

CITY OF KETTERING  
CITY COUNCIL  
WORKSHOP MINUTES  
October 10, 2017

The Council of the City of Kettering, Ohio met in a workshop session on Tuesday, October 10, 2017 in the Kettering Conference Room, 3600 Shroyer Road, Kettering Government Center. The meeting came to order at 6:00 p.m.

Council Members Present included Mayor Patterson, Vice Mayor Scott, Mrs. Schrimpf, Mr. Wanamaker, Mr. Klepacz, Mr. Duke and Mr. Lautar.

Staff Members Present: City Manager Mark Schwieterman, Assistant City Manager Steve Bergstresser, Law Director Ted Hamer, Assistant Law Director Maggie Pasqualone, PRCA Director MaryBeth Thaman, Frazee Pavilion Manager Karen Durham, Finance Director Nancy Gregory, Budget Manager Kelly O'Connell and Economic Development Manager Gregg Gorsuch.

Mr. Sterling Abernathy was also in attendance.

City Council Meeting Agenda Review – Mr. Schwieterman reviewed the Council meeting agenda with the City Council members.

Façade and Site Improvement Program – Mr. Schwieterman noted staff has received an application for a Façade and Site Improvement grant for the property at 3075 Wilmington Pike, which is the Red Line Automotive property. The grant would be for one half of the improvements made on the property up to a maximum of \$25,000. Mr. Schwieterman then passed around a rendering of what the finished product would look like. He said staff will bring legislation to Council at the October 24<sup>th</sup> meeting regarding this topic.

Big Hoopla Sponsorship – Mr. Schwieterman asked the Council members if they would like to once again sponsor the NCAA First Four event, there is \$5,000 in the contribution budget for this event. Mr. Duke made a motion to sponsor the First Four event at a \$5,000 level; the motion was seconded by Mr. Klepacz and passed unanimously upon roll call vote.

Frazee Operation Presentation – Ms. Thaman and Ms. Durham gave a PowerPoint presentation regarding the Frazee Operations. Ms. Thaman gave a history review of the Frazee Pavilion noting it originally opened in 1991, in 1997 the Frazee passed one million dollars in ticket sales, in 2003 Sheryl Crow produced her DVD *C'Mon America* at the Frazee and in 2013 the Frazee Fan Fare opened in the Town & Country Shopping Center. Ms. Durham then reviewed the financial support the City has provided to the Frazee over the years noting in 1991 \$500,000 was set aside to subsidize the Frazee and that amount was lowered to \$300,000 in 2010. The artist fees in 1992 were \$475,000 and in 2017 the

artist fees were \$1,900,000. She also noted in 2017 the subsidy is estimated to be \$450,000 to \$500,000. Ms. Durham also displayed a map showing the number of regional competition venues from 1991 to 2008 and a map indicating the number of regional competition venues from 2008 to 2017. Mayor Patterson noted it appears when the Rose Music Center opened a full season in 2016 is when the Frazee started losing revenue. Ms. Durham said yes the Rose Music Center is having a direct impact. Ms. Thaman displayed a slide showing the top ten zip codes in ticket sales revenue from 2013 through 2017. Ms. Thaman displayed a slide with three Frazee Operation Options for moving forward. One operating option is Operations Existing: City manages all programming and facility operations. The second operating option is Operations Modified: Regional concerts/festivals managed by the City. Outside promoter secures some national entertainment. The final operating option is Operations Changed: All concerts managed by outside promoter, the City pays management fee. Mr. Klepacz said he would like to see all of the costs that are contributing to losing \$500,000. Ms. Durham noted sound, lights and back-line costs are in the range of \$250,000 to \$300,000 each year and that is before we even open the doors. Then we have concession labor to set up and tear down. Ms. Thaman stated most of the workers get paid slightly above minimum wage rates. Mayor Patterson said the long and short of it is we are not getting enough bodies in the seats at the events. Ms. Thaman then displayed a slide stating what the "new normal" is, which included facts such as the Rose Music Center is here to stay, Levitt Pavilion will open in 2018 and Butler County is currently conducting a feasibility study regarding constructing a music center there. Ms. Durham then presented a slide titled Team Recommendations: Final Thoughts. The recommendations included the City should retain the music mix, events and venue control. The City should retain the subsidy for the Frazee. Staff should research outside company/companies to help secure 6-8 shows a summer. Staff should look at creating "block booking" with like size venues. We may need to accept the fact it is OK with winning a "bidding war" for select shows. The City should continue to invest in facility improvements necessary to enhance guest and artist experiences. Mr. Klepacz said he would like to go back to the costs of operations, what can we do to lower the costs of operations? Ms. Thaman said we could balance the staff ratio with the number of tickets sold. Mr. Scott said we don't do that now. Ms. Thaman said we do, but we could take a closer look at it. Mrs. Schrimpf stated she hears complaints regarding the way guest are treated at the Frazee, she feels this is a real problem and asked what are we doing to address this issue. Ms. Thaman stated she is sending three staff members to a Disney customer service training next week. Ms. Durham also noted she feels the policies at the Frazee regarding security, searching purses etc. are very similar to policies at other venues and much less stringent than security policies at venues such as the Bengals stadium and the Schottenstein Center. Mayor Patterson said this is a basic math problem we need to increase attendance or decrease operating costs. He noted it is difficult to budget a \$400,000 subsidy every year and the competition is only going to get greater. Mr. Schwieterman stated staff is currently researching two options for improving the situation. The first option is researching outside company to help secure 6 to 8 shows per year and the second is creating "block booking" with other like size venues. Staff will continue making an operating model of what this might look like and report back to City Council.

At 7:12 p.m. Mr. Wanamaker made a motion to enter into executive session under Section 121.06(k) of the Codified Ordinances for purposes of: Personnel Matters,

Property Matters and Conference with Attorney the motion was seconded by Mr. Scott.  
The motion passed by a unanimous roll call vote.

At 7:28 p.m. Council exited the executive session and went back on the public record.

The workshop meeting adjourned at 7:29 p.m.

ATTEST:

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DONALD E. PATTERSON  
MAYOR

AMY J. HAYSLIP  
Clerk of Council