

**Cedar City Arts RAP Tax Advisory
Committee Action Meeting
June 26, 2019**

The Cedar City Arts RAP Tax Advisory Committee held its action meeting on Wednesday, June 26, 2019 at 9:00 a.m., in the City Council Chambers, 10 North Main Street, Cedar City, Utah.

PRESENT: Board Members: Joanne Brattain, Linda Benson, Randy Allen, Donna Law, Becki Bronson, Neal Smith, City Attorney Tyler Romeril, Executive Assistant Onjulee Pittser, City Manager Paul Bittmenn.

EXCUSED: Paul Cozzens.

OTHERS: Bruce Hughes, Steve Decker, Stephen Wagner, Dallen Olcott, Jewly Krause, Jonell Hone, Sara Penny

CALL TO ORDER: Tyler: One item that I'd like to bring up is over the last decade that this RAP tax program has been in operation, there are years where some organizations that are given these RAP tax funds they never come in and request them or they request the first half but not the second half. What our finance director has done is any of those allotted RAP tax funds that were never distributed, he throws them into an account, and they've collected interest over the years and there's about \$62,000 in there. Donna found it and talked to Jason about it and that \$62,000 is available if the committee wants to make that recommendation. They can recommend that all of it be distributed or only part of it be distributed. As you can see what's been discussed via email is to do 2 budgets. One with \$200,000 and one with \$220,000. It was Donna's idea that we spend an extra \$20,000 this year, another \$20,000 next year and the final \$20,000 the following year. The reason why the finance director didn't just give it to them every year was because he thought we could keep a reserve and when times get tough then we can throw some of that in so there's more RAP Tax money. It's your decision and recommendation on what to do with that excess so that would be my suggestion on what to discuss first. Then based on that, we can take your recommendations to City Council.

DISCUSSION AND VOTE ON RAP TAX RECOMMENDATIONS – Neal: I asked for the RAP Tax amounts history and this year we have way over \$600,000. It's \$676,000 total. It has been as low as \$388,000, and being a stock market investor, the market goes up until it goes down and we have no idea how far it will go down. If this is a business, I would tell them not to spend the money. **Randy:** I agree. I think keeping a reserve is a good idea, as long as City Council sees it and say that we need to get rid of RAP Tax. **Linda:** I have mixed feelings on it. I'm with Donna that it could be put to good use now. I'm seeing all the growth in Cedar City and being from Las Vegas, I saw what happened a few years back. **Joanne:** It happened here too. **Linda:** I waffle back and forth that maybe we should use less just in case something happens. I'm on the line. **Becki:** I'm leaning more towards saving only because I know how quickly things can change. I would hate the bottom to drop out and not have a reserve. I play more on the safe side of things. **Donna:** We have so many groups here looking for funding to help sustain their businesses. As I reread the ordinance it requires that the total amount be budgeted. That's what made me go back and see what else is there. I'm going to vote for this, but I understand the idea of a reserve. I also think there's some inequity as far as organizations served when it comes to the split of arts and parks & rec. I think there's an opportunity in the coming years to look for a plan to change the general allocation. **Neal:** I did it both ways. **Joanne:** We all did. **Bruce Hughes:** As Donna has said the ordinance is whatever we raise we give away. This money has already been given away; it just hasn't been claimed. I didn't understand why that didn't roll over the next year and become part of the next years fund. There is no provision for the reserve in the RAP tax. **Tyler:** Every year the RAP tax that comes in is distributed. Whether the organizations go through the process to

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get it or not is up to them. **Bruce:** There's nothing that says that unclaimed RAP tax money goes into a reserve. It's not in ordinance at all. **Linda:** How long do the applicants have to claim the money? **Tyler:** One year and that's in the agreement they sign with the City. **Bruce:** I say give the money away. **Sarah Penney:** When they took out 10% for the preservation thing when we were spending a fortune on the Heritage theater to keep it alive, that was upsetting and now you want to take out more. Everybody needs to put RAP on their programs and we need to get that logo on everything that is funded by RAP. Why is there not a RAP sign at every park and every facility that has received this RAP money? When we have to ask people vote for it again, they're going to need to know where the money comes from. **Tyler:** What the ordinance says is from time to time unallocated funds will accumulate in the City's account. The City's finance department shall account for the unallocated funds and disclose the amount annually in conjunction with the City's budget. Then it gives some discretion to the mayor on when those funds can be used. **Randy:** There's 2 relevant clauses. One says funds generated by the RAP tax shall be used for qualified expenses. Even if we save a bit nobody is proposing that we use any of the money for unqualified expenses. The next item says that entire amount of RAP tax collected shall be budgeted every year. It doesn't say spent every year or distributed. I think we're legally in the clear. The only reason we would do this is for the arts organizations because we would be worried that we would have to cut all their allotments in a bad year. I understand the desire to get the money now, but a little reserve is wise for the benefit of the arts community. **Donna:** Today's conversation is about \$20,00 for this year so there's still \$42,000 that can be discussed in future years. We can change our minds between those other time periods. **Joanne:** And there may be more money that groups don't take next year as well. **Becki:** I like this. It's a happy medium. We have some save and we're spending some. I'm really compelled about the third/third/third discussion to move something forward like that with the parks and rec and arts. I'm thinking that may be a future discussion we're going to have anyway. Knowing there's still a reserve I'd probably lean more toward spending \$220,000. **Becki:** I motion to spend the extra \$20,000 this year allocated as with the \$220,000 as we set forth. **Donna:** I second. The budget is not set forth yet; just that we're looking at the \$220,000. **Joanne:** And we'll make a recommendation to City Council. They still get to decide. **Neal:** I'm going to vow to the legalese and set a plan to distribute this money over time. Becki, Donna, Joanne, Linda and Neal voted in favor to spend part of the reserve (\$20,000). Randy opposed. Motion passes. **Joanne:** In terms of what we take to City Council can we work with the \$220,000 or do we need to work with both allocations? **Tyler:** I can provide them with both, but in my memo that I send to them, I'll say that this committee is recommending the council go with the \$220,000. **Joanne:** I'd like to negotiate on that one. Are you guys ok with that? I'll defend it with City Council if there are any issues. **Tyler:** That sounds good. **Joanne:** The first area to discuss is Writeout. Several of us said no money and some said yes money. Who would like to talk about no money? **Donna:** This was a concern I brought up at the meeting last week that the program is based out of Pleasant Grove and not in Cedar City. And I realize they have people working here and this is where the event is that's where they're located. **Linda:** We also requested how many Cedar City people were involved as far as the students and I never got anything that. **Randy:** We did get a response. It was very low. I don't have anything bad to say about this organization, but only like 10% were from Cedar City. **Neal:** It's more tourism. **Randy:** It's not really RAP tax dollars. **Joanne:** Because so few people are from Cedar they might want to apply for a different pot of money, like TRT, county money, because they are bringing people in. It looks like Neal and Becki voted yes. **Becki:** It's not something I feel passionate about. I guess I like the diversity it adds to what we've got. It's the same reason why I want Jazz Alliance funded. It's something different that we're bringing to the table and maybe we could give some direction to Writeout about recruiting local people to be a part of this. That's the only reason I would give them everything. I just really like that it's different. **Neal:** Mine was like a place holder. I thought we should discuss it. I was waiting the information on how many students we have attend here in Cedar. I can go either way. It was well, we like you being here, and I thought it was a minimal amount of money. I don't think it would hurt anybody to stick a grand there. This is the way you should go and the process you go through. I think they've missed the tourism deadline in March, and they would have to cycle all the way around to get their money.

Joanne: The UFO festival came and looked for money and legally they qualified, but really their focus was bringing people to Cedar not doing something for Cedar. I love reading and writing. I think this is the wrong place for them to ask for money. **Randy:** The idea of giving them something. I think we should resist the urge to just be nice or to help them out this year. If we don't feel we want to give RAP tax money to organizations who are primarily bringing people in I think we should hold a firm line because there are dozens of arts related conferences, symposiums, concerts that come to Cedar and they're all doing arts things, but they're not localized arts programs that provide so much for our community. We're getting on a slippery slope and I think we should politely decline. **Joanne:** Does somebody want to move what amount we give here? Randy moves for zero. Donna seconds. All in favor for unanimous vote. **Joanne:** Let's start with the arts council. Last year we went with the averages from last year. The arts council average is \$9,321 and we range from \$8,500 to \$10,000. Does anybody want to talk about the arts council? **Donna:** This group serves a larger body and the developing. That's how the Jazz Alliance got started was with the mini grants of the Arts Council. They're looking to help build an arts appreciative audience. I put in for the total \$10,000. **Joanne:** The Children's Musical Theater. The average is \$12,742 and looks like we're close there. Any thoughts? **Donna:** You'll see my recommendations are very similar across some of the categories and it's not because their work is similar, but they serve a similar number of people. That's why I have similar amounts for the Children's Musical Theater, the Junior Ballet, for the Community Theater and even Simonfest. That's my reasoning of looking at the total number of people served. **Joanne:** That was similar to what I did as well. I look at the average number of people per performance and looked at the totals as well. Thoughts on Junior ballet? We're pretty close on most of these. **Randy:** I love ballet. I go to their performances and they do a wonderful thing for our community. I think it's great that they do this and no problems at all. They have a business side and charitable side and I don't believe any other organization has that. There's nothing wrong with doing that but I'm a little opposed to running the dance studio as a business and putting on a couple performances that involve the public and receiving full RAP funding unlike those that are 100% public and not for profit. We need to take a little off because it's public and private. When the gentleman was speaking, he was talking redoing the floor in their dance studio and the whole payment of teachers thing was not understood as part of our expense, but if it's a for profit business that does a little on the side, we've got to be careful to distinguish that and I think we need to adjust because of that. **Joanne:** Are the lessons specifically to prepare people for the performance or are they separate? **Randy:** Usually the rehearsals that are paid for become the ballet. Other times of the year they'll do something else. **Joanne:** So, they're doing lessons to prepare for the performance. **Randy:** Yeah. Usually if the ballet starts in the next couple of months, they'll start rehearsing. It gets mixed together. It's not two clean separate entities. Legally it is but I think we should adjust to that. **Neal:** We did ask for something right? Did you get anything, Tyler? We asked for a clarification last week. **Donna:** We did. **Randy:** They said that they pay their instructors and they didn't put in their budget because that was part of their business side. **Joanne:** Any thoughts on the amount of money we think they get? **Randy:** I think I put 70% of their request. **Neal:** On the \$220,000 you had \$11,000. **Donna:** Should we start there? **Randy:** What was their request? **Joanne:** \$13,000. **Linda:** Last year it was \$11,500. **Donna:** I would propose leaving them at \$11,500 or we can start at \$11,000. **Joanne:** Let's start at \$11,000. Music arts we're pretty close. What did they get last year? **Donna:** Last year they got \$15,000. So, the average is \$16,275. **Donna:** Are they growing? **Joanne:** I don't believe so. I think they're trying to do tickets online and having different programs that appeal to a different audience. **Randy:** It's a tough business. To bring the Utah symphony to Cedar every year is miraculous. And it's our oldest organization. **Bruce:** Cedar is the only venue outside of Salt Lake that the Utah Symphony goes to every year. **Donna:** Let's start with the average on music arts. **Joanne:** Livestock. We had a range from \$15,000 to \$17,000 and one of the reasons I kept them the same as last year was the point that we made last week. In terms of facilities, I really want them to go to the City to try and get something from the City for some of the things they're trying to do for the facility rather than coming to us for RAP tax. **Donna:** I advocate for the full amount and that goes back to the number of people served. The livestock festival can have an impact on going to that staff person and asking them to do

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the work. It's really the responsibility of the staff person to figure out what they need to come and ask for and I don't know that they've done that. **Tyler:** This year Leisure Services decided they had other needs at Bicentennial park so that's what he applied for this year. **Joanne:** Do we want to go with the average now? The Community theater. We're pretty close. We've got \$13,033. Can we live \$13,000? What did they get last year? **Donna:** \$11,500. **Joanne:** Is \$13,000 ok to start with? I think In Jubilo and Master Singers are basically the same from my perspective, so whatever we agree on should be the same for Master Singers. It looks like we're pretty close except for Becki. **Becki:** I think they need to get everything they ask for. They ask for so little, but they do so much with it. They bring so much diversity to our community. What they do with what they're given and that should be rewarded. **Neal:** They were both \$2,500 last year and I think doubling it for the Master Singers is a big jump. **Joanne:** I do too. **Randy:** I think there are some organizations that run lean and that's ok. They do what they do on a small amount of funds and I don't think a bunch more money will change that. I don't think we need to throw more money at them. **Donna:** Both averages at about \$3,000. **Joanne:** Let's put \$3,000 for them and \$3,000 for Master Singers for now. Back to Jazz Alliance. I love that it's new and exciting. Somebody's agreed to match what we grant them. **Neal:** We should hold them to that too. We should make sure that match comes. Check next year if they show up and there's no match. **Tyler:** Oni's taking minutes and we can remember to share those a year from now before we meet. **Donna:** My intent was \$1,000 and \$500 in the smaller budget. That would up the average a bit. **Joanne:** Is \$1,600 ok for now? Orchestra of Southern Utah. We have a pretty big spread here. What did they get last year? **Donna:** \$14,000. **Joanne:** Any thoughts on the orchestra? **Donna:** I think this group adapts annually and incorporates broader partnerships, a broader group of people, young people to older people and its very homegrown and I think this group does a lot. Multiple performances, multiple venues, small and large groups, vocalist partnership with the Messiah. I think they demonstrate the value of the request they've asked. **Becki:** They are superb. If we go up on that I have no problem with that. **Joanne:** Our average is \$16,625. How about \$16,500? **Donna:** Round it up to \$17,000. **Joanne:** Ok. We'll see where we are. Simon fest. We have a big disparity here. **Randy:** We have to do what we have to do on this committee. My thinking is you don't want to kick people while they're down and pull the rug out for under them when they're trying to survive. I'm looking at a comparative analysis with CVCT, CCCMT, the Orchestra of Southern Utah and I'm seeing much more vibrant organizations being run responsibly. And I think not Neal or Mr. Sham has spoken with us, but the principal leader is Mr. Bugg and I think there's some irresponsible leadership going on. I think that the failure to solve the problems that have come up I don't think they've dealt with them. I think they've been defiant in their approach. Name calling to the people who have complained about the practices that they have had. There was a Salt Lake Tribune article on it. They're picking fights with aggressive lawyers and the assurances that were given were halfway. For the first time I felt they realized they have to be careful. They've been banned from doing "Barefoot in the Park", but they're still doing it. I raised these issues and I feel my concerns were not taken into account. I'm saying the leadership is lacking and I don't think you play around with copyright issues. They have the name of their theater on the Egyptian Theater as the "presenting party" for "Barefoot in the Park". They're taking on people in the Salt Lake Tribune. I think they're numbers have been down, and I don't think in comparison to the other groups, they deserve \$30,000 or \$20,000. I think they deserve in the range of CCCMT or CVCT as a comparative theater company. I don't think there's a reason to go way up. **Linda:** I went higher because I don't like to kick people while they're down. I like to try to bring them up. I don't want to be the cause of someone's demise. There's a lot of expense coming from trying to change their logos and signage, so I looked at that. **Joanne:** There's fewer performances this year, so if all of the money is going to the Heritage Center, I thought they would need less money for rent. I understand Randy's point and for me I focused on what they do in Cedar and the fact that they're doing fewer performances, which I think is the right thing from a business perspective, but their expenses should go down. **Becki:** I think that's wise. That's a great consideration. I'm with Linda in not kicking someone when they're down and I'm with Randy in that I had no idea that there was not a signed agreement to use the name. It's stunning that it could have gone one for over a decade and no signed, contractual agreement for the use of one of the most famous playwrights in

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American history. That's a red flag for me. Perhaps there's some re-evaluation of business practice on following copyright law. I'm supportive of decreasing the amount from last year. **Neal:** It's a tricky response. I can't speak for Rick Bugg, but I can say that I am chairman of the board and as soon as we were aware of all of these things, we began to talk action to mitigate everything. Immediately the new play contest was taken off the website. It's been discontinued. That was a former student at UNLV who had it in for our artistic staff and sent that blog to the UNLV president and it got ignored at UNLV. The internet is interesting thing and it never goes away, and it gets picked up and gets discussed. One person created all of this. When Neil Simon was alive there was no problem. You cannot copyright a name in Utah so there was no legal issue. **Becki:** But you can't have a signed agreement with Neil Simon? **Neal:** You'd have to ask Rick Bugg about that. As soon as we realized the estate attorney, DeSilva, we began to take steps and change the name. They had expanded it I did not agree with that, but you have to let people hang themselves and we got ahold of it and this year it's true. We cut our Heritage budget expense from \$41,000 to \$28,000. But if we go down to \$13,000 it's pretty tough. Somewhere between the average and last year we could probably handle. The idea we're not managing this is silly. That is not who I am. It's frustrating to think that the board of directors would be sitting around sleeping. **Becki:** I don't think we've said that. I don't think that's the thought. **Neal:** When I first why don't you have an agreement with Neil Simon? He's fine with it I said we need to get the signed agreement. We're happy that we're not shackled with Neil Simon and we can present a broader variety of plays and more interest from the community. Neil Simon has too many "F" words. It never fit the culture and the fact that it's survived for 16 years is surprising. There are people who will go see plays in the summer as an alternative at \$25 per seat versus Shakespeare. I think it be a lot better without Neil Simon plays. We were stuck with "Barefoot in the Park" because we had a commitment with the Egyptian. Those people got the rights and the players are our theater company, but not Simonfest. We're all volunteers. We're not full-time. My full-time job is raising money for Southwest Tech and that's my #1 priority. **Joanne:** Can someone propose an amount because I don't think the average will work in this case. **Randy:** \$17,000 or \$18,000. **Donna:** I second that. **Joanne:** All in favor of \$18,000? **Becki, Donna, Randy, Linda and Joanne** in favor of amount. **Neal** opposed amount. **Joanne:** SUMA again we have a wide range here. **Donna:** The reason I put the amount in is similar to the livestock festival. They served 27,000 people and the livestock festival serving 20,000 people. That's very different than serving 5,000 people. **Joanne:** It's year-round and the only visual arts. It has a huge impact on kids. **Randy:** The programs for the children are A+. It also serves the adult crowd. It's the only one in this category. **Joanne:** What would be a good compromise, or do we go with average? **Becki:** I say \$20,000. **Joanne:** Can we support that? **Neal:** Do we fund this 100%? **Joanne:** No. The university pays a fraction of the budget for SUMA and the rest is soft money. So, \$20,000 for SUMA to start? Suzuki Strings average is \$2,783. What did they get last year? **Donna:** They got \$2,400. **Becki:** Give them every cent. **Joanne:** Can we do \$3,000? **Donna:** To me that serves a comparable group of people to In Jubilo and Master Singers. **Joanne:** Let's put \$3,000 in there for now. Let's talk about Arts Council. **Donna:** I move for \$10,000. **Joanne:** Does that work for everyone? So, now Children's Musical Theater. **Donna:** They got \$11,500 last year. **Becki:** How about \$12,500? **Randy:** What did we give CVCT? I think we should try to tie those. **Joanne:** \$12,500 or \$13,000. \$13,000 for now. Let's go to Shakespeare. **Tyler:** We have \$75,125 remaining. **Joanne:** One of the things I'm aware of with Shakespeare is a few years ago, they got \$110,000. **Donna:** When RAP tax started, they were one of four organizations that asked for funding. Their allocated amount was \$110,000. As our largest group their numbers of contribution from this body have continued to decline. **Joanne:** When they started getting money from TRT, the intent from City Council was the City would give TRT money to Shakespeare so we could recommend less from RAP, but the intent be made whole between the 2 numbers. That's why I suggested \$80,000 because TRT was \$30,000. **Donna:** What's interesting is that the average amount is \$71,152 and the remaining balance is \$75,125. **Randy:** I move to approve the whole thing. **Neal:** I think we should have a bigger discussion. **Joanne:** Let's have a second and then we can have a discussion. Second made by Donna. Discussion: **Nel:** Someone last week made a point that the idea of the RAP tax was to build and support community organizations. I just worry that they'll eat more and more and more of the budget.

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Should there be a balance of professional full-time compared to organizations that are volunteer? What happens when the budget goes down to \$180,000? What happens to the little organizations? I would rather see the small ones like Suzuki Strings and Master Singers and In Jubilo gain more money so they can gain more strength. There were only 4 applicants in the beginning and now there's 16. The RAP tax has worked. We had 2 new ones this year. One was denied, but we don't want to over allocate for professional versus volunteer. **Joanne:** If we didn't have Shakespeare and we didn't have SUU, we wouldn't be the same. All of these organizations were able to come to being because the Shakespeare was the first major arts group in the community. **Donna:** There's a tremendous amount and the festival is asking for about 1.7% of their total budget and, for instance, the Jazz Alliance, their budget is \$2,000 and we're recommending \$1,600. That's over 50% of their budget. The reason RAP tax is successful is because people come to Cedar and spend money. We spend money here too, but a good portion is spent by visitors who come during the Festival season, the Summer Games season, Simonfest season and spend money while they're here. They're absorbing the cost of this funding for us. So, the festival being the economic driver of what it is, it's a small portion of investment to support them. **Linda:** Even though it's 1.5% of their budget, this is over 30% of our budget. It's a large amount of money and just a little more to these small groups does more for them. Looking at the application I didn't see a whole lot more than that they're doing this year rather than last year. It's almost double from what they're requesting in the past. **Donna:** Ticket sales don't cover the costs. Grants funding is what does. They have the Green Show and the Iron County discounts. **Linda:** Those have been every year that I've seen. **Donna:** Those are gifts back to the community is what I'm trying to say. **Randy:** Those are great points. **Joanne:** This is a tough decision for all these groups. **Randy:** The amount of RAP tax generated by the Festival is large. The Shakespeare Festival has balanced it's books, but there should be no misconception it is in great shape financially. It's a massively expensive endeavor. They spend every cent they get, and they've had to deplete their reserves in recent years. Selling Shakespeare in this modern world is tough and many Shakespeare companies have closed. It's a refined high level of art. The impact on the community is huge from the employment they do is a positive. They're giving people jobs, tons of volunteers who enrich their lives. They give free seminars free and low-cost scholarships; they do activities for children. The high school program brings in thousands of kids. **Joanne:** Any more discussion before we vote? All in favor; none opposed. The other request was the library requesting \$6,000 to appraise the paintings they own. 2 people said 0 and several said the full amount. **Donna:** I didn't feel like it met the criteria that the preservation and restoration was for. What are the other needs? There wasn't a request for that but there is a need for that. **Randy:** This category has annually been a laden request. I think we need to send a message to these folks that this is an arts thing and arts preservation and you need to talk with the Heritage Center they have massive needs. You can do better than this. They said this is for insurance, but we have theft insurance. If it got stolen, you would have to have it appraised. **Joanne:** I know there's at least 2 valuable paintings that are in there and it is important to know what else is valuable and conserve the paintings that are valuable. **Neal:** I just thought it was an art request. **Joanne:** It's not a building but property the city owns. **Becki:** If we don't know the value of something, what measures are we taking to preserve it? I think a professional doing that does have value. For the art in the Heritage Center there are valuable pieces that we need to be handling better, I think understanding the value can help us in our actions toward it. And having a professional understanding what value is when it comes to art. It does fit the parameters. I feel this is something to support. Becki recommends to appropriate \$6,000 towards the request. Linda seconds. All in favor for a unanimous vote. **Joanne:** The work meeting is July 3rd and action meeting is the following Wednesday.

ADJOURN

The meeting adjourned at 10:14 a.m.


Onjulee Pittser, Executive Assistant