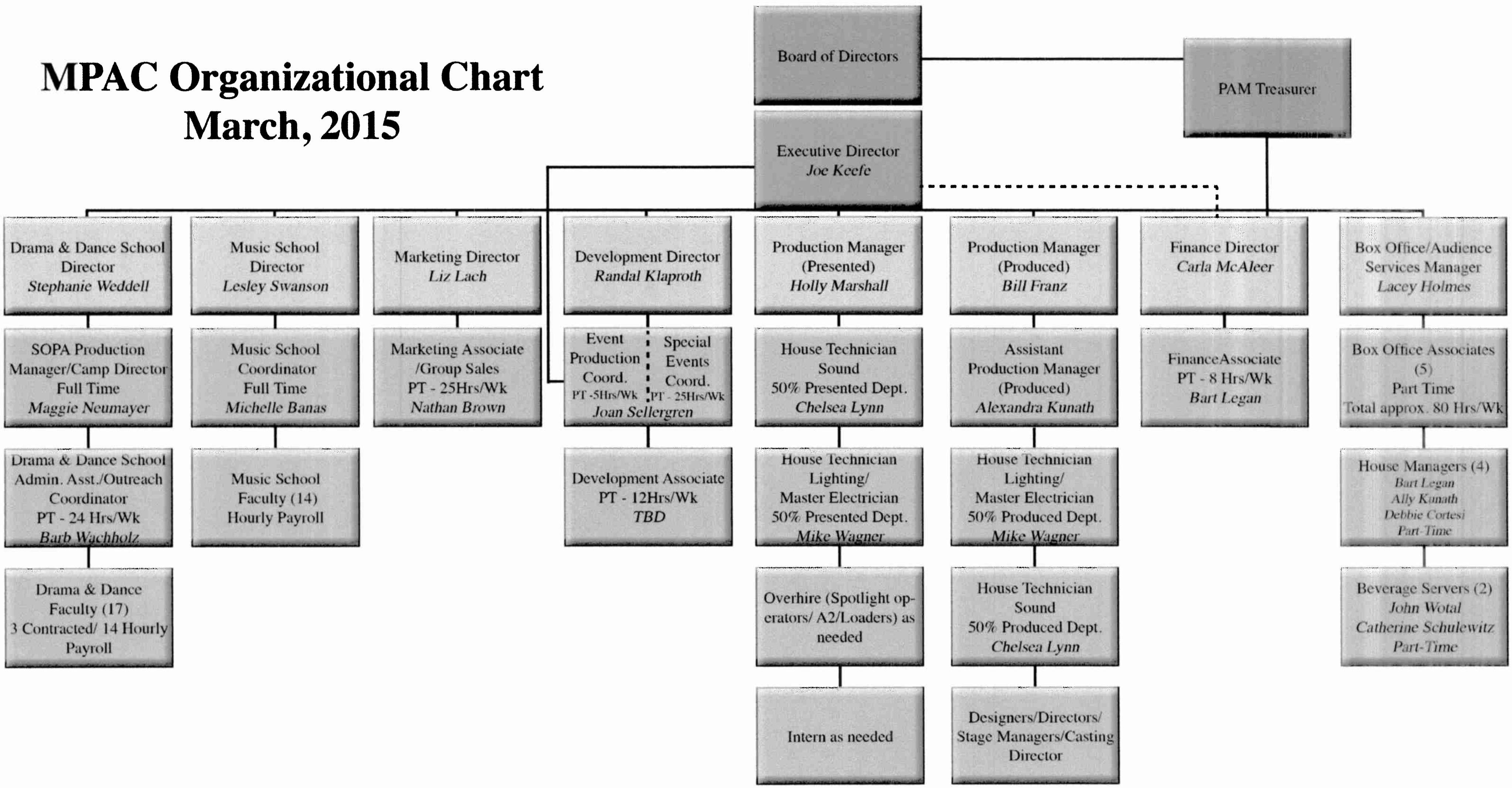
Village of Arlington Heights and PAM personnel are meeting to identify priorities and develop a five -year plan/budget for capital infrastructure, acquisitions and replacement.







MPAC Organizational Chart
March, 2015



Conclusion

This plan symbolizes a new beginning for Performing Arts at Metropolis, a fresh start rooted in the fundamentals of financial discipline, consistent reporting, higher-visibility programming, excellence in arts education, the integration of stakeholders into institutional practices and the care and nurturing of the highest quality artistic expression.

As with any sensible plan, this document will evolve and transform, incorporating new ideas while nimbly adjusting to ever-changing circumstances. PAM staff will review this plan quarterly with the applicable governing bodies designated by the Village both to quantify its effectiveness and revise components when necessary.

Moving forward, the guiding principles of Metropolis are:

- Responsible financial controls
- Sound and consistent business practices
- Superior artistic expression
- Exceptional educational training
- Forthright and timely reporting
- Steady and sensible growth

The administrators and artists of MPAC keenly grasp the remarkable opportunity provided by our patrons and residents, our donors, sponsors and local officials. We will continue to earn and retain the trust placed in us by those stakeholders in our mission to make MPAC the finest arts institution in the Midwest.

METROPOLIS
PERFORMING ARTS CENTRE

Highlights of 2015 Budget and 2016 Forecast

2015 Budget

- Budget includes an allocation from the AH Food and Beverage Tax of $206,347.90.

REVENUES

Performance:

- 2015 sales are budgeted based on historical and projected attendance figures of 40% of available seats for *Drowsy Chaperone*, 55% for *Spamalot* and 75% for *Christmas Carol*.
- Produced Shows have booked 89 shows in 2015. Ticket prices range from $8.50 (children admission for *Christmas Carol*) to $38.00. Sales projections for *Spamalot* and *Drowsy Chaperone* indicate an average ticket price of $30, and $15 for *Christmas Carol*.
- The selection of *Spamalot* will improve MPAC's visibility and commercial appeal. In 2015 Metropolis will be the only venue in Chicagoland presenting this well-known show which will promote positive public relations and increase attendance throughout the 2015-2016 season.
- Presented Shows expects to book 70 shows in 2015. Ticket prices fall within $8.50 (children admission) to $65 and are based on a range of calculations dependent on the artist(s), technical requirements and related items. Eclectic Theater Company is scheduled for 22 performances of one major theatrical show and attendance of 40% of available seats is projected.

Education:

- SOPA revenue is based on historical reporting from the same dates in 2014, with a slight increase of 4.7% in projected revenues. This is due to an increase in the marketing budget for SOPA, and diligent efforts by staff to maximize enrollment while keeping costs down.

Development:

- Development's budget reflects an increase in sponsorships and memberships due to focused efforts and initiatives that are being implemented in order to stimulate overall contributions. This includes a new membership program and increased efforts to obtain corporate sponsors.

EXPENSES

- Expenses for 2015 are based on production, management, administrative and operational needs, using the baseline of prior years' expenses over the same time period while adjusting for particular needs.
- Increase in COGS is largely attributed to higher royalties and production costs associated with *Spamalot*.
- Marketing expenses (included in Account #s 6000, 6008, 6009, 6010, 6011, and 6013) increase by approx $50,000 from prior year due to new initiatives created in order to reach targeted marketing areas. More details on this can be found in the business plan.
- There are no salary increases in the 2015 budget. Payroll Wages and Internal Accounting costs are comparable on a combined basis, and reflect an $8,300 increase in total from prior year attributed to new part-time Development position.
- CAM fees show a $19,240 negative variance due to credit received in prior year.

2016 Forecast

As of 2016, Produced Show projections are based on:

- Expenses for each show use 40% of available seats sold to break even. Establishing expense thresholds at this ratio ensures profitability for shows that exceed 40%.
- Revenues for each show are calculated at 40% (break even) and 45% (conservative and viable forecast).

The objective is to hold expenses assuming break-even at the baseline figure of 40% while working hard to exceed that goal. For comparison, overall available seat average was 68.6% in 2007 (highest in MPAC history) and 41.59% in 2013 (lowest in MPAC history).

As of 2016, Presented Show projections are based on:

- Expenses comprising a range of calculations (due to the complexity of individual bookings, routings, offers, etc.) using costs based on actual prior bookings or costs of comparable productions.
- Revenues for each show using actual prior books or sales from comparable productions.

Event Production revenue represents new initiatives in corporate meeting services, partnering with local businesses and establishing new relationships with local hotels

2016 Marketing includes $6,000 for live marketing events, $6,000 for new initiatives in social media and $12,000 for contracted public relations as part of an overall strategy to increase targeted marketing efforts.

Performing Arts at Metropolis Budget

May-December 2015

	Production 110	Presented 120	Education 210/220	Development 300	Box Office 410	Marketing 420	Admin 500	Totals	May-Dec 2014	Variance	%
Income											
4000 · Ticket Sales	394,800.00	318,320.00	35,000.00	0.00	0.00	0.00	40,000.00	788,120.00	652,442.72	135,677.28	20.80%
4001 · Bar Sales					25,000.00			25,000.00	21,275.00	3,725.00	17.51%
4002 · Donations General				0.00				0.00	0.00	0.00	0.00%
4002.2 · Special Events				38,150.00				38,150.00	32,255.10	5,894.90	18.28%
4002.3 · Foundation Grants				0.00				0.00	3,300.00	(3,300.00)	-100.00%
4002.4 · Memberships				76,000.00				76,000.00	65,936.04	10,063.96	15.26%
4002 · Donations General-Other				2,000.00				2,000.00	2,000.00	0.00	0.00%
4003 · Donations - Restricted				1,000.00				1,000.00	6,211.00	(5,211.00)	-83.90%
4009 · Tuition Assistance				2,000.00				2,000.00	5,567.00	(3,567.00)	-64.07%
4003.5 · In-kind donations				35,000.00				35,000.00	12,721.55	22,278.45	175.12%
4004 · Corporate/Sponsors								0.00	0.00	0.00	0.00%
4004.1 · Corporate Donors								0.00	0	0.00	0.00%
4004.2 · Sponsorships				24,000.00				24,000.00	8,950.00	15,050.00	168.16%
4005 · Tuition and fees			442,000.00					442,000.00	422,129.38	19,870.62	4.71%
4006 · Interest Inc.							120.00	120.00	321.01	(201.01)	-62.62%
4007 · Space Sharing							40,000.00	40,000.00	20,274.12	19,725.88	97.30%
4008 · Village Contribution							206,347.00	206,347.00	490,200.36	(283,853.36)	-57.91%
4011 · Refunds/discounts/adjustments								0.00	-3,000.73	3,000.73	-100.00%
5900 · Misc Income								0.00	610.28	(610.28)	-100.00%
Total Income	394,800.00	318,320.00	477,000.00	178,150.00	25,000.00	0.00	286,467.00	1,679,737.00	1,741,192.83	(61,455.83)	-3.53%
Cost of Goods Sold											
5000 · Costumes	4,800.00	0	4,925.00					9,725.00	6,496.77	3,228.23	49.69%
5001 · Lighting	1,200.00	0						1,200.00	1,603.37	(403.37)	-25.16%
5002 · Props	3,900.00	0	1,650.00					5,550.00	3,718.20	1,831.80	49.27%
5003 · Scenery	9,100.00	0	3,600.00					12,700.00	8,823.85	3,876.15	43.93%
5004 · Sound	1,200.00	1,500						2,700.00	6,109.42	(3,409.42)	-55.81%
5005 · Misc/Other Materials	660.00	630	8,565.00					9,855.00	18,092.65	(8,237.65)	-45.53%
5006 · Guest Artist Fees	0.00	152,000						152,000.00	199,243.72	(47,243.72)	-23.71%
5007 · Royalties	40,250.00	0	7,305.00					47,555.00	12,508.46	35,046.54	280.18%
5008 · Actors	44,390.00	0						44,390.00	26,500.00	17,890.00	67.51%
5009 · Choreographers	3,400.00	0	0.00					3,400.00	150.00	3,250.00	2166.67%
5010 · Costumers	3,400.00	0	4,275.00					7,675.00	2,773.23	4,901.77	176.75%
5011 · Directors	9,800.00	0	0.00					9,800.00	6,878.00	3,216.00	46.76%
5012 · Electricians/Lighting	4,000.00	0	2,525.00					6,525.00	1,549.50	5,096.00	328.88%
5013 · Sound Tech	2,100.00	0	2,000.00					4,100.00	1,279.26	2,820.74	220.50%
5014 · Musicians	42,500.00	0						42,500.00	7,850.00	34,650.00	441.40%
5015 · Property Tech	3,000.00		2,550.00					5,550.00	2,046.25	3,503.75	171.23%
5016 · Scenery Tech	15,600.00		7,800.00					23,400.00	6,937.50	16,462.50	237.30%
5017 · General Technicians	17,047.00	510.00	1,800.00					19,357.00	7,526.62	11,830.38	157.18%
5018 · Stage Manager	8,100.00		3,400.00					11,500.00	5,798.00	5,702.00	98.34%
5019 · Dialect Coach	800.00							800.00	800.00	0.00	0.00%
5020.1 · Teachers & Faculty School			235,175.00					235,175.00	225,809.36	9,365.64	4.15%
5021 · Bar Supplies					7,300.00			7,300.00	7,184.03	115.97	1.61%
5022 · Artist care and feeding	1,400.00	1,530.00						2,930.00	5,866.03	(2,936.03)	-50.05%
5024 · Misc/other labor/expense	300.00		400.00					700.00	703.22	(3.22)	-0.46%
5025 · Accompanist	1,115.00		850.00					1,965.00	970.00	995.00	102.58%
5026 · Promotional partners	0.00							0.00	0.00	0.00	0.00%
Total COGS	218,062.00	156,170.00	286,820.00	0.00	7,300.00	0.00	0.00	668,352.00	567,217.44	101,134.56	17.83%

	Production 110	Presented 120	Education 210/220	Development 300	Box Office 410	Marketing 420	Admin 500	Totals	Actual May-Dec 2014	Variance	%
Expense											
6000 · Postage - ALL (includes Marketing)	17,700.00	16,200.00	7,500.00	2,336.00			4,600.00	48,336.00	43,259.50	5,076.50	11.73%
6001 · Computer SW and Maintenance					19,000.00		2,970.00	21,970.00	20,722.11	1,247.89	6.02%
6002 · Supplies			100.00	2,672.00	1,800.00		5,200.00	9,772.00	10,320.23	(548.23)	-5.31%
6003 · Maintenance											
6003.1 · CAM fees	11,463.66	11,463.66	19,360.85	1,019.00	5,604.83	1,019.00	1,019.00	50,950.00	31,709.60	19,240.40	60.68%
6003 · Maintenance - Other			2,200.00				11,700.00	13,900.00	18,617.25	(4,717.25)	-25.34%
6004 · License and service fees					500.00		1,200.00	1,700.00	4,270.39	(2,570.39)	-60.19%
6008 · PR/Social Media-Marketing	0.00						0.00	0.00	1,105.50	(1,105.50)	-100.00%
6008.1 Live Marketing							4,000.00	4,000.00	0.00	4,000.00	0.00%
6009 · Design - Marketing	3,625.00	1,125.00	1,500.00	1,667.00			0.00	7,917.00	2,865.22	5,051.78	176.31%
6010 · Printing & Mailing Services - Marketing	21,550.00	18,350.00	22,500.00	3,866.00			1,000.00	67,266.00	45,600.23	21,665.77	47.51%
6011 · Advertising-Marketing	33,000.00	8,000.00	5,000.00	17,000.00			1,100.00	64,100.00	47,795.33	16,304.67	34.11%
6013 · Web-Marketing	360.00	360.00	360.00	360.00			0.00	1,440.00	2,304.00	(864.00)	-37.50%
6014 · Entertainment & Hospitality			440.00	9,264.00			0.00	9,704.00	5,255.18	4,448.82	84.66%
6015 · Travel				2,900.00			0.00	2,900.00	971.87	1,928.13	198.39%
6016 · Fundraising				17,700.00			0.00	17,700.00	9,958.56	7,741.44	77.74%
6017 · General/Equipment Rental	8,160.00	0.00	2,040.00	0.00	712.00	0.00	9,914.00	20,826.00	27,940.03	(7,114.03)	-25.46%
6018 · Telecommunications	0.00	0.00	0.00	0.00	0.00	0.00	3,700.00	3,700.00	3,655.22	44.78	1.23%
6019 · Shipping & Delivery							0.00	0.00	108.92	(108.92)	-100.00%
6020 · Utilities	7,650.00	7,650.00	12,920.00	680.00	3,740.00	680.00	680.00	34,000.00	33,144.32	855.68	2.58%
6021 · Insurance											
6021.1 · Employee medical insurance	2,300.00	4,320.00	0.00	7,060.00	0.00	2,020.00	0.00	15,700.00	15,095.99	604.01	4.00%
6021.2 · Liability and workers comp							19,000.00	19,000.00	18,955.60	44.40	0.23%
6023 · Memberships and dues				500.00			4,900.00	5,400.00	2,184.50	3,215.50	147.20%
6024 · Taxes - other					600.00		0.00	600.00	913.86	(313.86)	-34.34%
6025 · Payroll Taxes	6,631.00	4,516.00	28,284.00	5,265.00	7,103.00	3,937.00	5,498.00	61,234.00	66,187.21	(4,953.21)	-7.48%
6026 · Payroll processing fees							2,500.00	2,500.00	2,607.96	(107.96)	-4.14%
6027 · Other Operating Expenses	625.00	625.00					200.00	1,450.00	2,408.05	(958.05)	-39.79%
6028 · Payroll Wages	69,946.00	47,633.00	97,930.00	55,555.00	74,923.00	41,533.00	58,000.00	445,520.00	465,471.78	(19,951.78)	-4.29%
6029 · Professional fees											
6029.1 · Internal Accounting							38,800.00	38,800.00	10,417.50	28,382.50	272.45%
6029.2 · Auditing Fees							13,000.00	13,000.00	7,000.00	6,000.00	85.71%
6029.3 · Legal				2,000.00	0.00		0.00	2,000.00	4,069.95	(2,069.95)	-50.86%
6029 · Professional fees - Other							3,000.00	3,000.00	115.00	2,885.00	2508.70%
6030 · Bank,finance & interest charges							0.00	0.00	3,354.52	(3,354.52)	-100.00%
6031 · Credit card processing fees	0.00	0.00	0.00	0.00	0.00	0.00	23,000.00	23,000.00	23,430.42	(430.42)	-1.84%
6100 Production Supplies								0.00	975.00	(975.00)	-100.00%
Total Expense	183,010.66	120,242.66	200,134.85	129,844.00	113,982.83	49,189.00	214,981.00	1,011,385.00	932,790.80	78,594.20	8.43%
Net Income	(6,272.66)	41,907.34	(9,954.85)	48,306.00	(96,282.83)	(49,189.00)	71,486.00	0.00	241,184.59	(241,184.59)	-100.00%

Metropolis Performing Arts Centre
Ticket Sales Revenue
May-Dec 2015

Produced Shows				
	# Shows	**Tkt price**	**% house**	**Revenue**
Spamalot	35	30	0.55	189,998
Drowsy	20	30	0.4	78,960
Carol	34	15	0.75	125,843
	89			**394,800**
Presented Shows				
Eclectic	22	27	0.4	78,170
Cabaret	4	30	0.55	21,714
Major	1	60	0.85	16,779
HLT	3	30	0.65	19,247
CO	3	30	0.55	16,286
Rapunzel	11	11.25	0.65	26,464
SC	15	30	0.65	96,233
Misc Shows to be booked (8 @ 11 nights):	11	30	0.4	43,428
	70			**318,320**
Total	159	0	0	**713,120**

Performing Arts at Metropolis

2016 Preliminary Budget by Department - at 40% Ticket Sales

	Production 110	Presented 120	Education 210	Education 220	Development 300	Box Office 410	Marketing 420	Admin 500	Totals
Income									
4000 · Ticket Sales	703,731.00	604,750.00	0.00	30,000.00	0.00	0.00	0.00	66,900.00	1,405,381.00
4001 · Bar Sales						36,000.00			36,000.00
4002 · Donations General					0.00				0.00
4002.2 · Special Events					164,400.00				164,400.00
4002.3 · Foundation Grants					0.00				0.00
4002.4 · Memberships					151,000.00				151,000.00
4002 · Donations General-Other					3,000.00				3,000.00
4003 · Donations - Restricted					13,000.00				13,000.00
4009 · Tuition Assistance					6,000.00				6,000.00
4003.5 · In-kind donations					54,775.00				54,775.00
4004 · Corporate/Sponsors									0.00
4004.1 · Corporate Donors									0.00
4004.2 · Sponsorships					48,500.00				48,500.00
4005 · Tuition and fees			330,000.00	300,000.00					630,000.00
4006 · Interest Inc.								125.00	125.00
4007 · Space Sharing								54,600.00	54,600.00
4008 · Village Contribution								216,642.00	216,642.00
4011 · Refunds/discounts/adjustments	(3,000.00)	(1,000.00)							(4,000.00)
4012 Event Production								75,000.00	75,000.00
5900 · Misc Income									0.00
Total Income	700,731.00	603,750.00	330,000.00	330,000.00	440,675.00	36,000.00	0.00	413,267.00	2,854,423.00
Cost of Goods Sold									
5000 · Costumes	8,950.00	0	0.00	4,925.00					13,875.00
5001 · Lighting	2,150.00	0							2,150.00
5002 · Props	7300.00	0.00	0.00	1650.00					8,950.00
5003 · Scenery	15750.00	0.00	0.00	3600.00					19,350.00
5004 · Sound	1600.00	4800.00	0.00	0.00					6,400.00
5005 · Misc/Other Materials	1322.00	1530.00	2000.00	8315.00					13,167.00
5006 · Guest Artist Fees	0.00	364380.00	0.00	0.00					364,380.00
5007 · Royalties	75300.00	0.00	0.00	7305.00					82,605.00
5008 · Actors	97595.00	0.00	0.00	0.00					97,595.00
5009 · Choreographers	4550.00	0.00	0.00	0.00					4,550.00
5010 · Costumers	5600.00	0.00	0.00	4675.00					10,275.00
5011 · Directors	17050.00	0.00	0.00	0.00					17,050.00
5012 · Electricians/Lighting	7100.00	0.00	0.00	2525.00					9,625.00
5013 · Sound Tech	4400.00	0.00	0.00	2000.00					6,400.00
5014 · Musicians	54,825.00	0	0.00	0.00					54,825.00
5015 · Property Tech	5,500.00		0.00	2,550.00					8,050.00
5016 · Scenery Tech	28,750.00		0.00	7,800.00					36,550.00
5017 · General Technicians	43,721.00	2,291.00	0.00	1,000.00					47,012.00
5018 · Stage Manager	16,710.00		0.00	3,400.00					20,110.00
5019 · Dialect Coach	1,200.00		0.00						1,200.00
5020.1 · Teachers & Faculty School	0.00		237,600.00	117,205.00					354,805.00
5021 · Bar Supplies	0.00		0.00			12,000.00			12,000.00
5022 · Artist care and feeding	3,700.00	5,246.00	0.00						8,946.00
5024 · Misc/other labor/expense	800.00			400.00					1,200.00
5025 · Accompanist	2,000.00		1,000.00	325.00					3,325.00
Original Programming	4,500.00								4,500.00
Total COGS	410,373.00	378,247.00	240,600.00	167,675.00	0.00	12,000.00	0.00	0.00	1,208,895.00

Performing Arts at Metropolis

2016 Preliminary Budget by Department - at 40% Ticket Sales

	Production 110	Presented 120	Education 210	Education 220	Development 300	Box Office 410	Marketing 420	Admin 500	Totals
Expense									
6000 · Postage - ALL (includes Marketing)	25,950.00	24,450.00	3,750.00	3,750.00	3,000.00			5,000.00	65,900.00
6001 · Computer SW and Maintenance			450.00	450.00		28,500.00		1,000.00	30,400.00
6002 · Supplies			200.00	220.00	4,500.00	2,800.00		6,500.00	14,220.00
6003 · Maintenance									
6003.1 · CAM fees	16,520.00	16,520.00	14,685.00	14,685.00	1,468.00	8,076.00	0.00	1,468.00	73,422.00
6003 · Maintenance - Other			3,600.00					18,000.00	21,600.00
6004 · License and service fees						750.00		300.00	1,050.00
6008 · Public Relations	0.00							12,000.00	12,000.00
6008.1 Live Marketing								6,000.00	6,000.00
6008.2 Social Media								6,000.00	6,000.00
6009 · Design - Marketing	4,125.00	1,625.00	750.00	750.00	2,500.00			0.00	9,750.00
6010 · Printing & Mailing Services - Marketing	33,150.00	29,950.00	11,250.00	11,250.00	6,300.00			250.00	92,150.00
6011 · Advertising-Marketing	91,000.00	21,000.00	7,500.00	7,500.00	25,500.00			2,200.00	154,700.00
6013 · Web-Marketing	540.00	540.00	270.00	270.00	540.00			500.00	2,660.00
6014 · Entertainment & Hospitality			0.00	440.00	13,900.00			0.00	14,340.00
6015 · Travel					4,475.00			0.00	4,475.00
6016 · Fundraising					67,400.00			74.00	67,474.00
6017 · General/Equipment Rental	15,120.00	0.00	0.00	4,320.00	0.00	1,080.00	0.00	13,164.00	33,684.00
6018 · Telecommunications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00	9,000.00
6019 · Shipping & Delivery	0.00		0.00					0.00	0.00
6020 · Utilities	10,575.00	10,575.00	9,400.00	9,400.00	940.00	5,170.00	0.00	940.00	47,000.00
6021 · Insurance	0.00				0.00			0.00	
6021.1 · Employee medical insurance	3,500.00	7,000.00	0.00		10,000.00	0.00	3,500.00	0.00	24,000.00
6021.2 · Liability and workers comp					0.00			32,000.00	32,000.00
6023 · Memberships and dues					500.00			4,000.00	4,500.00
6024 · Taxes - other					0.00	1,400.00		0.00	1,400.00
6025 · Payroll Taxes	11,591.00	8,109.00	31,165.00	19,470.50	7,950.00	10,892.50	6,870.00	8,562.00	104,610.00
6026 · Payroll processing fees	0.00				0.00		0.00	4,700.00	4,700.00
6027 · Other Operating Expenses	0.00	0.00						0.00	0.00
6028 · Payroll Wages	115,908.00	81,090.00	74,050.00	77,500.00	79,500.00	108,925.00	68,700.00	85,620.00	691,293.00
6029 · Professional fees	0.00								0.00
6029.1 · Internal Accounting	0.00							50,000.00	50,000.00
6029.2 · Auditing Fees								20,000.00	20,000.00
6029.3 · Legal					4,000.00	0.00		0.00	4,000.00
6029 · Professional fees - Other								1,200.00	1,200.00
6030 · Bank,finance & interest charges								0.00	0.00
6031 · Credit card processing fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	42,000.00	42,000.00
6100 Production Supplies									0.00
Total Expense	327,979.00	200,859.00	157,070.00	150,005.50	232,473.00	167,593.50	79,070.00	330,478.00	1,645,528.00
Net Income	(37,621.00)	24,644.00	(67,670.00)	12,319.50	208,202.00	(143,593.50)	(79,070.00)	82,789.00	0.00

Performing Arts at Metropolis

2016 Preliminary Budget by Department - at 45% Ticket Revenue

	Production 110	Presented 120	Education 210	Education 220	Development 300	Box Office 410	Marketing 420	Admin 500	Totals
Income									
4000 · Ticket Sales	791,697.00	634,987.00	0.00	30,000.00	0.00	0.00	0.00	70,000.00	1,526,684.00
4001 · Bar Sales						36,000.00			36,000.00
4002 · Donations General					0.00				0.00
4002.2 · Special Events					164,400.00				164,400.00
4002.3 · Foundation Grants					0.00				0.00
4002.4 · Memberships					151,000.00				151,000.00
4002 · Donations General-Other					3,000.00				3,000.00
4003 · Donations - Restricted					13,000.00				13,000.00
4009 · Tuition Assistance					6,000.00				6,000.00
4003.5 · In-kind donations					54,775.00				54,775.00
4004 · Corporate/Sponsors									0.00
4004.1 · Corporate Donors									0.00
4004.2 · Sponsorships					48,500.00				48,500.00
4005 · Tuition and fees			330,000.00	300,000.00					630,000.00
4006 · Interest Inc.								125.00	125.00
4007 · Space Sharing								54,600.00	54,600.00
4008 · Village Contribution								99,340.00	99,340.00
4011 · Refunds/discounts/adjustments	(5,000.00)	(1,000.00)							(6,000.00)
4012 Event Production								75,000.00	75,000.00
5900 · Misc Income									0.00
Total Income	786,697.00	633,987.00	330,000.00	330,000.00	440,675.00	36,000.00	0.00	299,065.00	2,856,424.00
Cost of Goods Sold									
5000 · Costumes	8,950.00	0	0.00	4,925.00					13,875.00
5001 · Lighting	2,150.00	0							2,150.00
5002 · Props	7,300.00	0	0.00	1,650.00					8,950.00
5003 · Scenery	15,750.00	0	0.00	3,600.00					19,350.00
5004 · Sound	1,600.00	4,800	0.00	0.00					6,400.00
5005 · Misc/Other Materials	1,322.00	1,530	2,000.00	8,315.00					13,167.00
5006 · Guest Artist Fees	0.00	364,380	0.00	0.00					364,380.00
5007 · Royalties	75,300.00	0	0.00	7,305.00					82,605.00
5008 · Actors	97,595.00	0	0.00	0.00					97,595.00
5009 · Choreagraphers	4,550.00	0	0.00	0.00					4,550.00
5010 · Costumers	5,600.00	0	0.00	4,675.00					10,275.00
5011 · Directors	17,050.00	0	0.00	0.00					17,050.00
5012 · Electricians/Lighting	7,100.00	0	0.00	2,525.00					9,625.00
5013 · Sound Tech	4,400.00	0	0.00	2,000.00					6,400.00
5014 · Musicians	54,825.00	0	0.00	0.00					54,825.00
5015 · Property Tech	5,500.00		0.00	2,550.00					8,050.00
5016 · Scenery Tech	28,750.00		0.00	7,800.00					36,550.00
5017 · General Technicians	43,720.00	2,291.00	0.00	1,000.00					47,011.00
5018 · Stage Manager	16,710.00		0.00	3,400.00					20,110.00
5019 · Dialect Coach	1,200.00		0.00						1,200.00
5020.1 · Teachers & Faculty School	0.00		237,600.00	117,205.00					354,805.00
5021 · Bar Supplies	0.00		0.00			12,000.00			12,000.00
5022 · Artist care and feeding	3,700.00	5,246.00	0.00						8,946.00
5024 · Misc/other labor/expense	800.00			400.00					1,200.00
5025 · Accompanist	2,000.00		1,000.00	325.00					3,325.00
Original Programming	4,500.00								4,500.00
Total COGS	410,372.00	378,247.00	240,600.00	167,675.00	0.00	12,000.00	0.00	0.00	1,208,894.00

Performing Arts at Metropolis

2016 Preliminary Budget by Department - at 45% Ticket Revenue

Expense	Production 110	Presented 120	Education 210	Education 220	Development 300	Box Office 410	Marketing 420	Admin 500	Totals
6000 · Postage - ALL (includes Marketing)	25,950.00	24,450.00	3,750.00	3,750.00	3,000.00			5,000.00	65,900.00
6001 · Computer SW and Maintenance			450.00	450.00		28,500.00		1,000.00	30,400.00
6002 · Supplies			200.00	220.00	4,500.00	2,800.00		6,500.00	14,220.00
6003 · Maintenance									
6003.1 · CAM fees	16,520.49	16,520.49	14,684.88	14,684.88	1,468.49	8,076.68	0.00	1,469.09	73,425.00
6003 · Maintenance - Other			3,600.00					18,000.00	21,600.00
6004 · License and service fees						750.00		300.00	1,050.00
6008 · Public Relations	0.00							12,000.00	12,000.00
6008.1 Live Marketing								6,000.00	6,000.00
6008.2 Social Media								6,000.00	6,000.00
6009 · Design - Marketing	4,125.00	1,625.00	750.00	750.00	2,500.00			0.00	9,750.00
6010 · Printing & Mailing Services - Marketing	33,150.00	29,950.00	11,250.00	11,250.00	6,300.00			250.00	92,150.00
6011 · Advertising-Marketing	91,000.00	21,000.00	7,500.00	7,500.00	25,500.00			2,200.00	154,700.00
6013 · Web-Marketing	540.00	540.00	270.00	270.00	540.00			500.00	2,660.00
6014 · Entertainment & Hospitality			0.00	440.00	13,900.00			0.00	14,340.00
6015 · Travel					4,475.00			0.00	4,475.00
6016 · Fundraising					67,400.00			74.00	67,474.00
6017 · General/Equipment Rental	15,120.00	0.00	0.00	4,320.00	0.00	1,080.00	0.00	13,164.00	33,684.00
6018 · Telecommunications	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,000.00	9,000.00
6019 · Shipping & Delivery	0.00		0.00					0.00	0.00
6020 · Utilities	10,575.00	10,575.00	9,400.00	9,400.00	940.00	5,170.00	0.00	940.00	47,000.00
6021 · Insurance	0.00				0.00			0.00	
6021.1 · Employee medical insurance	3,500.00	7,000.00	0.00		10,000.00	0.00	3,500.00	0.00	24,000.00
6021.2 · Liability and workers comp					0.00			32,000.00	32,000.00
6023 · Memberships and dues					500.00			4,000.00	4,500.00
6024 · Taxes - other					0.00	1,400.00		0.00	1,400.00
6025 · Payroll Taxes	11,590.80	8,109.00	31,165.00	19,470.50	7,950.00	10,892.50	6,870.00	8,561.20	104,609.00
6026 · Payroll processing fees	0.00				0.00		0.00	4,700.00	4,700.00
6027 · Other Operating Expenses	0.00	0.00						0.00	0.00
6028 · Payroll Wages	115,908.00	81,090.00	74,050.00	77,500.00	79,500.00	108,925.00	68,700.00	85,620.00	691,293.00
6029 · Professional fees	0.00								0.00
6029.1 · Internal Accounting	0.00							50,000.00	50,000.00
6029.2 · Auditing Fees								20,000.00	20,000.00
6029.3 · Legal					4,000.00	0.00		0.00	4,000.00
6029 · Professional fees - Other								1,200.00	1,200.00
6030 · Bank,finance & interest charges								0.00	0.00
6031 · Credit card processing fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	44,000.00	44,000.00
6100 Production Supplies									0.00
Total Expense	327,979.29	200,859.49	157,069.88	150,005.38	232,473.49	167,594.18	79,070.00	332,478.29	1,647,530.00
Net Income	48,345.71	54,880.51	(67,669.88)	12,319.62	208,201.51	(143,594.18)	(79,070.00)	(33,413.29)	(0.00)

I N T E R

O F F I C E

MEMO

To: Mayor and Board of Trustees

From: In-House Village Review Committee: Trustees Bert Rosenberg and John Scaletta, Village Manager Randy Recklaus, Finance Director Tom Kuehne, Assistant Finance Director Mary Juarez, and In-House Counsel Robin Ward

Date: May 5, 2015

Subject: **PROPOSED CONTRIBUTION TO THE PERFORMING ARTS AT METROPOLIS AND INITIAL FISCAL CONTROLS**

The Performing Arts at Metropolis (PAM) has prepared the attached Business Plan and financial projections for 2015 (8-month) and 2016. PAM's Board and staff have spent the last few months preparing these documents for the Village Board's review. At the Village's Committee-of-the-Whole (COW) Meeting to be held on May 11, 2015, the COW will review PAM's Business Plan and will consider a revised contribution amount to PAM for the 8-month period ending December 31, 2015.

Background

In April 2014 PAM sent a letter to the Village acknowledging that it could not continue to thrive as an organization without additional funding. Over the summer and through early fall PAM went through a number of organizational changes including the dismissal of its Executive Director, the resignation of its Finance Officer, and the resignation of its Board President. During these months PAM continued to provide live-performance theatrical presentations as well as it summer school/camp programs, but its cash flow issues continued to deepen.

In September 2014 the Village received a formal request from PAM's Acting-Executive Director on behalf of the PAM Board requesting an additional $450,000 in funding from the Village to allow PAM to continue its operations. The funding request was made to pay down $300,000 in past due accounts payables and to provide $150,000 to ensure continued operations through the end of the fiscal year on April 30, 2015. The Village Board met on October 2, 2014 to discuss PAM's request. After considerable discussion, the Village Board approved the funding request using existing reserves in the Arts, Entertainment & Events (A & E) Fund. However, the additional funding was contingent on PAM working with a newly formed Metropolis Oversight Committee (MOC). In addition, Village Trustees directed the MOC to seek an outside consultant who could perform a review of Metropolis' operations, complete an economic impact assessment of the direct and indirect spending caused by the Theater, and an assessment of options for the Theater's ongoing operations.

Metropolis Oversight Committee (MOC)

The Metropolis Oversight Committee (MOC) was formed by Mayor Hayes at the October 2014 meeting. It is comprised of Village Trustees Bert Rosenberg and John Scaletta, current Village appointed PAM Board members Monica McCarthy and Dori Bonder, and three Village Staff members including Robin Ward, In-House Counsel, Tom Kuehne, Finance Director and Mary Juarez, Assistant Finance Director. Since its formation, the MOC has met at least monthly with PAM representatives to review PAM's financial statements. During these reviews the MOC has made a number of suggestions on financial presentations, asked probing questions on the financial results, and set guidelines for the timeliness of PAM's reporting. The MOC was also charged with approving any drawdowns from the additional $450,000 contribution approved by the Village Board. Throughout this process, PAM's Board and staff have been very responsive to the MOC's suggestions and PAM has now established an accurate and timely financial reporting process.

The MOC also worked extensively with C. H. Johnson Consulting, which was the firm chosen by the Village Board to complete a study of Metropolis' economic impact on the Village and the region, as well as a review of alternate theater management options and Village contribution amounts to the Theater. Johnson reported the results of its study to the Village Board in January 2015. Through the use of surveys the consultant found that the community indicated that having a live-performance theater in Arlington Heights is important for access to the arts and to have a vibrant downtown that attracts people from all over the region. It was also determined that approximately 75 percent of all tickets purchased come from outside of Arlington Heights. Finally, Johnson Consulting determined that the total annual economic and fiscal impact of the Metropolis Theater is $3 million of direct spending, 30 full-time jobs, $297,000 in Village, County and State tax revenues, and total direct tax revenues to the Village of about $84,000 per year.

In addition to working with the MOC, PAM has taken other key steps over the last few months. In late December 2014 PAM hired Joe Keefe as its new Executive Director. Mr. Keefe formerly worked on the business side of Second City in Chicago, he has been a performer, and was a former Trustee for the Village of Glencoe. Mr. Keefe has brought to PAM a new perspective, additional marketing strategies, and improved business practices. PAM has also hired Carla McAleer, CPA as its new Finance Director to handle the day to day finance and accounting duties.

The MOC has reviewed the draft editions of PAM's Business Plan and financial projections for the upcoming 8-month transition year and the 2016 calendar year which reflects the Village's newly adopted fiscal year. The MOC developed comments and suggestions on these documents for PAM's consideration. However, it should be noted that these are PAM's documents and the final drafts reflect the PAM Board's views.

PAM's Business Plan and Financial Projections

PAM's Business Plan provides an outline of what it hopes to accomplish over the next few years in terms of performances, attendance, and development efforts. One of the sections of this plan includes the future governance of PAM and the size of the PAM Board. The C. H. Johnson study has suggested that a smaller Board of 7-9 members would be preferable. Subsequent to the May 11th COW meeting the Village and Metropolis will work on a formal agreement that lays out the specific conditions under which continued financial support will be made available. Such an agreement will be submitted for approval to the Village Board by early June prior to the release of any funds for Metropolis. As part of the MOC's review of PAM's Business Plan, it was also recommended that PAM develop some performance measures to gauge the success or failure of its business and financial plans.

PAM's financial projections show balanced budgets for the 8-month period through December 31, 2015 and the new 2016 fiscal year, but it does not reflect the organization's ability to develop a reserve. A reserve is needed in part to cover PAM's roughly $300,000 in annual deferred revenues. These are monies that PAM has collected for future performances or school of performing arts classes. If PAM cancelled some or all of these performances or classes, the expectation would be for these funds to be reimbursed. In order to keep any organization sustainable over the long term, adequate reserves are required to enable it to weather future economic downturns. The lack of reserves to cover deferred revenues, accounts payable, PAM's normal business cycle, and future economic downturns has been a key cash flow issue that has plagued PAM since the Village purchased the Theater in 2004. It is important that the Village does not just reset an under funding condition from the past, but helps set PAM up for ongoing success in the future.

As such, the In-House Village Review Committee recommends that an additional contribution amount be considered by the Village Board that would be used to create an adequate reserve level. It is further recommended that any such additional contribution be paid to a new separate restricted PAM savings account that can only be accessed with the dual authorization of PAM's Board President <u>and</u> the Village Manager. Such a withdrawal should only be used for an unusual cash flow issue that would require a written request with a 30 day notice from PAM to the Village Manager, who would then advise the Village Board through the Board's Friday information packet. Further discussion of proposed Village contribution amounts can be found in the subsequent section of this memo titled, "Alternatives – Annual Village Contribution to PAM".

A & E Fund – Proposed Accounting Changes

The A & E Fund accounts for Village costs related to the arts, entertainment and events that occur throughout the Village. Costs associated with the Village's ownership of a portion of the Metropolis Building are also budgeted in this fund. These funds include the Metropolis Theater contribution, an annual equipment replacement budget for Village owned assets, capital infrastructure replacement costs, and monies budgeted for common area maintenance and building reserve fees paid to the Metropolis Commercial Condominium Association (MCCA).

In order to reflect the proper accounting treatment of the Village's CAM fee liability to the MCCA, it is recommended that the Village pay the CAM fee to the MCCA, and that PAM pay the Village an amount to cover this fee in lieu of PAM paying the MCCA directly as has been done for the last ten years. This would make this transaction more transparent for the Board and staff. An alternate method would be for the Village to pay the annual $76,500 CAM fee and reduce PAM's annual contribution by that amount. Either way, the CAM fee would be covered with no additional cost to the Village.

Village Staff has conferred with the Village's auditor's, Lauterbach & Amen on the suggested changes and they concur that the proposed accounting treatment changes outlined above for the Village's CAM fees would appropriately reflect this liability.

Alternatives – Annual Village Contribution to PAM

PAM's contribution request covering the 8-month transition budget year ending December 31, 2015 and the projected contribution request for new 2016 calendar year equal $206,500 and $217,000 respectively. These requests would allow PAM to breakeven each year based on its projections. However, as noted above, this would not allow PAM sufficient funds to develop an adequate reserve. For this reason, the In-House Village Review Committee recommends that an additional contribution amount be deposited in a separate restricted PAM bank account which would also require the Village Manager's signature to withdraw funds. Going back to the results of the C. H. Johnson Study, the consultant reaffirmed its prior study from 2002 stating that a reasonable contribution level that the Village should expect to make to the Theater would be around $250,000 to $300,000 per year. The study also found that this level of contribution was comparable to other local theaters across the Chicago area.

In order to meet PAM's annual contribution request and the proposed contribution to a restricted account, the Village would need additional revenue in its Arts, Entertainment & Events (A & E) Fund, as current revenue sources do not generate sufficient funds to cover an increase in the Village's contribution amount to PAM (See **Exhibit A**). To address this concern the In-House Village Review Committee considered various revenue alternatives, including a ¼% increase in the Food & Beverage tax or reallocating the existing FBT allocation between the General Fund and the A & E Fund. The A & E Fund currently receives 20% of total FBT receipts.

Based on the Village's past contribution schedule, PAM would have been scheduled to receive $175,000 in 2016 which is $125,000 less than the top contribution level recommended by the consultant. An increase in the FBT by ¼% would generate about $486,000 per year which is substantially more than the amount needed to reach the consultant recommended contribution level. In addition, based on the Village's future capital needs and the unknown effects on the Village of the State's financial woes, the In-House Village Review Committee recommends that no new FBT revenues be considered until these other issues are clarified.

A reallocation of existing FBT receipts between the General Fund and the A & E Fund provides the Village with the ability to make an internal funding change without seeking an additional revenue source. The Village continues to be vigilant about maintaining adequate funding for its General Fund by using very conservative budget estimates, and a small reallocation of FBT

funds could be handled using the General Fund's contingency account. For example, a reallocation of $125,000 in FBT funds from the General Fund to the A & E Fund would represent less than one quarter of one percent of the $70 million annual General Fund revenue stream.
Three FBT allocation options have been prepared for the Village Board's consideration. The A & E Fund currently receives 20% of total Village FBT receipts and the three options shown in **Exhibit B** include reallocation levels at 25%, 27% and 30%. As shown in this exhibit, a reallocation of total FBT receipts to the A & E Fund from the current 20% to 25% would result in a 2016 increase in FBT revenue for the A & E Fund of $125,200. At a reallocation to 27% the increase would be $175,280, and a reallocation to 30% would result in an increase of $250,400 in 2016. **Exhibits C, D and E** show how each of these options would affect the A & E Fund. Please note that these exhibits show the Village's contribution to PAM increasing by a modest 2% per year past 2016. In addition, Exhibits C, D and E show a contribution to a reserve bank account in PAM's name, but with any withdrawals from this account requiring the dual authorization of PAM's Board President and the Village Manager as outlined earlier. The reserve contribution amount in 2016 under the 25% reallocation option would be $83,000, under the 27% option the amount would be $133,000, and under the 30% option the contribution to the restricted reserve account would be $183,000.

Exhibits F, G and H show PAM's revenue and expense projections for the 8-month period and 2016 followed by Village staff's out-year projections which include 2% per year revenue and expense increases. These exhibits also show the recommended use of working cash (current assets – current liabilities) to provide an ongoing estimate of PAM's financial position. Over the years PAM has consistently had a negative working cash position due to the lack of cash flow to cover prior outstanding accounts payables and ongoing deferred revenues. The reserve goal recommended by the In-House Village Review Committee would allow PAM to develop an adequate working cash balance over time which would cover its deferred revenues and provide for at least a 15% reserve against future economic downturns. The total recommended working cash level to cover both of these items is 25% of annual expenses. This is the same minimum reserve level that the Village uses for its funds. Assuming that PAM can breakeven each year, each of the reallocation options shown in these exhibits begins to build a reserve over the next several years.

Recommendations:

1. In order to reflect the proper accounting treatment of the Village's CAM fee liability to the MCCA, it is recommended that the Village pay the CAM fee to the MCCA, and that PAM pay the Village an amount to cover this fee in lieu of PAM paying the MCCA directly. This will make this transaction more transparent for the Village Board and staff.

2. Recommend approval of the reallocation of total Food & Beverage Tax (FBT) receipts from 20% to 25% to the Arts, Entertainment & Events Fund, with the balance allocated to the General Fund. This would reflect an internal reallocation of existing FBT receipts and would not require any change to the current FBT rate. This level of assistance would help PAM move toward attaining a 25% working cash balance over time, but it would

also require PAM to make additional efforts to generate an annual surplus to be used toward building its reserves.

3. Recommend approval of PAM's budget request for a Village contribution in the amount of $206,500 for the 8-month period ending December 31, 2015.

4. Recommend approval of the development of cash reserves for PAM through contributions to a separate restricted PAM bank account. Withdrawals from this account would require a prior 30 day written request from PAM to the Village Manager, and any approved withdrawal would require the signature of PAM's Board President <u>and</u> the Village Manager. The Village's annual contribution to this restricted account would follow those outlined under the 25% FBT allocation model.

5. Recommend approval of an amendment to the Arts, Entertainment & Events Fund budget for the 8-month period ending December 31, 2015, increasing the placeholder amount for the Metropolis Theater Contribution by $111,100 from $113,900 to $225,000, reflecting the abovementioned recommendations. ($206,500 operating contribution plus $18,500 restricted account contribution in 2015)

6. Direct Staff to work with the Metropolis Theater to develop an agreement to define the conditions for continued Village financial support based on the framework of the business plan and the results of the Johnson Study.

EXHIBIT A

ARTS, ENTERTAINMENT & EVENTS FUND (515) — No FBT Allocation Change

(No Change in FBT: 20% of 1.25%)
(PAM's Subsidy Request + 2% annual increase)

5 YEAR FINANCIAL PLAN

ACCOUNT DESCRIPTION	2014-15 EST ACT	2014-15 BUDGET	8 Month Period End. Dec. 2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET
REVENUES							
Food & Beverage Tax	486,000	468,000	327,000	501,000	511,000	521,000	531,000
Building Management Fee (from MCCA)	18,000	9,000	12,000	18,000	18,000	18,000	18,000
CAM Payments - PAM	0	0	51,000	76,500	76,500	76,500	76,500
Capital Reserves (Infrastructure)	250,000	50,000	48,500	81,000	61,000	20,000	20,000
Other Revenue	44,100	36,100	25,500	45,200	45,300	45,400	45,500
TOTAL REVENUES	798,100	563,100	464,000	721,700	711,800	680,900	691,000
EXPENSES							
EVENTS							
Metropolis Theater Contribution	615,000	615,000	206,500	217,000	221,000	225,000	230,000
Study - Economic Impact Analysis	24,000	24,000	0	0	0	0	0
Other Events	240,700	219,500	222,100	248,300	252,700	257,200	261,900
Subtotal - Operating Expenditures	879,700	858,500	428,600	465,300	473,700	482,200	491,900
EQUIPMENT							
Equipment Replacement - Metropolis	7,900	33,000	33,000	34,000	35,000	36,000	37,000
	7,900	33,000	33,000	34,000	35,000	36,000	37,000
BUILDING/EQUIPMENT RESERVE EXPENSES							
Metropolis Theater 2nd Floor Refurbishment	0	0	0	0	0	0	0
Metropolis Theater Lobby	0	30,000	0	0	26,000	0	0
Metropolis Theater Lobby Bar Restructure	0	0	7,500	0	0	0	0
Metropolis Threater Seating Repl/Repair	0	20,000	0	0	20,000	20,000	20,000
Metropolis Threater Website Replacement	0	0	20,000	0	0	0	0
Metropolis Threater Exterior Marquee	0	0	0	20,000	0	0	0
Metropolis Threater Security	0	0	15,000	0	0	0	0
Metropolis Threater Phone/Intercom System	0	0	0	0	15,000	0	0
Metropolis Threater Add'l Wireless Receivers	0	0	0	9,000	0	0	0
Metropolis Theater Stage Curtains Repl	0	0	0	0	0	0	0
Metropolis Theater Dressing Rms/Green Rm	0	0	6,000	0	0	0	0
Metropolis Theater Storage	0	0	0	0	0	0	0
Metropolis Theater Sound System	0	0	0	18,000	0	0	0
Metropolis Theater Ticketing/IT Replacement	0	0	0	0	0	0	0
Metropolis Theater Lighting Systems & Equip	0	0	0	34,000	0	0	0
Subtotal - Bldg/Equip Reserves	0	50,000	48,500	81,000	61,000	20,000	20,000
NON-OPERATING							
Reserve for Replacement (Metropolis)	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Building Reserve - MCCA	14,400	14,400	9,600	14,400	14,400	14,400	14,400
Common Area Maintenance (CAM) Fees - MCCA	0	0	51,000	76,500	76,500	76,500	76,500
Subtotal - Non-Operating	89,400	89,400	135,600	165,900	165,900	165,900	165,900
TOTAL EXPENSES	977,000	1,030,900	645,700	746,200	735,600	704,100	714,800
BEGINNING WORKING CASH	304,839		125,939	(55,761)	(80,261)	(104,061)	(127,261)
REVENUES OVER (UNDER) EXPENDS.	(178,900)	(467,800)	(181,700)	(24,500)	(23,800)	(23,200)	(23,800)
ENDING WORKING CASH	125,939		(55,761)	(80,261)	(104,061)	(127,261)	(151,061)

EXHIBIT B

FOOD & BEVERAGE TAX (FBT)
ALTERNATIVE GENERAL/A & E FUND SPLIT

YEAR	TOTAL	GENERAL FUND	CURRENT @ 20% A & E FUND	@ 25% A & E FUND	@ 27% A & E FUND	@ 30% A & E FUND	DIFFERENCE* @ 25%	DIFFERENCE @ 27%	DIFFERENCE @ 30%
2014	2,352,129	1,881,211	470,978						
2015	2,430,200	1,945,200	486,040						
8-MONTH	1,637,000	1,310,000	327,400	409,250	441,990	491,100	81,850	114,590	163,700
2016	2,504,000	2,004,000	500,800	626,000	676,080	751,200	125,200	175,280	250,400
2017	2,554,000	2,044,000	510,800	638,500	689,580	766,200	127,700	178,780	255,400
2018	2,605,000	2,085,000	521,000	651,250	703,350	781,500	130,250	182,350	260,500
2019	2,657,000	2,127,000	531,400	664,250	717,390	797,100	132,850	185,990	265,700

***Difference = FBT receipts reallocated to A & E Fund from General Fund**

PAM REQUEST V. VILLAGE STAFF PROPOSED SUBSIDY OPTIONS
(Village staff recommends additional funds to develop a reserve for PAM)

	PAM REQUEST	VILLAGE STAFF @25% FBT	VILLAGE STAFF @27% FBT	VILLAGE STAFF @30% FBT	DIFFERENCE** @ 25% FBT	DIFFERENCE @ 27% FBT	DIFFERENCE @ 30% FBT
8-month	206,500	225,000	225,000	225,000	18,500	18,500	18,500
2016	217,000	300,000	350,000	400,000	83,000	133,000	183,000
	(+ 2% annual increase assumption)						
2017	221,000	306,000	357,000	408,000	85,000	136,000	187,000
2018	225,000	312,000	364,000	416,000	87,000	139,000	191,000
2019	230,000	318,000	371,000	424,000	88,000	141,000	194,000
2020	235,000	324,000	378,000	432,000	89,000	143,000	197,000
2021	240,000	330,000	386,000	441,000	90,000	146,000	201,000

****Difference = PAM's breakeven subsidy request v. Village staff proposed subsidy options.**

tk/metropolis/metropolis audit/FBT Alt Split
4/27/15

EXHIBIT C

ARTS, ENTERTAINMENT & EVENTS FUND (515) — 20% to 25% FBT

(Change FBT from 20% to 25% of 1.25%)

(Village Staff suggested Metropolis Subsidy + 2% annual increase)

5 YEAR FINANCIAL PLAN

ACCOUNT DESCRIPTION	2014-15 EST ACT	2014-15 BUDGET	8 Month Period End. Dec. 2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET
REVENUES							
Food & Beverage Tax	486,000	468,000	**409,000**	626,000	639,000	651,000	664,000
Building Management Fee (from MCCA)	18,000	9,000	**12,000**	18,000	18,000	18,000	18,000
CAM Payments - PAM	0	0	**51,000**	76,500	76,500	76,500	76,500
Capital Reserves (Infrastructure)	250,000	50,000	**48,500**	81,000	61,000	20,000	20,000
Other Revenue	44,100	36,100	**25,500**	45,200	45,300	45,400	45,500
TOTAL REVENUES	798,100	563,100	**546,000**	846,700	839,800	810,900	824,000
EXPENSES							
EVENTS							
Metropolis Theater Operating Contribution	615,000	615,000	**206,500**	217,000	221,000	225,000	230,000
Metropolis Theater Restricted Account	0	0	**18,500**	83,000	85,000	87,000	88,000
Subtotal - Metropolis Theater Contribution	615,000	615,000	**225,000**	300,000	306,000	312,000	318,000
Study - Economic Impact Analysis	24,000	24,000	**0**	0	0	0	0
Other Events	240,700	219,500	**222,100**	248,300	252,700	257,200	261,900
Subtotal - Operating Expenditures	879,700	858,500	**447,100**	548,300	558,700	569,200	579,900
EQUIPMENT							
Equipment Replacement - Metropolis	7,900	33,000	**33,000**	34,000	35,000	36,000	37,000
	7,900	33,000	**33,000**	34,000	35,000	36,000	37,000
BUILDING/EQUIPMENT RESERVE EXPENSES							
Metropolis Theater 2nd Floor Refurbishment	0	0	**0**	0	0	0	0
Metropolis Theater Lobby	0	30,000	**0**	0	26,000	0	0
Metropolis Theater Lobby Bar Restructure	0	0	**7,500**	0	0	0	0
Metropolis Threater Seating Repl/Repair	0	20,000	**0**	0	20,000	20,000	20,000
Metropolis Threater Website Replacement	0	0	**20,000**	0	0	0	0
Metropolis Threater Exterior Marquee	0	0	**0**	20,000	0	0	0
Metropolis Threater Security	0	0	**15,000**	0	0	0	0
Metropolis Threater Phone/Intercom System	0	0	**0**	0	15,000	0	0
Metropolis Threater Add'l Wireless Receivers	0	0	**0**	9,000	0	0	0
Metropolis Theater Stage Curtains Repl	0	0	**0**	0	0	0	0
Metropolis Theater Dressing Rms/Green Rm	0	0	**6,000**	0	0	0	0
Metropolis Theater Storage	0	0	**0**	0	0	0	0
Metropolis Theater Sound System	0	0	**0**	18,000	0	0	0
Metropolis Theater Ticketing/IT Replacement	0	0	**0**	0	0	0	0
Metropolis Theater Lighting Systems & Equip	0	0	**0**	34,000	0	0	0
Subtotal - Bldg/Equip Reserves	0	50,000	**48,500**	81,000	61,000	20,000	20,000
NON-OPERATING							
Reserve for Replacement (Metropolis)	75,000	75,000	**75,000**	75,000	75,000	75,000	75,000
Building Reserve - MCCA	14,400	14,400	**9,600**	14,400	14,400	14,400	14,400
Common Area Maintenance (CAM) Fees - MCCA	0	0	**51,000**	76,500	76,500	76,500	76,500
Subtotal - Non-Operating	89,400	89,400	**135,600**	165,900	165,900	165,900	165,900
TOTAL EXPENSES	977,000	1,030,900	**664,200**	829,200	820,600	791,100	802,800
BEGINNING WORKING CASH	304,839		**125,939**	7,739	25,239	44,439	64,239
REVENUES OVER (UNDER) EXPENDS.	(178,900)	(467,800)	**(118,200)**	17,500	19,200	19,800	21,200
ENDING WORKING CASH	125,939		**7,739**	25,239	44,439	64,239	85,439

EXHIBIT D

ARTS, ENTERTAINMENT & EVENTS FUND (515) — 20% to 27% FBT

(Change FBT from 20% to 27% of 1.25%)

(Village Staff suggested Metropolis Subsidy + 2% annual increase)

5 YEAR FINANCIAL PLAN

ACCOUNT DESCRIPTION	2014-15 EST ACT	2014-15 BUDGET	8 Month Period End. Dec. 2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET
REVENUES							
Food & Beverage Tax	486,000	468,000	**442,000**	676,000	690,000	703,000	717,000
Building Management Fee (from MCCA)	18,000	9,000	**12,000**	18,000	18,000	18,000	18,000
CAM Payments - PAM	0	0	**51,000**	76,500	76,500	76,500	76,500
Capital Reserves (Infrastructure)	250,000	50,000	**48,500**	81,000	61,000	20,000	20,000
Other Revenue	44,100	36,100	**25,500**	45,200	45,300	45,400	45,500
TOTAL REVENUES	798,100	563,100	**579,000**	896,700	890,800	862,900	877,000
EXPENSES							
EVENTS							
Metropolis Theater Contribution	615,000	615,000	**206,500**	217,000	221,000	225,000	230,000
Metropolis Theater Restricted Account	0	0	**18,500**	133,000	136,000	139,000	141,000
Subtotal - Metropolis Theater Contribution	615,000	615,000	**225,000**	350,000	357,000	364,000	371,000
Study - Economic Impact Analysis	24,000	24,000	**0**	0	0	0	0
Other Events	240,700	219,500	**222,100**	248,300	252,700	257,200	261,900
Subtotal - Operating Expenditures	879,700	858,500	**447,100**	598,300	609,700	621,200	632,900
EQUIPMENT							
Equipment Replacement - Metropolis	7,900	33,000	**33,000**	34,000	35,000	36,000	37,000
	7,900	33,000	**33,000**	34,000	35,000	36,000	37,000
BUILDING/EQUIPMENT RESERVE EXPENSES							
Metropolis Theater 2nd Floor Refurbishment	0	0	**0**	0	0	0	0
Metropolis Theater Lobby	0	30,000	**0**	0	26,000	0	0
Metropolis Theater Lobby Bar Restructure	0	0	**7,500**	0	0	0	0
Metropolis Threater Seating Repl/Repair	0	20,000	**0**	0	20,000	20,000	20,000
Metropolis Threater Website Replacement	0	0	**20,000**	0	0	0	0
Metropolis Threater Exterior Marquee	0	0	**0**	20,000	0	0	0
Metropolis Threater Security	0	0	**15,000**	0	0	0	0
Metropolis Threater Phone/Intercom System	0	0	**0**	0	15,000	0	0
Metropolis Threater Add'l Wireless Receivers	0	0	**0**	9,000	0	0	0
Metropolis Theater Stage Curtains Repl	0	0	**0**	0	0	0	0
Metropolis Theater Dressing Rms/Green Rm	0	0	**6,000**	0	0	0	0
Metropolis Theater Storage	0	0	**0**	0	0	0	0
Metropolis Theater Sound System	0	0	**0**	18,000	0	0	0
Metropolis Theater Ticketing/IT Replacement	0	0	**0**	0	0	0	0
Metropolis Theater Lighting Systems & Equip	0	0	**0**	34,000	0	0	0
Subtotal - Bldg/Equip Reserves	0	50,000	**48,500**	81,000	61,000	20,000	20,000
NON-OPERATING							
Reserve for Replacement (Metropolis)	75,000	75,000	**75,000**	75,000	75,000	75,000	75,000
Building Reserve - MCCA	14,400	14,400	**9,600**	14,400	14,400	14,400	14,400
Common Area Maintenance (CAM) Fees - MCCA	0	0	**51,000**	76,500	76,500	76,500	76,500
Subtotal - Non-Operating	89,400	89,400	**135,600**	165,900	165,900	165,900	165,900
TOTAL EXPENSES	977,000	1,030,900	**664,200**	879,200	871,600	843,100	855,800
BEGINNING WORKING CASH	304,839		**125,939**	40,739	58,239	77,439	97,239
REVENUES OVER (UNDER) EXPENDS.	(178,900)	(467,800)	**(85,200)**	17,500	19,200	19,800	21,200
ENDING WORKING CASH	125,939		**40,739**	58,239	77,439	97,239	118,439

EXHIBIT E

ARTS, ENTERTAINMENT & EVENTS FUND (515) — 20% to 30% FBT

(Change FBT from 20% to 30% of 1.25%)
(Village Staff suggested Metropolis Subsidy + 2% annual increase)

5 YEAR FINANCIAL PLAN

ACCOUNT DESCRIPTION	2014-15 EST ACT	2014-15 BUDGET	8 Month Period End. Dec. 2015 BUDGET	2016 BUDGET	2017 BUDGET	2018 BUDGET	2019 BUDGET
REVENUES							
Food & Beverage Tax	486,000	468,000	**491,000**	751,000	766,000	782,000	797,000
Building Management Fee (from MCCA)	18,000	9,000	**12,000**	18,000	18,000	18,000	18,000
CAM Payments - PAM	0	0	**51,000**	76,500	76,500	76,500	76,500
Capital Reserves (Infrastructure)	250,000	50,000	**48,500**	81,000	61,000	20,000	20,000
Other Revenue	44,100	36,100	**25,500**	45,200	45,300	45,400	45,500
TOTAL REVENUES	798,100	563,100	**628,000**	971,700	966,800	941,900	957,000
EXPENSES							
EVENTS							
Metropolis Theater Contribution	615,000	615,000	**206,500**	217,000	221,000	225,000	230,000
Metropolis Theater Restricted Account	0	0	**18,500**	183,000	187,000	191,000	194,000
Subtotal - Metropolis Theater Contribution	615,000	615,000	**225,000**	400,000	408,000	416,000	424,000
Study - Economic Impact Analysis	24,000	24,000	**0**	0	0	0	0
Other Events	240,700	219,500	**222,100**	248,300	252,700	257,200	261,900
Subtotal - Operating Expenditures	879,700	858,500	**447,100**	648,300	660,700	673,200	685,900
EQUIPMENT							
Equipment Replacement - Metropolis	7,900	33,000	**33,000**	34,000	35,000	36,000	37,000
	7,900	33,000	**33,000**	34,000	35,000	36,000	37,000
BUILDING/EQUPMENT RESERVE EXPENSES							
Metropolis Theater 2nd Floor Refurbishment	0	0	**0**	0	0	0	0
Metropolis Theater Lobby	0	30,000	**0**	0	26,000	0	0
Metropolis Theater Lobby Bar Restructure	0	0	**7,500**	0	0	0	0
Metropolis Threater Seating Repl/Repair	0	20,000	**0**	0	20,000	20,000	20,000
Metropolis Threater Website Replacement	0	0	**20,000**	0	0	0	0
Metropolis Threater Exterior Marquee	0	0	**0**	20,000	0	0	0
Metropolis Threater Security	0	0	**15,000**	0	0	0	0
Metropolis Threater Phone/Intercom System	0	0	**0**	0	15,000	0	0
Metropolis Threater Add'l Wireless Receivers	0	0	**0**	9,000	0	0	0
Metropolis Theater Stage Curtains Repl	0	0	**0**	0	0	0	0
Metropolis Theater Dressing Rms/Green Rm	0	0	**6,000**	0	0	0	0
Metropolis Theater Storage	0	0	**0**	0	0	0	0
Metropolis Theater Sound System	0	0	**0**	18,000	0	0	0
Metropolis Theater Ticketing/IT Replacement	0	0	**0**	0	0	0	0
Metropolis Theater Lighting Systems & Equip	0	0	**0**	34,000	0	0	0
Subtotal - Bldg/Equip Reserves	0	50,000	**48,500**	81,000	61,000	20,000	20,000
NON-OPERATING							
Reserve for Replacement (Metropolis)	75,000	75,000	**75,000**	75,000	75,000	75,000	75,000
Building Reserve - MCCA	14,400	14,400	**9,600**	14,400	14,400	14,400	14,400
Common Area Maintenance (CAM) Fees - MCCA	0	0	**51,000**	76,500	76,500	76,500	76,500
Subtotal - Non-Operating	89,400	89,400	**135,600**	165,900	165,900	165,900	165,900
TOTAL EXPENSES	977,000	1,030,900	**664,200**	929,200	922,600	895,100	908,800
BEGINNING WORKING CASH	304,839		**125,939**	89,739	132,239	176,439	223,239
REVENUES OVER (UNDER) EXPENDS.	(178,900)	(467,800)	**(36,200)**	42,500	44,200	46,800	48,200
ENDING WORKING CASH	125,939		**89,739**	132,239	176,439	223,239	271,439

EXHIBIT F

PROJECTED PAM BUDGET THROUGH 2021
PAM PROPOSAL V. VILLAGE STAFF PROPOSED RESERVE STRATGEY FOR PAM

@25%

			PAM - PROPOSAL		(USING 25% FBT ALLOCATION) VILLAGE STAFF - PROPOSED WITH OUT-YEAR PROJECTIONS AT +2% PER YEAR						
	FY2014 AUDIT	FY2015 EST ACT	8-MONTH PROJ	2016 PROJ	8-MONTH PROJ	2016 PROJ	2017 PROJ	2018 PROJ	2019 PROJ	2020 PROJ	2021 PROJ
REVENUES											
Operating Revenue	1,742,213										
Support	1,893,029										
Less: (In-Kind Donations - Auditor)	(1,104,000)										
TOTAL REVENUES	2,531,242	2,245,000	1,679,738	2,854,422	1,679,738	2,854,422	2,911,510	2,969,741	3,029,135	3,089,718	3,151,513
EXPENSES											
Operating	2,410,673										
Development	137,214										
TOTAL EXPENSES	2,547,887	2,245,000	1,679,738	2,854,422	1,679,738	2,854,422	2,911,510	2,969,741	3,029,135	3,089,718	3,151,513
WORKING CASH - BEGINNING	(184,601)	(201,246)	(77,246)	(77,246)	(77,246)	(58,746)	24,254	109,254	196,254	284,254	373,254
REVENUES OVER (UNDER) EXPENSES	(16,645)	124,000	0	0	0	0	0	0	0	0	0
VILL. CONTRIB. TO RESTRICTED ACCT. - (PAM request v Vill. Staff @25% FBT)	0	0	0	0	18,500	83,000	85,000	87,000	88,000	89,000	90,000
WORKING CASH - ENDING	(201,246)	(77,246)	(77,246)	(77,246)	(58,746)	24,254	109,254	196,254	284,254	373,254	463,254
PAM Working Cash Reserve Goal* - 25% of Expenses	636,972	561,250	419,935	713,606	419,935	713,606	727,878	742,435	757,284	772,430	787,878

Audit Check:	
Net Change in Assets	1,087,355
Less: (In-Kind Donations - Auditor)	(1,104,000)
Difference	(16,645)

*Working Cash Goal Estimate:	
Amount to cover deferred revenue	300,000
Cash Reserve = 15% of 2016 expenses	428,000
Total equals about 25% of expenses	728,000

metropolis/existing v village staff proposed reserve strategy for PAM
4/27/15

EXHIBIT G

PROJECTED PAM BUDGET THROUGH 2021
PAM PROPOSAL V. VILLAGE STAFF PROPOSED RESERVE STRATGEY FOR PAM

@27%

			PAM - PROPOSAL		(USING 27% FBT ALLOCATION) VILLAGE STAFF - PROPOSED WITH OUT-YEAR PROJECTIONS AT +2% PER YEAR						
	FY2014 AUDIT	FY2015 EST ACT	8-MONTH PROJ	2016 PROJ	8-MONTH PROJ	2016 PROJ	2017 PROJ	2018 PROJ	2019 PROJ	2020 PROJ	2021 PROJ
REVENUES											
Operating Revenue	1,742,213										
Support	1,893,029										
Less: (In-Kind Donations - Auditor)	(1,104,000)										
TOTAL REVENUES	2,531,242	2,245,000	1,679,738	2,854,422	1,679,738	2,854,422	2,911,510	2,969,741	3,029,135	3,089,718	3,151,513
EXPENSES											
Operating	2,410,673										
Development	137,214										
TOTAL EXPENSES	2,547,887	2,245,000	1,679,738	2,854,422	1,679,738	2,854,422	2,911,510	2,969,741	3,029,135	3,089,718	3,151,513
WORKING CASH - BEGINNING	(184,601)	(201,246)	(77,246)	(77,246)	(77,246)	(58,746)	74,254	210,254	349,254	490,254	633,254
REVENUES OVER (UNDER) EXPENSES	(16,645)	124,000	0	0	0	0	0	0	0	0	0
VILL. CONTRIB. TO RESTRICTED ACCT. - (PAM request v Vill. Staff @27% FBT)	0	0	0	0	18,500	133,000	136,000	139,000	141,000	143,000	146,000
WORKING CASH - ENDING	(201,246)	(77,246)	(77,246)	(77,246)	(58,746)	74,254	210,254	349,254	490,254	633,254	779,254
PAM Working Cash Reserve Goal* - 25% of Expenses	636,972	561,250	419,935	713,606	419,935	713,606	727,878	742,435	757,284	772,430	787,878

Audit Check:

Net Change in Assets	1,087,355
Less: (In-Kind Donations - Auditor)	(1,104,000)
Difference	(16,645)

*Working Cash Goal Estimate:

Amount to cover deferred revenue	300,000
Cash Reserve = 15% of 2016 expenses	428,000
Total equals about 25% of expenses	728,000

metropolis/existing v village staff proposed reserve strategy for PAM

4/27/15

EXHIBIT H

PROJECTED PAM BUDGET THROUGH 2021
PAM PROPOSAL V. VILLAGE STAFF PROPOSED RESERVE STRATGEY FOR PAM

@30%

			PAM - PROPOSAL		(USING 30% FBT ALLOCATION) VILLAGE STAFF - PROPOSED WITH OUT-YEAR PROJECTIONS AT +2% PER YEAR						
	FY2014 AUDIT	FY2015 EST ACT	8-MONTH PROJ	2016 PROJ	8-MONTH PROJ	2016 PROJ	2017 PROJ	2018 PROJ	2019 PROJ	2020 PROJ	2021 PROJ
REVENUES											
Operating Revenue	1,742,213										
Support	1,893,029										
Less: (In-Kind Donations - Auditor)	(1,104,000)										
TOTAL REVENUES	2,531,242	2,245,000	1,679,738	2,854,422	1,679,738	2,854,422	2,911,510	2,969,741	3,029,135	3,089,718	3,151,513
EXPENSES											
Operating	2,410,673										
Development	137,214										
TOTAL EXPENSES	2,547,887	2,245,000	1,679,738	2,854,422	1,679,738	2,854,422	2,911,510	2,969,741	3,029,135	3,089,718	3,151,513
WORKING CASH - BEGINNING	(184,601)	(201,246)	(77,246)	(77,246)	(77,246)	(58,746)	124,254	311,254	502,254	696,254	893,254
REVENUES OVER (UNDER) EXPENSES	(16,645)	124,000	0	0	0	0	0	0	0	0	0
VILL. CONTRIB. TO RESTRICTED ACCT. - (PAM request v Vill. Staff @30% FBT)	0	0	0	0	18,500	183,000	187,000	191,000	194,000	197,000	201,000
WORKING CASH - ENDING	(201,246)	(77,246)	(77,246)	(77,246)	(58,746)	124,254	311,254	502,254	696,254	893,254	1,094,254
PAM Working Cash Reserve Goal* - 25% of Expenses	636,972	561,250	419,935	713,606	419,935	713,606	727,878	742,435	757,284	772,430	787,878

Audit Check:	
Net Change in Assets	1,087,355
Less: (In-Kind Donations - Auditor)	(1,104,000)
Difference	(16,645)

*Working Cash Goal Estimate:	
Amount to cover deferred revenue	300,000
Cash Reserve = 15% of 2016 expenses	428,000
Total equals about 25% of expenses	728,000

metropolis/existing v village staff proposed reserve strategy for PAM
4/27/15

Item: Closed Session

Department: Village Manager's Office

Request for Closed Session per 5 ILCS 120/2(c)(21): Discussion of Minutes lawfully closed, whether for purposes of approval of the Minutes or the semi-annual review of the Minutes

- and -

5 ILCS 120/2(c)(11): Litigation, when an action against, affecting or on behalf of the Village has been filed and is pending before a court or administrative tribunal, or when the Board finds that an action is probable or imminent

ATTACHMENTS:

Description	Type
No Attachments Available	