

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

**DATE:** Wednesday, January 9, 2010

**TIME:** Noon

**LOCATION:** Wheeler Lobby

**PRESENT:** Board Members: Ron Erickson, Chairperson  
Brian O'Neil, Vice Chairperson  
Cathy Markle, Secretary  
Pamela Cunningham  
Matthew Loden, Ex-Officio  
Nickolas Erickson, Student Rep.  
Bruce Fretz  
Richard Cohen

City Staff: Randy Ready, Assistant City Manager  
Steve Bossart, Capital Asset Project Manager

Staff: Gram Slaton, Executive Director  
Rose Bennett, Sr. Manager - Finance  
Heather Larson, Sr. Manager - Operations  
Scott Wilson, Building Manager

**RECORDED BY:** Jeanne Kayne, Administrative Assistant

**I. CALL TO ORDER**

Chairperson Erickson called the meeting to order at 12:07 pm.

**II. APPROVAL OF DECEMBER 9, 2009 MINUTES**

Chairperson Erickson called for the motion to approve the minutes from December 9, 2009. Pam Cunningham made the motion to approve the minutes and Nickolas Erickson seconded the motion. The vote to approve was carried with only O'Neil abstaining due to absence.

**III. FINANCIALS**

R. Erickson asked Bennett if the sheet she distributed was the preliminary financials for the end of the year. Bennett answered yes, and explained the investment interest number or any of the adjustments that get made at the end of the year were not reflected. Erickson then asked if there were any major expenditures that we have gotten bills for which we have not paid. Bennett responded that there were some invoices from FMG and Pfocus, which she has not received, and one for a capital expenditure on microphones, which is not included and from 2009. Fretz asked how this report compared to previous years. Slaton responded that ultimately the comparison is affected by how well the RETT did but also added that operations are run pretty efficiently.

**Motion:** R. Erickson made a motion to commend staff for managing the budget under changing economic conditions and also managing the changing goals instituted by the City. Fretz seconded the motion and it was approved it unanimously.

Markle asked about the fire protection improvement, and why the improvement was not done. Slaton explained it was a budgeted improvement that goes back to the previous Executive Director's tenure and was included in a 10-year AMP plan. It was deferred many times and deemed unnecessary if an expansion to the building was going forward. Wilson added the Wheeler has a fully addressable fire protection system, which is in good working order and inspected annually and stated there was no need for capital improvement at this point.

Cunningham asked what the budgeted amount for the ticketing system was. Bennett responded it is part of 2010. Markle asked about the stage lighting improvements and what was actually done. Heather Larson said she would get back to Markle with the specifics. Slaton added that the old lighting system is gradually being replaced with a new one that is much more energy efficient. Cunningham asked about the Wheeler Presents ticket sales, which ran below what was budgeted. Slaton explained you have to look at the revenue vs. the expenditures. The revenues are at 64½% with the expenditures for programming at 76%, not as big a gap as you might think. We took some hits because of the economy in the fall, but it should be looked at as a whole.

Slaton mentioned that Cunningham had previously requested quarterly reports or end of year reports done by each department, and asked if that was still something the Board desired. Markle asked if a profit/loss statement was done for each event. Slaton answered yes. Slaton said a 2009 summary should be ready by February's next Board meeting. A profit and loss statement is also done for the Wheeler Film Society so that we have a clear idea of its performance.

#### **IV. EXECUTIVE DIRECTOR'S REPORT**

Wheeler Budget: Some confusion took place with City Finance in submitting the Wheeler's numbers for its 2010 operating budget for City Council approval. The numbers that were in the firm budget that we vetted with the City Manager's office were not submitted; the numbers that were included in a test 20-year long-range plan were. This meant that we had to scramble to absorb about a smaller budget in time for the 2010 operating year. Thus, we will need to submit a substantial supplemental request in March that returns all these monies, as well as adds in monies for projects that came in after the 2010 budget meetings in late summer (such as for a new website design, etc.).

Cunningham asked if there were any preparatory steps being taken so that the public doesn't think this was something that was done intentionally. Ready responded that it is a technical supplemental in the memo; it is not an increase over what was allowed under the budget guidelines. Markle asked Ready if the monies from the design teams were not going to be used, would they be re-allocated. Ready responded it would be premature to re-allocate that money, but stated if they do not spend it all it could be reallocated during the two or three supplementals throughout the year. Markle asked if two different budgets were presented was the one City Council approved less money or were they the same dollar amounts just with different appropriations. Slaton responded it was less money. Markle asked if it would be more politically savvy to reallocate and then increase the amounts. She asked if that change has to be done through a City Council action. Ready responded yes. Markle voiced that it would seem to be a direction that the public would receive negatively and find illustrative of their concerns. Slaton explained it was no longer the 21<sup>st</sup> Century Master Plan starting January 1<sup>st</sup>. It has developed into being a formal capital project and therefore is no longer part of the operating budget, so it cannot be reallocated into the operating budget. Slaton expressed we are asking for the operating budget to go back to what it is actually suppose to be.

December holidays shows: We had five sold-out shows over the two-plus weeks of late December. Our two big shows, however, didn't sell anywhere near expectations (and yet were excellent). The overage from the winners seriously offset the losses from the losers, and left us with our best winter-holiday season yet. The only black eye in this was the Curtis Adams: Magic That Rocks show, which was weak

and for many audience members so bad that we freely issued refunds for it. This show was done in pair with the Vilar Center, which had an even worse experience, and had it on Christmas Day to boot. We will receive \$1,000 back from the agency for this act, as the agent was horrified to hear of our joint experience and is returning to us his full commission on the date.

Slaton then asked Rose Bennett to give an update on the ticketing system RFP and Heather Larson to give a similar update on the website RFP. Bennett reported how the ticket system has gone to the request for proposal stage (RFP). Six submissions were received, and four were continued for further consideration. Everyone involved is excited about what the proposed systems are capable of. Each will create a friendlier buying environment; providing services such as at-home ticket purchasing and online discounting. It will provide easy access as it is completely web based, and there is increased security for customer information. The purchase recommendation will go to City Council on January 25<sup>th</sup> for approval. Several arts groups were invited for a preview of the recommended final candidate and most groups were able to attend, the arts groups were very excited about this, as it will make it easy for them to access their reports, and ticket sales and download data. The proposed system is capable of doing cross selling and marketing, so events can be packaged. A wealth of possibilities will be available with the system being considered. Slaton added the arts groups were asked to write to City Council and voice their support; all involved groups responded within a short amount of time.

Loden asked if Jazz Aspen was invited to attend and Bennett said she would get back to him on that. Jazz Aspen uses a ticketing system out of Florida. Loden asked if there was a price tag associated with the system everyone likes; Bennett responded there is and she said she is unable to disclose that amount until the contract is executed. The system is completely web based with no server on site, it is hosted and customer information is secured. It will alleviate the need for a separate box office network and can join box office to the City network, so that City IT will be able to help maintain it. Markle asked if the proposed system fits into the budgeted amount. Bennett responded that the systems all ran more than the budgeted amount and some were more due to the training which would be involved. Loden asked if the Board of Directors should make a recommendation to City Council that they think the expenditure of this money is a great idea, and that the system will make everything better. Slaton suggested the support would be greatly appreciated. Erickson called for a Motion.

**Motion:** Fretz made a motion that the Wheeler Board supports the expenditure of additional funds to secure a new ticketing system. O'Neil seconded the motion. Discussion followed and Erickson asked for any amendments. Cohen suggested there be a mention that the arts groups involved are all in support of a new system. Bennett explained the letters of recommendation from the arts groups would be included in the packet, which will go to City Council. Fretz also requested that if this motion passes it would be in written form and it would also be included in that packet which will go to City Council. Fretz also wanted to amend the motion to say the Board sees it as an exceptionally good proposal. R. Erickson suggested Slaton write a memo and if it needs Board approval he will be happy to sign it on behalf of the Wheeler Board. Slaton explained they thought this was going before City Council on the January 11<sup>th</sup> so the memo has already been submitted. Ready suggested it be added to the recommendation section of staff memo to Council.

**Action:** The motion was on the floor and seconded whereby: the Wheeler Board recommends approval of this new system even if means allocating additional funds. Markle asked about the shortcomings of the existing ticketing system and Slaton suggested the memo be sent to the Board to provide this information. There were four members in favor of the motion and two opposed; the motion passed.

Larson explained there is an RFP out to update and redesign the website. This RFP will close on February 12<sup>th</sup>. Larson explained that the Wheeler has two websites (wheeleroperahouse.com and aspenshowtickets.com). She went on to say the Wheeler was looking to merge the two websites, making it more user friendly as well as having a better design. The editing side of the current system is

cumbersome and there is only one computer in the building with the program on it for editing capabilities. Originally the hope was to launch the new website along with the new ticketing system which would both be approved and rolled out to the public at the same time but processes have slowed down. Larson will be out of the office the month of February, and this will in effect slow the review process for the website RFP. Heather Gibson will provide help with filling in and will also assist with the website RFP process. The goal is to go to City Council March 8<sup>th</sup> with a website recommendation.

Slaton then asked Building Manager Scott Wilson to give a brief report on his successful energy conservation work on behalf of the Wheeler. Wilson passed out a series of handouts with regard to energy conservation. He went on to explain everything was measured in ccfs (vs. therms or thermal units) for the purpose of consistency. Wilson measured overall gas consumption starting from 2005, the first year he arrived. Consumption was 40,000 ccfs. In 2006, there were significant changes in the way the system operated just from a controls standpoint, which led to significant declines from 40,000 to 35,000 ccfs. A new boiler was installed 2007. The chart showed significant declines over the last five years, with 2009 showing approximately 18,000 ccfs being used.

A chart of "Gas prices vs. overall costs" was provided to show the price of gas per ccf for those same years. There was a spike in 2008, which reflected a significant increase in gas prices. Wilson also went over the CO2 in tons as it relates to the Canary Initiative and the requirement to reduce our CO2 emissions City wide. The numbers on the handout reflected enough offset to satisfy the reduction for the entire City of Aspen. The next handout was "Actual cost vs. the cost of doing nothing". This number is a bit misleading, and very conservative, as it only takes into consideration the volume of gas being used in 2005 vs. all subsequent years, and not the lower average air temperatures for the last four years. Since Wilson's arrival at the Wheeler, we have saved a very conservative total of \$65,000 in gas usage alone. At the current pace, the Wheeler will fully recover the cost of the boiler replacement well within 10 years.

The "Chiller usage" page measures electric usage and was included to show the savings recognized as a result of increased overall operational efficiency, beyond those savings he attributes to simply replacing the old boiler. This is just for the compressor that runs our chiller.

R. Erickson asked Wilson how he intended on achieving goals for the future, as this is an ongoing program. Wilson explained the building is old and there is a lot left to be done to make it energy efficient. It will be helpful that the HPC has changed its emphasis to energy savings vs. historical preservation. Wilson said there are many things that can be implemented to make things even more efficient.

21CMP: Despite the assertion in Carolyn Sackariason's article in last Thursday's Aspen Times, Gram did not halt the Wheeler expansion project. We do have it in suspension for the time being, and will begin exploring alternatives shortly, now that we have recovered from the winter holidays. The RFP for the needs assessment, which is the final piece of work requested by City Council for the time being, will be issued as soon as we have collected and assimilated any comments or changes from the Wheeler board.

RFP for Cinema Services: We are approaching the end of Year Three of the Wheeler Film Society's contract for this service, and it is suggested that we put the service out for RFP again. We have a number of interested parties, including the booker for the Isis, and Emerging Cinemas out of New York, thus giving us more options for consideration than we had in 2007. Loden asked how long the contract runs, and R. Erickson responded it is for three years. R. Erickson also said if an RFP is going to be put out; there are a few things, which need to be considered. First, creative decisions on what will be brought in and how long the movie should run. He stressed we need to fill the theatre, as the costs don't change whether we show to 70 people or 250. We need to generate more income to cover more costs. Loden asked how this links with Aspen Film and what they do and want to do and their presence in the community. Slaton responded that Aspen Film would love to have their brand on the Wheeler and would

likely want to respond to an RFP if it comes up. When the Wheeler Film Society was originated it was trying to provide those films, which would not get commercial distribution as opposed to screening mainstream films. Cohen suggested subjecting Jon Busch to another RFP, which might shake things up. Cohen doesn't believe the Wheeler should be in competition with the other movie houses. O'Neil stressed that the Wheeler Film Society has a following and is somewhat of an icon in Aspen. He went on to say that we don't want to lose the face of who we are.

## **V. ACTION ITEMS**

Election of Board Officers – R. Erickson opened the floor to nominations. Cunningham offered that the current slate of officers is a positive one and suggested retention of the current officers and their positions. There were no additional nominations and no oppositions. There was a unanimous vote to retain the current Wheeler Board officers.

## **VI. INFORMATION AND DISCUSSION ITEMS**

### **\$200,000 stimulus idea and Wheeler impact**

R. Erickson stated that \$147,500 were recently set aside or earmarked by City Council for stimulus ideas. Ready explained this money would come from the General Fund. Slaton added there are several arts ideas on the table, including an arts group collective pursuing an Encore idea for the end of the summer, and a singer/songwriter idea initiated by former City Councilman Jack Johnson. Slaton went to City Council and reminded them the Wheeler is their arts presenting resource and that if they wanted to do any type of arts stimulus they could potentially do that under the umbrella of the Wheeler and its monies that are raised from the RETT, within certain guidelines. The Wheeler could do something with the RETT monies which would free up the \$200,000 the City might want to allocate elsewhere. Slaton explained the Wheeler has a festival at the end of August that we need to protect, but he said we also want to invite those entities that make sense to come under our umbrella to be part of the MountainSummit experience.

Loden added Slaton has pretty much stated where the Wheeler stands in regard to this period of time in question and how it relates to the MountainSummit festival. Loden explained eight large arts organizations stepped forward to explore the City stimulus idea and went forward with providing ideas to get heads in beds. The group is made up of Aspen Music Festival, Aspen Writers Foundation, Aspen Institute, Michael Goldberg, Theatre Aspen, Jazz Aspen, Aspen Film, and Aspen Art Museum. Aspen Santa Fe Ballet has been out of town but remains involved on the sidelines. The group came up with a series of proposals and presented them to City Council. They also requested \$150,000 to put on a special week-long festival, even though the cost is really more around \$300,000, though through creative thinking they decided they would be able to make up the balance. Loden said City Council seems to be a bit confused on how this money should be allocated, how it should work and what it is really for. Loden expressed that he thought there is not enough time or money to have this thing take off and be successful this year. Council suggested when being confronted with the shortfall that there might be opportunities at the Wheeler or money from the Wheeler; or they might as individual groups go to their donors. The consensus is they will not be able to do anything big in 2010; it's too close, the success of this type of proposal hinges on it being a big splash and having enough marketing. The directive to this group from Council was to go back as see what they could do with \$50,000, whether or not it could be seed money for something else, and have a conversation with Slaton to find out what opportunities for synergy might happen there. The immediate reaction from the arts groups was that they were not individually interested in being under the umbrella of the Wheeler Opera House and did not consider the Wheeler to be the cultural czar of the City of Aspen. Individually each organization felt like they had their own slice of the pie that they could very affectively work within. The arts groups felt it made sense that the Wheeler should be part of whatever Aspen Encore might be. There are differing opinions on what Encore should

be or do. Slaton suggested that any kind of City type festival could have a negative impact on MountainSummit. Slaton explained the Wheeler has stepped up to a week that has traditionally been very slow and has tried to fill the void with a great festival. The arts groups suggested if there was something we could all do together we might bring more bodies into town and create excitement and there might be patrons beyond those who would be interested in MountainSummit to fill the beds.

Markle asked Loden if this group is only interested in this particular time period or would they consider a different time of year. Loden responded that this is a particularly appealing period of time as two of the big groups are staffed up and it would mean just an extension of a few contracts for a few days. Cohen commented that this time period is perfect to pull these groups together to rally around the Wheeler and create a focal point for it. He did express he had difficulty including the Art Museum in the group as it is more of a visual arts group than a performing arts group.

Cunningham suggested that Board members watch the City Council's work session where this idea of Encore emanated. Cunningham also wanted to give credit to Marilyn Marks, as this was an idea of hers when she was running for the office of Mayor. There were undertones during this work session, which made Cunningham remember why the endowment fund was established in 2002, especially after hearing Council's ideas for stimulating the economy. With regard to an Encore Week there were discussions and decisions that appeared to take place that would seem to potentially affect the Wheeler budget. Before weighing in too heavily, Cunningham and R. Erickson suggested the Board wait to see what the outcome of Slaton's meeting with this arts group will be.

## **VII. MEMBERS COMMENTS**

Markle inquired about the status of the contracts and leases within the Wheeler building. Slaton responded that they are on a month-to-month basis. Markle asked if the purpose for going month to month was in light of a remodel of the building in conjunction with the construction of a new building and prior to that asked if the spaces were on a regular rental basis. Markle said she thought those spaces should go back to a regular rental basis and suggested they go out to an RFP. R. Erickson explained that there is a major project on hold and if that project gets put on hold for the next few years that Slaton expressed to him the possibility of major improvements to the existing building. First to be affected would be the first floor spaces along with the basement. Erickson stressed that leasing any spaces long term should be put on hold until we know what we are going forward with.

Markle also asked what was on the agenda for the January 25<sup>th</sup> meeting at 5:00 PM with City Council. Ready explained it's the second reading of the Wheeler Reserve Fund Ordinance. Slaton said he would be providing Council with an update on how the Wheeler is proceeding with the expansion. Ready added that it is a continuance for the public hearing for January 25<sup>th</sup>. Slaton said he would provide a one-line memo to Council as the update. O'Neil asked Slaton what type of response was received from the arts groups with everything being put on hold. Slaton responded there was very little response. Cunningham said that despite that there was not a great out pouring of concern, this is a perfect time to garner support from the boards of these various arts groups. Cunningham expressed how we need to use this time to put together a strategic outreach plan and Cohen agreed. Loden said there was a disconnect between what the paper was presenting vs. what the Wheeler Board is talking about. Loden warned that the Board should not too aggressively criticize or speak out about the lack of arts groups' support. Cohen agreed and said we have the opportunity to solicit their boards and now is the best time.

## **VIII. CITIZEN COMMENTS**

None.

## **IX. OLD BUSINESS UPDATE**

NEEDS ASSESSMENT – RFP

Discussion regarding the Needs Assessment RFP started with Cohen asking if the Wheeler is cataloging all the needs of the arts community or if we are cataloging only the needs of the arts community we are working with now? R. Erickson answered we are cataloging the entire arts community. Cohen then asked if we are including the visual arts in this assessment. Erickson responded yes, they are being included. Cohen expressed he felt like it skewed the different usages by including them. R. Erickson stressed we are not excluding anyone. Ready stressed we need to keep the focus on space needs, and Erickson explained the Aspen Art Museum could potentially use the lobby space and that they would be included.

Fretz asked if the Board would have the opportunity to give input on this document or has it already been submitted? Slaton responded the document has not been submitted and was being discussed for Board input. Fretz also asked if the Wheeler Board would meet with those awarded the contract for the RFP. R. Erickson said in the past there has always been a committee from the Board involved and this will probably stay constant. Ready went on to explain the Board can specify details giving the contract recipient guidance on what we require for the presentation to the Board, an open house with arts groups invited, and a presentation at a work session with City Council.

Loden asked if there was any ability to use the needs assessment to access whether or not the town needs a particular type of arts event (such as the proposed Encore Festival) for a particular time of year. Slaton stated that when the survey was done in 2006 that was included so it will most probably be included in this one; the concern at that time was oversaturation which is not the case at this point. Markle stressed that if the rest of the Board agrees then there should be a committee from the Board, which will be involved with the contractor that is preparing and executing the Need Assessment. Meetings with the contractor and Board should take place prior to any presentations so that there can be a review of the findings, and it should be interactive with the Board to discuss what types of questions should be brought forward. R. Erickson added that he thought asking the Need Assessment preparers about those few days in the summer is way too specific to what our intentions are. He would rather address the issues of evaluating current uses and patrons as opposed to evaluating potential sites for suitability. R. Erickson said he sees that both goals can be achieved.

R. Erickson asked if the Board would support a resolution, wherein the Wheeler Board would change procedure, once a firm was selected, that there would be at least one meeting with a committee from the Wheeler Board of Directors to review the testing criteria and questions. Cunningham agreed with Markle there are two objectives; first, to evaluate current users and patrons and identify their preferences for sustenance or advancement of cultural programming and the second to evaluate potential sites for suitability as cultural venues.

## **X. NEW BUSINESS**

None.

## **XI. ADJOURNMENT**

Erickson called for a motion to adjourn. Fretz made the motion to adjourn and O'Neil seconded the motion. The meeting was adjourned at 2:14 pm.

**THE NEXT REGULAR MEETING IS SCHEDULED FOR WEDNESDAY, FEBRUARY 10, 2009, IN THE WHEELER SECOND FLOOR LOBBY AT NOON.**

