

Report

Margo Ohlson
Director, Theatre Operation
E.J. Thomas Hall

As requested, we have completed an Administrative Review for the E.J. Thomas Performing Arts Hall (PAH). The period for our review focused on fiscal years June 30, 2015 thru 2018. We have purposefully not included the financials during the operational change during FY15. This led to a more fiscally self-sustainable and less reliant EJ Thomas upon the University's general fund operation.

We completed our administrative review and developed this report with the goal to help the University administration better understand E.J. Thomas Hall's financial activity and resources provided to the campus community.

This document is organized into this report and a number of appendices. The review provides basic facts, a description of the Hall, an organizational chart, critical partners, financial highlights, and future trends for the performing arts.

Background

The E.J. Thomas PAH and an adjoining parking deck were built during 1973 as a result of the efforts of the University and a dedication group of community leaders. The PAH facility fall under the direction of the PAH management while Parking Services is responsible for the parking deck. The “common area” around both buildings is the responsibility of Physical Facilities Operation (PFOC).

The PAH offers seating capacity for 2955 patrons and approximated 121,000 square feet, while the 5-level 250 vehicle capacity parking deck approximates 22,000 square feet. Together, construction costs approximately \$13.9 million for both structures.

Annually, the PAH hosts more than 130,000 patrons of all ages for a variety of performances ranging from the Broadway series, Resident Hall Programming Board events, University guest lecture speakers, community fundraisers, and special attractions. The PAH also serves as home to The Akron Symphony, Tuesday Musical Association, Children’s Concert Society, and Akron Youth Symphony.

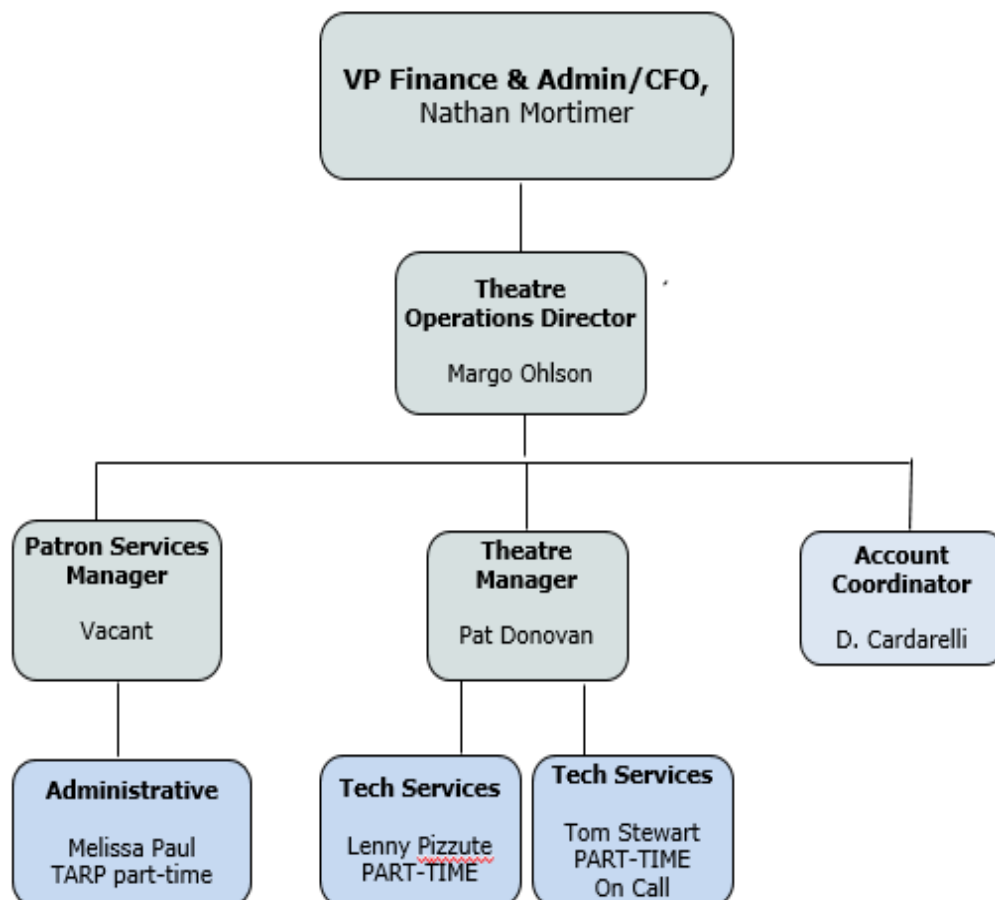
There have been a number of defining moments for the PAH in recent years. Those events included the University-wide staff reduction in July 2015. A staffing alignment was effectuated, and cores staffing was decreased from approximately 12 FTEs to 4 FTEs for a net savings approaching \$750,000 annually.

Further, as part of its realignment, the University leveraged the resident experience of The Akron Civic Theatre (ACT), an Akron community theatre-house, to assist in the transition. That University/ACT relationship has evolved, to include a share service of a single ticket office operation.

Lastly, the University contracted Playhouse Square to promote and deliver the University’s long-standing Broadway in Akron series. This relationship allows PAH to continue to provide quality well attended performances with minimal risk of University funds.

The current business model of PAH is for event promoters to assume the financial risk and rewards.

Organizational Chart



Margo Ohlson

Director, Theatre Operations – oversee and orchestrates operations of theatre, acquire artist/talent, prepare offer sheet for artist performance, book artist hospitality, contract program playbill, develop outdoor/indoor show advertising, recruit/hire staff, develop annual budget, develop rental sheets, manages the master schedule of performances, ensure staffing for events, communicate with Flying Balcony donors, review and sign all contracts/agreements/other instruments entered into and on behalf of the university, negotiate rental rates, prepare show event sheet, oversee PFOC maintenance/charges/overcharges, manage Facebook/Twitter/Instagram social media, oversee web site, manage weekly email blasts to over 20,000 patron

University conference services coordinator – answer all phone requests, question, and pricing for outside University conferences, tour with clients to university spaces, coordinate catering for events, coordinate best use of space for event

Conferences included: AA Founders' Day, First Energy, Franklin Covey, ODELA high school, Leadership Akron, Law School CIPLA, Fraternal order of Police, Community Salutes, Akron Fire Training, Dale Carnegie conference, wedding coordination

Dominic Cardarelli

Senior Accounts Coordinator – oversee long/short term budget, check budget line items for proper charges, deposit/receipts of accounts receivable, invoice shows, pay all vendors, vendor compliance and relationships, future planning/budgeting,

Food/Beverage Manager – oversee the concessions/bar, inventory controls, schedule/train student assistance, health inspector compliant, deposit/account for all funds, vendor relationships, hospitality for Flying Balcony, Subscriber lounge, back stage catering, receptions

Patricia Donovan, Theatre Manager – manage theatre specs, tech all shows, schedule/oversee the local stagehands, finalize the stagehand invoice, ensure theatre is in working order, procures all show rental, facilitates between the tour production and EJT, schedule building maintenance/cleaning, oversee annual maintenance projects

Vacant, Patron Service Manager – oversee front of house operations, audience safety, supervise/train student assistants, manage large team of volunteers, develop building activity report, resolve patron issues, coordinate parking services/police/grounds, special hall events/projects, Flying Balcony coordinator, maintain the lobby appearance, lobby diagrams

Lenny Pizzute, Assistant Theatre Manager – ensure all preventative maintenance is complete, paint stage, oversee contract vendors, coordinate between touring show and EJT, schedule student assistants, train/oversee students, lobby/stage diagram development,

Melissa Paul, Associate Patron Service – provide office support, scan office documents, assist home football games, and assist house manager/special projects

Mission and Goals

The mission of E.J. Thomas Hall is to serve as a resource supporting the academic and community success of the University while repositioning the facility to meet the fiscal expectations of the institution.

Goal: Provide a venue in which to experience the arts. As a service provided by The University of Akron, E.J. Thomas Hall plays an important role in developing and education new audience for the present and future. By broadening our programming, we become more relevant and more accessible our audiences – The University of Akron students and the Akron community.

Services Defined

Straight Rental – outside entities rent the hall per the Board approved rate sheet. All University expenses are reimbursed from ticket sales or final invoice.

University Academic rental – Hall rental is waived, all expenses incurred are invoice to the academic department.

Presenter – EJT assumes all risk/reward for the performance.

*See attached rental sheet

Tenant Rental Services

Akron Symphony Orchestra

For more than 60 years, the Akron Symphony Orchestra has been a driving musical force throughout Greater Akron.

The Akron Symphony Orchestra is operated by the Greater Akron Musical Association (GAMA). GAMA's vision is to be embraced and sustained as a community treasure that provides a welcoming environment for all people to experience great music. This vision is realized by operating the Akron Symphony Orchestra, Akron Youth Orchestras, Akron Symphony Chorus, and numerous special outreach and educational programs.

Since E.J. Thomas Hall's opening night in 1974 the Akron Symphony has been a long standing University tenant. This relationship has been mutually beneficial for each entity; the ASO has provided rent for all 44 years of service. Together the Symphony and PAH have purchased stage equipment that is housed and used in the Hall.

	FY16	FY17	FY18
Building Usage/ASO days per year	24	26	27
Annual Percentage ASO events	21%	18%	20%
Rent and facility fee totals	\$67,875	\$74,972	\$75,621

Tuesday Musical Association

Entering its 131st season in 2018-19, Tuesday Musical is a core arts organization in Akron and one of the oldest and most-respected organizations of its kind in the United States. It presents concerts by world-acclaimed classical soloists and ensembles as well as vibrant education and community engagement programs. On the stage of E.J. Thomas Hall, Tuesday Musical is enticing and engaging generations of music lovers by bringing the world's best music to Akron and Northeast Ohio.

Tuesday Musical presents three concert series, all with related Education and Community Engagement activities:

Tuesday Musical's **Mainstage Series** features six concerts annually by nationally and internationally acclaimed classical artists and ensembles. These concerts take place at E. J. Thomas Performing Arts Hall in Akron, and feature well-attended pre-concert talks that help to inform and engage our audiences.

FUZE series concerts, three each season, engage audiences in unexpectedly delightful ways, some at EJ Thomas Hall and others in smaller venues throughout the community.

The orchestra and choral shell was a gift from the Tuesday Musical Club, given in memory of Mary Z. Schumacher of the Quaker Oats family. The shell is also used for Akron Symphony Orchestra concerts, lectures, and other performances.

Also, in 2014 TMA purchased a Steinway grand piano that is housed and stored in PAH. Thanks to this piano, guest artists are enticed to play in the hall.

	FY16	FY17	FY18
Building Usage/TMA days per year	6	6	8
Annual Percentage TMA events	5%	4%	6%
Rent and facility fee totals	\$19,366	\$13,168	\$21,520

University Tenants

EJ Thomas Hall is hosts numerous University sponsored events presented by: Resident Hall Programming Board, Zips Programming Network, UA Myers/Hood Lecture, Knight Lecture Series, Akron Acapella groups, and Greek life organizations. In addition, The School of Music presents concerts performed by University students who gain a valuable learning experience. Performing on PAH stage prepares students for their future experiences on a concert stage with a full professional production performance.

The School of Dance utilizes PAH for dance recital that serve several functions. It provides an opportunity for the community to see the University student body in its entirety and to witness their progress within the larger context of other classes. It provides an outlet for the student to shine, and gives focus for the class work.

Currently, academic units are “rent free” but assume all hard expenses such as: IATSE stagehands, cleaning fee, facility fee, student assistant cost, and any additional outside rentals.

In addition to stage usage, PAH rehearsal room (located on the ground floor) is utilized as classroom space for the School of Music.

	FY16	FY17	FY18
Building Usage, University days per year	46	50	41
Percentage Internal	40%	35%	30%
Rent and facility fee totals	\$25,175	\$18,744	\$17,225

Total Usage (Classes and Events)	273	301	294
Percentage Change In Usage over Previous Year	-6%	10%	-2%

Number of Classes per year	158	158	158
Percentage of Classes	58%	52%	54%

EJ Thomas Hall Presents

Through the year EJ Thomas Hall solely presents a limited number of performance, assuming all risk/reward for the University. As a performing arts presenter, PAH facilitates exchanges between the artists to deliver a performance opportunity. These performances are annually limited to reduce the financial risk.

With the assistance of the Akron Civic Theater FY 18 presented performance such are: Rumours, Second City, Josh Rzepka, Cirque Holidaze, Lettermen Christmas, Celtic Nights, and Branford Marsalis.

	FY16	FY17	FY18
Building Usage, Presenter days per year	5	13	13
Percentage Presenter	4%	9%	10%

Straight Rentals

PAH is rented to off campus organizations and the community for conferences, dance competitions, craft shows, cultural events, and high school graduations. These events are risk-free for the University and PAH invoices all expenses and including building rental.

E.J Thomas Hall is the first experience for over 30,000 annual patron during these events. This creates an opportunity for The University of Akron to leverage its exposure to incoming and potential students.

Moving toward the future, straight rentals are a “safe” revenue generating business, but does not utilize PAH’s full capacity as a performing arts hall.

	FY16	FY17	FY18
Building Usage, Rentals	34	48	47
Percentage External	30%	34%	35%
Rent and facility fee totals	\$60,974	\$68,047	\$64,897

Financial Highlights

We presented EJ Thomas PAH’s financial activities for fiscal years 2016, 2017, 2018.

Table A
EJ Thomas PAH
Budget vs Actual Results

Budget										
	FY16 Budget	FY16 Actual	Variance	FY17 Budget	FY17 Actual	Variance	FY18 Budget	FY18 Actual	Variance	
Administration (309001)										
Revenues	1,077,327	2,573,926	(1,496,599)	2,718,016	2,472,751	245,265	2,778,052	3,540,068	(762,016)	
Gifts, Grants, Contracts	-	198,050	(198,050)	282,199	194,900	87,299	212,335	175,520	36,815	
Sales & Services	-	1,297,880	(1,297,880)	1,357,001	1,291,690	65,311	1,608,703	2,402,711	(794,008)	
Other	-	-	-	85,000	(6,919)	91,919	-	-	-	
Transfer-In	1,077,327	1,077,996	(669)	9,993,816	993,080	9,000,736	957,014	961,838	(4,824)	
Expenses	846,771	2,170,454	(1,323,683)	1,943,959	1,923,846	20,113	2,304,274	2,762,476	(458,202)	
Administration & Staff	519,444	300,585	218,859	239,252	242,257	(3,005)	265,110	262,527	2,583	
Student Assistants	-	30,367	(30,367)	91,350	60,452	30,898	68,263	60,536	7,727	
Fringes	-	126,825	(126,825)	92,821	99,718	(6,897)	105,829	109,074	(3,245)	
Supplies & Services	-	1,385,382	(1,385,382)	1,165,269	1,220,514	(55,245)	1,508,058	2,147,980	(639,922)	
Communication	-	18,866	(18,866)	16,000	19,066	(3,066)	18,000	13,842	4,158	
Travel & Hosp	-	9,165	(9,165)	12,000	6,281	5,719	12,000	16,316	(4,316)	
Cost Sharing	-	(30,000)	30,000	-	(56,533)	56,533	-	(189,869)	189,869	
Transfer-Out	327,327	329,264	(1,937)	327,267	332,091	(4,824)	327,014	342,036	(15,022)	
Maintenance (309002)	399,000	558,866	(159,866)	809,928	470,712	339,216	549,547	503,604	45,943	
TOTALS	(168,444)	(155,394)	(323,838)	(35,871)	78,193	42,322	(75,769)	273,988	198,219	

Note 1: Some line items were relabeled or combined for presentation needs

Note 2: Account 309003 (Concessions) are not included as it is combined into 309001 at the end of each fiscal year

Before FY 2016, EJ Thomas was under different management and in a different financial situation. The beginning of the turnaround for EJ Thomas and its staff of four occurred in FY16 and beyond.

Table B
EJ Thomas PAH
Revenues

	FY16	FY17	FY18
Gifts, Grants, Contracts	198,050	194,900	175,520
Sales & Services	1,297,880	1,291,690	2,402,711
Other	-	(6,919)	-
Tranfer-In	1,077,996	993,080	961,838
	2,573,926	2,472,751	3,540,069

Chart A
EJ Thomas PAH
Revenues

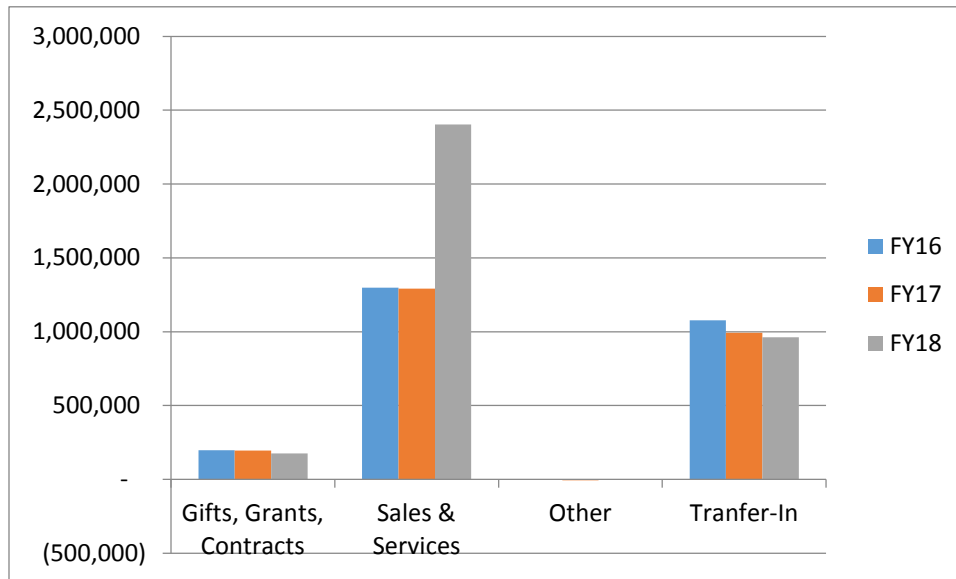


Table B and Chart A show the Revenues for EJ Thomas PAH during FY16, FY17, and FY18.

Table C
EJ Thomas PAH
Expenses

	FY16	FY17	FY18	
Administration	438,765	365,437	388,105	*1
Debt	327,327	327,267	327,014	
Utilities	353,605	235,607	309,501	
IATSE	236,304	338,270	290,444	
PFOC "Charges"	147,007	89,663	113,868	
Akron Civic	110,000	110,000	110,000	
Advertising	23,378	79,884	70,873	*2
Aetna/ABM	51,612	46,149	48,772	
UAPD	38,544	40,989	40,173	
Printing/Copying	2,517	10,489	14,204	*3
	1,729,059	1,643,755	1,712,954	

Note 1 Ft, PT, & Fringe

Note 2 DST, Nagel, MyEmma

No Nagel until FY17

Note 3 Starting getting charged "Print Services Department in FY17"

Chart B
EJ Thomas PAH
Expenses

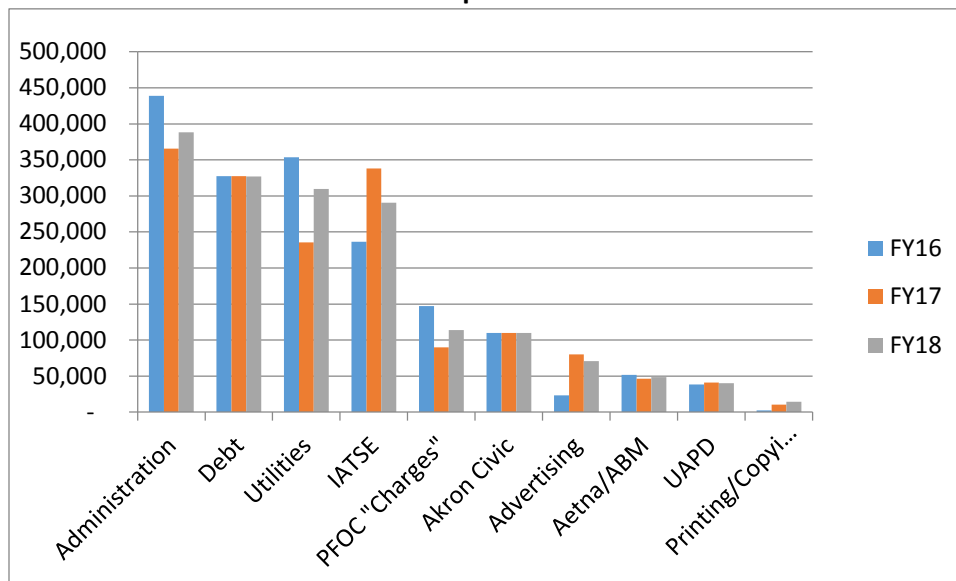
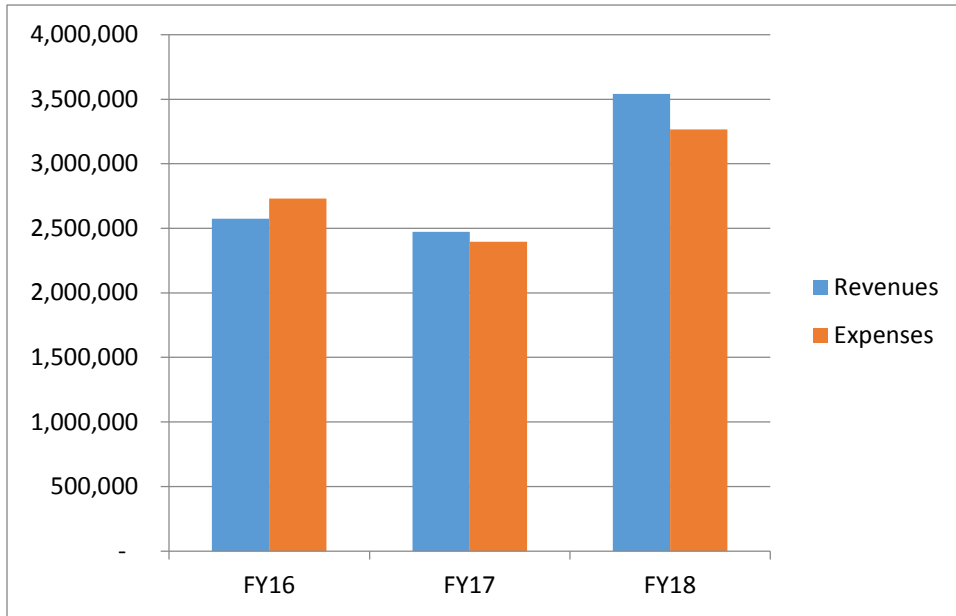


Table C and Chart B show the Expenses for EJ Thomas PAH during FY16, FY17, and FY18.

Chart C
EJ Thomas PAH
Total Revenues/Expenses



Overall, total Expenses exceeded total Revenues in FY16; however the situation improves each year in FY17 and FY18.

Chart D
EJ Thomas PAH
Operating Balance/Deficits

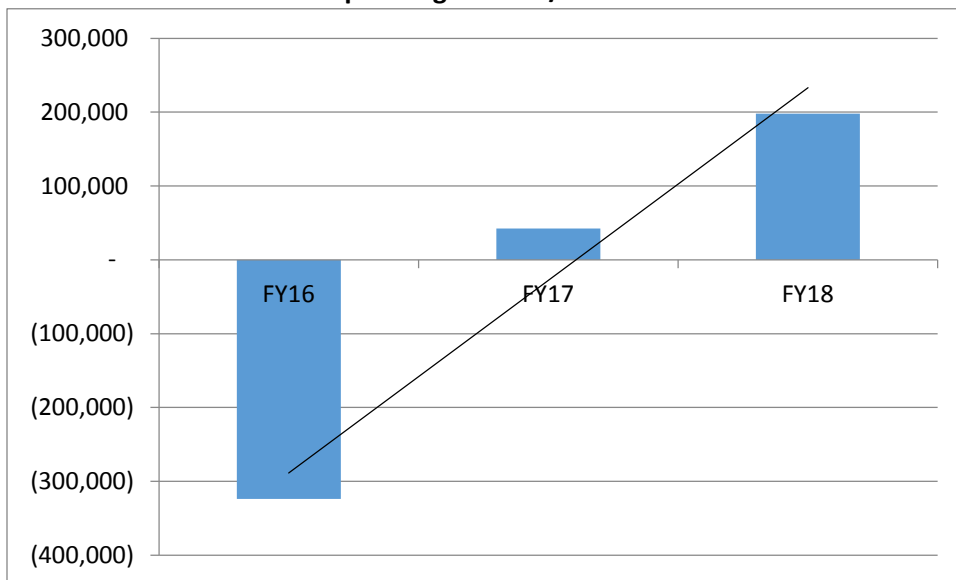


Chart B uses the data in Chart A to a balances/deficits appearance.

The first year of the turnaround (FY16), EJ Thomas PAH was in 'catch-up' most of the year and operated in the "red." After the work of the staff to control expenditures and raise revenues, EJ PAH operated in the "black" for FY17 and FY18.

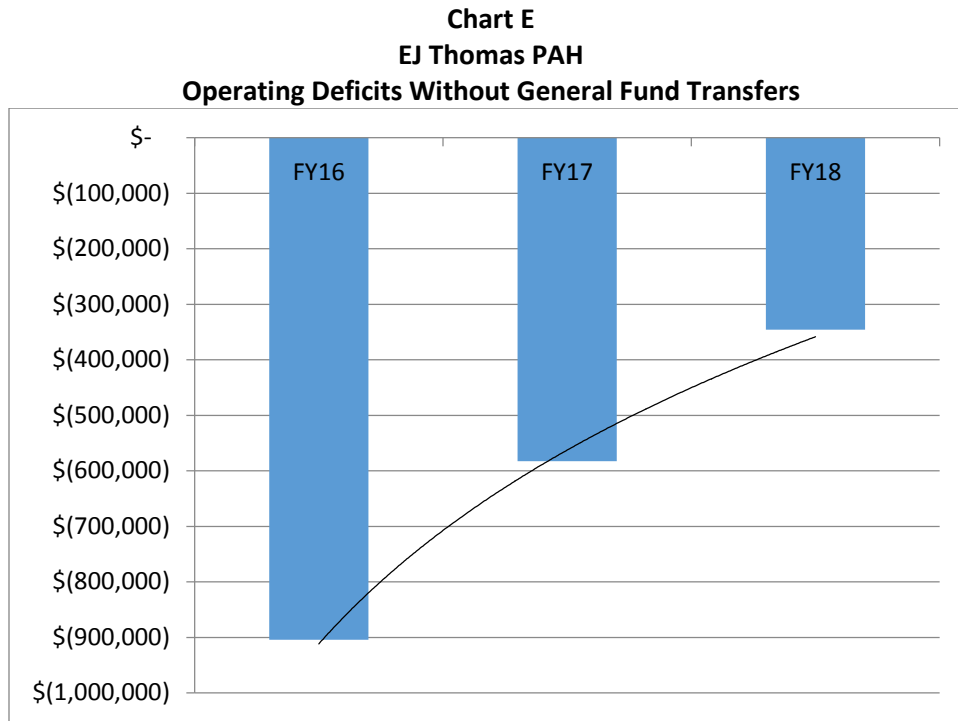


Chart C summarizes the annual deficits without General Fund transfers for FY16, FY17, and FY18. As you can see, the trend is going in the right direction with the ultimate goal being getting the graph (and General Fund monies) to \$0.

Table D
EJ Thomas PAH
PAH and University Financial Activity

FY Ended	Transfers-In	Transfers-out	PFOC Charges	Utilities		Difference
2018	\$ 961,838	\$ (327,014)	\$ (113,868)	\$ (309,501)		\$ 211,455
2017	\$ 993,080	\$ (327,267)	\$ (89,663)	\$ (235,607)		\$ 340,543
2016	\$ 1,077,996	\$ (327,327)	\$ (147,007)	\$ (353,605)		\$ 250,057

Table D represents the results of the debt, PFOC charges, and utilities levied on EJ Thomas during a particular year. Without the debt service (Transfers-out), EJ Thomas PAH could potential receive \$327,000 less in General Fund transfers per year.

Additionally, EJ Thomas staff has been monitoring the utilities (water, chilled water, electric, and hi-temp hot water) charges very carefully as this could greatly affect the budget each fiscal year, as it is the 3rd highest Expense category (see Chart B or Table C)

Similarly, EJ Thomas staff has begun to monitor the PFOC charges with greater scrutiny as the charges account for the 5th highest expense each fiscal year (see Chart B or Table C)

Future Plans

Arts funding across the United States is at a major crossroads. Public arts funding has decreased by approximately 25% in the past 10 years and threatened to be cut further. Therefore, here at EJ Thomas PAH, we are in constant discussions in how to increase Flying Balcony Club membership, planning fundraisers or capital campaigns, and attempting to increase our Endowments to the Hall. Additionally, we are in the early stages of planning a 50th year anniversary party/fundraiser.

Other potential changes include Sponsorships for various EJ Thomas areas that are not currently supported and/or increasing Corporate Partnerships, Grants, and relationships with local arts organizations who share our vision in the arts.

“The current state of the arts in this country is a microcosm of the state of the nation. Large, mainstream arts institutions, founded to serve the public good and assigned non-profit status to do so, have come to resemble exclusive country clubs. Meanwhile, outside their walls, a dynamic new generation of artists and the diverse communities where they live and work are being systematically denied access to resources and cultural legitimation.” (Andy Horwitz, 2016)

Reading this quote, EJ Thomas can utilize an untapped market for shows, programs, partnerships, and ultimately, revenues. (For example: The Mero Cup USA, Nepali competition, here at EJ Thomas PAH on August 4, 2018).

Conclusion

This Administrative Review report reflects how far we have come in the past three years. E.J. Thomas Hall is projected in FY 2020 to be a true University auxiliary, proven by a general fund decrease of \$1.18 million since fiscal year 2015. The new direction/model of EJT is proving to be fiscally responsible with University funds.

In order to be a true auxiliary, without general fund support, an increase in staffing is needed to work the front of house, market and advertise building activity, and ultimately increase ticket sales, therefore, increasing revenue.