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City Council

Appropriations Ordinance in the Amount of \$350,000 for The Washington Center for the Performing Arts

Agenda Date: 6/9/2015
Agenda Item Number: 3.E
File Number: 15-0474

Type: ordinance **Version:** 3 **Status:** Passed

Title

Appropriations Ordinance in the Amount of \$350,000 for The Washington Center for the Performing Arts

Recommended Action

Finance Committee Recommendation:

Transfer \$350,000 of Endowment Funds to The Washington Center Fund to cover 2015/2016 operating expenses, including up to \$100,000 per year for two years for salary and benefits of a Development Director.

City Manager Recommendation:

Move to approve on second reading an appropriation ordinance in the amount of \$350,000, transferring funds from The Washington Center Endowment to The Washington Center operating fund for the 2014/2015 and 2015/2016 program years. The appropriation includes up to \$200,000 in reimbursement to The Washington Center for a Development Director.

Report

Issue:

Consider the Finance Committee's recommendation to use \$150,000 from the Center's Endowment Fund to support current Center operations. Also, recommend funding a full time Development Director for the Center at up to \$100,000 per year for two years. The funds for the Director, as well as the operations, will be a reimbursement of expenditures.

Staff Contact:

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Presenter(s):

Jill Barnes, Executive Director for The Washington Center for the Performing Arts

Background and Analysis:

The background and analysis have not changed from first to second reading.

The City owns The Washington Center for the Performing Arts (CPA). It is operated by contract through a nonprofit organization directed by a volunteer Board of Directors. The economic recession has created budget challenges for the Center and has caused the Board to embark on a revised funding model for the Center. The Board has hired an Executive Director who has focused in large part on restoring fiscal balance in Center operations over the past 18 months. While some positive results have been achieved, the Center is not able to meet all its expenses with existing revenues.

City staff, Councilmember Cooper (Chair of Finance Committee), and Councilmember Roe (The Washington Center Liaison) have had several meetings with Center staff and Board to decide how to best proceed. It is clear that the world has changed in terms of support and financing for publicly owned performing arts theaters and the current funding model does not work.

Consequently, the model of City funding must also change to support continuation of this operation; particularly theaters where the main mission is to support local not-for-profit performance groups.

The Finance Committee met on May 13 and unanimously voted to recommend the following:

Short Term

- Use \$150,000 from The Washington Center Endowment to reimburse current expenses from the 2015/2016 fiscal year.
- Reimburse funding for a full time dedicated Development Director for the Center (two year commitment - up to \$100,000 per year).
- Support the Center with implementation of its Strategic Business Plan to grow revenues for its operation. Hiring a full time Development Director will provide staffing to focus exclusively on fundraising and financing strategies for the Center

The Finance Committee also discussed the need to stabilize Center operations in the future. Ideas for more consideration include:

- Consider greater use of accommodation tax revenue to support the Center.
- Use resources from sale of the West Olympia commercial property to support the Center.
- Identify other funding options.
- Review funding relationship with artistic partners.

Neighborhood/Community Interests (if known):

The WCPA provides a venue for dozens of local performing arts organizations. Ensuring success of the Center will allow these groups to continue and to thrive.

Options:

1. Recommend use of \$150,000 from the Endowment for reimbursement of current expenses, plus up to \$200,000 to reimburse a Development Director for two years
2. Amend the request
3. Deny the request

Financial Impact:

The Washington Center Endowment Fund has a current balance of \$1,317,450.