

**WHEELER OPERA HOUSE
MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS**

DATE: Wednesday, January 14, 2009

TIME: Noon

LOCATION: Wheeler Lobby

PRESENT: Board Members: Ron Erickson, Chairperson
Jane M. Battaglia, Vice Chairperson
Brian O'Neil, Secretary
Cathy Markle
Matthew Loden
Pamela Cunningham
Barbara Conviser

Absent: None

Staff: Gram Slaton, Wheeler Executive Director
Randy Ready Asst. City Manager
Heather Larson, Senior Operations Manager
Rose Bennett, Wheeler Senior Finance Manager

RECORDED BY: Jeanne Kayne, Senior Administrative Assistant

I. CALL TO ORDER.

Chairperson Erickson called the meeting to order at 12:08 pm.

II. APPROVAL OF DECEMBER 10, 2009 MINUTES.

Chairperson Erickson called for the approval of minutes from December 10, 2009. Conviser made the motion to approve with Battaglia seconding. The motion carried and the minutes were unanimously approved.

III. FINANCIALS.

Chairperson Erickson commented on the Financial Report and that the Wheeler was about 25% down on revenues this year and 28% down on the RETT. Slaton stated these figures are preliminary, and that the revenues are complete. He also said there will be a couple of bills still coming in with the final amount of overage for 2008 coming in around \$860,000 to \$870,000. Slaton stated it was not bad for such a bad year. Cunningham added that fractional fees and Limelight closings are coming in at about \$12 million. Erickson commented that Slaton had done a good job on managing the budget for the Wheeler this year.

IV. EXECUTIVE DIRECTOR'S REPORT.

Slaton commented that there is no predictability to sales right now, other than if a show is selling steadily (John Oates, Robert Earl Keen) it will close at sell-out or very close. Most shows sell in spurts or flat-line without any correlation to the publicity that has been done for the show. Even giving shows away for free, or near free, there is a struggle to fill seats. Certainly the "other shoe" we've been waiting for has arrived with the Madoff scandal...the greatest fear is that that means there is a third shoe.

The first look at the end-of-the-year financials indicates that the Wheeler will still be in the black for 2008 by well over \$800,000, which will continue to the endowment account that will pay for part of or the entire construction project. Also, the bomb threat of New Year's Eve passed over with only a cancellation of a Wheeler Film Society screening, which we moved into the following evening with little drop in attendance.

More than ever, community nonprofit organizations seem to be looking to the Wheeler to help them with public events that will heighten awareness, bring in donations, or otherwise help them aggressively seek funds for events such as the free screenings of "The Ripple Effect," which were a benefit for Aspen Valley Ski Club.

Building Manager Scott Wilson has secured engineering services through an RFP for the pit floor and joisting tear-out and redo this coming May. Schmuesser Gordon has been selected and the anticipated total cost of the project is approximately \$30,000.

V. ACTION ITEMS.

None.

VI. INFORMATION AND DISCUSSION ITEMS.

Council Action on Architectural Team for the 21st Century Master Plan

Erickson thanked the Board members who attended the January 12 City Council meeting. He went on to stress the importance of the Board showing solidarity in backing the project at every chance they get. Cunningham remarked that the solidarity of the Board was noticed by attendees at the Council meeting. She also requested a "white paper" about the building project, so that everyone is consistent with the information that is distributed to the public. Slaton mentioned he would be distributing a talking points memo to the staff, which he would also pass out to Board members at this meeting, to help address the need for consistent information.

Ready also thanked the Board for attending the Council meeting and stressed that the impact of their support for this project should not be underestimated. Ready is in the process of preparing a memo for Council which will lay out the direction in which the Wheeler plans to move forward. Ready stressed that the development review process is still a work in progress and that it is important to get Council's approval of the contract.

Ready listed a number of elements involved that speak against going through a COWOP process as originally planned:

1. The economic and political climate needs to be taken into account. There are Council members who are very burned out after the Lift 1-A process and the enormous amount of time and effort that it has taken. There is no clear indication of what will happen – most likely a public hearing will direct the outcome. Members have expressed no interest in continuing at that type of pace, with weekly meetings 4-6 hours long.
2. The time and effort that it will take to deal with a COWOP Board rather than dealing with the Wheeler Board and with the public at large is very significant and should not be underestimated. The Wheeler Board in its entirety will be empowered, and will ultimately be in the driver's seat throughout the process. Maximum focus will remain on the community at large, with public open houses, and opportunities to keep the arts groups involved.

3. Unlike most COWOP processes, this not a land use planning question. It is a building design process driven by a program on a confined site. The Wheeler will comply with downtown design guidelines, zoning codes and land use regulations.
4. The intent of this project is to mitigate its impacts to the maximum extent possible, including affordable housing impacts. This project will be the greenest project the City has ever done. The most impressive item presented by the design team was that there will be no net increase in the Wheeler's current carbon footprint.
5. The COWOP process is driven by the members of the group entering into an undefined process, as opposed to a process where we can put milestones on the table with a goal towards getting a ballot question for November 2009.
6. This will follow the traditional 4 or 6-step process with conceptual final HPC, conceptual final PNZ and conceptual final of Council with no requirement for this to be completed by Labor Day. The Wheeler expansion is a program which is generally well understood conceptually. There is direction, so we are not starting with a blank slate.

Ready expressed that it will be very important to collect questions, especially ones that exemplify misrepresentations, so that we can get the correct information out to the public. He noted that there will be a listening log available by the end of the week, so Board members can email comments they hear from people in the community.

Erickson requested a timetable drafted for the Wheeler Board for the next 3-5 months and questioned how to most effectively utilize the communication resources available. Erickson also suggested the Board talk about usage rather than location when discussing the building project.

Slaton presented a full page ad with a declaration of support from the various arts groups, towards the goals of the 21st Century Master Plan. He passed the draft for the Board to review and expressed interest in running the ad in the Aspen Times. Everyone agreed it was a good idea to run the ad.

Loden asked if the Board has an obligation to explain to the arts groups why the Board has chosen not to go through the COWOP process as initially planned. Erickson agreed that it would be very beneficial to keep everyone in the process.

Erickson asked Ready whether or not public donations can be made to the building fund. Ready answered that community members are allowed to make donations. Loden brought up the concern that soliciting donations for this project would require additional staff time that the Wheeler may not currently be equipped to handle.

Slaton's talking points memo was distributed to Board and discussion ensued, where several points were challenged in terms of their language and substitute language suggested and adopted. Slaton stated that he would circulate a final draft of the talking points to Board members via email as soon as possible.

VII. MEMBERS COMMENTS: None.

VIII. CITIZEN COMMENTS: None.

IX. OLD BUSINESS UPDATE: None

X. NEW BUSINESS: None.

XI. ADJOURNMENT.

Cunningham called for a motion to adjourn, O'Neil seconded. Meeting was adjourned at 1:30pm.

THE NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, FEBRUARY 11, 2009, IN THE WHEELER SECOND FLOOR LOBBY.