



# City of San Antonio

## Agenda Memorandum

**File Number:**16-3000

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**Agenda Item Number:** 12.

**Agenda Date:** 5/5/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Department for Culture and Creative Development

**DEPARTMENT HEAD:** Debbie Racca-Sittre, Interim

**COUNCIL DISTRICTS IMPACTED:** 1

**SUBJECT:** Funding Agreement for San Antonio Symphony

### SUMMARY:

This ordinance authorizes a \$50,000 Agreement with the Symphony Society of San Antonio to help the San Antonio Symphony develop and implement a financial stability plan to fund their fiscal year 2016 operating deficit of \$600,000. The City along with the major SAS donors and the SAS Board of Directors have identified \$600,000 to assist SAS. This funding is being provided on a one-time basis by the donors.

### BACKGROUND INFORMATION:

In early 2016, the San Antonio Symphony leadership informed its major donors they had an operating deficit of \$600,000 for fiscal year 2016. Since then representatives from the Tobin Endowment, Kronkosky Charitable Foundation, HEB, San Antonio Area Foundation, Bexar County, City of San Antonio, and SAS have collaborated to develop a plan that will eliminate the current deficit and assist with the financial sustainability for future fiscal years.

The Board of Directors of SAS committed to fund at least the first \$100,000 to reduce the FY2016 Deficit. The remaining \$500,000 is from the major donors provided the SAS Board of Directors agrees to the following:

1. SAS Board approves an annual budget (being a balanced budget, whereby expenses cannot exceed revenues) not to exceed \$7,200,000 for FYE 2017, 2018 and 2019. If at any time the SAS Board can demonstrate additional revenues to cover any additional proposed expenditures then, the Board may review such facts with the donors, who shall have sole discretion to decide whether to increase the \$7,200,000 budget by the approved amount;
2. SAS Board prohibits the use of ticket revenues from the following fiscal year to be used for current fiscal year operating budget; and
3. SAS Board agrees to restructure the Board of Directors to reasonably assure the donors of proper management and oversight to avoid future operating deficits.

The financial stability of SAS is contingent upon the continued support of its donors. The donors are prepared to commit funding for future fiscal years provided the above mentioned conditions are met. Additional City support for future fiscal years is subject to City Council approval.

The funding provided by the City shall be used for the development and implementation of a financial stability plan to address the FY 2016 deficit.

**ISSUE:**

The City is coordinating with other donors to ensure financial stability of SAS. The City will provide \$50,000 to help the organization develop and implement a financial stability plan to fund their fiscal year 2016 operating deficit of \$600,000. The City along with the major SAS donors and the SAS Board of Directors have identified \$600,000 to assist SAS.

**ALTERNATIVES:**

If the City does not provide this funding, the financial stability of SAS may be jeopardized.

**FISCAL IMPACT:**

This one-time funding is available in the Department of Culture and Creative Development Fiscal Year 2016 Operating Budget and is not included in the Art Agency Funding Process. This funding is separate from the \$613,852 the City provides to SAS through the competitive arts funding process and does not duplicate services. Operational support for future fiscal years will be determined through the arts funding process and is subject to future City Council approval.

**RECOMMENDATION:**

Staff recommends approval of the \$50,000 one-time funding to SAS to develop and implement a financial stability plan to eliminate their FY 2016 operating deficit.