

Five Flags Civic Center

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FIVE FLAGS CIVIC CENTER DIVISION

Budget Highlights	FY 2019 Actual	FY 2020 Budget	FY 2021 Requested	% Change From FY 2020 Budget
<u>Expenses</u>				
Employee Expense	22,023	21,949	24,781	12.9%
Supplies and Services	956,248	1,019,108	930,262	-8.7%
Machinery and Equipment	68,405	15,000	—	0.0%
Total Expenses	<u>1,046,676</u>	<u>1,056,057</u>	<u>955,043</u>	<u>-9.6%</u>
Debt on Projects paid with Sales Tax Fund (20%)	47,960	52,063	43,929	-15.6%
Property Tax Support	1,046,676	1,056,057	955,043	(101,014)
Percent Increase (Decrease)				-9.6%
Personnel - Authorized FTE	0.15	0.15	0.15	

*Actual Benchmark for FY 2020 is \$920,395.

Improvement Package Summary

1 of 1

This improvement level decision package provides for the third and final phase of surveillance cameras. This phase will place nine (9) cameras inside the historic Five Flags Theater, at the Majestic and Bijou Rooms as well as the hallway entrances to dressing areas in the arena and theater. These cameras are for internal controls, as well as monitoring common public areas, entrances and exits to the building. ASM Global, the management company, performed a risk assessment audit with police, fire and Homeland Security. The assessment recommended cameras in specific locations. This improvement supports the City Council high priority goal of surveillance camera funding under the Vibrant Community: Healthy and Safe goal. There will be a recurring cost of approximately \$963 a year for these cameras. The first year is included in the purchase price.

Related Cost: \$ 13,500 Tax Funds Non-Recurring **Recommend - No**
Property Tax Impact: \$ 0.0053 0.05%
Activity: Civic Center Operations

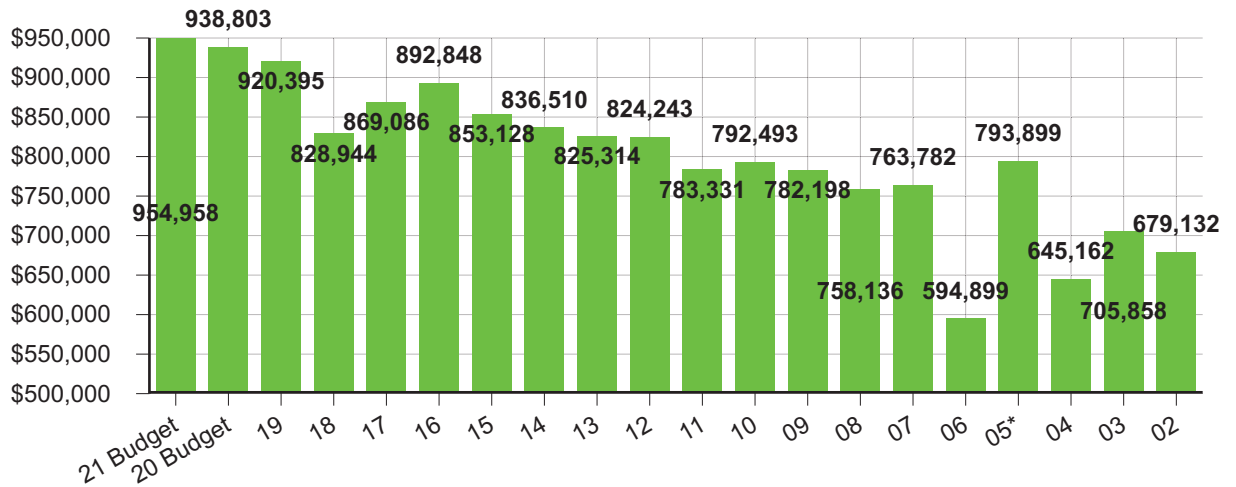
Significant Line Items

Background

1. History: The City has contracted the firm, ASM Global (formerly SMG), after Council approval in April 2004, to privately manage Five Flags Civic Center. ASM Global’s original five year private management agreement began on July 1, 2004 and ended June 30, 2009. The current agreement expired June 30, 2014 and was extended for another five-year period ending June 30, 2019 and the five-year extension as executed for a period ending June 20, 2024.

2.

Five Flags Property Tax Support



*ASM Global (formerly SMG) took over managing Five Flags on July 1, 2004.

Actual expenses were higher in FY 2005 due to the transitioning of the employees. There were additional costs relating to unemployment insurance, vacation payoffs and prior year expenses.

Employee Expense

3. FY 2021 employee expense reflects a 1.5% wage package increase.
4. The Iowa Public Employee Retirement System (IPERS) City contribution of 9.44% is unchanged from FY 2020. The employee contribution of 6.29% is unchanged from FY 2020.

Supplies & Services

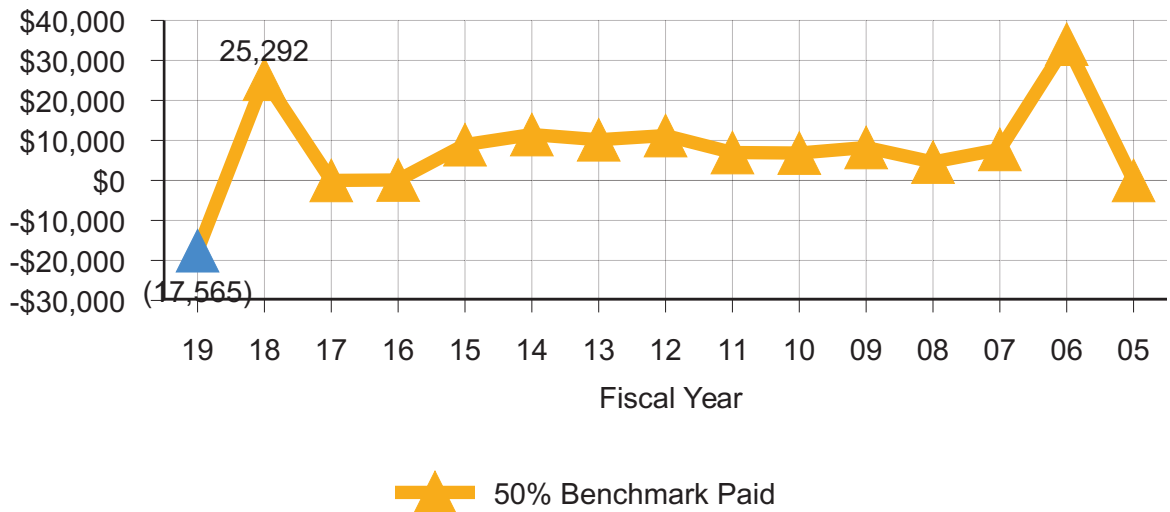
5. **Benchmark Calculation:** The benchmark is the amount the City sets for ASM Global (formerly SMG) of property tax needed to operate the Five Flags Civic Center. The original benchmark and formula for adjustment was established in the 2004 agreement with ASM Global. ASM Global is challenged to spend less than the Benchmark, thereby reducing the amount of property tax support needed. The benchmark is calculated by taking total expense less earned revenue for the Civic Center, to get the property tax support. This calculation was completed in the beginning by taking the average actual property tax support spent in FY 2002, 2003, and 2004 (\$682,091) and then increased annually by an inflation factor. This amount includes ASM Global's projected management fee of \$102,924 in FY 2021. The Benchmark fee is set for the purpose of the budget with an estimated CPI and then adjusted by the actual May CPI after the budget is adopted to arrive at the actual Benchmark and management fee.
6. ASM Global's (formerly SMG) goal is to come in under the benchmark, but if the benchmark is not met, the City of Dubuque must pay any amount over the benchmark. ASM Global's (formerly SMG) incentive to meet the benchmark gives them \$.50 of every dollar under the benchmark.

Annual Benchmark Set for SMG: In FY 2014 the benchmark was \$852,040 (prior year plus the May CPI of 1.4%), in FY 2015 the benchmark was \$869,933 (prior year plus the May CPI of 2.1%), in FY 2016 the benchmark was \$869,933 (prior year plus the May CPI of 0%), in FY 2017 the benchmark was \$878,632 (prior year based on May CPI of 1%), in FY 2018 the benchmark was \$895,326 (prior year based on May CPI of 1.9%), in FY 2019 the benchmark was \$920,395 (prior year based on May CPI of 2.80%), in FY 2020 the benchmark was \$936,962 (prior year based on May CPI of 1.80%), and the FY 2021 benchmark is anticipated to be \$955,701 (prior year and anticipated May CPI of 2.00%).

Actual Benchmark: It should be noted that the first year (FY 2005) of management, actual expenses were higher due to the transitioning of the employees. There were additional costs relating to unemployment insurance, vacation payoffs and prior year expenses that did not count against the benchmark. The Five Flags Civic Center was also under renovation soon after SMG (ASM Global) started. It was expected that the first year of management would cost more. Also, the budget was initially set with the management fee (\$75,000) added on top of the set benchmark. It was determined that the benchmark should already include ASM Global's (formerly SMG) management fee, and the actual benchmark was adjusted accordingly with the additional budget going back into General Fund.

Following is a summary of annual results of the benchmark to date that reflects SMG has met the benchmark since 2006 with the exception of FY 2019. FY 2019 included a polar vortex weather event affecting utility costs and event financial performance as well as repairs to the facility due to the age and status of the Five Flags building. Since FY 2005, SMG (ASM Global) has beat the benchmark by a total of \$174,490:

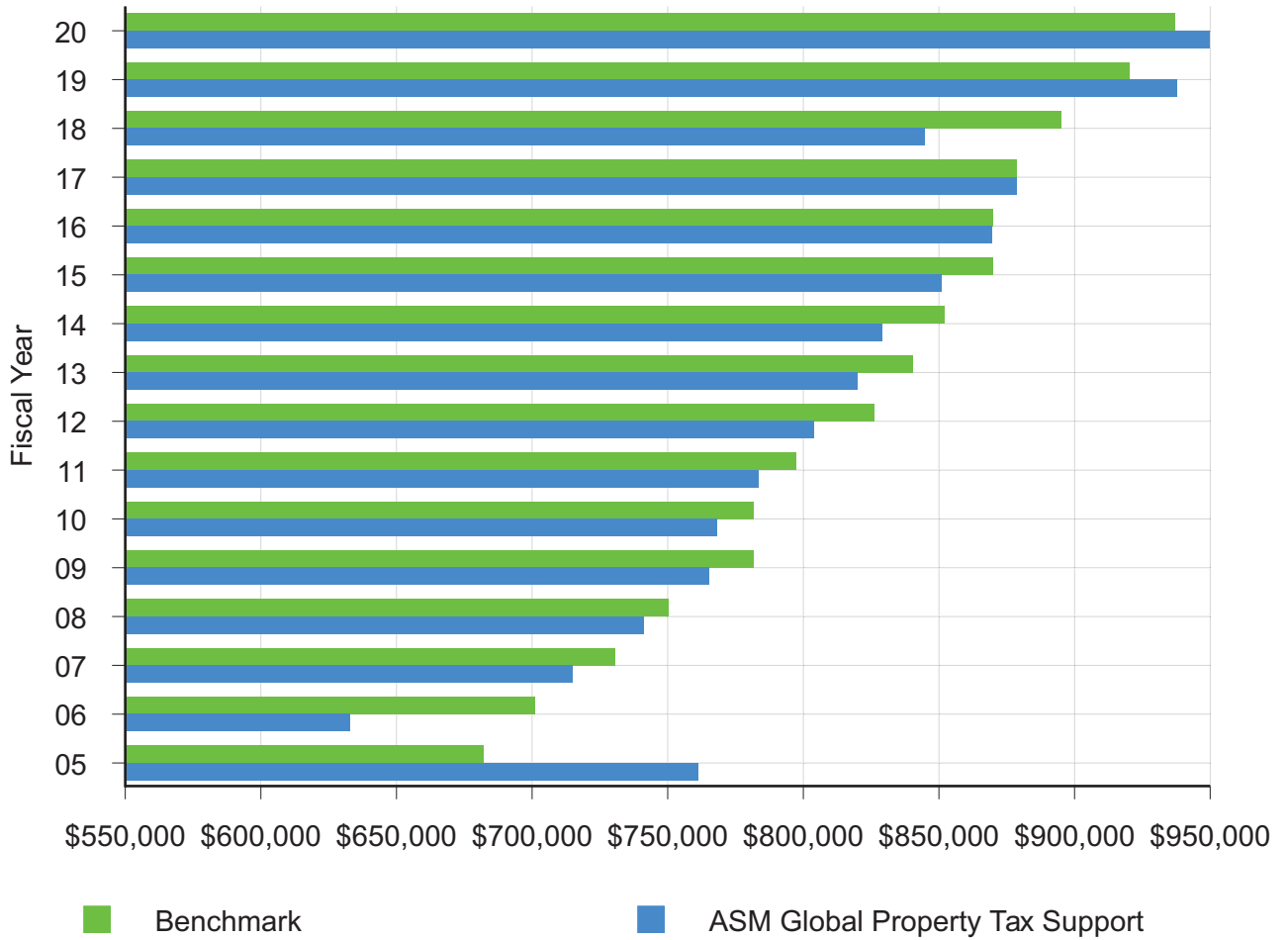
ASM Global (formerly SMG) Benchmark Payout



Analysis of Results to Date: When reconciling annual property tax support spent to the benchmark each year, the City adjusts the expenses for items that do not count against the benchmark (expenses that are the responsibility of the City). These expenses have included the initial cost of transitioning employees (unemployment insurance, vacation payoffs) and some equipment items not yet paid as of the transitioning date. Following is a summary reflecting the

amount the City has actually paid over or under the benchmark, with these adjustments taken out expenses that do not count against benchmark:

ASM Global (Formerly SMG) Property Tax Support Compared to Benchmark



Debt Service

7. FY 2021 Annual debt service is as follows (\$43,929):

Amount	Debt Series	Payment Source	Purpose	Final Payment	Call Date
\$ 35,121	2019C G.O.	Sales Tax 20%	Civic Center Improvements	2030	2026
\$ 8,808	2019B G.O.	Sales Tax 20%	Chair Platform Section 3	2039	2039
<u>\$ 43,929</u>	Total Civic Center Annual Debt Service				

LEISURE SERVICES FACILITY DIVISION

The Facility Division provides for the effective and efficient maintenance of buildings and equipment and administration of management contracts for Five Flags Civic Center and Grand River Center, ensuring facilities and programs that provide an increased QUALITY OF LIFE and creates opportunities for both citizens and visitors.



SUCCESS IS ABOUT PLANNING, PARTNERSHIPS AND PEOPLE LEADING TO OUTCOMES

PLANNING

Planning is necessary to develop an ongoing capital improvement plan to keep up each building. SMG and Platinum Hospitality work together and separately to provide venues for conferences, weddings, family events, trade shows, entertainment, business meetings, events and more. Each works to meet the needs of individuals, businesses and event planners.

PEOPLE

The Grand River Center as the conference and education center and Five Flags as the civic center both provide increased quality of life for the residents of Dubuque as well as positive visitor experiences for travelers to the area.



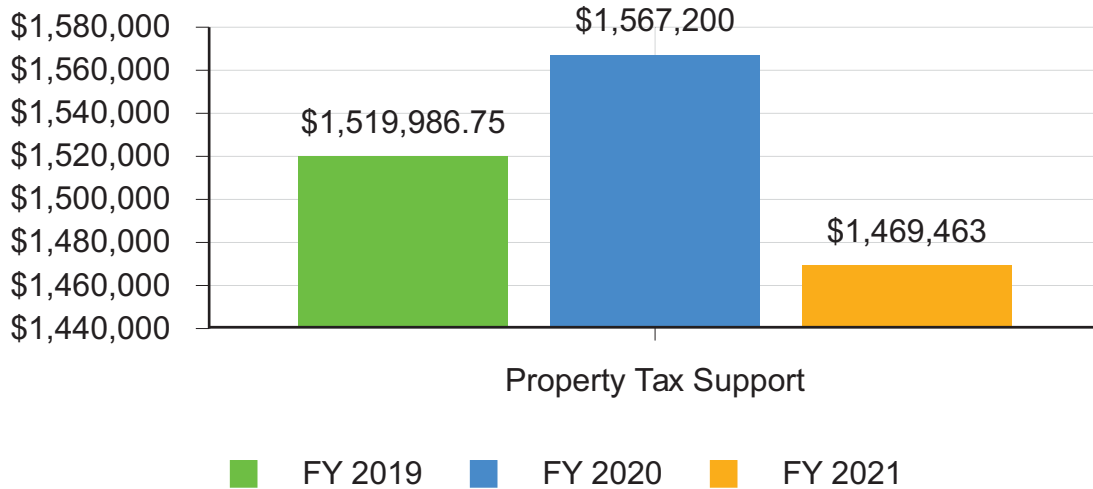
PARTNERSHIPS

Efforts are coordinated with the Dubuque Area Visitor and Convention Bureau. Often local professionals represent their professional association to bring their state and/or national conference to Dubuque. Partners at Five Flags include many theatrical and performing groups.

LEISURE SERVICES FACILITY DIVISION

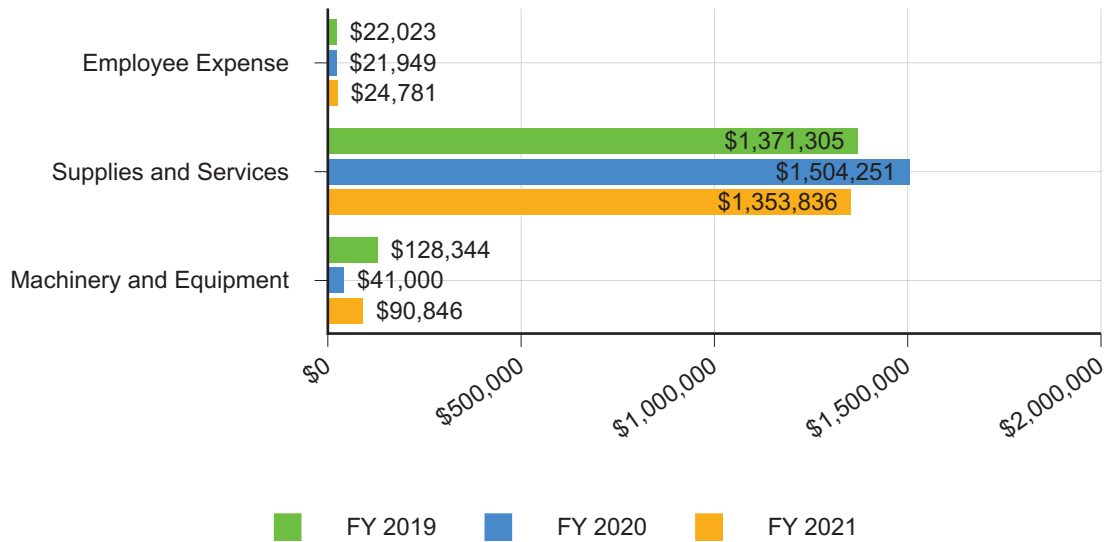
	FY 2019	FY 2020	FY 2021
Full-Time Equivalent	0.15	0.15	0.15

Property Tax Support



The Leisure Services Facilities Division is supported by 0.15 full-time equivalent employees. Supplies and services accounts for 92.13% of the department expense as seen below. Overall, the department's expenses are expected to decrease by -6.24% in FY 2021 compared to FY 2020.

Expenditure by Category by Fiscal Year



LEISURE SERVICES FACILITY DIVISION

Mission & Services

The Facility Management Division of the Leisure Services Department strives to provide venues for community and civic activities, entertainment, and cultural events and activities. The division promotes events and activities that bring tourists and generate spending in the community and ensure the centers are well-maintained and professionally managed to ensure attendees have a positive experience.

Five Flags Civic Center is a City owned building managed day-to-day by ASM Global located in the heart of downtown. It is a multipurpose facility which hosts sporting events, theatrical performances, concerts, meetings and conventions, high school and community college graduations, sporting events and much more. Five Flags Civic Center features an arena, historic theater, meeting rooms and intimate performance stage called the Bijou Room.



The Grand River Center is a City owned building managed by Platinum Hospitality. Dubuque's iconic convention and education center is located in the Port of Dubuque overlooking the Mississippi River and Riverwalk. The conference center has meeting rooms, a ballroom and exhibit hall allowing a variety of uses of the space for large and small events.

Leisure Services initiates capital improvement projects for these facilities ensuring the long-term viability and functionality of these buildings.



Five Flags Civic Center Funding Summary			
	FY 2019 Actual	FY 2020 Budget	FY 2021 Requested
Expenditures	\$1,046,676	\$1,056,057	\$955,043
Resources	\$—	\$—	\$—

Five Flags Civic Center Position Summary	
	FY 2021
Leisure Services Manager	0.15
Total FT Equivalent Employees	0.15

Grand River Center Funding Summary			
	FY 2019 Actual	FY 2020 Budget	FY 2021 Requested
Expenditures	\$484,636	\$533,318	\$544,926
Resources	\$9,640	\$22,175	\$30,506

LEISURE SERVICES FACILITY DIVISION

Performance Measures

City Council Goal: Partnerships for a Better Dubuque

	Performance Measure (KPI)	Target	FY18 Actual	FY19 Actual	FY20 Estimate	Performance Indicator
1	Activity Objective: Become a regional hub for arts and culture by partnering with arts & culture organizations and providing Arts and Culture events and programming.					
	% change from prior year in performing arts programming held at Five Flags			+14%	+1%	
2	Activity Objective: Host community events and activities that support families and children.					
	# of unique performances and events (both centers combined)		87	89	82	
	# of events that supported fundraisers benefiting families & children (both)		15	18	17	
3	Activity Objective: Maintain infrastructure and amenities to support economic development and growth.					
	# of attendees at Annual Growing Sustainable Communities Conference (number of states represented)		350 (22)	425 (28+ Canada)	482 (27) (actual)	



Recommended Operating Revenue Budget - Department Total

32 - CIVIC CENTER DIVISION

Fund	Account	Account Title	FY18 Actual Revenue	FY19 Actual Revenue	FY20 Adopted Budget	FY21 Recomm'd Budget
400	54210	GO BOND PROCEEDS	0	3,238	0	0
400	54220	BOND DISCOUNT	0	147	0	0
54	OTHER FINANCING SOURCES - Total		0	3,385	0	0
400	59350	FR SALES TAX CONSTRUCTION	46,960	47,960	52,063	43,929
59	TRANSFER IN AND INTERNAL - Total		46,960	47,960	52,063	43,929
CIVIC CENTER DIVISION - Total			46,960	51,345	52,063	43,929

Recommended Operating Expenditure Budget - Department Total

32 - CIVIC CENTER DIVISION

Fund	Account	Account Title	FY18 Actual Expense	FY19 Actual Expense	FY20 Adopted Budget	FY 21 Recomm'd Budget
100	61010	FULL-TIME EMPLOYEES	16,673	16,975	17,309	19,541
100	61310	IPERS	1,492	1,602	1,634	1,844
100	61320	SOCIAL SECURITY	1,217	1,234	1,324	1,495
100	61410	HEALTH INSURANCE	2,385	2,146	1,626	1,844
100	61415	WORKMENS' COMPENSATION	63	54	45	46
100	61416	LIFE INSURANCE	11	11	11	11
61 - WAGES AND BENEFITS			21,841	22,023	21,949	24,781
100	62061	DP EQUIP. MAINT CONTRACTS	2,187	0	2,231	0
100	62090	PRINTING & BINDING	314	325	335	335
100	62110	COPYING/REPRODUCTION	1,517	1,630	1,623	1,744
100	62206	PROPERTY INSURANCE	18,344	25,348	25,785	25,785
100	62208	GENERAL LIABILITY INSURAN	69	67	72	72
100	62320	TRAVEL-CITY BUSINESS	(80)	0	0	0
100	62421	TELEPHONE	1,345	1,403	1,392	1,416
100	62614	EQUIP MAINT CONTRACT	959	959	3,359	2,512
100	62627	CAMERA MAINTENANCE	378	432	1,178	1,400
100	62712	CONSULTING ENGINEERS	0	0	102,800	0
100	62713	LEGAL SERVICES	0	247	0	0
100	62716	CONSULTANT SERVICES	0	43,660	0	0
400	62731	MISCELLANEOUS SERVICES	0	1,563	0	0
100	62761	PAY TO OTHER AGENCY	782,070	880,613	880,333	896,998
62 - SUPPLIES AND SERVICES			807,103	956,248	1,019,108	930,262
100	71315	TRUCK-ADDITIONAL	0	33,516	0	0
100	72416	VIDEO EQUIPMENT	0	0	15,000	0
100	72417	CAMERA RELATED EQUIPMENT	0	34,889	0	0
71 - EQUIPMENT			0	68,405	15,000	0
400	74111	PRINCIPAL PAYMENT	34,850	36,900	39,996	33,463
400	74112	INTEREST PAYMENT	12,110	11,060	12,067	10,466
74 - DEBT SERVICE			46,960	47,960	52,063	43,929
32 - CIVIC CENTER DIVISION TOTAL			875,904	1,094,636	1,108,120	998,972

Recommended Expenditure Budget Report by Activity & Funding Source

32 - CIVIC CENTER DIVISION

CIVIC CENTER ADMINISTRATI- 32100

FUNDING SOURCE: GENERAL

Account	FY19 Actual Expense	FY20 Adopted Budget	FY21 Recomm'd Budget
EQUIPMENT	68,405	15,000	—
SUPPLIES AND SERVICES	954,684	1,019,108	930,262
WAGES AND BENEFITS	22,023	21,949	24,781
CIVIC CENTER ADMINISTRATI	1,045,113	1,056,057	955,043
DEBT SERVICE	- 32400		

FUNDING SOURCE: DEBT SERVICE

Account	FY19 Actual Expense	FY20 Adopted Budget	FY21 Recomm'd Budget
DEBT SERVICE	47,960	52,063	43,929
SUPPLIES AND SERVICES	1,563	—	—
DEBT SERVICE	\$49,523	\$52,063	\$43,929
CIVIC CENTER DIVISION TOTAL	\$1,094,636	\$1,108,120	\$998,972

CITY OF DUBUQUE, IOWA
 DEPARTMENT DETAIL - PERSONNEL COMPLEMENT

32 CIVIC CENTER DIVISION

FD	JC	WP-GR	JOB CLASS	FY 2019		FY 2020		FY 2021	
				FTE	BUDGET	FTE	BUDGET	FTE	BUDGET
61010 Full Time Employee Expense									
100	3375	GE-41	LEISURE SERVICES MANAGER	0.15	\$ 16,922	0.15	\$ 17,309	0.15	\$ 19,541
TOTAL FULL TIME EMPLOYEES				0.15	\$ 16,922	0.15	\$ 17,309	0.15	\$ 19,541
TOTAL CIVIC CENTER DIVISION				0.15	\$ 16,922	0.15	\$ 17,309	0.15	\$ 19,541

CITY OF DUBUQUE, IOWA
ACTIVITY PERSONNEL COMPLEMENT SUMMARY

ACCT	FD	JC	WP-GR	POSITION CLASS	FY 2019		FY 2020		FY 2021		
					FTE	BUDGET	FTE	BUDGET	FTE	BUDGET	
Civic Center Administration											
10032100	61010	100	3375	GE-41	LEISURE SERVICES MANAGER	0.15	\$ 16,922	0.15	\$ 17,309	0.15	\$ 19,541
				Total		0.15	\$ 16,922	0.15	\$ 17,309	0.15	\$ 19,541
TOTAL CIVIC CENTER DIVISION						0.15	\$ 16,922	0.15	\$ 17,309	0.15	\$ 19,541

Capital Improvement Projects by Department/Division					
CIVIC CENTER DIVISION					
CIP Number	Capital Improvement Project Title	FY 18 Actual Expense	FY 19 Actual Expense	FY 20 Adopted Budget	FY 21 Recomm'd Budget
1002569	FF IMPROV - SMG CONTRIB	—	—	—	—
1021711	ARENA DOORS ON MAIN	—	—	—	—
1022783	FIVE FLAGS ELEVATOR	—	—	12,000	—
3501708	THEATER-TUCKPOINT EXTERIO	287,558	—	—	—
3502378	ARENA ROOF	—	—	—	—
3502379	ARENA LIGHT FIXTURES	—	—	—	—
3502511	THEATRE FIRE ESCAPE	35,000	—	—	—
3502584	FF MARKET BUILD STUDY	35,390	1,500	—	—
3502647	ACCESSIBILITY BLDG MODIFI	—	—	—	—
3502709	CIVIC LED LIGHTING RETROF	—	—	—	—
3502736	FIVE FLAGS MARQUEE	64,530	—	—	—
3502740	FIVE FLAGS STUDY PHASE 2	—	42,036	—	—
3502741	ARENA CHAIR PLATFORM SEC3	0	0	0	0
3502831	BIJOU ROOM HALL TILE REPL	0	0	0	50,000
3602583	ARENA ROOF A/C UNIT REPLC	0	0	0	0
CIVIC CENTER DIVISION	TOTAL	422,478	43,536	12,000	50,000

PROGRAM /DEPT	PROJECT DESCRIPTION	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	TOTAL	PAGE
CIVIC CENTER DIVISION								
Culture and Recreation								
Operations								
Arena								
	Arena Air Conditioner Replacement	\$ —	\$100,000	\$ —	\$ —	\$ —	\$ 100,000	60
	Five Flags Building Improvements	\$ —	\$ —	\$ —	\$6,000,000	\$ —	\$6,000,000	61
	Bijou Room & Hall - Tile Replacement	\$ 50,000	\$ —	\$ —	\$ —	\$ —	\$ 50,000	62
	Theater - Carpet Replacement	\$ —	\$ 70,000	\$ —	\$ —	\$ —	\$ 70,000	63
	TOTAL	\$ 50,000	\$170,000	\$ —	\$6,000,000	\$ —	\$6,220,000	

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