

M I N U T E S
JOINT PRESENTATION BY THE PARTNERS
OF THE PERFORMING ARTS CENTER
(CITY OF SAN LUIS OBISPO, CAL POLY,
FOUNDATION FOR THE PERFORMING ARTS CENTER)
THURSDAY, JUNE 15, 2000 - NOON
EMBASSY SUITES
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

City of San Luis Obispo

Council Members

Present: Council Members Jan Howell Marx, Dave Romero, Vice Mayor Ken Schwartz, and Mayor Allen K. Settle

Absent: Council Member John Ewan

Staff:

John Dunn, City Administrative Officer; Jeff Jorgensen, City Attorney; Diane Reynolds, City Clerk Secretary; Ken Hampian, Assistant City Administrative Officer; Wendy George, Assistant to the City Administrative Officer; Bill Statler, Finance Director

FPAC

Ron Regier, Wayne Lewis, Rosemary Maino, Jeanette Efird, Lyle Meek, Jim Jamieson, Ben McAdams, Tom Brown, Yvon Douden, Myra Heslop, Michael Morris, Wayne Longcrier, Cindy Webster,

Cal Poly

Paul Zing, Harry Hellenbrand, Ed Naretto, Frank Lebens, Al Amaral

PUBLIC COMMENT

None.

PRESENTATION

Dr. Paul Zing, Cal Poly, spoke regarding the "Essence of Community." He referred to the dreams and the accomplishments of the Partners for the Center. The Center is a "surprise" to visitors to SLO, and a source of wonder for the citizens.

City Administrative Officer Dunn, speaking on behalf of the Mayor, thanked Council Members and the Partners for their ability to sustain the partnership, and to continue to provide leadership for the PAC. He stated that it is time for the Partners to go beyond the celebration of success, and face the financial reality.

Mike Morris, President of FPAC, compared the original costs of the Center to the increased costs facing the Partners. He stated that the Foundation is considering a feasibility study for fund raising.

Ron Regier, Managing Director, referred to the PAC as a "fine musical instrument." The PAC is in the final phase of fine-tuning operations because the variables are known through experience with the building, equipment, systems, client groups, resources and staffing. He spoke regarding the need for high level standards and readiness. In addition, he referred to the Center's "success stories" such as the outreach program. He recapped the present and future needs of the PAC.

City Administrative Officer Dunn stated that financial operations of the PAC have been bare bones and that the Center is operating without a safety net. There is an extraordinary dependency on the Partners. He explained that a high level of partner support will be needed for the next few years, and that there is the long-term need for a large endowment campaign to support the Center's operations.

Frank Lebens, Cal Poly, gave an overview of the PAC Operating Agreement provisions, the current operations, an assessment of annual costs and funding needs, and a summary of the 10-Year Financial Plan (on file in the City Clerk's Office).

Mayor Settle opened the meeting for comments.

Council Member Marx expressed concern that the new parking structure would have financial problems that would have an impact on the PAC.

City Administrative Officer Dunn stated that the Partners will need to go back to the drawing board; as yet there are no long-term answers to the funding questions. He urged two main points: In the short term, the Partners will need to be financially responsible for the Center; and, in the long term, funding from the endowment will be necessary to provide financial support.

Frank Lebens stated that there would need to be a greater contribution by Cal Poly.

Dr. Paul Zing recognized the good will, trust and commitment of the Partners.

City Attorney Jorgensen stated the need to examine and amend the operating agreement.

Wayne Longcrier, FPAC Board Member, stated that it would be better to address the financial situation now so that it does not get even worse in the future.

Council Member Romero requested that operating improvements in the Financial Plan be examined carefully, priorities checked and any excess eliminated.

Ron Regier stated that all needs were considered in the Financial Plan, that it is set up as the worst-case scenario, and that the highest priority needs would have to be determined.

Vice Mayor Schwartz, referring to the staff report, expressed concern about change in the proportional use of the Center by Cal Poly.


Mike Morris stated that there will be the return of estate planning style gifts around the 20-year mark; the amount is approximately 2 million at this time. Also, Heritage Oaks Bank will be paid off in 2006 resulting in an additional \$200,000 revenue per year, assuming the ticket surcharge is retained.

Council Member Marx stated that she is concerned that there be safeguards built into PAC financial responsibility.

Tom Brown stated that the financial troubles are not a surprise, that at the inception, the foundation knew what it would face them in the future. The plan would need reviewing from time to time.

Mayor Settle requested that attendees return to their respective organizations with the updated status report and with the short and long term points made by CAO Dunn.

There being no further business to come before the Partners, Mayor Settle adjourned the meeting at 2:00 p.m. to Thursday, June 15, 2000 at 7:00 p.m. at Embassy Suites, San Luis Obispo for the Joint City Councils Meeting.



Diane Reynolds
City Clerk Secretary

APPROVED BY COUNCIL: 7/5/00
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