

Internal Audit Report #2018-006  
SMG Jefferson - JPAC: Contract #RP-201C  
Draft Date: August 10, 2018  
Final Date: September 25, 2018

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DIRECTOR OF INTERNAL AUDIT | JEFFERSON PARISH



## OVERVIEW

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### BACKGROUND

The Jefferson Parish Performing Arts Center (JPAC) is located at 6400 Airline Drive in Metairie and opened in the summer of 2015. JPAC has a seating capacity of 1,063 in an 86,000 square foot theatrical venue able to accommodate theater productions, concerts, dance recitals, meetings, graduations, and other special events. The facility includes a spacious lobby and terrace, catered services, and a hospitality suite.

SMG Jefferson, LLC (SMGJ) was contracted to provide management, marketing, and operations services at JPAC. The contract term with SMGJ began on December 10, 2014, and continues through December 31, 2019. The term may be extended for an additional five (5) years upon mutual agreement of Jefferson Parish (the Parish) and SMGJ. (See Attachment A) The Parish remits monthly payments to SMGJ for the services.

The Parish entered into a Cooperative Endeavor Agreement (CEA) to designate the Jefferson Performing Arts Society (JPAS) as the “Artist in Residence” essentially giving JPAS free use of JPAC for thirty-two (32) weeks of engagements on an annual basis. (See Internal Audit #2018-007.) For the other twenty (20) weeks of the year, revenues are generated for JPAC via facility rentals for dance recitals, concerts, theater productions and various catered meetings and events. (See Attachment G for Rental Rates.) Tickets are sold for theatrical productions with such revenues going to the production company versus JPAC, with the exception of productions that are co-produced in which case there is typically a revenue-sharing arrangement in place in lieu of facility rental.

The Parish funds the balance of operations not covered by revenues (net loss). JPAC has operated at a net loss since its opening in 2015. The source of funding for JPAC is largely from Culture and Parks Ad Valorem taxes. (See Finding #7)

### OBJECTIVES

The objectives of this review were to ensure compliance with the following Sections of the Management Agreement dated December 10, 2014, between the Parish of Jefferson and the SMG Jefferson, LLC, referenced by the Parish as Contract #RP-201C:

- 1) Sections 4.3: SMGJ’s Compensation and Payment
- 2) Section 5.1: Budgets, Operating Expenses, Operating Budget
- 3) Section 5.3: Receipts and Disbursements; Accounts
- 4) Section 6.2: Annual Reporting Requirements
- 5) Section 6.3: Annual Plan
- 6) Section 6.4: Monthly Reports

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## SCOPE

The Management Agreement between SMGJ and the Parish was retrieved, along with related Council Resolutions (See Attachments A & B). Select financial data was obtained from the AS/400 Financial Management System and parish files such as a contract payables listing for calendar years 2016 and 2017, Audited Financial Statements, and monthly JPAC Financial Statements.

Invoices were selected for specific review. The Annual Operating Budgets for 2016 and 2017 and other financial data was requested from the vendor. A roster of scheduled and completed events, advertising and promotional activities, and information regarding personnel counts and plans were also obtained. This review covers only the sections of the agreement as indicated in the Objectives section of this report and does not cover any other parts of the agreement.

## FINDING #1

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### CRITERIA

According to Section 4.3(a), SMGJ's Compensation, of the Management Agreement, an annual fixed management fee in the amount of ninety thousand dollars (\$90,000) payable in twelve (12) equal payments of seven thousand five hundred dollars (\$7,500) due and payable to SMGJ on the first business day of each month of the Management Term (and extension thereof).

According to Section 4.3, Payment, of the Management Agreement, all Management Fees payable shall be funded to SMGJ within 30 days following receipt of an invoice from SMGJ.

### FINDINGS

- A) Payments to SMGJ were not always made timely. (General Services)
- B) Contract language appears to be inconsistent in regards to the due date of the payments to SMGJ. (Parish Attorney's Office)

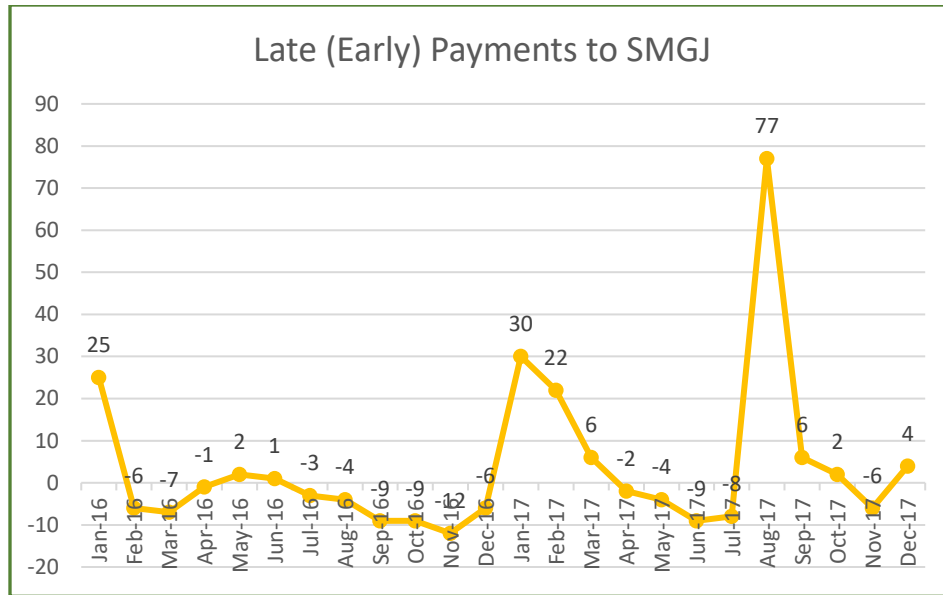
### OBSERVATIONS

The Management Agreement contains two (2) Sections numbered 4.3. One titled, "SMGJ's Compensation", and the other titled, "Payment."

Seven thousand five hundred dollars (\$7,500) was paid monthly to SMGJ for January 2016 through December 2017 services (twenty-four months). According to Section 4.3(a), SMGJ's Compensation, payments are due and payable to SMGJ on the first business day of each month. Actual payments made ranged from twelve (12) days early to seventy-seven (77) days late. Ten (10) payments or forty-two percent (42%) of the population of payments were paid late.

The following graph illustrates the timing of each payment. The horizontal axis value of zero (0) indicates an on-time payment, whereas a positive value represents a late payment and a negative value indicates an early payment.





Based on a sample of three (3) invoices or twelve point five percent (12.5%) of the population of invoices, payments were funded and remitted to SMGJ within thirty (30) days of receipt as per the terms of the second Section 4.3, Payment, of the Agreement.

Language within both 4.3 Sections indicate different requirements, that is, invoices “due and payable” on the first business day of each month versus “funded” within thirty (30) days of receipt of an invoice. However, the language in both sections appears to be inconsistent or, at a minimum, confusing to the reader.

### SUGGESTIONS

- A) Payments to SMGJ should be made timely in accordance with Section 4.3(a) of the Management Agreement. (General Services)
- B) Contract terms should be labeled with unduplicated numbering and should contain clear and consistent terms. (Parish Attorney’s Office)

### RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the findings presented by Internal Audit.

Upon coming into office, we learned that the JPAS and JPAC agreement monitoring was designated to General Services. The review of this audit has further acknowledged that General Services is not the proper designee for the monitoring of this agreement, which requires a detailed review of reports relative to a business they are not familiar with as well as a review of financial statements.

As there is no Parish department dedicated to such a task nor technically assigned to the agreement, we will assign a member of the President’s Office staff as well as the Alario Center Manager to review reports. We will also request a member of Finance and/or the Accounting Department to review financial statements, reimbursement submittals and monitor payments. This situation is also applicable to other Jefferson Parish agreements. We will be more attentive regarding designation of contract monitoring as these agreements go before the Council.



We will also speak with SMGJ and work with the Parish Attorney's Office to send proper notice to clarify the intentions regarding confusing payment terms and comply with Section 4.3(a) of the Management Agreement.

## RESPONSE FROM JEFFERSON PARISH ATTORNEY'S OFFICE

The Parish Attorney's Office has reviewed Internal Audit Report #2018-006 SMG Jefferson - JPAC: Contract #RP-201C Finding #1 and, in general, concurs with the recommendations of the Internal Audit Department based upon the facts detailed in the Report. The contract language for the fixed fee (Section 4.3(a) provides that the annual fixed management fee is "due and payable" on the first day of each month, while Section 4.3(b) provides language relating to the Performance Incentive Fee which is an annual payment based on increases in Adjusted Gross Income for the facility. Section 4.3 (which should have been labeled 4.3 (c)) provides that any and all fees defined in the foregoing paragraphs shall be "funded" by the Parish within 30 days following receipt of invoices. The Parish Attorney's Office agrees that the language is somewhat confusing here but it is not inconsistent. The references refer to what is "due and payable" versus the mechanism for "funding" the same. As such, the language is not inapposite. We do not deem it necessary to amend the contract at this time but in future agreements the number formatting should be corrected so as not to create confusion. The Parish Attorney's Office suggests that when the contract is renewed or amended that this matter be addressed but the contract remains enforceable in its current format.

## FINDING #2

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### CRITERIA

According to Section 5.1 of the Management Agreement, on or before May 1 for each year of the Management Term, SMGJ shall prepare and submit the Annual Plan, which shall include the Annual Operating Budget and Annual Cash Flow Plan for JPAC and the performance of SMGJ's Scope of Services for the upcoming Fiscal Year.

According to Section 6.3 of the Management Agreement, on or before May 1 in each year during the Management Term, SMGJ shall provide the Parish an annual management plan for the succeeding Fiscal Year (the "Annual Plan"), which shall include the annual operating budget and annual cash flow budget described in Section 4.6 for the next Fiscal Year.

### FINDINGS

- A) The Annual Cash Flow Plan, reporting on the performance of SMGJ's Scope of Services, and annual management plan was not submitted to Jefferson Parish in accordance with Sections 5.1 and 6.3 of the Management Agreement. (General Services)
- B) The Management Agreement contains a reference to a section within the agreement which does not exist. (Parish Attorney's Office)

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## OBSERVATIONS

SMGJ submitted an Annual Operating Budget for 2016 and 2017 which was approved by Jefferson Parish. An Annual Cash Flow Plan for JPAC was requested from SMGJ; however, the Accounting Manager indicated that they do not prepare such a plan. Likewise, reporting on the performance of SMGJ's Scope of Services and formal Annual Management Plan was not available.

Section 6.3 of the Agreement references Section 4.6; however, Section 4 includes only 4.1, 4.2, and 4.3 (two times).

## SUGGESTIONS

- A) Reports, as required per the Management Agreement, should be collected and reviewed by the parish. (General Services)
- B) References within the Management Agreement should be clear and valid. (Parish Attorney's Office)

## RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings.

The Administration will assign a member of the President's Office staff as well as the Alario Center Manager to review reports and evaluate performance relative to SMGJ's Scope of Services as well as the annual management plan once submitted. We will also request a member of Finance and/or the Accounting Department to review the annual management plan.

Reference sections for all RFPs are reviewed during regular meetings of General Advisory Board (GAB). This practice and precaution intended to catch errors prior to advertisement will continue; however, these reviews are subject to human error and may still be overlooked.

## RESPONSE FROM JEFFERSON PARISH ATTORNEY'S OFFICE

The Parish Attorney's Office has reviewed Internal Audit Report #2018-006 SMG Jefferson - JPAC: Contract #RP-201C Finding #2 and, in general, concurs with the recommendations of the Internal Audit Department based upon the facts detailed in the Report. A review of the agreement between the parties reveals in Section 6.3, references to Section 5.6, and describing the "Annual Plan." Internal Audit is correct, there is no Section 5.6 in the Agreement. Instead, the Annual Plan is described/defined in Section 5.1, rather than Section 5.6. This would appear to be an error in the versions of the draft agreement that were not corrected in the final version. As the requirement is detailed elsewhere (See Section 5.1), and what comprises the annual plan is defined therein the intent of the agreement can be ascertained from the four corners of the document. Again, the Parish Attorney's Office agrees that the language is somewhat confusing because of the misidentification of sections. However, we do not deem it necessary to amend the contract at this time. In future agreements this can be rectified. The Parish Attorney's Office suggests that when the contract is renewed or amended that this matter be addressed but the contract remains fully enforceable in its current format. Furthermore, the Parish Attorney's Office agrees that Reports, as required per the Management Agreement, should be collected and reviewed by the parish.

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## FINDING #3

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### CRITERIA

According to Section 6.2 of the Management Agreement, SMGJ shall deliver to the Parish annual financial statements within 30 days after the close of each Fiscal Year prepared in accordance with Generally Accepted Accounting Principles.

### FINDING

Annual financial statements were not delivered to the Parish within 30 days after the close of each Fiscal Year.

### OBSERVATIONS

For the Fiscal Year Ended December 31, 2016, the annual audited financial statements were sent to the Parish on July 28, 2017. The statements should have been sent by the end of January 2017, which means they were approximately six (6) months late. Other financial records were delivered to the parish by February 9, 2018; however, they did not contain draft financial statements. For the Fiscal Year Ended December 31, 2017, the annual audited financial statements were approximately three and a half (3.5) months late. The following exhibit contains details of the dates and reports submitted.

| Financial Information Received        | For the Year Ended December 31, |             |
|---------------------------------------|---------------------------------|-------------|
|                                       | 2016                            | 2017        |
| Annual Financial Statements (audited) | 28-Jul-2017                     | 14-May-2018 |
| Bank Reconciliation                   | 9-Feb-2017                      | 14-Mar-2018 |
| Cash Flow Statement                   | 9-Feb-2017                      | 14-Mar-2018 |
| Detailed General Ledger               | 9-Feb-2017                      | 14-Mar-2018 |
| Trial Balance                         | 9-Feb-2017                      | 14-Mar-2018 |
| Budget versus Actual Expenses         | 9-Feb-2017                      | 14-Mar-2018 |

### SUGGESTION

Annual financial statements should be obtained from SMGJ within 30 days after the close of each Fiscal Year in accordance with the Management Agreement. Such statements should be reviewed and monitored by the Parish.

### RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings. A tickler or calendar file will be administered for follow up by staff in the Parish President's Office in order to ensure compliance for the remaining term of the agreement.

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## FINDING #4

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### CRITERIA

According to Section 6.4 of the Management Agreement, on or before the last day of each month during the Management Terms, SMGJ shall provide to the Parish a written monthly report in a form approved by the Parish setting out JPAC's anticipated activities and financial condition for the upcoming month and reporting on the prior month's activities and finances.

### FINDING

Monthly reports are not provided to the Parish on or before the last day of each month as required by Section 6.4 of the Management Agreement.

### OBSERVATIONS

The General Manager prepares a report monthly that contains financial and customer satisfaction data along with key information regarding operational activities, including successes and challenges. (See Exhibit 4A for an example of the monthly report.) This type of reporting is occurring on a monthly basis; however, it is typically sent to the Parish by the middle of the subsequent month. For example, the June 2018 report was sent to the Parish on July 17<sup>th</sup>.

According to the General Manager, he needs to wait for the financials to be complete before he can prepare the report. Internal Audit believes that reporting on or before the last day of each month is an unrealistic timeframe to produce such a report.

### SUGGESTIONS

- A) The General Manager should strive to produce and send the monthly report to the Parish in a timely manner. Any future contract should be reviewed and revised to include a realistic timeframe for the monthly reporting component of the contract.
- B) The Department should have the content of the monthly reporting tailored to include the following in the Performance Dashboard:
  - 1) Facility usage by Event Category (Assemblies, Concerts, Performing Arts, JPAS, etc.).
  - 2) \$3.00 Facility Fee earned then remitted to the Parish, along with the amount of fees waived. (See Finding #6 for more details.)

### RESPONSES FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings.

Over the past year, the Parish Administration has noticed that the required reporting in most CEAs and IGAs was not being received and/or monitored. Standard contract language indicates reporting requirements and such reports to be turned in to the Internal Auditor. Therefore, we are in the process (originally started in Q1 2018) of working with Internal Audit and EIS to create an online system that will allow for easy submittal of reports required in each agreement.

Further, no database exists to track reporting requirements, which agencies should be submitting nor a direct department contact for report review. We have assigned personnel in the Parish President's Office



to create this tracking list and tasked them with sending notification to agencies contracting with the Parish regarding reporting submittal deficiencies; this will be sent once the online submittal system is functioning as it would be too difficult to track manually at this time with limited resources. It will also allow for continuity.

Upon coming into office, we learned that the JPAS and JPAC agreement monitoring was designated to General Services. The review of this audit has further acknowledged that General Services is not the proper designee for the monitoring of this agreement, which requires detailed review of reports relative to a business they are not familiar with as well as a review of financial statements.

We have evaluated resources and determined the Alario Center Director to be the most qualified staff member to review the SMGJ reports as the business of the Alario Center should be similar to the JPAC. We will also assign a member of the President's Office staff to review deliverables regarding performance and will request a member of Finance and/or the Accounting Department to review any financials provided.

As recommended, the reports will continue to be furnished by SMGJ once the financials are complete; reminders will be sent to SMGJ by Parish President Office staff if they are not received by the 15th day of the subsequent month. Future contracts will be reviewed and revised to include a realistic timeframe for the monthly reporting component. We will also reach out to SMGJ to ensure the recommended performance indicators and deliverables are included in the report.

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# EXHIBIT 4A

| Jefferson Performing Arts Center<br>December 2016 Monthly Parish Report  |            |            |   |                                 |  |
|--|------------|------------|---|---------------------------------|--|
| SMG Regional Supervisor: Sam Voisin  |            |            | Account: Jefferson Performing Arts Center |                                 |  |
| SMG General Manager: Jose Torres   |            |            | City: Metairie, LA                        |                                 |  |
| Reporting Period: December 2016  |            |            | Renewal Date: 12/31/2019                  |                                 |  |
| <b>Performance Dashboard</b>   |            |            |   |                                 |  |
| Financial Reporting Date: November-2016  |            |            |   |                                 |  |
| FYE Rolling Forecast*  |            | Ahead      | On Target                                 | Behind                          | Fiscal Year Ending Date: December, 2016        |
| *X in appropriate box  |            | X          |   |                                 | FYE Forecasted Net Surplus (Defic \$ (562,707) |
| Item   | YTD Budget | YTD Actual | Variance                                  | Customer Satisfaction           | Score  |
| Attendance   | 55,800     | 44,569     | -11,231                                   | Marketing /Sales Staff          | 95   |
| # of Events  | 80         | 84         | 4   | Event Staff -Knowledge, Respons | 95   |
| Net Income / (Loss)  | (556,228)  | (245,736)  | 310,492                                   | Operations - Accuracy, Respons  | 95   |
| Rental Income  | 342,800    | 356,026    | 13,226                                    | Concessions/Catering            | 95   |
| F&B Commission:  | 13,050     | 23,447     | 10,397                                    | Cleanliness                     | 98   |
| Salaries & Benefits  | 455,246    | 378,260    | -76,986                                   | Overall                         | 95.6   |
| <b>Comments:</b>   |            |            |   |                                 |  |
| (2) JPAS performances of Nutcracker<br>(10) JPAS rehearsal/load-in days<br>(1) Corporate Christmas Party<br>(1) Christmas Dance Recital<br>(1) LPO Christmas Concert<br>(1) JPAS Art Adventure Series for Nutcracker   |            |            |   |                                 |  |
| <b>Client Communication</b>  |            |            | <b>Facility Site Visit</b>                |                                 |  |
| Last Client Meeting: 12/14/2016  |            |            | Last Visit: 12/14/2016                    |                                 |  |
| Next Communication: Monthly 1/9/2017   |            |            | Next Visit: TBD                           |                                 |  |
| <b>Comments / Client Issues:</b>   |            |            |   |                                 |  |
| 1. Incentive Fee payment is TBD.<br>2. No word on mandatory bag checks for all public events.<br>3. Two Muse statues donated by Jefferson Butification were unveiled at the JPAC entrance.<br>4. New designs for the JPAC Marquee are being considered.<br>5. New phone system is installed and working properly.<br>6. JPAS well begin moving into their JPAC offices starting January 2, 2017.<br>7. New parking arrangement with Babycakes has worked out well.<br>8. JPAC Promo drone video has been completed. Go to: <a href="https://drive.google.com/open?id=0B_PJshoXcU7NakhEZINSRXdkN2s">https://drive.google.com/open?id=0B_PJshoXcU7NakhEZINSRXdkN2s</a>                           |            |            |   |                                 |  |
| <b>Major Challenges / Issues / Monthly Highlights</b>  |            |            |   |                                 |  |
| 1. Continue working with Chris Penton (SMG Mobile, Saenger) local promoters and national agencies on future bookings and routing opportunities.<br>2. Establish a targeted distribution list to send regular updates regarding JPAC avails.<br>3. Notable BOOKED dates: "Under the Street Lamp", "Men are from Mars, Women are from Venus", "Jim Brickman in Concert", "Rock'n Road to Dublin", "Krewe of Stars" Mardi Gras Ball and (2)LPO Concerts.<br>4. Notable HOLD dates: "Harry Potter in Concert" with LPO, "Menopause", Moscow Ballet, Neil Diamond Tribute, Rat Pack Tribute, "It's a Wonderful Life" in Concert with LPO, Martial Arts Show and Lightwire Theater's Christmas Show. |            |            |   |                                 |  |



## FINDING #5

### CRITERIA

According to Section 5.3 of the Management Agreement, all budgeted or pre-approved travel and professional expenses of individuals not employed at JPAC by SMGJ shall be paid as incurred when included in the Agreed Annual Budget. All non-budgeted travel and professional expenses shall be paid only with the prior written approval of the Parish.

### FINDINGS

- A) Travel and meal expenses while below budget in total, appear to be excessive on a per transaction basis.
- B) Internal controls are not in place to require appropriate documentation to substantiate meal expenses or to prevent duplicate payment of travel expenses.

### OBSERVATIONS

Actual travel and related expenses were below budget in total for fiscal years 2017 and 2016; however, when vouching individual transactions, Internal Audit noted amounts in excess of reasonable and prudent expenditures per parish policies and procedures. Internal Audit vouched fifty-two point four percent (52.4%) of Travel and Related Expenses incurred in 2017, and thirty-five point nine percent (35.9%) in 2016.

| 2017                        |              |               |                |                |              |
|-----------------------------|--------------|---------------|----------------|----------------|--------------|
| Travel and Related Expenses | Actual       | Budget        | Over (Under)   | Amount Vouched | Percent      |
| Travel                      | 2,284        | 7,360         | (5,076)        | 1,793          | 78.5%        |
| Corporate Travel            | 388          | 600           | (212)          | -              | 0.0%         |
| Meals & Entertainment       | 1,326        | 2,400         | (1,074)        | 211            | 15.9%        |
| Meetings & Conventions      | 4,103        | 2,000         | 2,103          | 2,244          | 54.7%        |
| <b>TOTAL</b>                | <b>8,101</b> | <b>12,360</b> | <b>(4,259)</b> | <b>4,248</b>   | <b>52.4%</b> |

| 2016                        |              |               |                 |                |              |
|-----------------------------|--------------|---------------|-----------------|----------------|--------------|
| Travel and Related Expenses | Actual       | Budget        | Over (Under)    | Amount Vouched | Percent      |
| Travel                      | 5,105        | 11,360        | (6,255)         | 1,968          | 38.6%        |
| Corporate Travel            | 525          | 1,900         | (1,375)         | -              | 0.0%         |
| Meals & Entertainment       | 2,713        | 2,400         | 313             | 1,230          | 45.3%        |
| Meetings & Conventions      | 569          | 5,000         | (4,431)         | -              | 0.0%         |
| <b>TOTAL</b>                | <b>8,912</b> | <b>20,660</b> | <b>(11,748)</b> | <b>3,198</b>   | <b>35.9%</b> |

Travel and Related Expenses are included in the "General and Administrative" line item on the Income Statement. (See Attachment C.)

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Notable results are as follows:

#### Travel

- Hotel rooms rates were noted at two hundred seventy-seven dollars (\$277) and three hundred twenty-three dollars (\$323) per night on two (2) different trips. (See Attachment D.)
- Meal expense incurred while traveling included breakfast for one with a cost of fifty-one dollars (\$51). (See Attachment D.)
- A hotel room deposit in the amount of \$277.95 was paid twice. Once at the time the deposit was required, and a second time after the stay was complete. (See Attachment D.)

#### Meals & Entertainment

When vouching Meals & Entertainment expenses, seventy-six point four percent (76.4%) of 2017 and eighty-four point five percent (84.5%) of 2018 meal expenses vouched were for internal meetings such as holiday meals for SMGJ staff, staff meetings, and staff team building activities.

| Meals & Entertainment |          |        |          |        |
|-----------------------|----------|--------|----------|--------|
| Description           | 2017     | %      | 2016     | %      |
| Vouched               | 211.48   | 15.9%  | 1,230.39 | 45.4%  |
| Per Finanacials       | 1,326.00 |        | 2,713.00 |        |
| External Meetings     | 49.93    | 23.6%  | 54.44    | 4.4%   |
| Internal Meetings     | 161.55   | 76.4%  | 1039.3   | 84.5%  |
| JPAS                  | -        | 0.0%   | 84.93    | 6.9%   |
| Jeff Parish           | -        | 0.0%   | 51.72    | 4.2%   |
| Total Vouched         | 211.48   | 100.0% | 1,230.39 | 100.0% |

#### Meetings & Conventions

A one hundred nineteen dollar (\$119) meal expense was incurred while the General Manager (GM) was at the International Entertainment Buyers Association (IEBA) in Nashville, TN. Such expense was reimbursed to the GM without an itemized receipt, only a credit card receipt was attached to the expense report. There were not any notations indicating the business purpose or if any other person was in attendance. (See Attachment D.)

In total, two hundred fifty-three dollars and fourteen cents (\$253.14) was spent on meals during the four (4) day Nashville trip calculating to a per diem rate of sixty-three dollars and twenty-eight cents (\$63.28). The published Parish per diem reimbursement rate is fifty-four dollars (\$54.00) for Nashville, TN and would need to be adjusted downward for any meals provided at the conference. According to the IEBA website, three (3) breakfasts and two (2) lunches were provided at the conference which requires a reduction of sixty-nine dollars (\$69) from the potential reimbursement. The total excess reimbursement if the Parish policies and procedures were followed was one hundred six dollars and fourteen cents. (\$106.14).

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| Meal                 | Amount           |
|----------------------|------------------|
| Smoothie King        | \$ 7.08          |
| Walgreens/snacks     | 11.98            |
| Lunch at Airport     | 7.99             |
| Dinner               | 20.26            |
| Dinner               | 119.17           |
| Breakfast at Airport | 7.19             |
| Hotel Lunch          | 30.22            |
| Hotel Lunch          | 24.54            |
| Hotel Lunch          | 24.71            |
| Actual Reimbursement | <u>\$ 253.14</u> |

| Description              | Amount                   |
|--------------------------|--------------------------|
| Per Diem - Nashville     | \$ 54.00                 |
| # of Days                | <u>4.00</u>              |
| Potential Reimbursement  | 216.00                   |
| Less Meals Provided      | <u>(69.00)</u>           |
| Calculated Reimbursement | 147.00                   |
| Actual Reimbursement     | <u>253.14</u>            |
| Overage                  | <u><u>\$(106.14)</u></u> |

## SUGGESTIONS

- A) The next budget should give consideration to amounts actually needed and be prepared with reasonable expenditure amounts in mind. The Parish Travel and Training Policies & Procedures and published per diem rates should be used as a guide in determining the reasonableness of travel and related expenses.
- B) SMGJ should review internal controls and place proper procedures in place to substantiate meal expense reimbursement within parish policies and procedures, and to detect duplicate payments of travel expenses. The \$277.95 duplicate payment to the General Manager should be returned to the Parish.

## RESPONSES FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings; however, the agreement did not require compliance with Parish travel and expense policies. We will review this finding with the Parish Attorney's Office to determine if the Parish can enforce or request the review of these expenditures if they are not exceeding budgeted amounts that have been pre-approved. We will also inquire about the duplicate payment to the General Manager.

This Administration will consider requiring similarly contracted agencies to follow Parish policies in future agreements that allow for reimbursement of such expenses and include such language in future contracts.

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## FINDING #6

### CRITERIA

According to Jefferson Parish Ordinance No. 25030 (October 21, 2015), there shall be a three dollar (\$3.00) facility fee on tickets purchased at the Jefferson Parish Performing Arts Center to defray the costs of operating the facility. The JPAS Arts Adventure Series performances, as well as, student groups are exempt from the payment of the facility fee. (See Attachment E.)

### FINDING

Facility fees due to the parish are not remitted in a timely fashion.

### OBSERVATIONS

As a result of the request for information related to this review which was sent to SMGJ on June 8, 2018, the SMGJ Accounting Manager indicated that the \$3.00 facility fee had not been paid for the following nineteen (19) performances held in JPAC during 2017, and that SMGJ was in the process of reconciling the accounts to determine correct payment amounts to Jefferson Parish.

| <b>2017 Facility Fees Not Paid<br/>As of June 8, 2018 – Per SMGJ</b> | <b>Event Dates</b>               |
|--|----------------------------------|
| Under the Streetlamp   | 2/27/2017                        |
| Rockin' Road to Dublin   | 2/21/2017                        |
| Jim Brickman Concert   | 03/30/2017                       |
| War on the Catwalk Drag Show   | 9/15/2017                        |
| Miss LA Pageant  | 10/20-21/2017                    |
| The Big Teasy  | 10/22/2017                       |
| Men are from Mars, Women are from Venus                              | 10/27/2017                       |
| Evening with Ronnie Lamarque   | 11/11-14/2017                    |
| <b>A Christmas Carol</b>   | <b>12/21-22/2017</b>             |
| A Very Electric Christmas  | 12/23/2017                       |
| <b>Rat Pack is Back</b>  | <b>8/4-5/2017</b>                |
| <b>Harry Potter in Concert</b>                                       | <b>8/26/2017</b>                 |
| <b>JPAS – Tarzan</b>   | <b>3/3-28/2017 (AAS 3/21-22)</b> |
| <b>Articulate Motions Dance Academy</b>                              | <b>6/3,15/2017</b>               |
| <b>JPAS – Guys &amp; Dolls, Jr.</b>                                  | <b>4/10-24/17</b>                |
| <b>JPAS – Singin' in the Rain, Jr.</b>                               | <b>7/21-31/2017</b>              |
| <b>JPAS – Chicago</b>  | <b>9/18 – 10/17/2017</b>         |
| JPAS – U.S. Marine Corp Band   | 11/12/2017                       |
| <b>JPAS – Tuck Everlasting AAS</b>                                   | <b>12/12-13/2017</b>             |

In some cases, seventeen (17) months have passed, as of the timing of this report, without the imposed \$3.00 facility fee being remitted to the parish. The performances in **gold** above were subsequently paid to Jefferson Parish in late June through mid-July 2018.



Per the AS/400 Financial Management System, a total of \$135,021 has been remitted for the \$3.00 facility fee during the calendar years 2016, 2017 and year to date as of July 31, 2018. Of that approximately \$120,579 is related to the 2016 and 2017 years.

The \$3.00 facility fee is based on the number of tickets sold. Tickets are sold through various methods, and statistics were not available to Internal Audit. For this reason, an estimated total amount due to the parish for 2016 and 2017 was calculated based on attendance at JPAC as tracked by SMGJ. Total attendance excluding banquets, meetings, and other events for 2016 and 2017 combined was 86,275. This results in a total of \$258,825, due for the \$3.00 facility fee which suggests that \$138,246, is still owed to the Parish as of the timing of this report. (See Attachment F for usage data.)

|  |            |
|--|------------|
| Calculated Facility Fees Due to JP               | \$ 258,825 |
| Less: Actual Facility Fees Remitted to JP        | \$ 120,579 |
| Estimated Amount Due to JP (as of July 31, 2018) | \$ 138,246 |

## SUGGESTIONS

- A) Amounts due to the parish for the \$3.00 facility fee should be paid in a timely manner. The Department should work with SMGJ to determine the specific amount due and to collect all outstanding fees. A monitoring mechanism needs to be put in place by the Department to ensure that future amounts due are collected timely.
- B) A system should be put in place to collect fees at the time tickets are sold, or the process should otherwise be streamlined so that such a backlog does not occur in the future. Consider changing the \$3.00 fee basis from tickets sold to attendance for all types of events which would match revenues to actual facility usage since all who purchase a ticket do not attend an event. This could potentially streamline the process as well. The imposed fee could be collected from the facility renter versus at the time of ticket sales.

## RESPONSES FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with Internal Audit's findings and will assign a member of the President's Office staff to review, reconcile and communicate with SMGJ regarding facility fee payments. A tickler or calendar file will be administered for follow up by staff in the Parish President's Office in order to ensure compliance for the remaining term of the agreement.

We will continue the practice of assessing the fee based on tickets sold as this is an easily reconcilable method based on reporting available. However, we will consider other fee structures for future agreements.

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## FINDING #7

### CRITERIA

According to Section 5.3 of the Management Agreement, SMGJ shall establish and maintain operating, payroll and other bank accounts incumbent to the promotion, operation, and management of JPAC. SMGJ shall be the signatory authority for such accounts, and SMGJ shall indemnify and hold the Parish harmless for any misuse or misappropriation of funds by its officers, employees or agents. All Adjusted Gross Income collected or received by SMGJ shall be deposited into such accounts and Operating Expenses shall be paid by SMGJ from such accounts. The funding of all of the foregoing accounts shall be made by the Parish to cover all projected Operating Expenses and Capital Expenses at JPAC to the extent not covered by the Adjusted Gross Income.

### FINDING

The operations of JPAC have resulted in a net loss since its opening in 2015. The Parish has provided funding related to JPAC of \$771,269, and \$825,707, for fiscal years 2017 and 2016, respectively.

### OBSERVATIONS

SMGJ has one checking account to which all income is deposited, and from which all operating and payroll payments are remitted.

For Fiscal Years 2017 and 2016, Income for the operations of JPAC consisted of Direct Event Income for performances, concerts, assemblies, etc., Ancillary Income such as concessions and novelty sales, and Other Income. Total Income for 2017 and 2016 was \$476,720, and \$461,057, respectively. The Direct Event Income includes an imputed amount for facility rents in 2017 and 2016 of \$234,378, and \$301,151, respectively, which was waived for JPAS, the artist-in-residence. The income does not include the \$3.00 facility fee per ticket as imposed by Ordinance #25030 (See Finding #6) as it is parish revenue and not JPAC revenue.

| INCOME              | 2017              | 2016              |
|---------------------|-------------------|-------------------|
| Direct Event Income | \$ 421,387        | \$ 430,017        |
| Ancillary Income    | 45,645            | 26,062            |
| Other Income        | 9,688             | 4,978             |
| <b>TOTAL INCOME</b> | <b>\$ 476,720</b> | <b>\$ 461,057</b> |

(See Attachment C for financial data.)

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Total Operating Expenses for 2017 and 2016 was \$780,046, and \$743,890, respectively. Operating Expenses consisted mainly of Salaries and Related expenses, Utilities, Repairs and Maintenance, General and Administrative, Operational Supplies and Insurance.

| <b>OPERATING EXPENSES</b>                  | <b>2017</b>       | <b>2016</b>       |
|--|-------------------|-------------------|
| Salaries, related benefits, taxes          | \$ 471,026        | \$ 382,363        |
| Executive Oversight                        | 21,899            | 21,365            |
| Bonuses                                    | 14,173            | 14,049            |
| <b>Total Salaries and Related Expenses</b> | <b>\$ 507,098</b> | <b>\$ 417,777</b> |
| Utilities                                  | 110,323           | 110,735           |
| Repairs and Maintenance                    | 51,813            | 60,413            |
| General and Administrative                 | 45,961            | 45,707            |
| Operational Supplies                       | 47,029            | 84,384            |
| Insurance                                  | 13,466            | 18,781            |
| Other Expenses                             | 4,356             | 6,093             |
| <b>TOTAL OPERATING EXPENSES</b>            | <b>\$ 780,046</b> | <b>\$ 743,890</b> |

Salaries and Related Expenses equaled \$507,098 and \$417,777, for 2017 and 2016, respectively. Included in this expense were amounts allocated by SMGJ for Executive Oversight (Director of Operations, Director of Finance, and Human Resources). Internal Audit attempted to determine the method of allocation for such salaries but SMGJ executive management simply indicated that the amounts were “determined by corporate.” After repeated requests, SMGJ would not provide further details as to the allocation methodology. Typically, allocated salary amounts are determined based upon time studies. Without further details of the allocation method, it was not possible for Internal Audit to determine the appropriateness of the amounts allocated and ultimately paid for by Jefferson Parish.

Further, SMGJ would not provide third-party payroll registers to Internal Audit. Without such reports, it was not possible to determine that payroll amounts paid by Jefferson Parish were related to only positions for the operations of the performing arts center. Also, included in the salary expense are Bonuses awarded to the General Manager, Director of Operations, and Director of Finance.

General and Administrative expenses include Travel and Related Expenses which were vouched and exceptions noted via Finding #5.

The detailed general ledger was reviewed for all other expenses resulting in nothing remarkable.

The performing arts center experienced a loss from operations for both 2017 and 2016 of \$303,326, and 282,833, respectively. Recall that the Total Income includes an imputed amount for facility rents which were waived (not received or collected), for the artist-in-residence.

|                                | <b>2017</b>         | <b>2016</b>         |
|--------------------------------|---------------------|---------------------|
| <b>TOTAL INCOME</b>            | <b>\$ 476,720</b>   | <b>\$ 461,057</b>   |
| <b>TOTAL OPERATING EXPENSE</b> | <b>780,046</b>      | <b>743,890</b>      |
| <b>LOSS FROM OPERATIONS</b>    | <b>\$ (303,326)</b> | <b>\$ (282,833)</b> |



The parish provides funding for the operations of JPAC, exclusive of capital, for three (3) different components: SMGJ Management Fee, a Management Fee Incentive, and Loss from Operations of JPAC. Additionally, the Parish provides an Annual Reimbursement for the Artist in Residence, Free Office Space to JPAS, and a subsidy to JPAS in the form of Rent Waived for performances held at JPAC. For fiscal years 2017 and 2016, the Parish provided funding for operations and subsidies related to JPAC in the amount of \$771,269, and \$825,707, respectively, as follows:

| <b>Funding Description</b>                     | <b>2017</b>       | <b>2016</b>       |
|--|-------------------|-------------------|
| SMGJ Management Fee                            | \$ 90,000         | \$ 90,000         |
| Management Incentive Fee                       | -                 | 8,158             |
| Loss from Operations ^                         | 303,326           | 282,833           |
| <b>Total Operational Funding</b>               | <b>\$ 393,326</b> | <b>\$ 380,991</b> |
| ^ Includes imputed income for JPAS Rent Waived |                   |                   |
| JPAS - Artist in Residence                     | \$ 100,000        | \$ 100,000        |
| JPAS - Free Office Space: 2 locations          | 43,565            | 43,565            |
| JPAS - JPAC Rent Waived                        | 234,378           | 301,151           |
| <b>Total JPAS Funding</b>                      | <b>\$ 377,943</b> | <b>\$ 444,716</b> |
| <b>Total Annual Funding for JPAC *</b>         | <b>\$ 771,269</b> | <b>\$ 825,707</b> |
| * Exclusive of capital items                   |                   |                   |

The sources of funding for these components is from Culture and Parks Ad Valorem taxes (22540-3554) for Total Operational Funding and JPAS-JPAC Rent Waived, and the General Fund (10010-0850) for the Artist in Residence.

Operational funding needs were as a result of the facility being unutilized 42% of the time in 2017, and 38% of the time in 2016. Additionally, JPAS utilized the facility for 36% of the time in 2017, and 50% of the time in 2016, in accordance with the CEA in place which allows them usage for 32 weeks out of the year, or approximately 62% of the time. Funding needs would increase if JPAS utilizes the facility to the full extent allowed.

| <b>Description</b> | <b>2017</b>      |                | <b>2016</b>      |                |
|--------------------|------------------|----------------|------------------|----------------|
|                    | <b># of Days</b> | <b>% Usage</b> | <b># of Days</b> | <b>% Usage</b> |
| JPAS Usage         | 130              | 36%            | 181              | 50%            |
| JPAS / SMGJ Usage  | 3                | 1%             | 4                | 1%             |
| SMGJ Usage         | 79               | 22%            | 42               | 12%            |
| Unscheduled        | 153              | 42%            | 138              | 38%            |
| <b>TOTAL DAYS</b>  | <b>365</b>       | <b>100%</b>    | <b>365</b>       | <b>100%</b>    |

(See Attachment F for Schedule of usage by month.)



## SUGGESTIONS

- A) Consider restructuring the CEA with JPAS to include usage at a fixed amount of rent waived along with parameters for the number of day's usage. This will enable the parish to better plan for funding needs and potentially increase revenues for rental of the facility.
- B) Review the SMGJ budget to ensure that necessary items are included that would lend to the promotion and rental of the facility.
- C) Review the SMGJ staffing structure to determine if the facility is right-staffed and employees are appropriately compensated, including allocation and bonus structures.
- D) Review the SMGJ budget relative to Travel and Meal expenses to ensure amounts budgeted and spent are prudent and necessary.

## RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

Most civic centers operate at a net loss. The JPAC has an extra "hurdle" as there are two agencies that are allowed to utilize and compete for booking dates at the center; this also lends to pointing fingers if dates are not used.

This Administration contributes the decrease in net loss to the negotiation of the JPAS agreement, which allowed for more days for SMGJ/JPAC to book events/performances and a conversation with both parties acknowledging the need to work together to increase the value and decrease the deficit of the facility.

The current agreement with SMGJ allows for the shared resources and expertise of the company; however, it leaves little control over the direct operation of the business and facility which is clearly recognized in this audit. In order to gain more insight and hopefully reduce the net loss, we will have the Alario Center Director review the reports. As she manages a similar facility, she can evaluate the staffing structure, bonus structures, etc. She can also work with SMGJ staff to try to accommodate clients in one of the two Jefferson Parish facilities. Likewise, she will turn leads over to SMGJ if the Alario Center is not a "good fit" for the potential client. This data will be tracked as well.

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## SUMMARY

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In summary, the review highlighted the need for both the Parish and SMGJ to adhere to the provisions of the Management Agreement in place. The Parish should work with SMGJ to ensure that adequate internal controls are in place when processing expense reimbursements, and for SMGJ to remit the imposed \$3.00 facility fee to the Parish in a timely manner. An opportunity exists for the Parish to review the CEA with the Artist-in-Residence to either continue or revise the level of support given. An additional opportunity exists for the Parish to review the overall operations of JPAC to determine any way the facility can achieve a break-even financial position or minimize the amount of public funds necessary to support JPAC so that funds may be allocated to other areas as necessary.

While this report is meant to stand alone, Internal Audit Report #2018-007: Jefferson Performing Arts Society was written as a companion to this report. Please refer to such report for supplemental information.

Internal Audit recommends that the Department of General Services should review and take appropriate actions as noted in the Findings #1 through #7. Additionally, the Parish Attorney's Office should review and take appropriate actions as noted in Findings #1 and #2.

## REPORT WRAP UP

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Internal Audit obtained responses from all departments which are noted in the "Response From..." section of each Finding. A response from the Parish Administration can be found in Attachment #2, immediately following this report. Additionally, comments from the management company, SMG Jefferson, LLC, can be found in Attachment #3.

\*\*\*\*END\*\*\*\*





## ATTACHMENT 1

### AUDITOR INDEPENDENCE STATEMENT

According to Ordinance No. 25549 (April 4, 2018), Sec.2-162.2(a) and (d), the Director of Internal Audit “shall engage in audit activities and complete audits in an independent manner, free of any organizational or personal impairment. The Director shall attest in writing that all audit activity was concluded with independence, free from organizational or personal impairment.”

**Sec. 2-162.2- Independence and Objectivity; Professional Standards.**

(a) The Department function must be independent to retain objectivity, and the Department's independence allows the Director to make assessments impartially and without bias while avoiding conflicts of interest. In furtherance of the operation of an independent and objective Department, the Department shall use the following standards in the completion of all audits and in the conduct of all activity:

- (1) The Standards and Code of Ethics produced by the Institute of Internal Auditors and published in the *Professional Practices Framework*;
- (2) The Standards and Principles produced by the Government Accountability Office and published in the *Government Auditing Standards*; and
- (3) the professional and ethical standards issued by the American Institute of Certified Public Accountants.

(d) The Director shall engage in audit activities and complete audits in an independent manner, free of any organizational or personal impairment. The Director shall attest in writing that all audit activity was concluded with independence, free from organizational or personal impairment. Any impairment to independence, organizational or personal, shall be reported in writing to the Council and copied to the Parish President and the Inspector General within seven (7) days of discovering the impairment, organizational or personal.

The following is the required attestation meant to comply with both professional standards and Jefferson Parish Ordinance No. 25549.

**ATTESTATION:**

Internal Audit Report #2018-006 was conducted with independence and free from organizational or personal impairment.



TARA HAZELBAKER, CPA  
DIRECTOR OF INTERNAL AUDIT



## ATTACHMENT #2

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### RESPONSE\* FROM PARISH ADMINISTRATION

The SMGJ agreement was procured prior to this Administration taking office and executed with a 5-year agreement term. Upon coming into office, we reviewed this agreement as we were charged with the renewal of an agreement with the Artist-In-Residence for the facility, The Jefferson Performing Arts Society (JPAS). We noted several concerns regarding conflicts, performance indicators and incentives that could have been improved upon; however, the agreement term as well as contract conditions had already been negotiated and executed with no legal reason to terminate.

While the SMGJ contract contains a 5-year renewal option, this Administration does not intend to exercise it. We believe there is opportunity to go through a competitive procurement process to create more profitable terms, or at the very least vastly reduce the deficit. In addition, the contract should be examined for proper internal controls within partner/contracted organizations. We are also considering managing the facility in-house.

As was also acknowledged in several finding responses, there are several agreements where there is no Parish department dedicated to report/deliverable monitoring. We will be more attentive regarding designation of contract monitoring as these agreements go before the Council.

*\*Response received via email on September 4, 2018,  
from Natalie Newton, Jefferson Parish Deputy Chief Operating Officer.*



## ATTACHMENT #3

### RESPONSE\* FROM SMG JEFFERSON, LLC

*\*Response received via email on September 24, 2018, from Jose Torres, JPAC General Manager. Exhibits referenced within are on file with the JP Department of Internal Audit.*

September 21, 2018

Ms. Natalie Newton  
Deputy Chief Administrative Officer  
Joseph F. Yenni Building  
1221 Elmwood Park Blvd., 10<sup>th</sup> floor  
Jefferson, Parish, LA 70123-2337

Re: SMG Jefferson (SMGJ) Response to Annual Audit

Dear Ms. Newton:

Pursuant to our recent discussions, please accept this correspondence as SMG's response to the annual Jefferson Parish Audit report #2018-006 – SMG Jefferson-JPAC.

**Finding #2:**

SMGJ submits an annual operating budget to the Parish for approval prior to each Fiscal Year. The budget material submitted contains a detailed presentation of all anticipated operational expenses and revenues for the upcoming year, with supporting schedules for reference. In prior years, SMG has never been asked to supply an annual cash flow schedule to accompany the operating budget. It was not until the time of the audit that we learned of the request for annual cash flow plan from the Parish's internal auditor. SMGJ has always supplied the annual operating budget to the Parish in a timely fashion. Now that SMG has been made aware of the Parish's desire to also obtain an accompanying cash flow plan, we will be happy to supply that information in a timely manner as well.

*Please see attached "Exhibit A, Finding #2" 2019 Annual Budget as reference.*

**Finding #3:**

SMGJ submits the year-end financial statement to the Parish after a third-party audit is completed. For the Fiscal year-ending December 31, 2016, SMGJ was delayed in submitting year-end financials to the Parish as a result of a delay in scheduling the third-party year-end audit. Third-party final audit reports of year-end financials are typically completed thirty (30) days from time of engagement. Additionally, SMGJ operates the JPAC on a restrictive streamlined operating budget for payroll that allows for the Accounting Manager to do more than customary primary functions in job duties.

In the future, SMGJ will ensure that year-end financial statements are submitted in a timely manner and shall supply a draft (unaudited) year-end financial statement to the Parish within 30 days of close out of that fiscal year. Additionally, SMGJ will engage the third-party audit firm earlier in the process so there is not delay in providing the audited year-end financial statement in a timely manner.

*Please see attached "Exhibit B, Finding #3" 2017 Audited Financial Statement.*



**Finding #4:**

Monthly reports are traditionally forwarded to the Parish by the General Manager on, or after a monthly close out of financial information. Due to the cycle of completion of accounts from the previous month, the monthly reporting of financial information contains the previous month financials. This ensures accuracy for accounts receivable and accounts payable and allows time for internal review prior to submission to the Parish. SMGJ acknowledges this finding and will incorporate into the monthly report the Parish's request for additional financial information consisting of: 1.) facility usage by Event Category 2.) the \$3.00 Facility Fee reconciliation. SMGJ shall provide any and all applicable information to the Parish as requested within a timely manner in the future.

*Please see attached "Exhibit C, Finding #4" Monthly Report*

**Finding #5:**

Due to a clerical error, a hotel room deposit in the amount of \$277.95 was inadvertently paid twice. Once at the time the deposit was required, and a second time after the stay was complete. A personal check from the GM in the amount \$277.95 was submitted to SMGJ.

All expense statements are received and approved in accordance with the SMG internal guidelines and policies, which are intended to prevent this type of occurrence. Once inadvertent errors, or omissions like this occur, SMG takes swift action to remedy the error.

If the Parish so desires, SMGJ will utilize and follow Parish Travel and Expense Policies & Procedures as a guideline in the future to determine the reasonableness of travel and related expenses. However, doing so may limit SMGJ's ability to attend certain industry-related events that are considered helpful in marketing and booking non-JPAS events.

*Please see attached "Exhibit D, Finding #5" copy of check submitted to SMGJ reconciling the error.*

**Finding #6:**

All JPAC facility fees are collected on paid tickets for non-JPAS events by the facility's third-party ticketing vendor, Ticketforce. Over the past two years, Ticketforce has been slow to remit the facility fee amounts to SMG as required under the license agreement. In some cases, it has taken the vendor up to three weeks to send SMGJ settlement information on certain events. Additionally, reconciliation and ticket revenue made available occurs after the box office has closed out a particular event due to the potential for patron refunds.

These delays have caused a "snowball effect" of reconciling financial information in a timely fashion. As a result of these factors, SMG terminated its relationship with Ticketforce and has engaged Ticketmaster to provide all ticketing services at the facility. Ticketmaster is a national ticketing provider that does a significant amount of business in this region. We expect them to be a much more responsive and reliable option when providing all financial settlements in a timely fashion.

Furthermore, SMGJ does not agree with Parish's calculation of the facility fee amounts set forth in the audit, reflecting a total of \$138,246 as of July 31, 2018. SMGJ believes that the \$138,246 is calculated in error due to the Parish's assumption that the facility fee is to be remitted on the basis of complimentary tickets, as well as paid tickets. As evidenced by Parish Ordinance 24283, SMG is required to remit facility



fees for all purchased tickets only and not tickets that are issued as complimentary. Therefore, all facility fee revenue for Fiscal Year ending December 31, 2017 have been remitted by SMG in compliance with both the management agreement and the Jefferson Parish Ordinance.

*Please see Exhibit "E", Finding #6; Parish Ordinance regarding JPAC facility fee charges.*

*Please see Exhibit "F", Finding #6; SMGJ notice of termination to Ticketforce ticketing vendor.*

*Please see Exhibit "G", Finding #6 JPAC Facility Fee Reconciliation.*

**Finding #7:**

SMGJ employment compensation and allocations for dual role positions were discussed and approved by Parish leadership and is permitted under the terms of the Management Agreement. Furthermore, the compensation allocations are approved by the Parish as part of the annual budgeting process. The Parish realizes a significant payroll savings by allocating certain SMG Pontchartrain Center employees to JPAC. The specific allocation calculations are different for each employee and are based upon typical time and task for each. Similar allocation calculations are used within other SMG managed venues network. If the Parish desires, SMGJ may conduct a time and task reassessment study to determine if allocations remain within reason. SMGJ submits all payroll and overhead expenses within the JPAC Annual Operating Budget to the Parish prior to the start of a fiscal year.

*Please see "Exhibit H, Finding #7" JPAC shared staff allocations.*

Sincerely,

David Weidler  
Senior Director of Finance  
SMG New Orleans

Cc: Mr. Doug Thornton  
Mr. Sam Voisin  
Mr. Jose Torres



ATTACHMENT A

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MANAGEMENT AGREEMENT BETWEEN SMGJ AND JEFFERSON PARISH

MANAGEMENT AGREEMENT  
FOR THE JEFFERSON PERFORMING ARTS CENTER

BETWEEN

SMG Jefferson LLC

AND

THE PARISH OF JEFFERSON

DATED MARCH 3, 2015



## MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (hereinafter, the "Agreement"), dated the 3rd day of March, 2015 is made by and between Jefferson Parish, Louisiana (hereinafter, the "Parish"), represented by Christopher L. Roberts in his capacity as Chairman of the Jefferson Parish Council, duly authorized pursuant to Resolution No. 124045 adopted on the 10<sup>th</sup> day of December, 2014, and SMG Jefferson LLC, a Delaware limited liability corporation ("SMGJ"), duly authorized to do business in this State, and represented herein by J. Douglas Thornton, in his capacity as Executive Vice President.

### RECITALS

- A. WHEREAS, the Parish is the owner of the Jefferson Performing Arts Center (hereinafter, "JPAC") located at 6400 Airline Highway, Metairie, , Louisiana, 70003; and
- B. WHEREAS, pursuant to RFP 0201 as authorized by Resolution 113305 adopted on the 14<sup>th</sup> day of October, 2009 and Resolution 114130 adopted on the 24<sup>th</sup> day of March, 2014, SMGJ was selected to provide management, marketing and operations services at JPAC; and
- C. WHEREAS, SMGJ is engaged, among other things, in the business of providing management services, including operations and marketing services for public assembly facilities; and
- D. WHEREAS, the Parish desires to engage SMGJ, and SMGJ desires to accept such engagement, to provide management services for the JPAC on the terms and conditions set forth herein; and
- E. WHEREAS, the Parish intends to work in mutual accord with SMGJ in order to ensure provision of high quality management services, thereby enhancing the use and enjoyment of the JPAC.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound as evidenced by their respective signatures hereto, hereby agree as follows:

### AGREEMENT

- 1. **Preambles.** The foregoing preambles are accepted as true and correct by the Parish and SMGJ and are incorporated herein by reference as if fully stated herein in their entirety.
- 2. **Definitions.**

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms have the meanings referred to in this Section 2:



“Artist in Residence” – the artist in residence shall be the Jefferson Performing Arts Society.

“Adjusted Gross Income” -- any and all revenues of every kind or nature derived, received directly or indirectly, from owning, operating, managing or promoting JPAC, including but not limited to proceeds of rental of JPAC or equipment, F&B Gross Revenues, sales of merchandise, sales of advertising, utility receipts, box office receipts (but only to the extent retained for the account of the Parish and not remitted to the event promoter) and interest income, all as determined in accordance with generally accepted accounting principles, consistently applied, but excluding interest income.

“Affiliate” -- a person that directly or indirectly controls or is controlled by, or is under common control with, a specified person. For purposes of this definition, “control” means ownership of equity securities or other ownership interests that represent more than 50 percent of the voting power in the controlled person.

“Annual Financial Statements” – As defined in Section 6, and otherwise agreed by the parties.

“Annual Cash Flow Plan” – As defined in Section 6, and otherwise agreed by the parties.

“Annual Plan” – Plan of management and operations of JPAC, due on or before December 1 of each year during the Management Term for the succeeding Fiscal Year. The Annual Plan shall include a roster of scheduled events and associated fees, existing personnel counts and personnel plans, the proposed Annual Operating Budget and Annual Cash Flow Plan for JPAC for each referenced year, inclusive of requested Capital Expenses.

“Annual Operating Budget” -- any budget submitted by SMGJ and approved by the Parish pursuant to Section 6.

“Capital Equipment” and “Capital Improvements” -- any and all furniture, fixtures, seats and chairs, signs, displays, systems (including plumbing systems, electrical wiring, conduits, junctions and other equipment, and heating and air conditioning systems) machinery, ovens, warming boxes and other concessions and catering equipment and all other equipment used in connection with the operation of the JPAC, whether additional or replacement, and any and all building additions, alterations, renovations, repairs or improvements.

“Capital Expenses”-- all expenditures to purchase or replace Capital Equipment or Capital Improvements and all expenditures in excess of \$2,500 in the aggregate for repair or maintenance of any class of items of Capital Equipment or Capital Improvements.

“F&B Gross Revenues” -- Revenues derived from the sales of food and beverage and provision of food and beverage concession and catering services at or from the JPAC.

“Fiscal Year” -- a one-year period beginning January 1 and ending December 31.



“Initial Term” -- The first five year term of this Agreement, commencing on December 10, 2014 and expiring midnight, December 31, 2019, unless otherwise earlier terminated in accordance with the termination provisions contained herein.

“JPAC”-- The Jefferson Performing Arts Center, located at 6400 Airline Highway, Metairie, Louisiana 70003.

“Laws”— all federal, state, local and municipal regulations, ordinances, statutes, rules, laws and constitutional provisions.

“Losses” -- any and all losses, liabilities, claims, damages and expenses (including reasonable attorneys’ fees).

“Management Fee” -- The monthly payable Fixed Management Fee payable to SMGJ in accordance with Section 4.3(a).

“Management Term” -- the Initial Term of this Agreement and any extensions thereof in accordance with Section 3.2.

“Monthly Reports” -- written reports, in form and substance approved by Parish, prepared and submitted by SMGJ on or before the 10<sup>th</sup> day following the end of each month during the Management Term, using Generally Accepted Accounting Principles and certified true and correct setting out anticipated activities and financial condition of JPAC, including anticipated Capital Expenses for the upcoming month, and reporting detailed receipts, account statements, expenses, including Capital Expenses for the prior month’s operation.

“Net Operating Loss/Profit” -- with respect to a Fiscal Year, the excess, if any, of Operating Expenses for the Fiscal Year over Adjusted Gross Income for the Fiscal Year, in the case of a loss, and the excess, if any, of Adjusted Gross Income for such Fiscal Year over Operating Expenses for the Fiscal Year, in the case of a profit.

“Operating Budget” -- As defined in Section 6, and otherwise agreed by the parties.

“Operating Expenses” -- any and all expenses and expenditures of whatever kind or nature incurred, directly or indirectly, in promoting, operating, maintaining and managing the JPAC, including those listed in Exhibit A, but excluding all Parish’s Expenses, all as determined in accordance with generally accepted accounting principles, consistently applied, and excluding depreciation, and Capital Expenditures.

“Parish” -- Jefferson Parish, Louisiana.

“Parish’s Expenses” -- As defined in paragraph 5.4.

“Scope of Services” -- those services defined herein to be performed by SMGJ, and outlined in Exhibits B and C, hereto.

“SMGJ” -- As defined in the preamble.



### **3. Engagement of SMGJ.**

**3.1. Engagement and Authority of SMGJ.** Subject to the terms and conditions set forth in this Agreement, the Parish hereby engages SMGJ to manage, operate, and, in conjunction with the efforts and activities of the Parish and the Artist in Residence, to promote JPAC during the Management Term, and SMGJ hereby accepts such engagement. In such capacity, SMGJ shall have authority over the day-to-day operation of JPAC and all activities therein, including the provision of food and beverage concession and catering services at JPAC. Without limiting the generality of the foregoing, the services to be provided by SMGJ and its authority with respect to those services shall include those described on Exhibit B (Services) and Exhibit C (Food and Beverage Services). Exhibit C sets forth the parties' respective rights and obligations with respect to the provision of food and beverage services. In performing its booking and promotion responsibilities hereunder, SMGJ shall accept the input and assistance of the Artist in Residence.

### **3.2. Reservation of Rights of Parish.**

**(a) In General.** The Parish and its designees reserve the right to enter all portions of JPAC and the appurtenances thereto, to inspect same, to observe the performance of SMGJ of its obligations under this Agreement, to install, remove, adjust, repair, replace or otherwise handle any equipment, utility lines, or other matters in, on, or about the premises, or to do any act or thing which the Parish may be obligated or have the right to do under this Agreement or otherwise. Parish and its designees shall use reasonable efforts to minimize interference with SMGJ's business activities during its right of access provided herein. Excepting Emergencies, where exigent circumstances warrant that no notice may be provided, Parish will endeavor to, but is not required to, provide twenty-four (24) hours advance notice to SMGJ for security purposes. Nothing contained in this Section (i) is intended or shall be construed to limit any other rights of the parties under this Agreement nor (ii) shall impose or be construed to impose upon the Parish any independent obligation to construct or maintain or make repairs, replacements, alterations, additions or improvements or create any independent liability for any failure to do so.

**(b) Emergencies.** The Parish reserves the right in the exercise of its police powers to assume control of and responsibility for the Parish and to preempt scheduled events or activities as necessary in case of natural disasters or other emergencies in order to use the JPAC as shelter, staging area or other function in response to such exigent circumstances but shall act in good faith to minimize the disruption of the use of the JPAC under this Agreement.

### **4. Management Term; Extensions; Compensation.**

**4.1. Initial Term.** The term of this Agreement shall begin on December 10, 2014 and shall continue through December 31, 2019 (the "Initial Term"), unless earlier terminated pursuant to the provisions of this Agreement.

**4.2. Extensions.** The Parish and SMGJ, may prior to the expiration of the Initial Term mutually agree to extend this Agreement for an additional five (5) year Management Term. Additionally, the Parish, in its sole discretion, may unilaterally elect to extend the Management



Term thereafter for up to three (3) additional one-year periods each extension to be effected by written notice to SMGJ between ninety (90) and one-hundred eighty (180) days prior to the expiration of the applicable Management Term. Thereafter the parties by mutual consent may extend the Management Term for successive one-year periods.

**4.3. SMGJ's Compensation.** For each Fiscal Year during the Management Term, SMGJ shall be entitled to receive from the Parish as compensation for its services under this Agreement a Management Fee computed as follows:

(a) **Fixed Management Fee.** An annual fixed management fee in the amount ninety thousand dollars (\$90,000.00), payable in twelve (12) equal payments of seven thousand five hundred dollars (\$7,500.00) due and payable to SMGJ on the first business day of each month of the Management Term (and any extension thereof). The Fixed Management Fee shall be adjusted annually on the first day of each full Fiscal Year during the Management Term (and any extension thereof) by the percentage change in the Consumer Price Index -- All Urban Consumers (CPI-U) -- U.S. City Average -- All Items, for the one year period measured from the first day of October to the last day of September of the immediately preceding Fiscal Year of the Management Term, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or of any revised or successor index hereafter published by the Bureau of Labor Statistics or other agency of the United States Government succeeding to its functions ("CPI").

Allocations of the Fixed Management Fee shall be as follows:

- Facility Operations/Maintenance \$4,600
- Marketing and Production \$1,825
- Concessions/Catering \$1,075

(b) **Performance Incentive Fee.** In addition to the Fixed Management Fee, SMGJ shall be entitled to receive a Performance Incentive Fee based upon improvement in the annual Adjusted Gross Income achieved each year. The formula for determining the Performance Incentive Fee shall be calculated as follows:

- Twenty-five percent (25%) of improvement in annual Adjusted Gross Income stated in the submitted and approved annual budget, not to exceed the Fixed Management Fee defined in subparagraph (a), above.
- For purposes of this Subsection (b), the Adjusted Gross Income calculation shall include imputed amount(s) of any rental waivers, discounts and operating subsidies requested by Parish, and funded operating expenses.

**4.3 Payment.** All Management Fees payable shall be funded to SMGJ within 30 days following receipt of an invoice from SMGJ. The Parish reserves the right to audit the Annual Financial Statement for any Fiscal Year during the Management Term; SMGJ shall thereafter recalculate the Performance Incentive Fee paid in accordance with Section 4.2(b)



above, for that Fiscal Year based upon the audited numbers. In the event that the amount of the Performance Incentive Fee paid SMGJ differs from such recalculated amount, SMGJ shall promptly remit to the Parish any excess paid, or conversely, the Parish shall promptly pay any applicable shortfall, as determined by such audit.

## **5. Budgets and Operating Expenses.**

**5.1. Budgets, Operating Expenses, Operating Budget.** On or before May 1 for each year of the Management Term, SMGJ shall prepare and submit the Annual Plan, which shall include the Annual Operating Budget and Annual Cash Flow Plan for JPAC and the performance of SMGJ's Scope of Services for the upcoming Fiscal Year. These annual budgets are subject to review and approval by the Parish. The timing of the submission of the budgets and the Annual Plan and of the Parish's approval thereof will be mutually agreed upon by the parties. Once approved, the Approved Budgets may be amended by the parties pursuant to procedures mutually agreed upon by the parties.

**5.2. Discounts and Rental Waivers:** The Parish reserves the right to use JPAC at no rental cost for certain Parish approved activities and functions. In addition, the Parish SMGJ reserves the right to provide rental discounts or rental waivers to certain users of the facility; these users shall pay all applicable hard-cost operating expenses incurred in connection with the use of JPAC. In accordance with Section 4.2(b) above, the yearly aggregate value of any rental waiver and discounted use shall be included in the Adjusted Gross Income calculation in determining the amount of any incentive fee due SMGJ.

**5.3. Receipts and Disbursements; Accounts.** SMGJ shall establish and maintain operating, payroll and other bank accounts incumbent to the promotion, operation and management of JPAC. SMGJ shall be the signatory authority for such accounts, and SMGJ shall indemnify and hold the Parish harmless for any misuse or misappropriation of funds by its officers, employees or agents. All Adjusted Gross Income collected or received by SMGJ shall be deposited into such accounts and Operating Expenses shall be paid by SMGJ from such accounts. The funding of all of the foregoing accounts shall be made by the Parish to cover all projected Operating Expenses and Capital Expenses at JPAC to the extent not covered by the Adjusted Gross Income. All budgeted or pre-approved travel and professional expenses of individuals not employed at JPAC by SMGJ, shall be paid as incurred when included in the Agreed Annual Budget. All non-budgeted travel and professional expenses shall be paid only with the prior written approval of the Parish. Professional fees will be incurred only if properly qualified experts in such areas necessitating such services are not present within the staffs of either the Parish or SMGJ and such fees are pre-approved by the Parish.

**5.4. Parish's Services and Expense.** The Parish shall fund, at its sole cost and at no cost to SMGJ, Capital Expenses, which shall specifically include all maintenance, repairs and replacements of the heating, ventilation and air conditioning systems at the Theater ("Parish's Expenses"). The obligation to pay all Capital Expenditures, and authority to perform, direct and supervise Capital Equipment and Capital Improvements of JPAC, shall remain with the Parish. SMGJ shall be responsible for performing routine maintenance for JPAC from funds provided by SMGJ as an Operating Expense. The Annual Plans submitted pursuant to Section 5.2 shall include SMGJ's recommendation for Capital Equipment and Capital Improvements purchases to



be accomplished during the year and shall be accompanied by an estimate of the cost of all such items and projects and a request that the Parish budget funds therefore. The Parish shall retain the discretion to determine whether and to what level to fund Capital Equipment and Capital Improvements purchases for the JPAC.

**SMGJ shall provide the Parish its current SMG Operating Manual, and shall provide the Parish with any and all updates.**

#### **5.5. Limitation of SMGJ Liability; Indemnification.**

(a) Except as where specifically provided in this Agreement, SMGJ shall have no obligation to fund any cost, expense or liability with respect to the operation, management or promotion of JPAC.

(b) To the extent not covered by insurance procured by SMGJ under Section 7 of this Agreement and permitted by law:

(i) The Parish shall indemnify and defend and hold harmless SMGJ, its respective officers, agents, employees, directors, and shareholders from any and all losses, liabilities, costs, and expenses (including reasonable attorneys' fees and costs of court), arising out of any act or omission of the Parish with regard to which SMGJ was not itself guilty of contributory negligence, intentional misconduct, knowing violation of law or material breach of this Agreement, provided, however, that nothing contained in this Agreement shall be deemed to constitute a waiver of statutory damage caps or other limitations on liability enjoyed by the Parish as a matter of law and SMGJ acknowledges that the Parish does not waive any immunity defenses or the applicability of the statutory damages caps.

(ii) SMGJ shall indemnify and defend and hold harmless the Parish, its respective officers, agents, employees, from and all losses, liabilities, costs, and expenses (including reasonable attorneys' fees and costs of court), arising out of any act or omission of SMGJ with regard to which the Parish was not itself guilty of contributory negligence, intentional misconduct, knowing violation of law or material breach of this Agreement.

#### **6. Records, Audits, and Reports.**

**6.1. Records and Audits.** SMGJ shall keep full and accurate accounting records in accordance with Generally Accepted Accounting Principles relating to its activities at JPAC. SMGJ shall provide Parish unfettered access to those records which shall include but not be limited to bank statements for all JPAC accounts, itemized expenses, cash flow, and such other records customarily kept in performing the scope of services underlying this Agreement. SMGJ shall provide to the Parish monthly financial statements in a format agreed to between the Parish and SMGJ. SMGJ shall give the Parish and its authorized representatives access to such books and records maintained at JPAC during business hours upon twenty-four (24) hours advance notice. Upon the request of the Parish, SMGJ shall deliver to the Parish copies of all bank statements and other documents and reports kept by SMGJ relative to JPAC. SMGJ shall keep and preserve for at least seven years following each Fiscal Year all sales slips, rental agreements,



purchase order, sales books, credit card invoices, bank books or duplicate deposit slips, and other evidence of Adjusted Gross Income and Operating Expenses for such period.

**6.2. Annual Reporting Requirements.** SMGJ shall deliver to the Parish annual financial statements within 30 days after the close of each Fiscal Year prepared in accordance with Generally Accepted Accounting Principles. The Parish shall have the right to conduct an audit of any annual report delivered in connection with this Section 6.2 and/or any monthly report delivered hereunder. In the event additional costs and expenses relating to field visits to the JPAC by auditors are incurred due to errors and/or omissions in the financial statements prepared and delivered by SMGJ hereunder, SMGJ shall be liable for such additional costs and expenses inclusive of the hard costs of any such audit to the extent that such errors or omissions exceed 1% of the reported amount.

**6.3. Annual Plan.** On or before May 1 in each year during the Management Term, SMGJ shall provide to the Parish an annual management plan for the succeeding Fiscal Year (the "Annual Plan"), which shall include the annual operating budget and annual cash flow budget described in Section 4.6 for the next Fiscal Year. The Annual Plan shall include information regarding SMGJ's anticipated operations for such Fiscal Year and requested Capital Equipment and Capital Improvements purchases, and anticipated budgets therefore. The Annual Plan shall be subject to review, revision and approval by the Parish.

**6.4. Monthly Reports.** On or before the last day of each month during the Management Term, SMGJ shall provide to the Parish a written monthly report in a form approved by the Parish setting out JPAC's anticipated activities and financial condition for the upcoming month and reporting on the prior month's activities and finances.

## **7. SMGJ Employees.**

**7.1. Employees.** During the Management Term, SMGJ shall select, train and employ at JPAC such number of employees as SMGJ deems necessary or appropriate to satisfy its responsibilities hereunder. SMGJ shall appoint, subject to the Parish's approval, an experienced and competent general manager for JPAC.

**7.2. Responsibility and Control.** SMGJ employees performing the Scope of Services at JPAC shall not for any purpose be considered to be employees of the Parish, and SMGJ shall be solely responsible for their supervision and daily direction and control and for setting compensation, and paying as an Operating Expense. Their compensation (including federal, state and local income tax withholding) and any employee benefits, shall be subject to prior Parish approval, and all costs related to their employment shall be treated as an Operating Expense. SMGJ shall have the sole authority to hire, terminate and discipline any and all personnel working at JPAC. The Parish reserves the right to request that SMGJ replace any person working at JPAC.

**7.3. Parish's Covenant Not to Solicit or Employ.** During the Management Term (and any extension thereof) and for a period of one year thereafter, except with SMGJ's prior written consent, the Parish agrees, to not directly or indirectly, solicit for employment, or hire,



any of the senior management personnel employed by SMGJ at JPAC, including, without limitation, the general manager, director-level employees and department heads. SMGJ

**8. Insurance.**

SMGJ agrees to obtain, maintain and keep current on behalf of SMGJ and the Parish, all insurance coverages as set forth in the attached Exhibit E (Insurance) and such other coverage as shall be prescribed by law from time to time. The cost of all insurance premiums shall be paid by SMGJ as an Operating Expense.

**9. Assignment.**

Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party; provided, however, that SMGJ may (i) subcontract, subject to the approval of the Parish, services as contemplated by Section 2.1 and Exhibit B, (ii) SMGJ may assign its rights to receive the Fees to its lender(s) as collateral security for SMGJ's obligations under any credit facilities provided to it by such lender(s), provided that such collateral assignment shall not in any event cover SMGJ's rights to manage, promote or operate JPAC hereunder; and (iii) SMGJ may assign, only with the written approval of the Parish, its rights and obligations under this Agreement in connection with the sale by SMGJ of all or substantially all of its assets to the purchaser thereof.

**10. Termination.**

**10.1. Termination Upon Default.**

Either party may terminate this Agreement upon an uncured default by the other party hereunder. A party shall be in default hereunder if (i) such party fails to pay any sum payable hereunder within 15 days after same is due and payable, or (ii) such party fails in any material respect to perform or comply with any of the other terms, covenants, agreements or conditions hereof and such failure continues for more than 60 days after written notice thereof from the other party. In the event that a default (other than a default in the payment of money) is not reasonably susceptible to being cured within the 60 day period, the defaulting party shall not be considered in default if it shall within such 60 day period have commenced with due diligence and dispatch to cure such default and thereafter completes with dispatch and due diligence the curing of such default.

**10.2. Appropriation Dependency**

The continuation of this Contract is contingent upon the appropriation of funds by Parish. If the Council fails to appropriate sufficient monies to provide for the continuation of this Contract, the Contract shall terminate on the last day of the fiscal year for which funds were appropriated. Such termination shall be without penalty or expense to the Parish except for payments which have been earned prior to the termination date. Termination of this Contract by the Parish under the provision of this section shall not constitute an event of default. The decision to fund or not to fund this Contract for the next fiscal year will be made by the Parish Council in its unfettered discretion based upon what the Parish Council believes to be in the best



interests of the Parish. The Parish Council may in its discretion opt not to fund this Contract for a subsequent fiscal year or years for any reason.

#### **10.3. Bankruptcy**

By the Parish if SMGJ should file for bankruptcy, or should SMGJ make a general assignment for the benefit of its creditors, or if a Receiver should be appointed on account of SMGJ's insolvency.

#### **10.4. For Convenience**

By the Parish upon one-hundred eighty (180) days written notice.

#### **10.5. Effect of Termination or Expiration.**

Upon the expiration or earlier termination of this Agreement, (i) all Operating Expenses incurred as of the date of expiration or earlier termination shall be paid using funds on deposit in the account(s) maintained by SMGJ in accordance with Sections 5.3 and to the extent such funds are not sufficient, the Parish shall pay all such budgeted and approved Operating Expenses, and (ii) the Parish shall promptly pay SMGJ all fees earned up to and including the date of expiration or earlier termination (the fees described in Section 4 being prorated). Upon termination or earlier expiration of this Agreement, all obligations of the parties hereunder shall cease except for those obligations expressly surviving such expiration or earlier termination.

#### **10.6. Surrender of Premises.**

Upon expiration or earlier termination of this Agreement, SMGJ shall surrender and vacate the Facility upon the effective date of such termination or expiration. The JPAC premises and all equipment, systems and furnishings shall be returned to the Parish in good condition and repair, reasonable wear and tear excepted, in broom-clean condition, subject to Parish's funding obligations contained herein. All reports, records, including financial records, and documents maintained by SMGJ at the JPAC relating to this Agreement other than materials containing SMGJ's proprietary information or property shall be immediately surrendered to the Parish by SMGJ upon termination or expiration.



## **11. Miscellaneous.**

### **11.1. Certain Representations and Warranties.**

(a) The Parish represents and warrants to SMGJ the following: (i) all required approvals have been obtained, and the Parish has full legal right, power and authority to enter into and perform its obligations hereunder, (ii) this Agreement has been duly executed and delivered by the Parish and constitutes a valid and binding obligation of the Parish, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally or by general equitable principles.

(b) SMGJ represents and warrants to the Parish the following: (i) all required corporate approvals have been obtained, and SMGJ has full legal right, power and authority to enter into and perform its obligations hereunder, and (ii) this Agreement has been duly executed and delivered by SMGJ and constitutes a valid and binding obligation of SMGJ, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally or by general equitable principles.

### **11.2. Certain Other Provisions.**

(a) **Alternate Dispute Resolution.** Parties agree that any disputes arising hereunder will first be referred by the parties to non-binding mediation/arbitration (which shall toll the applicable prescriptive period) prior to the parties initiating legal suit, with the prescriptive period to be tolled during the pendency of any such mediation/arbitration. To the extent that any dispute remains unresolved 60 days following completion of the non-binding mediation/arbitration process, then either party may initiate litigation and/or terminate this Agreement.

(b) **No Partnership or Joint Venture.** Nothing herein contained is intended or shall be construed in any way to create or establish the relationship of partners or a joint venture between the Parish and SMGJ.

(c) **Entire Agreement; Prior Agreements; Amendments.** This Agreement for management, operation, administration, promotion and maintenance of the JPAC contains the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements and understandings with respect thereto. No other agreements, representations, warranties or other matters, whether oral or written, will be deemed to bind the parties hereto with respect to the subject matter hereof. This Agreement shall not be altered, modified or amended in whole or in part, except in writing executed by each of the parties hereto. In order to be binding upon the Parish, any such amendment must be ratified by the Jefferson Parish Council.

(d) **Force Majeure.** No party will be liable or responsible to the other party for any delay, damage, loss, failure, or inability to perform caused by "Force Majeure" if notice is provided to the other party within ten days of date on which such party gains actual knowledge of the event of "Force Majeure" that such party is unable to perform. The term "Force Majeure"



as used in this Agreement means the following: an act of God, strike, war, public rioting, lightning, fire, storm, flood, explosions, inability to obtain materials, supplies, epidemics, landslides, lightning storms, earthquakes, floods, storms, washouts, civil disturbances, explosions, acts of terrorism, breakage or accident to machinery or lines of equipment, temporary failure of equipment, freezing of equipment and any other cause whether of the kinds specifically enumerated above or otherwise which is not reasonably within the control of the party whose performance is to be excused and which by the exercise of due diligence could not be reasonably prevented or overcome.

**(e) Binding Upon Successors and Assigns.** This Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective successors and permitted assigns.

**(f) Notices.** Any notice, consent or other communication given pursuant to this Agreement will be in writing and will be effective either (a) on the second business day following mailing by an overnight courier service that is generally recognized as reliable, (b) on the fifth day following mailing by certified or registered mail, return receipt requested, postage prepaid, or (c) on the date transmitted by telecopy as shown on the telecopy confirmation therefore as long as such telecopy transmission is followed by mailing of such notice by certified or registered mail, return receipt requested, postage prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Jefferson Parish:

Parish Council Chairman  
Joseph S. Yenni Building  
1221 Elmwood Park Blvd., 10<sup>th</sup> Floor  
Jefferson, LA 70123-2337  
Office: (504) 736-6615

With copies to:

Parish President  
Joseph S. Yenni Bldg.  
1221 Elmwood Park Blvd.  
Jefferson, LA 70123-2337  
Office: (504) 736-6400

Parish Attorney  
Joseph S. Yenni Bldg.  
1221 Elmwood Park Blvd.  
Jefferson, LA 70123-2337  
Office: (504) 736-6300

To SMGJ:  
SMG Jefferson, LLC



300 Conshohocken State Rd., Suite 770  
West Conshohocken, PA 19428  
Attention: President  
With a copy to:

SMG Jefferson, LLC  
300 Conshohocken State Rd., Suite 770  
West Conshohocken, PA 19428  
Attention: Counsel

With a copy to:

Mr. J. Douglas Thornton  
Executive Vice President, SMG  
Mercedes Benz Superdome  
1500 Sugar Bowl Drive  
New Orleans, LA 70112  
Office: (504) 587-3663

(g) **Governing Law; Counterparts.** This Agreement will be governed by and construed in accordance with the internal Laws of the State of Louisiana, without giving effect to otherwise applicable principles of conflicts of law. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute but one and the same agreement. SMGJ hereby agrees and consents to the jurisdiction of the courts of the State of Louisiana over its person. The parties hereto agree that the sole and exclusive jurisdiction and venue for any suit or proceeding brought pursuant to this contract shall be the 24th Judicial District Court for the Parish of Jefferson, State of Louisiana.

(h) **Cooperation with Inspector General.** It shall be the duty of every parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to this chapter. Every parish contract and every bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program shall contain a statement that the corporation, partnership, or person understands and will abide by all provisions of this chapter.

(i) **Severability.** The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

(j) **Interpretation.** All section titles or captions in this agreement are for convenience of reference only. They should not be deemed to be part of this agreement or to in any way define, limit, extend, or describe the scope or intent of any provisions of this agreement.



Except as specifically provided otherwise, reference to "Sections" and "Exhibits" are to sections of and exhibits to this Agreement.

(k) **Non-Waiver.** A failure by either party to take any action with respect to any default or violation by the other of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any rights of such party to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default.

(l) **Contract Representatives.** The Parish hereby designates its Parish President and SMGJ designates its Executive Vice-President for the corporate region in which the JPAC is located as their respective representatives in all matters relating to this Agreement, and in either case, any individual from time to time designated by either of the foregoing with general or particular authority. Each party shall be permitted to rely on the actions taken by the designated representative of the other party or by any person authorized by a designated representative in writing in any matter relating to this Agreement, including granting any required authorizations, consents and approvals. Any party may change its designated representative by written notice to the other parties.

(m) **No Third Party Beneficiaries.** None of the provisions of this Agreement shall be for the benefit of or enforceable by a third party.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties as of the day and year first above written.

Jefferson Parish, Louisiana

By: \_\_\_\_\_

Christopher L. Roberts  
Council Chairman

SMGJ

By: \_\_\_\_\_

J. Douglas Thornton  
Executive Vice President



**EXHIBIT A**  
**OPERATING EXPENSES**

Operating Expenses include but are not limited to:

- (1) Payroll, benefits and related costs (including relocation and bonus costs to the extent approved by the Parish) of all SMGJ and F&B Employees employed at or performing services with respect to JPAC.
- (2) Cost of operating supplies.
- (3) Advertising costs.
- (4) Cleaning expenses.
- (5) Data processing and computer costs including an allocation of a portion of the costs of SMGJ central payroll system.
- (6) Dues, subscriptions and membership costs.
- (7) Insurance costs, as set forth herein.
- (8) Professional fees.
- (9) Printing and stationary costs.
- (10) Postage and freight costs.
- (11) Equipment rental costs.
- (12) Repairs and maintenance costs, as set forth herein.
- (13) Security expenses.
- (14) Cost of office supplies.
- (15) Telephone charges.
- (16) Travel and entertainment expenses within amounts included in an Approved Budget and such unbudgeted travel and professional expenses as are approved in writing by the Parish.
- (17) Cost of employee uniforms.
- (18) Trash and garbage removal costs.
- (19) Extermination and pest control costs.
- (20) Cost of food, beverage and other goods sold related to Concessions and Catering.



(21) Allocated overhead reimbursement payments made to SMGJ as agreed to in writing e.g. "The Budget" by the parties.

(22) Utilities



## **EXHIBIT B SERVICES**

SMGJ shall have the right and authority, without (except as otherwise expressly noted below or as noted previously in this Agreement) any prior approval by the Parish, to:

(1) Provide or cause to be provided, through itself and/or one or more of its Affiliates and/or third party subcontractors, booking services, catering and concession services, decorating services, maintenance services, and all other services in connection with the management, promotion and operation of the Facility. If alcohol is served at the Facility, maintain a Liquor Legal Liability policy naming the Parish as an additional insured.

(2) Negotiate, execute in its name as agent for the Parish, deliver and administer any and all licenses, occupancy agreements, rental agreements, booking commitments, advertising and sponsorship agreements, catering and concession agreements, decorating agreements, supplier agreements, service contracts and all other contracts and agreements in connection with the management, promotion and operation of JPAC, provided that if any such license, agreement, commitment or contract other than those involving the license, lease or rental of any of JPAC (or any portion thereof) in the ordinary course has a term that extends beyond the remaining Management Term, such license, agreement, commitment or contract shall be approved in advance by the Parish, in its sole judgment and discretion. In addition, SMGJ, as agent for the Parish, may rent JPAC or any part thereof to itself in connection with any event in the promotion of which SMGJ is involved, so long as such rental is on prevailing rates and terms or such other rates and terms as the Parish approves.

(3) Establish and adjust prices, rates and rate schedules for the aforesaid licenses, agreements and contracts and any other commitments relating to JPAC to be negotiated by SMGJ in the course of its management, operation and promotion of JPAC. In determining such prices and rate schedules, SMGJ shall evaluate comparable charges for similar goods and services at similar and/or competing facilities and shall consult with the Parish about any adjustments to the rate schedules to be made by SMGJ.

(4) To the extent that Adjusted Gross Income or funds supplied by the Parish are made available therefore, (i) maintain JPAC in the condition received, reasonable wear and tear excepted, and (ii) rent, lease or purchase all equipment and maintenance supplies necessary or appropriate for the operation and maintenance of JPAC; provided that the Parish shall be responsible for undertaking all Capital Improvements and Capital Equipment purchases as provided in Section 5.4.

(5) Pay, when due, on behalf of the Parish, all Operating Expenses from accounts established pursuant to Sections 5.3 of this Agreement.

(7) SMGJ shall have authority over the day-to-day operation of the Facility, including the provision of food and beverage concession and catering services at the Facility, and shall work together with the Artist in Residence to achieve booking and marketing objectives. Without limiting the generality of the foregoing, the services to be provided by SMGJ or its



subcontractors and its authority with respect to those services shall include those described on Exhibit B (Services) and Exhibit C (Food and Beverage Services).

(8) Provide or cause to be provided by its Affiliate SAVOR or one or more third party subcontractors (the "Food Service Manager"), management of all in-house food and beverage operations and services at the JPAC including catering, concessions, menu development, staffing, and liquor license procurement and maintenance in accordance with the guidelines and policies described this Exhibit B (collectively, the "F&B Services").

(a) Third Party/Outside Catering: To the extent mutually agreed upon in writing by the Parish and SMGJ, certain organizations and/or not-for-profit entities utilizing the JPAC may contract catering services. SMGJ retains the opportunity to bid on such services as deemed appropriate from time to time.

(9) Engage in such advertising, solicitation, and promotional activities as SMGJ deems necessary or appropriate to develop the potential of the Facility and the cultivation of broad community support.

(10) Exercise all rights and authority implied in Section 3.1 of the Agreement and this Exhibit B.

(11) Respond timely to all comments and complaints communicated to the Parish or to SMGJ by members of the public.

(12) The Parties agree that the Jefferson Performing Arts Society ("JPAS") will be designated as the "Artist in Residence" and will be considered the primary resident company in the facility for artistic presentations. This designation will afford JPAS certain rights and privileges for scheduling, rehearsals, economic entitlements, reduction of fees and charges and other such benefits as approved by the Parish as part of a long-term cooperative endeavor agreement. JPAS shall have the right to occupy reasonable office space in the center subject to Parish approval of terms and conditions. Brian Blaum shall be the designated liaison between SMGJ and JPAS.



**EXHIBIT C**  
**FOOD AND BEVERAGE SERVICES**

1. **REPORTING OBLIGATIONS.** Before the end of each calendar month during the Management Term, SMGJ shall provide or cause the Food Service Manager, if other than SMGJ, to provide the Parish with a statement F&B Gross Revenues for previous calendar month.

2. **F&B EMPLOYEES.**

(A) **Staffing Levels and Training.** Food Service Manager shall provide adequate numbers of staff for all catered events and for concessions. All Food Service Manager employees involved in the sale, service, and distribution of alcoholic beverages shall be trained by Food Service Manager in effective alcohol awareness, which includes training based on any applicable laws of the Parish or the State of Louisiana.

(B) **Food and Beverage Director.** Food Service Manager shall select a Food and Beverage Director ("FBD") to oversee the F&B Services. The FBD shall report to Food Service Manager's General Manager.

3. **SMGJ OPERATIONAL RESPONSIBILITIES.**

(A) **Periods of Operations.** SMGJ or its designated Food Service Manager shall provide the F&B Services at such times as shall be reasonably necessary to serve customers of JPAC.

(B) **Quality.** All food and beverage items offered for sale by Food Service Manager shall be of high quality. Food Service Manager shall not offer for sale any food or beverage items that are spoiled, of poor quality, or otherwise unfit for consumption, and any such items shall immediately be removed by Food Service Manager from any food preparation or service area. Food Service Manager shall maintain a level of service that will provide an effective and convenient operation of food and beverage service. All food, drinks, beverages, confections and other items sold or kept for sale at the concessions will conform in all respects to applicable federal, state and Parish regulations.

(C) **Notice of Health Code Violations.** Food Service Manager will provide the Parish, immediately upon Food Service Manager's receipt, copies of any reports, citations, or notices that appear from the local health department, as well as copies of any Food Service Manager field inspection reports in response thereto. Food Service Manager shall promptly correct any such violations.

(D) **Cleaning.** Food Service Manager shall maintain all food service equipment in a clean and sanitary condition.

(E) **Removal of Trash and Garbage.** Food Service Manager shall be responsible for the removal of all trash, refuse and garbage produced by the F&B Services.



(F) Guidelines. Food Service Manager shall adhere to the guidelines set forth in its banquet server guidelines and concession point of service ratio guidelines, copies of which are available for review by the Parish.

(G) Menus and Pricing. All menu items and prices relating to food and beverage services shall be submitted to the Parish in advance of the proposed effective date of change for review and comment.

(H) Liquor License. Food Service Manager shall maintain a liquor license (unless hereinafter prohibited by law) and all other licenses or permits required by law in order to provide the F&B Services. Food Service Manager shall pay all federal, state and local license and permit fees and collect, withhold, remit, and/or pay for all sales, use and excise taxes and compensation taxes relating to the provision of the F&B Services. The costs of the foregoing shall be an Operating Expense

(I) SMGJ Oversight of Food Service Manager. In any period in which SMGJ is not acting as Food Service Manager, SMGJ shall cause the Food Service Manager performs its obligations under this Agreement.

#### 4. OWNER RESPONSIBILITIES

(A) Space; Access; Use of Facility. The Parish shall provide adequate space within the Facility for the performance of the F&B Services, the space now available being deemed adequate for purposes of this paragraph. The Parish shall also make available to Food Service Manager and its employees and agents such common areas, fixtures, equipment and storage facilities within the Theater necessary for Food Service Manager to provide the F&B Services as contemplated herein.

(B) Capital Improvements. The Parish shall, during the Management Term fund Capital Expenses designed to improve the food service operation at JPAC, in such amounts as Food Service Manager and the Parish may mutually agree. Such purchases may include items such as, portable kiosk enhancements, concession stand upgrades, new menu signage, a point-of-service credit card system, small wares and service ware upgrades, and uniforms.

5. Exclusive Catering / Catering Fees. As a general rule, no outside catering will be permitted in JPAC except subcontractor as approved in writing by the Parish. Food Service Manager acknowledges that certain users of JPAC such as, The JPAS, clubs and charity organizations have historically been granted permission to use their own caterer from time-to-time. Food Service Manager and the Parish agree to regularly review this practice to determine whether it should be continued. In all cases where such permission has been granted to a non-profit organization, the licensee for the event may or may not be charged a fee as mutually agreed upon by Food Service Manager and the Parish. The fee so charged shall be included as part of the F&B Gross Revenue. In addition, the licensee for the event shall be required to secure all necessary licenses for such service and will be required to provide the appropriate insurance coverages, naming SMGJ, the Food Service Manager (if other than SMGJ) and Parish as additional insureds.



**EXHIBIT D**  
**PERFORMANCE REVIEW**

The Parish may review SMGJ's Performance as indicated below:

1. Achievement of Combined Annual Budget
2. Achievement of Minimum Customer Service Survey Results
3. Achievement of Performance Goals as outlined in the Annual Budget
4. Control of Operating Expenses

In recognition of the fact that SMGJ is unable to control the rates charged for utilities and the premiums charged for insurance, so long as a good faith effort is made to manage such costs through utilization control, all computations made determining whether SMGJ has met the applicable standard shall make appropriate adjustments to negate any increases in Operating Expenses attributable to increases in the rates charged for energy supplied to the Theater over rates assumed in Approved Budgets and increases in actual insurance premiums over premiums contained in Approved Budgets.



## **EXHIBIT E INSURANCE**

(a) SMGJ shall obtain and keep in force at all times during the Management Term:

(1) a commercial liability insurance policy, including, independent contractors, contractual liability, products and completed operations, liquor liability (as long as SMGJ is providing the food and beverage and catering services hereunder; otherwise, it should be contingent liquor liability), personal and advertising injury, public liability and property damage, covering the premises, the operations hereunder, in the amount of \$5,000,000 per occurrence for bodily injury and \$5,000,000 per occurrence for property damage. The policy shall include medical liability for EMTs, if any, while working for SMGJ;

(2) an umbrella liability insurance policy with a limit of \$5,000,000 in the aggregate;

(3) a comprehensive automotive bodily injury and property damage insurance policy for business use covering all vehicles operated by SMGJ officers, employees in connection with the JPAC, whether owned by the Parish, or otherwise, with a combined single limit of not less than \$5,000,000 per occurrence (including an extension of hired and non-owned coverage);

(4) worker's compensation insurance (including occupational disease hazards) with an authorized insurance company or through the Louisiana State Compensation Insurance Fund;

(5) fidelity/crime insurance covering SMGJ's employees.

SMGJ shall pay the premiums for such coverages as an Operating Expense from funds supplied by the Parish.

(b) (d) The terms of all insurance policies referred to in Section 8 of the Agreement and on this Exhibit E shall preclude subrogation claims against SMGJ, the Parish and their respective partners, members, officers, directors, employees and agents.

(e) SMGJ shall be the named insured(s) under all of the liability described in paragraph (a) above. The Parish shall be an additional insured under the insurance described in paragraphs (a) (1), (2), (3), and (5) above. The insurance maintained by each party hereunder shall contain a provision covering the parties' indemnification liabilities to each other.

(f) Certificates evidencing the existence of the above policies shall be delivered by each party to the other before the start of the Management Term. Notwithstanding the provisions of Section 8 and this Exhibit E, the parties acknowledge that the above insurance may contain exclusions from coverage which are reasonable and customary for insurance of such type. Each such policy or certificate shall contain a valid provision or endorsement stating, "This policy will not be canceled or materially changed or altered without first giving 30 days' written notice thereof, sent by certified mail, return receipt requested, to (i) in the case of SMGJ's policies, the Parish of Jefferson, 200 Derbigny Street, Suite 6200, Gretna, LA 70053, and (ii) in the case of the Parish's policies, SMGJ, 300 Conshohocken State Rd., Suite 770, West Conshohocken, PA 19428, Attention: Risk Management."



(g) A renewal binder of coverage shall be delivered by the named insured to the other party at least 20 days after a policy's expiration date, with a complete copy of such renewal insurances to follow.



## ATTACHMENT B

### RESOLUTION 124045: RATIFYING AGREEMENT BETWEEN SMG JEFFERSON AND JEFFERSON PARISH

On joint motion of all Councilmembers present, the following resolution was offered:

#### **RESOLUTION NO. 124045**

A resolution ratifying the attached Agreement between the Parish of Jefferson and SMG Jefferson LLC to provide for Management Services for the Jefferson Performance Arts Center under RFP No. 0201. (Council District 2)

**WHEREAS**, pursuant to Resolution No. 114130 dated the 24<sup>th</sup> day of March 2010, the Jefferson Parish Council selected SMG Jefferson LLC to provide for management services under RFP No. 0201; and

**WHEREAS**, Jefferson Parish and SMG Jefferson LLC have agreed to the terms and conditions of the contract for SMG Jefferson LLC. to provide for management services for the Jefferson Performance Arts Center;

**NOW THEREFORE, BE IT RESOLVED** by the Jefferson Parish Council of Jefferson Parish, State of Louisiana:

**SECTION 1.** That the Agreement between the Parish of Jefferson and SMG Jefferson LLC to provide for Management Services for the Jefferson Performance Arts Center pursuant to RFP No. 0201, is hereby ratified.

**SECTION 2.** That all costs associated with this agreement shall be charged to Account No. 22540-3554-7331.

**SECTION 3.** That the Chairman of the Jefferson Parish Council, or in his absence the Vice-Chairman, be and they are, hereby authorized to execute any and all documents necessary to give full force and effect to this resolution.

The resolution having been submitted to a vote, the vote thereon was as follows:


**YEAS: 7**

**NAYS: None**

**ABSENT: None**

The resolution was declared to be adopted on this the 10<sup>th</sup> day of December, 2014.

THE FOREGOING IS CERTIFIED  
TO BE A TRUE & CORRECT COPY

  
EULA A. LOPEZ  
PARISH CLERK  
JEFFERSON PARISH COUNCIL



## ATTACHMENT C

### INTERNALLY PREPARED FINANCIAL STATEMENT EXCERPTS

| JPAC- SMG JEFFERSON<br>Income Statement<br>For the Twelve Months Ending December 31, 2017 |                     |                     |                         |                        |                        |                            |
|---|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
|   | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
| <b>EVENT INCOME</b>   |                     |                     |                         |                        |                        |                            |
| Direct Event Income   |                     |                     |                         |                        |                        |                            |
| Rental Income   | \$ 60,158           | \$ 37,950           | \$ 25,349               | \$ 442,826             | \$ 401,725             | \$ 383,875                 |
| Service Revenue   | 14,419              | 8,080               | 11,212                  | 252,187                | 193,985                | 178,105                    |
| Service Expenses  | (20,944)            | (4,290)             | (7,647)                 | (273,626)              | (137,170)              | (131,963)                  |
| Total Direct Event Income   | 53,633              | 41,740              | 28,914                  | 421,387                | 458,540                | 430,017                    |
| Ancillary Income  |                     |                     |                         |                        |                        |                            |
| F & B Concessions   | 1,192               | 1,500               | 1,146                   | 26,903                 | 16,400                 | 19,550                     |
| F & B Catering  | 1,289               | 0                   | 1,050                   | 15,130                 | 4,100                  | 6,092                      |
| Novelty Sales   | 0                   | 0                   | 0                       | 3,612                  | 0                      | 420                        |
| Telephone   | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Electrical Services   | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Internet Services   | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Equipment Rental  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Other Ancillary   | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Total Ancillary Income  | 2,481               | 1,500               | 2,196                   | 45,645                 | 20,500                 | 26,062                     |
| Other Event Income  |                     |                     |                         |                        |                        |                            |
| Other Event Related Income  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Ticket Rebates  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Facility Fees   | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Total Other Event Income  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Total Event Income  | 56,114              | 43,240              | 31,110                  | 467,032                | 479,040                | 456,079                    |
| <b>OTHER OPERATING INCOME</b>   |                     |                     |                         |                        |                        |                            |
| Advertising Income  | 417                 | 417                 | 417                     | 6,640                  | 5,000                  | 4,922                      |
| Other Income  | 0                   | 0                   | 0                       | 3,048                  | 0                      | 56                         |
| Total Other Operating Income  | 417                 | 417                 | 417                     | 9,688                  | 5,000                  | 4,978                      |
| Adjusted Gross Income   | 56,531              | 43,657              | 31,527                  | 476,720                | 484,040                | 461,057                    |
| <b>INDIRECT EXPENSES</b>  |                     |                     |                         |                        |                        |                            |
| Salaries & Wages  | 32,804              | 35,984              | 34,801                  | 409,352                | 476,207                | 345,616                    |
| Payroll Taxes & Benefits  | 8,875               | 6,183               | 4,255                   | 97,746                 | 77,550                 | 72,161                     |
| Net Salaries and Benefits   | 41,679              | 42,167              | 39,056                  | 507,098                | 553,757                | 417,777                    |
| Contracted Services   | (23,354)            | 350                 | 1,749                   | 3,900                  | 4,200                  | 5,324                      |
| General and Administrative  | 3,437               | 10,392              | 3,027                   | 45,961                 | 110,361                | 45,707                     |
| Operating   | 630                 | 1,419               | 331                     | 8,279                  | 17,032                 | 13,022                     |
| Repairs & Maintenance   | 2,643               | 7,164               | 2,745                   | 51,813                 | 76,482                 | 60,413                     |
| Operational Supplies  | 1,007               | 8,475               | 8,594                   | 38,750                 | 101,760                | 71,362                     |
| Insurance   | 960                 | 2,400               | 8,184                   | 13,466                 | 11,200                 | 18,781                     |
| Utilities   | 8,286               | 10,015              | 7,764                   | 110,323                | 113,340                | 110,735                    |
| Other   | 392                 | 1,500               | 169                     | 451                    | 3,000                  | 769                        |
| SMG Management Fees   | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Allocated Expenses  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Total Indirect Expenses   | 35,680              | 83,882              | 71,619                  | 780,041                | 991,132                | 743,890                    |
| Net Income (Loss)   | \$ 20,851           | \$ (40,225)         | \$ (40,092)             | \$ (303,321)           | \$ (507,092)           | \$ (282,833)               |

★ Agrees to Audited Financial Statements



JPAC- SMG JEFFERSON  
Indirect Expenses Detail  
For the Twelve Months Ending December 31, 2017

|                                     | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
|-------------------------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
| <b>INDIRECT EXPENSES</b>            |                     |                     |                         |                        |                        |                            |
| Employee Wages and Benefits         |                     |                     |                         |                        |                        |                            |
| Salaries Administration             | \$ 22,169           | \$ 24,220           | \$ 24,659               | \$ 295,677             | \$ 314,870             | \$ 292,520                 |
| Administrative: Wages               | 2,621               | 2,308               | 0                       | 28,363                 | 25,384                 | 0                          |
| Administrative: Part-Time           | 0                   | 0                   | 184                     | 1,031                  | 4,616                  | 564                        |
| Custodial - Part-Time               | 1,584               | 1,485               | 1,429                   | 20,955                 | 17,820                 | 17,668                     |
| Engineers - Part-Time               | 1,569               | 2,050               | 0                       | 4,716                  | 26,650                 | 1,830                      |
| General - Part-Time                 | 1,289               | 2,692               | 1,058                   | 17,160                 | 35,000                 | 12,997                     |
| Security - Wages                    | 2,701               | 2,308               | 0                       | 21,809                 | 30,000                 | 0                          |
| Stagehands - Part-Time              | 0                   | 500                 | 0                       | 128                    | 6,000                  | 1,050                      |
| B.O./Ticket Sellers - Part-Ti       | 0                   | 0                   | 0                       | 187                    | 0                      | 0                          |
| Bonus - Performance                 | 450                 | 0                   | 7,050                   | 14,276                 | 10,815                 | 13,937                     |
| Auto Allowance                      | 421                 | 421                 | 421                     | 5,050                  | 5,052                  | 5,050                      |
| Payroll Taxes                       | 2,122               | 1,950               | 1,732                   | 27,846                 | 23,400                 | 25,041                     |
| Benefits                            | 5,292               | 2,688               | 1,582                   | 49,598                 | 32,256                 | 32,224                     |
| 401 (k)                             | 0                   | 0                   | 0                       | 1,749                  | 3,354                  | 1,012                      |
| Workers Compensation Ins.           | 1,352               | 1,000               | 810                     | 14,154                 | 12,000                 | 10,643                     |
| Unemployment Taxes                  | 109                 | 545                 | 131                     | 4,399                  | 6,540                  | 3,241                      |
| Net Employee Wages and Be           | 41,679              | 42,167              | 39,056                  | 507,098                | 553,757                | 417,777                    |
| Contracted Services                 |                     |                     |                         |                        |                        |                            |
| Contracted Landscaping              | (23,354)            | 350                 | 1,749                   | 3,900                  | 4,200                  | 5,324                      |
| Total Contracted Services           | (23,354)            | 350                 | 1,749                   | 3,900                  | 4,200                  | 5,324                      |
| General and Administrative Expenses |                     |                     |                         |                        |                        |                            |
| Annual Audit Fees                   | 0                   | 0                   | 0                       | 7,500                  | 7,500                  | 7,500                      |
| Professional Fees - Legal           | 0                   | 1,375               | 0                       | 0                      | 5,500                  | 0                          |
| Bad Debt Expense                    | 0                   | 0                   | 0                       | 0                      | 0                      | 139                        |
| Bank Service Charges                | 38                  | 20                  | 66                      | 317                    | 240                    | 309                        |
| Interest Expense                    | 0                   | 0                   | 0                       | 60                     | 0                      | 0                          |
| Travel                              | 0                   | 30                  | 27                      | 2,284                  | 7,360                  | 5,105                      |
| Corporate Travel                    | 0                   | 0                   | 0                       | 388                    | 600                    | 252                        |
| Meals & Entertainment               | (28)                | 200                 | 430                     | 1,326                  | 2,400                  | 2,713                      |
| Meetings & Conventions              | 0                   | 500                 | 569                     | 4,103                  | 2,000                  | 569                        |
| Dues & Subscriptions                | 125                 | 200                 | 125                     | 676                    | 2,400                  | 626                        |
| Postage                             | 0                   | 150                 | 280                     | 449                    | 1,800                  | 715                        |
| Shipping Expense                    | 0                   | 50                  | 0                       | 60                     | 600                    | 102                        |
| Office Equipment Maintenan          | 0                   | 350                 | 166                     | 899                    | 4,200                  | 1,070                      |
| Rental Office Equipment             | 0                   | 350                 | 0                       | 466                    | 4,200                  | 166                        |
| Office Supplies                     | 408                 | 387                 | 249                     | 4,241                  | 4,644                  | 3,151                      |
| Printing & Stationary               | 264                 | 0                   | 59                      | 547                    | 2,000                  | 606                        |
| Parking Expense                     | 0                   | 0                   | 0                       | 12                     | 0                      | 0                          |
| Payroll Processing                  | 171                 | 365                 | 202                     | 4,998                  | 5,380                  | 3,896                      |
| Advertising                         | 0                   | 0                   | 0                       | 0                      | 0                      | 31                         |
| Advertising Website                 | 1,368               | 3,600               | 117                     | 4,111                  | 30,000                 | 8,940                      |
| Newspaper Adver.-Employm            | 0                   | 0                   | 0                       | 0                      | 0                      | 230                        |
| Photography Expense                 | 0                   | 100                 | 0                       | 0                      | 1,757                  | 0                          |
| Printing Brochures Maps Inf         | 0                   | 0                   | 0                       | 0                      | 0                      | 70                         |
| Promotional                         | 214                 | 1,000               | 0                       | 3,066                  | 3,500                  | 1,820                      |
| Licenses & Fees                     | 0                   | 75                  | 0                       | 119                    | 900                    | 224                        |
| Credit Card Discounts               | 0                   | 200                 | 0                       | 0                      | 2,400                  | 0                          |
| Computer Maintenance                | 733                 | 1,290               | 202                     | 4,885                  | 15,480                 | 3,111                      |
| Computer Software                   | 44                  | 0                   | 0                       | 4,891                  | 3,800                  | 3,351                      |
| Employee Training                   | 0                   | 0                   | 500                     | 0                      | 0                      | 554                        |
| Bottled Water                       | 100                 | 150                 | 35                      | 563                    | 1,700                  | 457                        |



JPAC- SMG JEFFERSON  
Indirect Expenses Detail  
For the Twelve Months Ending December 31, 2017

|                             | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
|-----------------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
| Total General and Administr | 3,437               | 10,392              | 3,027                   | 45,961                 | 110,361                | 45,707                     |
| Operating Expenses          |                     |                     |                         |                        |                        |                            |
| Operating Supplies          | 0                   | 200                 | 0                       | 0                      | 2,400                  | 0                          |
| Trash Removal               | 420                 | 300                 | 331                     | 4,073                  | 3,600                  | 3,326                      |
| Landscaping                 | 0                   | 0                   | 0                       | 855                    | 0                      | 0                          |
| Exterminating               | 175                 | 333                 | 0                       | 1,450                  | 4,000                  | 6,652                      |
| Equipment Rental            | 0                   | 86                  | 0                       | 0                      | 1,032                  | 0                          |
| Event Expenses              | 35                  | 500                 | 0                       | 1,901                  | 6,000                  | 3,044                      |
| Total Operating Expenses    | 630                 | 1,419               | 331                     | 8,279                  | 17,032                 | 13,022                     |
| Repairs and Maintenance     |                     |                     |                         |                        |                        |                            |
| General Building Repairs    | 0                   | 300                 | 100                     | 2,722                  | 7,200                  | 4,905                      |
| Door Maintenance            | 0                   | 169                 | 0                       | 0                      | 769                    | 4,695                      |
| Sound Equipment Maintenan   | 0                   | 200                 | 0                       | 0                      | 3,000                  | 1,420                      |
| Window Cleaning Maintenan   | 0                   | 2,500               | 0                       | 2,700                  | 10,000                 | 0                          |
| Electrical Systems          | 0                   | 0                   | 0                       | 66                     | 6,000                  | 782                        |
| Emergency Generator Maint.  | 0                   | 900                 | 0                       | 5,938                  | 3,600                  | 894                        |
| Elevator Escalator          | 0                   | 270                 | 0                       | 3,240                  | 5,240                  | 3,902                      |
| Fire Alarm                  | 1,992               | 475                 | 0                       | 5,367                  | 9,225                  | 5,758                      |
| Flags & Poles Maintenance   | 0                   | 1,000               | 409                     | 1,684                  | 4,000                  | 1,187                      |
| Floor Maintenance           | 325                 | 350                 | 536                     | 7,902                  | 4,200                  | 4,159                      |
| HVAC Systems                | 276                 | 1,000               | 0                       | 17,520                 | 18,848                 | 21,652                     |
| Machinery & Equipment       | 0                   | 0                   | 0                       | 0                      | 2,400                  | 802                        |
| Annual Inspections          | 50                  | 0                   | 0                       | 1,325                  | 0                      | 7,680                      |
| Moving Equipment Maint.     | 0                   | 0                   | 0                       | 1,291                  | 2,000                  | 0                          |
| Other Repairs / Maintenance | 0                   | 0                   | 1,700                   | 2,058                  | 0                      | 2,577                      |
| Total Repairs and Maintenan | 2,643               | 7,164               | 2,745                   | 51,813                 | 76,482                 | 60,413                     |
| Operational Supplies        |                     |                     |                         |                        |                        |                            |
| General Building Supplies   | 234                 | 700                 | 144                     | 5,579                  | 8,400                  | 8,656                      |
| Doors & Chairs              | 0                   | 0                   | 3,710                   | 0                      | 0                      | 3,710                      |
| Audio Visual                | 0                   | 0                   | 0                       | 4,281                  | 0                      | 1,782                      |
| Bulbs & Lamps               | 0                   | 1,000               | 941                     | 6,944                  | 12,000                 | 6,271                      |
| Theatrical                  | 0                   | 50                  | 0                       | 0                      | 200                    | 44                         |
| Plumbing                    | 0                   | 1,125               | 0                       | 0                      | 4,500                  | 1,296                      |
| Chemicals                   | 0                   | 0                   | 0                       | 800                    | 900                    | 800                        |
| Small Tools                 | 0                   | 0                   | 763                     | 20                     | 400                    | 1,092                      |
| First Aid                   | 0                   | 20                  | 0                       | 0                      | 180                    | 0                          |
| Filters                     | 0                   | 0                   | 0                       | 433                    | 2,400                  | 981                        |
| Janitorial                  | 540                 | 2,580               | 198                     | 9,763                  | 30,960                 | 10,568                     |
| Laundry                     | 0                   | 0                   | 0                       | 0                      | 720                    | 0                          |
| Uniforms                    | 0                   | 0                   | 153                     | 1,448                  | 3,000                  | 702                        |
| Security                    | 233                 | 3,000               | 2,685                   | 8,115                  | 36,000                 | 33,465                     |
| Signage                     | 0                   | 0                   | 0                       | 1,367                  | 2,100                  | 1,995                      |
| Total Operational Supplies  | 1,007               | 8,475               | 8,594                   | 38,750                 | 101,760                | 71,362                     |
| Insurance                   |                     |                     |                         |                        |                        |                            |
| Fidelity Insurance          | 0                   | 1,600               | 0                       | 1,130                  | 1,600                  | 1,120                      |
| General Liability Insurance | 960                 | 800                 | 8,184                   | 12,336                 | 9,600                  | 17,661                     |
| Total Insurance             | 960                 | 2,400               | 8,184                   | 13,466                 | 11,200                 | 18,781                     |
| Utilities                   |                     |                     |                         |                        |                        |                            |



JPAC- SMG JEFFERSON  
Indirect Expenses Detail  
For the Twelve Months Ending December 31, 2017

|                           | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
|---------------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
| Electricity               | 7,035               | 8,000               | 6,633                   | 98,597                 | 96,000                 | 99,225                     |
| Heating Fuel              | 808                 | 600                 | 739                     | 3,447                  | 5,400                  | 2,651                      |
| Telephone                 | 443                 | 575                 | 392                     | 4,805                  | 6,900                  | 4,821                      |
| Water & Sewage            | 0                   | 840                 | 0                       | 3,474                  | 5,040                  | 4,038                      |
| Total Utilities           | 8,286               | 10,015              | 7,764                   | 110,323                | 113,340                | 110,735                    |
| Other Expenses            |                     |                     |                         |                        |                        |                            |
| Community Relations       | 0                   | 1,500               | 0                       | 59                     | 3,000                  | 600                        |
| Miscellaneous Expense     | 392                 | 0                   | 169                     | 392                    | 0                      | 169                        |
| Total Other Expenses      | 392                 | 1,500               | 169                     | 451                    | 3,000                  | 769                        |
| SMG Management Fees       |                     |                     |                         |                        |                        |                            |
| Total SMG Management Fee  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Expense Allocations       |                     |                     |                         |                        |                        |                            |
| Total Expense Allocations | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Net Indirect Expenses     | \$ 35,680           | \$ 83,882           | \$ 71,619               | \$ 780,041             | \$ 991,132             | \$ 743,890                 |



JPAC- SMG JEFFERSON  
Indirect Expenses Detail  
For the Twelve Months Ending December 31, 2016

|                                     | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
|-------------------------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
| <b>INDIRECT EXPENSES</b>            |                     |                     |                         |                        |                        |                            |
| Employee Wages and Benefits         |                     |                     |                         |                        |                        |                            |
| Salaries Administration             | \$ 24,659           | \$ 23,702           | \$ 21,192               | \$ 292,520             | \$ 308,120             | \$ 170,112                 |
| Administrative: Part-Time           | 184                 | 0                   | 0                       | 564                    | 0                      | 0                          |
| Custodial - Part-Time               | 1,429               | 1,350               | 584                     | 17,668                 | 16,200                 | 2,876                      |
| Engineers - Part-Time               | 0                   | 2,050               | 0                       | 1,830                  | 22,550                 | 0                          |
| General - Part-Time                 | 1,058               | 2,692               | 1,037                   | 12,997                 | 35,000                 | 9,850                      |
| Security - Wages                    | 0                   | 0                   | 0                       | 0                      | 2,050                  | 0                          |
| Stagehands - Part-Time              | 0                   | 500                 | 0                       | 1,050                  | 6,000                  | 0                          |
| Bonus - Performance                 | 7,050               | 0                   | 7,000                   | 13,937                 | 11,500                 | 7,000                      |
| Auto Allowance                      | 421                 | 421                 | 421                     | 5,050                  | 5,052                  | 2,525                      |
| Payroll Taxes                       | 1,732               | 1,805               | 1,669                   | 25,041                 | 23,420                 | 13,319                     |
| Benefits                            | 1,582               | 2,783               | 1,681                   | 32,224                 | 33,120                 | 7,793                      |
| 401 (k)                             | 0                   | 0                   | 0                       | 1,012                  | 0                      | 0                          |
| Workers Compensation Ins.           | 810                 | 2,000               | 1,805                   | 10,643                 | 24,000                 | 4,420                      |
| Unemployment Taxes                  | 131                 | 503                 | 148                     | 3,241                  | 6,040                  | 1,970                      |
| Net Employee Wages and Be           | 39,056              | 37,806              | 35,537                  | 417,777                | 493,052                | 219,865                    |
| Contracted Services                 |                     |                     |                         |                        |                        |                            |
| Contracted Landscaping              | 1,749               | 350                 | 325                     | 5,324                  | 6,200                  | 4,499                      |
| Total Contracted Services           | 1,749               | 350                 | 325                     | 5,324                  | 6,200                  | 4,499                      |
| General and Administrative Expenses |                     |                     |                         |                        |                        |                            |
| Annual Audit Fees                   | 0                   | 0                   | 0                       | 7,500                  | 7,000                  | 0                          |
| Professional Fees - Legal           | 0                   | 1,375               | 0                       | 0                      | 5,500                  | 0                          |
| Bad Debt Expense                    | 0                   | 0                   | 0                       | 139                    | 0                      | 0                          |
| Bank Service Charges                | 66                  | 43                  | 0                       | 309                    | 516                    | 0                          |
| Travel                              | 27                  | 1,030               | 22                      | 5,105                  | 11,360                 | 294                        |
| Corporate Travel                    | 0                   | 0                   | 207                     | 252                    | 1,900                  | 1,878                      |
| Meals & Entertainment               | 430                 | 200                 | 455                     | 2,713                  | 2,400                  | 565                        |
| Meetings & Conventions              | 569                 | 0                   | 0                       | 569                    | 5,000                  | 485                        |
| Dues & Subscriptions                | 125                 | 200                 | 0                       | 626                    | 5,400                  | 1,739                      |
| Postage                             | 280                 | 250                 | 58                      | 715                    | 3,000                  | 493                        |
| Shipping Expense                    | 0                   | 50                  | 0                       | 102                    | 600                    | 215                        |
| Office Equipment Maintenance        | 166                 | 350                 | 0                       | 1,070                  | 4,200                  | 446                        |
| Rental Office Equipment             | 0                   | 350                 | 0                       | 166                    | 4,200                  | 0                          |
| Office Supplies                     | 249                 | 387                 | 272                     | 3,151                  | 4,644                  | 4,409                      |
| Printing & Stationary               | 59                  | 0                   | 0                       | 606                    | 5,160                  | 906                        |
| Payroll Processing                  | 202                 | 215                 | 106                     | 3,896                  | 3,580                  | 579                        |
| Advertising                         | 0                   | 0                   | 98                      | 31                     | 0                      | 98                         |
| Advertising Website                 | 117                 | 100                 | 45                      | 8,940                  | 30,000                 | 12,560                     |
| Newspaper Adver.-Employment         | 0                   | 0                   | 0                       | 230                    | 0                      | 224                        |
| Photography Expense                 | 0                   | 0                   | 0                       | 0                      | 1,057                  | 1,990                      |
| Printing Brochures Maps Inf         | 0                   | 0                   | 0                       | 70                     | 0                      | 0                          |
| Promotional                         | 0                   | 1,000               | 944                     | 1,820                  | 3,000                  | 944                        |
| Licenses & Fees                     | 0                   | 69                  | 0                       | 224                    | 619                    | 493                        |
| Credit Card Discounts               | 0                   | 200                 | 0                       | 0                      | 2,400                  | 0                          |
| Computer Maintenance                | 202                 | 1,290               | 4,723                   | 3,111                  | 15,480                 | 7,759                      |
| Computer Software                   | 0                   | 0                   | 1,099                   | 3,351                  | 3,800                  | 1,230                      |
| Employee Training                   | 500                 | 0                   | 0                       | 554                    | 0                      | 0                          |
| Bottled Water                       | 35                  | 150                 | 135                     | 457                    | 1,700                  | 970                        |
| Total General and Administr         | 3,027               | 7,259               | 8,164                   | 45,707                 | 122,516                | 38,277                     |
| Operating Expenses                  |                     |                     |                         |                        |                        |                            |
| Operating Supplies                  | 0                   | 0                   | 0                       | 0                      | 0                      | 262                        |



JPAC- SMG JEFFERSON  
Indirect Expenses Detail  
For the Twelve Months Ending December 31, 2016

|                                      | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
|--------------------------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
| Trash Removal                        | 331                 | 250                 | 223                     | 3,326                  | 3,000                  | 1,617                      |
| Exterminating                        | 0                   | 333                 | 0                       | 6,652                  | 4,000                  | 0                          |
| Equipment Rental                     | 0                   | 86                  | 0                       | 0                      | 1,032                  | 0                          |
| Small Equipment                      | 0                   | 0                   | 971                     | 0                      | 0                      | 971                        |
| Event Expenses                       | 0                   | 350                 | 1,084                   | 3,044                  | 4,800                  | 1,106                      |
| <b>Total Operating Expenses</b>      | <b>331</b>          | <b>1,019</b>        | <b>2,278</b>            | <b>13,022</b>          | <b>12,832</b>          | <b>3,956</b>               |
| <b>Repairs and Maintenance</b>       |                     |                     |                         |                        |                        |                            |
| General Building Repairs             | 100                 | 300                 | 0                       | 4,905                  | 3,600                  | 837                        |
| Door Maintenance                     | 0                   | 188                 | 459                     | 4,695                  | 788                    | 459                        |
| Sound Equipment Maintenance          | 0                   | 0                   | 0                       | 1,420                  | 1,391                  | 672                        |
| Window Cleaning Maintenance          | 0                   | 0                   | 2,350                   | 0                      | 5,000                  | 2,350                      |
| Electrical Systems                   | 0                   | 0                   | 0                       | 782                    | 3,000                  | 1,403                      |
| Emergency Generator Maint.           | 0                   | 0                   | 2,657                   | 894                    | 2,610                  | 3,524                      |
| Elevator Escalator                   | 0                   | 270                 | 0                       | 3,902                  | 3,240                  | 0                          |
| Fire Alarm                           | 0                   | 475                 | 1,387                   | 5,758                  | 9,225                  | 3,960                      |
| Flags & Poles Maintenance            | 409                 | 1,000               | 778                     | 1,187                  | 4,000                  | 778                        |
| Floor Maintenance                    | 536                 | 350                 | 326                     | 4,159                  | 3,150                  | 752                        |
| HVAC Systems                         | 0                   | 0                   | 625                     | 21,652                 | 17,898                 | 4,663                      |
| Machinery & Equipment                | 0                   | 0                   | 0                       | 802                    | 2,400                  | 0                          |
| Annual Inspections                   | 0                   | 0                   | 0                       | 7,680                  | 0                      | 0                          |
| Moving Equipment Maint.              | 0                   | 0                   | 0                       | 0                      | 1,870                  | 998                        |
| Other Repairs / Maintenance          | 1,700               | 0                   | 0                       | 2,577                  | 0                      | 0                          |
| <b>Total Repairs and Maintenance</b> | <b>2,745</b>        | <b>2,583</b>        | <b>8,582</b>            | <b>60,413</b>          | <b>58,172</b>          | <b>20,396</b>              |
| <b>Operational Supplies</b>          |                     |                     |                         |                        |                        |                            |
| General Building Supplies            | 144                 | 700                 | 2,135                   | 8,656                  | 8,400                  | 6,283                      |
| Doors & Chairs                       | 3,710               | 0                   | 0                       | 3,710                  | 0                      | 0                          |
| Audio Visual                         | 0                   | 0                   | 132                     | 1,782                  | 0                      | 132                        |
| Bulbs & Lamps                        | 941                 | 1,000               | 0                       | 6,271                  | 12,000                 | 3,776                      |
| Theatrical                           | 0                   | 0                   | 0                       | 44                     | 0                      | 0                          |
| Plumbing                             | 0                   | 0                   | 0                       | 1,296                  | 0                      | 0                          |
| Chemicals                            | 0                   | 0                   | 0                       | 800                    | 0                      | 0                          |
| Small Tools                          | 763                 | 0                   | 67                      | 1,092                  | 400                    | 134                        |
| First Aid                            | 0                   | 20                  | 0                       | 0                      | 180                    | 14                         |
| Filters                              | 0                   | 0                   | 0                       | 981                    | 2,400                  | 1,180                      |
| Janitorial                           | 198                 | 2,580               | 807                     | 10,568                 | 30,960                 | 6,383                      |
| Laundry                              | 0                   | 0                   | 0                       | 0                      | 720                    | 0                          |
| Uniforms                             | 153                 | 0                   | 501                     | 702                    | 3,000                  | 740                        |
| Security                             | 2,685               | 3,000               | 2,625                   | 33,465                 | 36,000                 | 17,880                     |
| Signage                              | 0                   | 0                   | 0                       | 1,995                  | 600                    | 652                        |
| Kitchen Supplies                     | 0                   | 0                   | 65                      | 0                      | 0                      | 65                         |
| <b>Total Operational Supplies</b>    | <b>8,594</b>        | <b>7,300</b>        | <b>6,332</b>            | <b>71,362</b>          | <b>94,660</b>          | <b>37,239</b>              |
| <b>Insurance</b>                     |                     |                     |                         |                        |                        |                            |
| Fidelity Insurance                   | 0                   | 0                   | 1,065                   | 1,120                  | 1,600                  | 1,065                      |
| General Liability Insurance          | 8,184               | 800                 | 666                     | 17,661                 | 9,600                  | 4,000                      |
| <b>Total Insurance</b>               | <b>8,184</b>        | <b>800</b>          | <b>1,731</b>            | <b>18,781</b>          | <b>11,200</b>          | <b>5,065</b>               |
| <b>Utilities</b>                     |                     |                     |                         |                        |                        |                            |
| Electricity                          | 6,633               | 13,500              | 6,377                   | 99,225                 | 172,500                | 82,216                     |
| Heating Fuel                         | 739                 | 600                 | 120                     | 2,651                  | 5,400                  | 837                        |
| Telephone                            | 392                 | 550                 | 339                     | 4,821                  | 6,600                  | 2,945                      |



JPAC- SMG JEFFERSON  
Indirect Expenses Detail  
For the Twelve Months Ending December 31, 2016

|                           | Cur Month<br>Actual | Cur Month<br>Budget | Cur Month<br>Prior Year | Year to Date<br>Actual | Year to Date<br>Budget | Year to Date<br>Prior Year |
|---------------------------|---------------------|---------------------|-------------------------|------------------------|------------------------|----------------------------|
| Water & Sewage            | 0                   | 0                   | 0                       | 4,038                  | 5,000                  | 2,461                      |
| Total Utilities           | 7,764               | 14,650              | 6,836                   | 110,735                | 189,500                | 88,459                     |
| Other Expenses            |                     |                     |                         |                        |                        |                            |
| Community Relations       | 0                   | 1,500               | 0                       | 600                    | 3,000                  | 600                        |
| Miscellaneous Expense     | 169                 | 0                   | 0                       | 169                    | 0                      | 0                          |
| Total Other Expenses      | 169                 | 1,500               | 0                       | 769                    | 3,000                  | 600                        |
| SMG Management Fees       |                     |                     |                         |                        |                        |                            |
| Total SMG Management Fee  | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Expense Allocations       |                     |                     |                         |                        |                        |                            |
| Total Expense Allocations | 0                   | 0                   | 0                       | 0                      | 0                      | 0                          |
| Net Indirect Expenses     | \$ 71,619           | \$ 73,267           | \$ 69,785               | \$ 743,890             | \$ 991,132             | \$ 418,356                 |



## ATTACHMENT D


### TRAVEL AND RELATED EXPENSE DOCUMENTS

|   |   |
|---|---|
| <b>Omni Nashville Hotel</b><br>250 Fifth Ave South<br>Nashville TN US 37203<br>Phone: 615-782-5300<br>Fax: 615-743-6002<br><a href="#">Driving Directions to the Hotel &gt;</a> | <b>ROOM RATE</b><br><br>Ieba 47th Annual<br>Conference<br>4 nights                      239.00 USD<br>Subtotal (4 nights)        956.00 USD<br>Taxes                          155.80 USD<br><b>Grand Total                1111.80 USD</b> |
| <b>GUEST</b><br><b>Jose Torres</b><br>6400 Airline Drive<br>Metairie LA US 70003  | Additional charges may apply.<br><a href="#">Read complete terms and conditions</a> <a href="#">Read reservation FAQs</a><br><a href="#">Property policies</a>  |
| <b>ARRIVING:</b> <b>DEPARTING:</b><br>10/14/2017                10/18/2017  |   |
| <b>CHECK IN TIME:</b> <b>CHECK OUT TIME:</b><br>4:00 PM                    11:00 AM   | <b>ACCOMMODATIONS</b><br><br>Deluxe Room - 1 King Bed   |
|   | <b>NUMBER OF GUESTS</b><br>1 Adult(s) 0 Child(ren)  |

**\$1,111.80**  
**/ 4 nights**  
**\$277.95 per night**

**Hotel charge at \$323**  
**per night**

**Breakfast = \$51.04**

  
**JW MARRIOTT**  
 ESSEX HOUSE NEW YORK

Mr Jose Torres

Room Number: 1141  
 Arrival Date: 01-13-16  
 Departure Date: 01-17-16  
 CRS Number: 64518810  
 Rewards No: XXXXX4373  
 Page No: 1 of 1

Company: Sing World

**INFORMATION INVOICE**  
 Folio No: 290644

| Date           | Description                     | Reference | Charges         | Credits           |
|----------------|---------------------------------|-----------|-----------------|-------------------|
| 01-14-16       | Room Service Breakfast Food     |           | 37.00           |                   |
| 01-14-16       | Room Service Gratuity Breakfast |           | 5.00            |                   |
| 01-14-16       | Room Service Service Charge Bkm |           | 5.76            | <b>Breakfast</b>  |
| 01-14-16       | Room Service Tax Breakfast      |           | 3.28            | <b>\$51.04</b>    |
| 01-16-16       | Room Charge Group               |           | 1,116.00        |                   |
| 01-16-16       | Sales Tax 8.875%                |           | 99.04           |                   |
| 01-16-16       | City Occ Tax 5.875%             |           | 65.56           | <b>4 nights</b>   |
| 01-16-16       | City Occ Tax per Rm Night       |           | 8.00            | <b>x \$323.65</b> |
| 01-16-16       | Conv Ctr Tax \$1.50 Rm Night    |           | 6.00            | <b>\$1,294.60</b> |
| 01-17-16       | Minibar IFC A-Beverage          |           | 0.00            |                   |
| 01-17-16       | Minibar IFC Non-A-Beverage      |           | 0.00            |                   |
| 01-17-16       | Minibar IFC Tax                 |           | 0.00            |                   |
| 01-17-16       | Vat                             |           |                 | 1,345.64          |
| <b>Total</b>   |                                 |           | <b>1,345.64</b> | <b>1,345.64</b>   |
| <b>Balance</b> |                                 |           | <b>0.00</b>     |                   |



| SMG JEFFERSON LLC |             |              |                |                |                 | 1969         |
|-------------------|-------------|--------------|----------------|----------------|-----------------|--------------|
| REFERENCE NO.     | DESCRIPTION | INVOICE DATE | INVOICE AMOUNT | DISCOUNT TAKEN | AMOUNT PAID     |              |
| CC 0217           |             | 2/28/17      | 2,085.17       |                | 2,085.17        |              |
| CHECK DATE        |             | CHECK NO.    | PAYEE          |                | DISCOUNTS TAKEN | CHECK AMOUNT |
| 3/31/17           |             | 1969         | JOSE TORRES    |                |                 | \$2,085.17   |

LAP98 COMPATIBLE ENVELOPE - CE15 / CE15S  
 Rev 2/14  
 101301  
 10130 (8/16) J125336

Omni Nashville Hotel deposit of \$277.95 paid on 3/31/17.

DATE SUBMITTED: 03/23/17

**Section 1 - Travel**

| Date      | Location/<br>Purpose       | Taxi/Car<br>Rental | Hotel    | Meals  | Tips   | Automobile |        | Parking/<br>Tolls | Entertain-<br>ment * | Miscellaneous |                              | Reimburse<br>Expenses | Charged<br>Airfare | Total<br>Expenses | Billing<br>Ref. |
|-----------|----------------------------|--------------------|----------|--------|--------|------------|--------|-------------------|----------------------|---------------|------------------------------|-----------------------|--------------------|-------------------|-----------------|
|           |                            |                    |          |        |        | Miles      | Amount |                   |                      | Amount        | Description                  |                       |                    |                   |                 |
| 2/4/2017  | Adobe<br>Creative<br>Cloud |                    |          |        |        |            | \$0.00 |                   |                      | \$31.49       | Advertising/Website          | \$31.49               |                    | \$31.49           |                 |
| 2/9/2017  | Marcello                   |                    |          |        |        |            | \$0.00 |                   | \$46.42              |               |                              | \$46.42               |                    | \$46.42           | A               |
| 2/16/2017 | Travelocity                |                    |          |        |        |            | \$0.00 |                   |                      |               | GM Conference                | \$0.00                | \$871.81           | \$871.81          |                 |
| 2/20/2017 | Constant<br>Contact        |                    |          |        |        |            | \$0.00 |                   |                      | \$55.00       | Advertising/Website          | \$55.00               |                    | \$55.00           |                 |
| 2/20/2017 | Delta Air                  |                    |          |        |        |            | \$0.00 |                   |                      |               | GM Conference                | \$0.00                | \$620.40           | \$620.40          |                 |
| 2/22/2017 | Dominic's                  |                    |          |        |        |            | \$0.00 |                   | \$48.25              |               |                              | \$48.25               |                    | \$48.25           | B               |
| 2/23/2017 | Omni<br>Nashville          |                    | \$277.95 |        |        |            | \$0.00 |                   |                      |               | IEBA Meeting                 | \$277.95              |                    | \$277.95          |                 |
| 2/23/2017 | Home Depot                 |                    |          |        |        |            | \$0.00 |                   |                      | \$38.43       | General Building<br>Supplies | \$38.43               |                    | \$38.43           |                 |
| 3/3/2017  | Home Depot                 |                    |          |        |        |            | \$0.00 |                   |                      | \$24.70       | General Building<br>Supplies | \$24.70               |                    | \$24.70           |                 |
| 3/2/2017  | Chase Bank                 |                    |          |        |        |            | \$0.00 |                   |                      | \$37.00       | Bank Charges                 | \$37.00               |                    | \$37.00           |                 |
| 3/5/2017  | Chase Bank                 |                    |          |        |        |            | \$0.00 |                   |                      | \$23.72       | Interest Fees                | \$23.72               |                    | \$23.72           |                 |
|           |                            |                    |          |        |        |            | \$0.00 |                   |                      |               |                              | \$0.00                |                    | \$0.00            |                 |
|           |                            |                    |          |        |        |            | \$0.00 |                   |                      |               |                              | \$0.00                |                    | \$0.00            |                 |
| Totals:   |                            | \$0.00             | \$277.95 | \$0.00 | \$0.00 | 0.0        | \$0.00 | \$0.00            | \$54.67              | \$220.34      |                              |                       |                    |                   |                 |

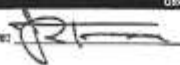
Less advances: \$592.36 \$1,482.21 **\$2,085.17**


Net Due: \$592.36 \$1,482.21 **\$2,085.17**

**Section 2 - Entertainment Information**

| Amount  | Name & Titles of Persons Entertained            | Company                 | Type of Ent. | Place of Ent. | Business Reason | Reference | Customer | Amount |
|---------|---|-------------------------|--------------|---------------|-----------------|-----------|----------|--------|
| \$46.42 | Jose Torres, GM; Daniela Martinez, Admin. Asst. | SMGJ & Jefferson Parish | Lunch        | Marcello's    | Meeting         | A         |          |        |
| \$48.25 | JPAC Staff                                      | SMGJ                    | Lunch        | Dominic's     | Team Building   | B         |          |        |
|         |   |                         |              |               |                 | C         |          |        |
|         |   |                         |              |               |                 | D         |          |        |
|         |   |                         |              |               |                 | E         |          |        |
|         |   |                         |              |               |                 | F         |          |        |
|         |   |                         |              |               |                 | G         |          |        |
|         |   |                         |              |               |                 | H         |          |        |

I certify that I have incurred all of the expenses recorded on this report on behalf of the company, and that they are directly related to the conduct of SMG's business.

Employee Signature:  Print Name: Jose Torres Period Covered From: 2/1/2017 To: 3/3/2017

Approved By:  Dept. Head Finance







# OMNI HOTELS & RESORTS

nashville

Jose Torres  
6400 Airline Drive  
Metairie LA 70003  
United States

I

Room No. : 0514  
Arrival : 10-14-17  
Departure : 10-18-17  
Page No. : 1 of 1  
Folio No. : 440505  
Conf. No. : 530107  
Cashier No. : 108

## INVOICE

Membership No. : SG 8445966442  
A/R Number :  
Group Code : 101017IEBA47THA  
Company Name :

10-18-17

| Date           | Description               | Charges         | Payments        |
|----------------|---------------------------|-----------------|-----------------|
| 10-14-17       | Deposit Transfer          |                 | 277.95          |
| 10-14-17       | Room Service Lunch Food   | 30.22           |                 |
| 10-14-17       | Room Charge               | 239.00          |                 |
| 10-14-17       | 9.25% State Sales Tax     | 22.11           |                 |
| 10-14-17       | 6% County Occupancy Tax   | 14.34           |                 |
| 10-14-17       | \$2.50 City Occupancy Tax | 2.50            |                 |
| 10-15-17       | Room Service Lunch Food   | 24.54           |                 |
| 10-15-17       | Room Charge               | 239.00          |                 |
| 10-15-17       | 9.25% State Sales Tax     | 22.11           |                 |
| 10-15-17       | 6% County Occupancy Tax   | 14.34           |                 |
| 10-15-17       | \$2.50 City Occupancy Tax | 2.50            |                 |
| 10-16-17       | Kitchen Notes Lunch       | 24.71           |                 |
| 10-16-17       | Room Charge               | 239.00          |                 |
| 10-16-17       | 9.25% State Sales Tax     | 22.11           |                 |
| 10-16-17       | 6% County Occupancy Tax   | 14.34           |                 |
| 10-16-17       | \$2.50 City Occupancy Tax | 2.50            |                 |
| 10-17-17       | Room Charge               | 239.00          |                 |
| 10-17-17       | 9.25% State Sales Tax     | 22.11           |                 |
| 10-17-17       | 6% County Occupancy Tax   | 14.34           |                 |
| 10-17-17       | \$2.50 City Occupancy Tax | 2.50            |                 |
| 10-18-17       | MasterCard                |                 | 913.32          |
|                | XXXXXXXXXXXX0770 XX/XX    |                 |                 |
| <b>Total</b>   |                           | <b>1,191.27</b> | <b>1,191.27</b> |
| <b>Balance</b> |                           |                 | <b>0.00</b>     |

The \$1,191.27 reimbursed on  
10/30/17 included the \$277.95  
deposit.

Meals \$ 79.47

250 5th Avenue South  
Nashville, TN 37203  
Phone: 615-782-5300 Fax: 615-743-6002  
www.omnihotels.com



Meal  
Customer Copy

Table # : 100/1  
Server : 20050Brad L  
Merchant ID : 001060000803072656  
Terminal ID : 406  
Card No. : XXXXXXXXXXXX0770  
Check No. : 4809  
EntryMode : ICC  
Card Type : MASTERCARD  
Trans Type : SALE  
Trans Time : 10/17/2017 19:39  
Trace No. : 000041  
Reference # : 407290194674  
Auth Code : 07353B

Application Label: MasterCard  
TC: 530499237362B41D  
TVR: 0000008000  
AID: A0000000041010

Subtotal : USD 94.17  
Tip : USD 25.00  
Total : USD 119.17

\*SIGNATURE VERIFIED\*

I agree to the terms of my  
credit agreement.

\*\*\* CUSTOMER COPY \*\*\*

Meal Only  
Drinks on a  
separate receipt  
paid by Jose Torres  
J.T.

**\$119.17 meal expensed reimbursed  
without itemization, stated business  
purpose, or number in party.**



## ATTACHMENT E

### ORDINANCE NO. 25030 - \$3.00 FACILITY FEE

On motion of Mr. Johnston, seconded by Mr. Lagasse, the following ordinance was offered:

**SUMMARY NO. 24348 ORDINANCE NO. 25030**

An ordinance amending Ordinance No. 24978, adopted on June 24, 2015, to exempt tickets sold at the Jefferson Parish Performing Arts Center for performances associated with the Jefferson Performing Arts Society (JPAS) Arts Adventure Series program from the \$3.00 facility fee on ticket purchases imposed by said ordinance; and otherwise providing with respect thereto. (Council District 2)

**THE JEFFERSON PARISH COUNCIL HEREBY ORDAINS THAT:**

**SECTION 1.** That Section I of Ordinance No. 24978, adopted on June 24, 2015, is hereby amended to read as follows:

**Section I.** That Article IV is hereby added to Chapter 6 of the Jefferson Parish Code of Ordinances, to read as follows:

**ARTICLE IV. – JEFFERSON PERFORMING ARTS CENTER**

**Sec. 6-51. Facility fee.**


- A. There shall be \$3.00 facility fee on tickets purchased at the Jefferson Parish Performing Arts Center to defray the costs of operating the facility.
- B. Notwithstanding the provisions of Section 6-51(A) above, tickets purchased at the Jefferson Parish Performing Arts Center for performances associated with the Jefferson Performing Arts Society (JPAS) Arts Adventure Series shall be exempt from the payment of the facility fee as otherwise imposed by this section.
- C. Group reservations may be made for student groups attending performances associated with the JPAS Arts Adventure Series provided that the group reservation indicates the number of students from the school who are attending a particular performance; and, in such cases, individual tickets shall not be required for the students attending the performance.

The foregoing ordinance having been submitted to a vote, the vote thereon was as follows:

**YEAS: 5      NAYS: None      ABSENT: (2) Spears, Roberts**

The ordinance was declared to be adopted on this 21<sup>st</sup> day of October, 2015, and shall become effective as follows: if signed forthwith by the Parish President, ten (10) days after adoption; thereafter, upon the signature by the Parish President, or, if not signed by the Parish President, upon expiration of the time for ordinances to be considered finally adopted without the signature of the Parish President, as provided in Section 2.07 of the Charter. If vetoed by the Parish President and subsequently approved by the Council, this ordinance shall become effective on the day of such approval.

THE FOREGOING IS CERTIFIED  
TO BE A TRUE & CORRECT COPY

  
EULA A. LOPEZ  
PARISH CLERK  
JEFFERSON PARISH COUNCIL



On motion of Mr. Johnston, seconded by Mr. Roberts, the following ordinance was offered:

**SUMMARY NO. 24283    ORDINANCE NO. 24978**

An ordinance establishing a \$3.00 facility fee on ticket purchases at the Jefferson Parish Performing Arts Center. (Council District 2)(Approved at the request of the Administration on recommendation of SMG)

**WHEREAS**, in order to defray the costs of operating the facility, it is necessary for a \$3.00 fee to be applied to all tickets purchased for events; and

**WHEREAS**, the \$3.00 facility fee will only be applied to tickets actually purchased; and

**WHEREAS**, Jefferson Parish is authorized by its police powers, specifically Section 1.01 (1) and (15) of the Charter, to impose this fee to develop and administer a system of parish recreational and cultural facilities and programs; and

**WHEREAS**, this fee is in the best interest of the citizens of Jefferson Parish.

**THE JEFFERSON PARISH COUNCIL HEREBY ORDAINS THAT:**


**SECTION I.** There shall be \$3.00 facility fee on tickets purchased at the Jefferson Parish Performing Arts Center to defray the costs of operating the facility.

The foregoing ordinance having been submitted to a vote, the vote thereon was as follows:

**YEAS: 7            NAYS: None    ABSENT: None**

And the ordinance was declared by the Jefferson Parish Council acting as the governing authority of the Parish of Jefferson, State of Louisiana on this the 24<sup>th</sup> day of June 2015, and shall become effective as follows: if signed forthwith by the Parish President, ten (10) days after adoption, thereafter upon signature by the Parish President or, if not signed by the Parish President upon expiration of the time for ordinances to be considered finally adopted without the signature of the Parish President, as provided in Section 2.07 of the Charter. If vetoed by the Parish President and subsequently approved by the Council, this Ordinance shall become effective on the day of such approval.

THE FOREGOING IS CERTIFIED  
TO BE A TRUE & CORRECT COPY

  
EULA A. LOPEZ  
PARISH CLERK  
JEFFERSON PARISH COUNCIL



# ATTACHMENT F

## CALENDAR YEARS 2016 & 2017 JPAC USAGE

### JEFFERSON PERFORMING ARTS CENTER 2016 SCHEDULE

| JANUARY |    |    |    |    |    |    | FEBRUARY |    |    |    |    |    |    | MARCH     |    |    |    |    |    |    | APRIL   |    |    |    |    |    |    | MAY      |    |    |    |    |    |    | JUNE     |    |    |    |    |    |    |  |  |
|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|----------|----|----|----|----|----|----|--|--|
| M       | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  | M         | T  | W  | T  | F  | S  | S  | M       | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  |  |  |
|         |    |    |    | 1  | 2  | 3  | 1        | 2  | 3  | 4  | 5  | 6  | 7  |           | 1  | 2  | 3  | 4  | 5  | 6  |         |    |    |    |    |    | 1  |          |    |    |    |    |    |    |          |    |    |    |    |    |    |  |  |
| 4       | 5  | 6  | 7  | 8  | 9  | 10 | 8        | 9  | 10 | 11 | 12 | 13 | 14 | 7         | 8  | 9  | 10 | 11 | 12 | 13 | 4       | 5  | 6  | 7  | 8  | 9  | 10 | 2        | 3  | 4  | 5  | 6  | 7  | 8  | 6        | 7  | 8  | 9  | 10 | 11 | 13 |  |  |
| 11      | 12 | 13 | 14 | 15 | 16 | 17 | 15       | 16 | 17 | 18 | 19 | 20 | 21 | 14        | 15 | 16 | 17 | 18 | 19 | 20 | 11      | 12 | 13 | 14 | 15 | 16 | 17 | 9        | 10 | 11 | 12 | 13 | 14 | 15 | 13       | 14 | 15 | 16 | 17 | 18 | 19 |  |  |
| 18      | 19 | 20 | 21 | 22 | 23 | 24 | 22       | 23 | 24 | 25 | 26 | 27 | 28 | 21        | 22 | 23 | 24 | 25 | 26 | 27 | 18      | 19 | 20 | 21 | 22 | 23 | 24 | 16       | 17 | 18 | 19 | 20 | 21 | 22 | 20       | 21 | 22 | 23 | 24 | 25 | 26 |  |  |
| 25      | 26 | 27 | 28 | 29 | 30 | 31 | 29       |    |    |    |    |    |    | 28        | 29 | 30 | 31 |    |    |    | 25      | 26 | 27 | 28 | 29 | 30 |    | 23       | 24 | 25 | 26 | 27 | 28 | 29 | 27       | 28 | 29 | 30 |    |    |    |  |  |
|         |    |    |    |    |    |    |          |    |    |    |    |    |    |           |    |    |    |    |    |    |         |    |    |    |    |    |    | 30       | 31 |    |    |    |    |    |          |    |    |    |    |    |    |  |  |
| JULY    |    |    |    |    |    |    | AUGUST   |    |    |    |    |    |    | SEPTEMBER |    |    |    |    |    |    | OCTOBER |    |    |    |    |    |    | NOVEMBER |    |    |    |    |    |    | DECEMBER |    |    |    |    |    |    |  |  |
| M       | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  | M         | T  | W  | T  | F  | S  | S  | M       | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  |  |  |
|         |    |    |    | 1  | 2  | 3  | 1        | 2  | 3  | 4  | 5  | 6  | 7  |           | 1  | 2  | 3  | 4  |    |    | 1       | 2  | 3  | 4  | 5  | 6  |    | 1        | 2  | 3  | 4  | 5  | 6  |    |          |    |    |    |    |    |    |  |  |
| 4       | 5  | 6  | 7  | 8  | 9  | 10 | 8        | 9  | 10 | 11 | 12 | 13 | 14 | 5         | 6  | 7  | 8  | 9  | 10 | 11 | 3       | 4  | 5  | 6  | 7  | 8  | 9  | 7        | 8  | 9  | 10 | 11 | 12 | 13 | 5        | 6  | 7  | 8  | 9  | 10 | 11 |  |  |
| 11      | 12 | 13 | 14 | 15 | 16 | 17 | 15       | 16 | 17 | 18 | 19 | 20 | 21 | 12        | 13 | 14 | 15 | 16 | 17 | 18 | 10      | 11 | 12 | 13 | 14 | 15 | 16 | 14       | 15 | 16 | 17 | 18 | 19 | 20 | 12       | 13 | 14 | 15 | 16 | 17 | 18 |  |  |
| 18      | 19 | 20 | 21 | 22 | 23 | 24 | 22       | 23 | 24 | 25 | 26 | 27 | 28 | 19        | 20 | 21 | 22 | 23 | 24 | 25 | 17      | 18 | 19 | 20 | 21 | 22 | 23 | 21       | 22 | 23 | 24 | 25 | 26 | 27 | 19       | 20 | 21 | 22 | 23 | 24 | 25 |  |  |
| 25      | 26 | 27 | 28 | 29 | 30 | 31 | 29       | 30 | 31 |    |    |    |    | 26        | 27 | 28 | 29 | 30 |    |    | 24      | 25 | 26 | 27 | 28 | 29 | 30 | 28       | 29 | 30 |    |    |    | 26 | 27       | 28 | 29 | 30 | 31 |    |    |  |  |

| Color Key | Description                             | # of Days* | Revenue^   | Fee Status |
|-----------|---|------------|------------|------------|
|           | Jefferson Performing Arts Society Usage | 185        | \$ 301,151 | Waived     |
| shared    | JPAS / SMGJ - events for both           | 4          | -          | -          |
|           | Scheduled by SMGJ                       | 42         | 154,928    | Collected  |
|           | Unscheduled Days                        | 134        | -          | -          |
| n/a       | 2016 TOTALS                             | 365        | \$ 456,079 | -          |

\* Includes Load-In, Rehearsal, Performance and Load-Out Days

^ Includes Direct Event and Ancillary Income



**JEFFERSON PERFORMING ARTS CENTER - SMGJ**  
**YTD EVENT SUMMARY REPORT**  
**FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2016**

| Event Category        | # of Rehearsal & Performance Days |        | Attendance |        | Direct    |           | Ancillary |          | Total Income |           |
|-----------------------|-----------------------------------|--------|------------|--------|-----------|-----------|-----------|----------|--------------|-----------|
|                       | Actual                            | Budget | Actual     | Budget | Actual    | Budget    | Actual    | Budget   | Actual       | Budget    |
| Assemblies            | 7                                 | 5      | 3,382      | 4,000  | \$13,301  | \$10,900  | \$3,529   | \$4,650  | \$16,830     | \$15,550  |
| Banquets              | 2                                 | 1      | 186        | 700    | 1,826     | 1,000     | 954       | 300      | 2,780        | 1,300     |
| Consumer/Public Shows | 0                                 | 0      | 0          | 0      | 0         | 0         | 0         | 0        | 0            | 0         |
| Concerts              | 4                                 | 1      | 1,279      | 800    | 9,583     | 2,400     | 1,581     | 600      | 11,164       | 3,000     |
| Conventions           | 0                                 | 0      | 0          | 0      | 0         | 0         | 0         | 0        | 0            | 0         |
| Entertainment         | 0                                 | 0      | 0          | 0      | 0         | 0         | 0         | 0        | 0            | 0         |
| Family Shows          | 0                                 | 0      | 0          | 0      | 0         | 0         | 0         | 0        | 0            | 0         |
| Meetings              | 6                                 | 0      | 712        | 0      | 9,099     | 0         | 2,373     | 0        | 11,472       | 0         |
| Sporting Events       | 0                                 | 0      | 0          | 0      | 0         | 0         | 0         | 0        | 0            | 0         |
| Trade Shows           | 0                                 | 0      | 0          | 0      | 0         | 0         | 0         | 0        | 0            | 0         |
| Performing Arts       | 29                                | 41     | 14,299     | 19,800 | 82,178    | 89,050    | 5,287     | 3,950    | 87,465       | 93,000    |
| Other                 | 3                                 | 2      | 1,505      | 1,000  | 9,701     | 6,000     | 1,486     | 300      | 11,187       | 6,300     |
| Major Tenant - JPAS   | 171                               | 188    | 27,089     | 40,000 | 304,329   | 298,050   | 10,852    | 5,225    | 315,181      | 303,275   |
| GRAND TOTAL           | 222                               | 238    | 48,452     | 66,300 | \$430,017 | \$407,400 | \$26,062  | \$15,025 | \$456,079    | \$422,425 |



# JEFFERSON PERFORMING ARTS CENTER 2017 SCHEDULE

| JANUARY |    |    |    |    |    |    | FEBRUARY |    |    |    |    |    |    | MARCH |    |    |    |    |    |    | APRIL |    |    |    |    |    |    | MAY |    |    |    |    |    |    | JUNE |    |    |    |    |    |    |  |  |  |  |
|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|-------|----|----|----|----|----|----|-------|----|----|----|----|----|----|-----|----|----|----|----|----|----|------|----|----|----|----|----|----|--|--|--|--|
| M       | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  | M     | T  | W  | T  | F  | S  | S  | M     | T  | W  | T  | F  | S  | S  | M   | T  | W  | T  | F  | S  | S  | M    | T  | W  | T  | F  | S  | S  |  |  |  |  |
|         |    |    |    |    |    | 1  |          |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |    |    |    |    |    |     |    |    |    |    |    |    |      |    |    |    |    |    |    |  |  |  |  |
| 2       | 3  | 4  | 5  | 6  | 7  | 8  | 6        | 7  | 8  | 9  | 10 | 11 | 12 | 6     | 7  | 8  | 9  | 10 | 11 | 12 | 3     | 4  | 5  | 6  | 7  | 8  | 9  | 10  | 11 | 12 | 13 | 14 | 5  | 6  | 7    | 8  | 9  | 10 | 11 |    |    |  |  |  |  |
| 9       | 10 | 11 | 12 | 13 | 14 | 15 | 13       | 14 | 15 | 16 | 17 | 18 | 19 | 13    | 14 | 15 | 16 | 17 | 18 | 19 | 10    | 11 | 12 | 13 | 14 | 15 | 16 | 15  | 16 | 17 | 18 | 19 | 20 | 21 | 12   | 13 | 14 | 15 | 16 | 17 | 18 |  |  |  |  |
| 16      | 17 | 18 | 19 | 20 | 21 | 22 | 20       | 21 | 22 | 23 | 24 | 25 | 26 | 20    | 21 | 22 | 23 | 24 | 25 | 26 | 17    | 18 | 19 | 20 | 21 | 22 | 23 | 22  | 23 | 24 | 25 | 26 | 27 | 28 | 19   | 20 | 21 | 22 | 23 | 24 | 25 |  |  |  |  |
| 23      | 24 | 25 | 26 | 27 | 28 | 29 | 27       | 28 |    |    |    |    |    | 27    | 28 | 29 | 30 | 31 |    |    | 24    | 25 | 26 | 27 | 28 | 29 | 30 | 29  | 30 | 31 |    |    |    |    |      |    |    |    |    |    |    |  |  |  |  |
| 30      | 31 |    |    |    |    |    |          |    |    |    |    |    |    |       |    |    |    |    |    |    |       |    |    |    |    |    |    |     |    |    |    |    |    |    |      |    |    |    |    |    |    |  |  |  |  |

| JULY |    |    |    |    |    |    | AUGUST |    |    |    |    |    |    | SEPTEMBER |    |    |    |    |    |    | OCTOBER |    |    |    |    |    |    | NOVEMBER |    |    |    |    |    |    | DECEMBER |    |    |    |    |    |    |  |  |  |  |
|------|----|----|----|----|----|----|--------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|---------|----|----|----|----|----|----|----------|----|----|----|----|----|----|----------|----|----|----|----|----|----|--|--|--|--|
| M    | T  | W  | T  | F  | S  | S  | M      | T  | W  | T  | F  | S  | S  | M         | T  | W  | T  | F  | S  | S  | M       | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  | M        | T  | W  | T  | F  | S  | S  |  |  |  |  |
|      |    |    |    |    |    | 1  |        |    |    |    |    |    |    |           |    |    |    |    |    |    |         |    |    |    |    |    |    |          |    |    |    |    |    |    |          |    |    |    |    |    |    |  |  |  |  |
| 3    | 4  | 5  | 6  | 7  | 8  | 9  | 7      | 8  | 9  | 10 | 11 | 12 | 13 | 4         | 5  | 6  | 7  | 8  | 9  | 10 | 2       | 3  | 4  | 5  | 6  | 7  | 8  | 1        |    |    |    |    |    |    |          |    |    |    |    |    |    |  |  |  |  |
| 10   | 11 | 12 | 13 | 14 | 15 | 16 | 14     | 15 | 16 | 17 | 18 | 19 | 20 | 11        | 12 | 13 | 14 | 15 | 16 | 17 | 9       | 10 | 11 | 12 | 13 | 14 | 15 | 6        | 7  | 8  | 9  | 10 | 11 | 12 | 4        | 5  | 6  | 7  | 8  | 9  | 10 |  |  |  |  |
| 17   | 18 | 19 | 20 | 21 | 22 | 23 | 21     | 22 | 23 | 24 | 25 | 26 | 27 | 18        | 19 | 20 | 21 | 22 | 23 | 24 | 16      | 17 | 18 | 19 | 20 | 21 | 22 | 20       | 21 | 22 | 23 | 24 | 25 | 26 | 18       | 19 | 20 | 21 | 22 | 23 | 24 |  |  |  |  |
| 24   | 25 | 26 | 27 | 28 | 29 | 30 | 28     | 29 | 30 | 31 |    |    |    | 25        | 26 | 27 | 28 | 29 | 30 |    | 23      | 24 | 25 | 26 | 27 | 28 | 29 | 27       | 28 | 29 | 30 |    |    | 25 | 26       | 27 | 28 | 29 | 30 | 31 |    |  |  |  |  |
| 31   |    |    |    |    |    |    |        |    |    |    |    |    |    |           |    |    |    |    |    |    |         |    |    |    |    |    |    |          |    |    |    |    |    |    |          |    |    |    |    |    |    |  |  |  |  |

| Color Key | Description                             | # of Days* | Revenue^   | Fee Status |
|-----------|---|------------|------------|------------|
|           | Jefferson Performing Arts Society Usage | 130        | \$ 234,378 | Waived     |
| shared    | JPAS / SMGJ - events for both           | 3          | -          | -          |
|           | Scheduled by SMGJ                       | 79         | 232,654    | Collected  |
|           | Unscheduled Days                        | 153        | -          | -          |
| n/a       | 2017 TOTALS                             | 365        | \$ 467,032 | Total      |

\* Includes Load-In, Rehearsal, Performance and Load-Out Days

^ Includes Direct Event and Ancillary Income



**JEFFERSON PERFORMING ARTS CENTER - SMG JEFFERSON**  
**YTD EVENT SUMMARY REPORT**  
**FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2017**

| Event Category        | # of Rehearsal & Performance Days |            | Attendance    |               | Direct Event Income |                  | Ancillary Event Income |                 | Total Income     |                  |
|-----------------------|-----------------------------------|------------|---------------|---------------|---------------------|------------------|------------------------|-----------------|------------------|------------------|
|                       | Actual                            | Budget     | Actual        | Budget        | Actual              | Budget           | Actual                 | Budget          | Actual           | Budget           |
| Assemblies            | 5                                 | 2          | 2,408         | 980           | \$12,918            | \$6,244          | \$3,124                | \$2,000         | \$16,042         | \$8,244          |
| Banquets              | 4                                 | 2          | 978           | 600           | 12,002              | 7,637            | 9,951                  | 2,000           | 21,953           | 9,637            |
| Consumer/Public Shows | 1                                 | 0          | 60            | 0             | 972                 | 0                | 0                      | 0               | 972              | 0                |
| Concerts              | 9                                 | 9          | 3,017         | 6,500         | 31,227              | 30,265           | 3,656                  | 4,000           | 34,883           | 34,265           |
| Conventions           | 0                                 | 0          | 0             | 0             | 0                   | 0                | 0                      | 0               | 0                | 0                |
| Entertainment         | 1                                 | 0          | 1,045         | 0             | 6,734               | 0                | 2,274                  | 0               | 9,008            | 0                |
| Family Shows          | 1                                 | 0          | 726           | 0             | 2,787               | 0                | 355                    | 0               | 3,142            | 0                |
| Meetings              | 3                                 | 0          | 387           | 0             | 5,903               | 0                | 714                    | 0               | 6,617            | 0                |
| Sporting Events       | 0                                 | 0          | 0             | 0             | 0                   | 0                | 0                      | 0               | 0                | 0                |
| Trade Shows           | 0                                 | 0          | 0             | 0             | 0                   | 0                | 0                      | 0               | 0                | 0                |
| Performing Arts       | 48                                | 50         | 20,084        | 26,030        | 105,403             | 134,800          | 14,602                 | 9,100           | 120,005          | 143,900          |
| Other                 | 5                                 | 2          | 1,653         | 1,000         | 13,915              | 6,680            | 2,067                  | 500             | 15,982           | 7,180            |
| Major Tenant - JPAS   | 132                               | 138        | 12,886        | 11,200        | 229,526             | 272,914          | 8,902                  | 2,900           | 238,428          | 275,814          |
| <b>GRAND TOTAL</b>    | <b>209</b>                        | <b>203</b> | <b>43,244</b> | <b>46,310</b> | <b>\$421,387</b>    | <b>\$458,540</b> | <b>\$45,645</b>        | <b>\$20,500</b> | <b>\$467,032</b> | <b>\$479,040</b> |



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## ATTACHMENT G

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### JPAC RENTAL RATES

| JPAC - RENTAL RATES         |                        |       |                        |
|-----------------------------|------------------------|-------|------------------------|
| TYPE OF EVENT               | MOVE IN /<br>REHEARSAL |       | PERFORMANCE /<br>EVENT |
| Local Dance Recital         | \$                     | 875   | \$ 1,750               |
| Regional Dance Competitions | \$                     | 1,750 | \$ 3,500               |
| Concerts                    | \$                     | 1,750 | \$ 3,500               |
| Entertainment               | \$                     | 1,500 | \$ 3,000               |
| Theatrical                  | \$                     | 1,250 | \$ 2,500               |
| Corporate                   | \$                     | 1,250 | \$ 2,500               |
| Meetings                    | \$                     | 1,250 | \$ 2,500               |
| Catered/Lobby & Terrace     | \$                     | 500   | \$ 1,000               |
| Community/Civic/Graduation  | \$                     | 875   | \$ 1,750               |
| Non Profit                  | \$                     | 1,250 | \$ 2,400               |
| Hospitality Suite           |                        | n/a   | \$ 300                 |