

Watts Block Trustees

Financial and Community Condition Report

September 2022

INTRODUCTION

The continued use and viability of the Watts Block is key to the economic sustainability and social vitality of the downtown area. This report to the Selectboard and citizens summarizes efforts for FY 2021 geared toward achieving a sustainable model of service and finance for the building.

PARTICIPANTS

The Watts Block is managed overall by the Board of Trustees. The Trustees develop the annual operating budget and manage the leasing of first floor commercial spaces. They work closely with Watts Hall Community Arts in developing and supporting events and uses of second floor spaces and will coordinate updates and renovations as conditions allow.

Watts Hall Community Arts is an approved 501c3 nonprofit entity that was created over the past year to manage the second floor and market the spaces for events and short term rentals with the goals of increasing usage of the space, attracting people to the downtown area, and aiding in the economic sustainability of the building.

Watts Hall Community Players is a 501c3 community theater organization that has been active in the Hall for many years. Their pursuit of grants and use of funds generated from productions have made possible many upgrades to the auditorium, including the sound system, installation of acoustic absorption panels, curtains, cyc, and LED stage lighting system.

OPERATIONS

For most of its history Watts Block housed municipal offices and commercial spaces on the ground level and public meeting and function spaces on the second floor. With the relocation of municipal spaces, the entire building became available for public and commercial use.

The Trustees rent and manage the first floor commercial spaces and develop the annual operating budget for the building. For FY 2022 the approved expense budget was \$ 38,902. In addition, \$ 4,000 was appropriated to a building reserve account. Expenditures during this period were \$ 26,691.96. The balance of \$12,210 has been carried forward to assist in operations in the upcoming fiscal year. Rental income during this period was \$ 41,088.40 which goes to the general fund to offset expenses; income and expense report is attached.

Watts Hall Community Players had a very successful main show, "Count Me In," in July. As a result they have approximately \$ 10,000 available for improvements to the facility at this time. A report from WHCP is attached.

Watts Hall Community Arts was created to market and manage short term rentals and events at the Block, essentially operating the second floor. WHCA was certified as a 501c3 in April of this year, has set

up accounting and marketing strategies, and most importantly, established a considerable schedule of events. Report from WHCA is also attached.

REDEVELOPMENT

To secure the building's future both physically and financially there are challenges that look for our attention. Replacement of the steam heating system with HVAC incorporating healthy fresh air make up and filtration is the largest single financial demand, currently estimated at around \$ 300,000; additional desirable renovations include interior refinishes, electrical upgrades, floor plan alterations, etc.

Early this year, Mr. Doyle, then our Economic Development Specialist, was advised by Senator Collins office of congressionally directed funds that could be applied for. He completed an application for renovations for Watts Block which has been included in the budget request as it moves forward. The following link is to Senator Collins' newsletter ... <https://www.collins.senate.gov/newsroom/more-than-300-million-for-maine-secured-by-senator-collins-in-fy23-funding-bills>. The request is for \$ 300,000 of federally designated funds; there will be a match required. This requirement would be met with a combination of taxpayer funds (TIF funds would be appropriate) and a private fund raising campaign for which planning has started.

Completed renovations, especially modernizing of mechanical systems will reduce annual maintenance and utility costs, helping to offset the cost of improvements and easing the task of keeping the building financially sustainable.

SUMMARY

The day to day operating expenses of the Watts Block were met during this period through rental of ground floor commercial spaces. This can be done at rates that are competitive and able to attract businesses that will broaden the choices for shoppers in our downtown.

The stability of the property will be enhanced by financing reserves sufficient to absorb equipment replacements and envelope needs (roof replacements for example) in the coming years. This can be accomplished with income from use of the second floor. As in the case of the first floor, the property can be competitive in the marketplace.

Watts Hall Community Arts completed several key steps this year to attract new business for the second floor, and together with the Players has developed an extensive schedule of events to be held through the winter months.

ATTACHMENTS

1. June 2022 Income/Expense Report
2. Watts Hall Community Players Report
3. Watts Hall Community Arts Report

Thomaston-2022
9:30 AM

Exp / Rev Summary Report
FY Ending 6/30/2022

6/30/2022

Account	Budget	Current Month	Year To Date	Balance	Percent	
REVENUES						
0200 Watts Block	44,856.00	41,088.40	41,088.40	3,767.60	91.60	
1260 Blue Berry M	11,796.00	9,932.00	9,932.00	1,864.00	84.20	
1261 LeCaptian Ph	6,300.00	6,465.00	6,465.00	-165.00	102.62	
1262 CM Chiro Lea	9,840.00	10,061.40	10,061.40	-221.40	102.25	
1264 Girtman Spor	12,120.00	10,010.00	10,010.00	2,110.00	82.59	
1265 Bruce Brande	4,800.00	4,520.00	4,520.00	280.00	94.17	
1270 Watts Hall	0.00	100.00	100.00	-100.00	0.00	
EXPENSES						
0200 Watts Block	38,906.00	26,681.96	26,681.96	12,224.04	68.58	
10 Wages	4,000.00	512.10	512.10	3,487.90	12.80	3487.9
0140 Part-Time	4,000.00	512.10	512.10	3,487.90	12.80	
15 Tax/Benefits	306.00	27.76	27.76	278.24	9.07	278.24
0200 FICA/MEDI	306.00	27.76	27.76	278.24	9.07	3766.14
25 Prof Fees	3,000.00	1,549.84	1,549.84	1,450.16	51.66	
0650 Sprinkler In	800.00	363.00	363.00	437.00	45.38	
0690 Elevators	1,600.00	599.92	599.92	1,000.08	37.50	
0755 Security	600.00	586.92	586.92	13.08	97.82	
30 Supplies	3,000.00	1,579.97	1,579.97	1,420.03	52.67	
0725 Buildings	3,000.00	1,579.97	1,579.97	1,420.03	52.67	
40 Repairs	17,200.00	8,746.71	8,746.71	8,453.29	50.85	
0690 Elevators	2,000.00	1,009.68	1,009.68	990.32	50.48	
0695 Fire Ext	200.00	68.00	68.00	132.00	34.00	
0725 Buildings	15,000.00	7,669.03	7,669.03	7,330.97	51.13	
45 Utilities	11,400.00	14,265.58	14,265.58	-2,865.58	125.14	
0645 Phone/Intern	0.00	798.80	798.80	-798.80	0.00	

0655 Heating Fuel	8,000.00	10,308.29	10,308.29	-2,308.29	128.85
0665 Electricity	1,000.00	1,568.41	1,568.41	-568.41	156.84
0675 Water	1,000.00	946.13	946.13	53.87	94.61
0685 Wastewater	1,400.00	643.95	643.95	756.05	46.00

Watts Hall Community Players' Commitment to Watts Hall 2021--22

Watts Hall Community Players' Mission

"Watts Hall Community Players (WHCP) is a not-for-profit community theater group whose primary purpose is to provide opportunities for people of all ages, abilities and experience to have fun participating in all aspects of live theater."

In addition to bringing theater opportunities to the community, one of the group's five goals states that, "proceeds from performances are applied to improving the Watts Hall stage and auditorium." This commitment has been expanded to include securing grant monies for improvements to the Hall.

2016-2020

Contributions over recent years provide insight into the level of financial commitment. Between 2016 and 2020 WHCP contributed approximately \$41,000 (\$27,000 in grant money and \$14,000 in proceeds from shows) to the Hall. The most significant accomplishments during this period were the installation of air conditioning and new stage lighting and sound systems.

2021 - 2022

WHCP Contributed approximately \$14,500 (\$6,200 cash from productions and \$8,300 from grants.) The most significant accomplishments were the installation of sound absorbing tiles on the ceiling in the Hall that have significantly improved the acoustics in the space, total renovation of the "Green Room" below the stage and the purchase of state of the art personal wireless microphones.

Total Contributions 2016 - 2021 = approx. \$55,500

2022 - 2023

The coming year will see additional contributions of approx. \$10,000 of proceeds from WHCP events: \$8,000 for further improvements to stage lighting, \$1,000 for electrical upgrades and \$1,000 for new scaffolding.

Total Contributions 2016 to 2022/23 = approx. \$65,500

WATTS HALL COMMUNITY ARTS (WHCA) SUMMARY OF ACTIVITIES

Since the summer of 2021, WHCA organized as a Maine not-for-profit corporation, secured tax exempt status from the IRS as a 501c3 charitable organization, raised private funding for its initial operations, established banking relationships, hired a firm to develop and host a website (wattshallthomaston.com), and began efforts to lease the second floor of Watts Block for various purposes and to schedule and present entertainment and educational programs under the banner of WHCA and Watts Hall Community Players (WHCP). The latter activities were hampered by the uncertainty regarding COVID, but as that cloud has begun to clear, WHCA has hired a part-time managing director and has scheduled a robust lineup of events for the Fall and Winter months of 2022-23.

Our Season will start with a Kick-Off Gala that is being rescheduled from September 29 to avoid conflicting with a previously-scheduled meeting regarding the Thomaston Green. The Gala will be a ticketed event featuring the Mondaynight Jazz Orchestra, light refreshments and a cash bar. Other events on the schedule are as follows:

1. Oct. 7-9: WHCP presentation of "Darrow", a one person show by John Burstein detailing events from the career of prominent trial lawyer Clarence Darrow
2. Oct. 14: A fundraiser for WHCA featuring the Watts Hall Band
3. Oct. 22: A book signing event sponsored by several Thomaston organizations. The book is "Lavinia Wren and the Sailmakers", a historical fiction book based on the Dunn and Elliot shipbuilding/sail making dynasty of Thomaston. In the evening after the book signing there will be a concert by Castlebay
4. Oct. 29: A speakeasy-themed Murder Mystery Dinner Theater
5. Nov. 5: KindKids Music
6. Nov. 19: Johnny After Comedy Night
7. Dec. 9: Down East Singers Holiday Concert
8. Dec. 13: Messiah Sing Along sponsored by St. John's Church
9. Dec. 18: WHCP presentation of " A Child's Christmas in Wales "
10. Feb. 4: Dance of a Decade (decade TBD)
11. Feb, 24-25, Mar. 3-4 (tentative): WHCP presentation of "You're A Good Man Charlie Brown"

WHCA anticipates that the season will grow as we work to schedule additional activities, and a separate Spring/Summer Season is in the process of being prepared. In addition, WHCA makes the second floor space available on a rental basis to the Down East Singers and the Watts Hall Band for weekly rehearsals, we have rented the space for two weddings in the last couple of months, and other local organizations (e.g., the DAR) routinely rent the space for meetings.

WHCA anticipates that its programming and rental activities will generate sufficient revenue to fund its own operations and to contribute to the Watts Hall Trustees operational/reserve funds. In our first year of startup operations, in addition to covering our operating costs, we have purchased 10 new

lightweight tables for Watts Hall to replace the old, heavy wooden ones, have funded a professional deep cleaning of the entire second floor space and have pending a grant request for a new piano for the Hall. We have established a fundraising committee that will be seeking sponsorships for our Seasons and individual productions. This committee also will spearhead our efforts to raise significant grant-matching funds for renovations to the second floor space.