

## VenuWorks Financial Analysis

<b>Service Proposal</b>	<b>Management Services — VenuWorks will provide full operational management of the theatre.</b>
<b>Base Management Fee</b>	<b>\$7,000 per month, \$84,000 annually in Year 1, and adjusted according to the CPI in subsequent years.</b>
<b>Variable Management Fee</b>	<b>10% of gross sales from food and beverage, paid monthly.</b>
<b>Banking</b>	<b>VenuWorks will provide and maintain their own bank accounts, with a City signatory if desired.</b>
<b>Budget Expectations</b>	<b>VenuWorks will annually prepare and submit a budget for approval and will manage operations within that budget. The City will be responsible for any shortfalls and remains financially responsible for theatre operations.</b>
<b>Shortfalls</b>	<b>If operating income falls short of the approved budget, VenuWorks will refund up to a maximum of 50% of the commission earned from variable management fees; any remaining shortfall is the City's responsibility.</b>
<b>Staffing</b>	<b>VenuWorks will hire an Executive Director and other staff as needed, charged to the expense budget.</b>
<b>Maintenance</b>	<b>VenuWorks will provide maintenance to the facility, charged to the expense budget.</b>
<b>Capital Investment</b>	<b>VenuWorks will make a \$50,000 capital investment, with the expectation that it will be amortized over the 5-year contract period. If the contract is terminated any unamortized amount will be paid by the City.</b>