

The Cresco City Council met May 12, 2014, at 5:30 pm at City Hall for a special worksession. Council Members Carman, Bouska, McGee, McCarville and Loveless were present. No council members were absent.

Theatre Commission Members David Gosch, Shirlee Haw, Gayle Kelm, Christine Minear, Rick Nance and Alex Fortune were also present. The purpose of the meeting was to discuss developments with respect to the Theatre Lease. The first item of discussion was a Facebook post that was also posted on the crescotheatre.com website last week. After discovering the website posting, the City and the Theatre Commission requested that it be removed immediately and it was removed from the website promptly. There were many misrepresentations in the posting. Due to the public concerns relayed to both Council and Commission Members regarding the posting, both organizations felt a worksession was required to discuss the appropriate response.

The Council and Commission both wanted to make it very clear that they have no intention of closing the Theatre. The Commission Members and the Community donated a lot of time and money for the renovation projects including the new sidewalk, concession stand, replacing seats, purchasing the projector, etc. The City paid \$30,000 for the projector and fully supported the fundraising projects. The Commission is excited for the wonderful responses to the 100th Celebration events and hope the remaining events are successful.

The next items discussed were the rental amount and the failure of Cresco Theatre, LLC, the lessee, to comply with the terms of the lease. The current \$600 monthly rent does not cover the monthly utility, insurance and maintenance expenses, so the Council and Commission had earlier proposed increasing it to \$700 per month. While Johnsons claim they are not making enough money on the operation of the movie theatre to support an increase in rent, they have not complied with the terms of the lease agreement which requires annual financial statements be submitted to the City Clerk. The Theatre Commission has repeatedly encouraged them to supply the required documentation to the City, especially if they are opposed to a rent increase. Without such documentation, the City has no basis to support maintaining the current rental amount.

Council discussed its intent to ask for bids on the Theatre lease because they feel it is good financial practice, just as other City contracts are put out to bid. Council has been approached by people interested in running the movie theatre and it was questioned why the City does not go out for bids. It was decided that we would have parameters determined that would allow it to be put out for bids and responsible bids would be considered.

The Commission will enforce the lease agreement and require that annual financial statements be presented to the City Clerk. An Operations Manual must be created by August 31, 2014.

Freidhof reported that Riehle Decorating should be able to work on the Theatre wall soon. The Commission said this was a good time because the next big event is planned for July.

Carman moved to adjourn at 6:43 pm. Bouska seconded and it passed all ayes. The next regular Cresco City Council meeting will be at 7:00 pm on May 19, 2014 at Cresco City Hall.

Mayor Mark Bohle

City Clerk Michelle Girolamo