A Dome Of A Different Color

By Chuck Springston

The Cajundome may have a deficit this year of about $200,000. That's good news, say Cajundome officials. How can a deficit of $200,000 be covered by city government (i.e. Lafayette taxpayers).

The Cajundome deficit has to be covered by city government (i.e. Lafayette taxpayers). A big chunk of the Dome's red ink has been washed away by several expense-saving measures, according to Cajundome Director Mike Barber. Meanwhile, income from the facility, although somewhat below expectations, is not too far off the budget's target.

The Cajundome's November-to-October fiscal year, however, is only a little more than half over, so it's too early to break out the champagne. Nonetheless, the first-half figures give Barber reason for optimism.

“Privatization is “more efficient” and “cost-effective,” Barber maintains. The Dome is operating with a full-time staff of 22 employees, instead of 34 as originally planned. Also, the privatized Dome has been able to develop a basic fringe-benefits package for employees at less cost than the city package but still consistent with private-sector standards for the industry. Privatized, the Dome is “in sync with our industry” and thus more competitive in getting attractions, the director says.

By the time the first-year budget took effect in November 1985, the projected deficit had been cut from $606,000 to $363,000. (Some Cajundome observers say they think the dramatic drop in the projected deficit was due not so much to privatization as to inflated projections early on to make the actual deficit seem like a triumph for city and Dome management.)

Whether it was privatization or politics that brought the estimated deficit down to $363,000, even that figure may be high.

The deficit for the first six months—Nov. 1 to April 30—was cut from a projected $181,319 to about $39,309 (derived from total expenses of $861,000 and total revenues of $822,000). Helping cut that $142,000 out of the deficit were about $115,000 in operating-expense savings, $100,000 in utility savings and $8,000 in unbudgeted interest income. (The full impact of those budgetary improvements, however, was offset somewhat by an $82,000 shortfall in revenues.)

The savings in operating expenses are due primarily to less than anticipated labor costs, Barber says. Dome management had put “excess labor” into the first year’s budget to make sure the facility was sufficiently staffed to run smoothly during its opening events. As it turned out, however, management was able to cut some corners and still stay on top of it,” Barber says. The Dome got by with fewer personnel than planned.

On the utilities side, recommendations by Poche Associates Ltd., a local energy-management firm, chipped away costs. Cajundome officials don’t expect energy savings to be as large in the second half of the year as the facility’s air conditioning system tries to fight the heat and humidity of summer. On the other hand, the Dome will be in use fewer days than it was during the winter and that should save on utility bills. Barber hopes to save at least a total of $150,000 on utility bills over the course of the year.

Although total savings over the rest of the year will probably be less than the first-half savings, Barber hopes they will at least be enough to help bring the $363,000 deficit down to about $200,000.

Barber also expects the budget to get a little better support on the revenue side during the second half. The biggest factor in the first half’s $82,000 revenue shortfall was zilch in suite leases when $104,000 had been budgeted.

Three revenue sources produced more than expected, however: boxoffice fees (computer handling fees for ticket dispensing), advertising fees (charges to businesses using the Dome's display panels) and parking-lot fees.

Along with suite income, also on the downside were rental fees for events (either percent of ticket sales or flat fees paid by groups or promoters using the Dome) and commissions (paid by concessionaires from their sales of food, drinks and merchandise).

The shortfalls in rental fees and commissions were relatively mild compared to what happened with suite leases. Completion of the luxury boxes was delayed by lack of funding (since rectified by a cash injection from City Council), and none were available for lease during the Dome’s first six months of operation.

They should be completed shortly, however, and at least some rental income should be flowing in before the fiscal year ends. Barber notes that the Dome has received commitments for about nine of 15 suites, which range in rent from $5,500 to $15,000 annually.

Assuming all the suites are leased, they should generate about $119,900 annually. Originally the total annual income from suite leases was expected to be $208,000. But the Cajundome-Auditorium Management Board recently lowered the rent, saying the suites were overpriced. Income from ticket sales and event fees, although less than anticipated, was not that far off the mark for the first six months—$402,467 vs. a projected $412,500. (USL gets to use the Dome free during the course of the year.)

From Nov. 11 to April 30, the Cajundome hosted 59 ticketed shows or events (including 15 concerts and 16 USL basketball games). The biggest event was the Kenny Rogers concert on opening day, with attendance of 13,454 and gross ticket sales of $228,893.