

CITY OF SARASOTA, FLORIDA
VAN WEZEL PERFORMING ARTS HALL

	Actual 2005-06	Budget 2006-07	Amended Budget 2006-07	Estimated 2006-07	Budget 2007-08
Available Fund Balance	\$ 372,851	\$ 203,359	\$ 460,161	\$ 460,161	\$ 165,899
Revenues					
Ticket sales net of refunds	7,537,271	7,460,000	7,460,000	7,349,510	6,527,918
Building rental and fees	305,163	230,000	230,000	443,800	565,166
Technical service fees	-	9,500	9,500	-	7,500
Bar/food revenue	91,357	80,500	80,500	84,837	285,500
Grants, contributions & sponsorships	351,235	635,250	635,250	391,154	366,813
Van Wezel Foundation Grants	207,750	255,000	255,000	50,000	250,000
Postage & handling charges	189,347	185,000	185,000	151,846	135,292
Concessions	31,959	25,400	25,400	29,939	18,734
Miscellaneous	285,214	211,000	211,000	99,946	94,700
Investment income	80,078	46,000	46,000	118,754	96,000
Ticket surcharge - operations	267,170	250,000	250,000	231,385	380,793
General Fund sponsorship	577,000	900,000	900,000	1,400,000	590,830
Total Revenue	9,923,544	10,287,650	10,287,650	10,351,171	9,319,246
Estimated Funds Available	10,296,395	10,491,009	10,747,811	10,811,332	9,485,145
Expenditures					
Personnel	1,799,055	2,045,780	1,805,780	1,828,053	1,983,803
Operating expenses	3,755,331	3,854,552	4,572,688	4,621,733	3,849,850
Merchandise for resale	3,560	7,200	7,700	4,113	3,500
Performance fees	4,273,288	4,323,500	4,306,500	4,189,910	3,583,710
Capital	-	81,050	21,000	1,624	-
Total Expenditures	9,831,234	10,312,082	10,713,668	10,645,433	9,420,863
Projected Ending Balance	\$ 465,161	\$ 178,927	\$ 34,143	\$ 165,899	\$ 64,282
Fund Balance Adj.-Donated Piano	(5,000)				
	\$ 460,161				

Note: The 2007-08 debt service for the Van Wezel Performing Arts Hall is \$1,234,375.
These bonds are paid by the Penny Sales Tax.

VAN WEZEL PERFORMING ARTS HALL

Mission Statement

To present a broad spectrum of the world's finest performing artists in order to meet the diverse cultural needs of all of Southwest Florida's residents and visitors; and to provide a quality venue for other City-based cultural organizations to present arts and cultural programming.

Description of Operations

The City of Sarasota, as owner and operator of the Van Wezel Performing Arts Hall, is unique from the standpoint that it not only provides the physical plant and its facilities for community programming, but as a presenter, the Van Wezel takes financial risks to bring its' diverse programming to the City and the community.

The Van Wezel presents a broad spectrum of local, regional, national and international performing artists in order to meet the diverse cultural needs of all of Southwest Florida's residents and to further Sarasota's national and international reputation as the cultural capital of Florida. In addition, the Van Wezel, through a program of reduced rental fees, is available to other City based non-profit organizations such as the Florida West Coast Symphony, Sarasota Ballet of Florida, Ringling Town Hall Series and the Sarasota Concert Association. The City of Sarasota effectively subsidizes these non-profits because the fixed expenses of operating the Hall far exceed the rental income.

In addition to being the major presenter of programs in the area each year, the Van Wezel has a significant economic impact on the City and the region. The 1,300-plus annual visiting artists who come from all over the world to perform at the Van Wezel stay in hotel rooms, eat at local restaurants and significantly enhance the retail economy within the City. Patrons who come to the Van Wezel often have a meal before or after the performance at one of the many City restaurants. As in years past, the majority of attendees come from outside the City limits with more than 25% coming from regional through international locations, further illustrating the breadth of the Hall's influence. The economic impact of the Van Wezel operation in the community has been estimated at \$27 million.

For the coming year the Van Wezel will improve its programming mix. More programming will be focused on shows that have the best risk-reward ratio, for instance by booking fewer Broadway shows and more dance, the Hall will assume less production costs and maintain a high probability of good ticket sales. This will lower ticket revenue, but lower production costs will more than make up the difference. Additionally, the Van Wezel will minimize off-site programming to allow more focus on mainstage operations.

The Van Wezel is funded through a combination of ticket sales, other earned income such as concessions and rentals, contributed income and sponsorships and a subsidy from the City. Keeping the City subsidy within reasonable limits depends on continuing efforts to increase earned and contributed income.

In FY 2008 the Van Wezel will increase earned income through a combination of initiatives. The ticket surcharge will be increased by one dollar per ticket. Rental rates for community partners and for commercial users will be increased. An aggressive approach to expanding concession areas, concession offerings and ensuring that concessions are available during all rental events will also increase earned income.

Contributed income increases will be sought through a more structured approach to sponsorships, ongoing discussions with the Van Wezel Foundation and foundations that specifically support educational and community events that the Van Wezel provides.

VAN WEZEL PERFORMING ARTS HALL

STRATEGIC PLAN

Strategic Goal - A Responsible and Accessible Government that has Sound Financial and Administrative Practices

Strategy - Maximize funding available for City services through increased revenues.

Objective - Promote fiscal independence of municipal entertainment facilities by decreasing City sponsorship.

Task	Current Funding	Fiscal Year Completed	Funds Required
Pursue new funding sources of unearned revenue for the Van Wezel and identify ways to generate more earned revenue. Increase revenues enough to reduce the annual subsidy from the City of Sarasota. Status - The Van Wezel is pursuing new funding sources, both earned and unearned. In addition, the Van Wezel is seeking new grant sources, new sponsorships and new ways to generate additional revenue. This is an ongoing activity in which all employees participate. The Van Wezel plans increases in ticket surcharges, rental fees and contributed income to reduce the dependence on taxpayer support.	Yes	2007	\$0

Strategic Goal - A Workplace that Attracts and Retains an Outstanding Workforce

Strategy - Maximize employee skills, while maintaining employee long-term health.

Objective - Use succession planning to identify and develop backups to key leadership positions.

Task	Current Funding	Fiscal Year Completed	Funds Required
An evaluation of the organizational structure will be undertaken. Status - Organizational changes initiated in FY 2007 will be fully implemented and stabilized in FY 2008. The work of the staff has been reorganized to achieve greater accountability and productivity. All daily operations are being consolidated under a single Operations Manager. Financial management functions, previously carried out in various offices of the Hall, are being unified under the direction of the Finance Manager. On site management of events, previously handled as a rotating staff assignment, are being handled by a single, accountable, House Manager.	Yes	2008	\$0

Strategic Goal - An Attractive, Environmentally-Friendly Community that is Safe and Livable and Provides an Array of Cultural and Aesthetic Enjoyments

Strategy - Strengthen and diversify City owned entertainment and recreational facilities.

Objective - Increase adult and youth educational opportunities at the Van Wezel Performing Arts Hall.

Task	Current Funding	Fiscal Year Completed	Funds Required
Continue the education programming including school time performances, community outreach programs, training programs, visiting artists and artist in residence programs. Status - Staff is working with the Van Wezel Foundation and other funding sources to expand current programs and develop new programming.	Yes	2008	\$0

Objective - Determine how to maximize the benefits of a City-owned performance hall through an analysis of the future needs and expected products of the Van Wezel Performing Arts Hall.

Task	Current Funding	Fiscal Year Completed	Funds Required
Sponsor studies to define a Cultural District and examine the need for a larger new performing arts hall.	Yes	2008	\$0

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Status - The study, completed in FY 2007, will be thoroughly discussed and vetted throughout the community.

Objective - Diversify audience at the Van Wezel Performing Arts Hall by increasing minority, ethnic, family and cutting edge programming.

Task	Current Funding	Fiscal Year Completed	Funds Required
The staff of the Van Wezel will develop a statement of programming philosophy that will be presented to the Van Wezel Advisory Board and presented to the City Commission.	Yes	2008	\$0

Status - Performances at the Van Wezel will be programmed in conformity with the policy, which states that each performance must be financially feasible in its' own right. Less stringent standards will be applied when a performance clearly meets an educational objective, a performance reaches out to a traditionally underserved demographic profile, or a performance helps establish the Van Wezel brand identification with innovative or emerging talent.

OPERATIONAL FOCUS

Strategy

To increase operating revenues and decrease expenses to minimize the subsidy required from the City.

Task

Increase the rental rates for all outside users of the hall and increase charges for additional services.
 Increase the number of corporate, media and patron sponsorships as revenue sources.
 Work in tandem with the Van Wezel Foundation to apply for new grants and find new friends and donors.
 Continue to skillfully reduce performance fees, other performance related expenses, as well as other operating costs using creativity, ingenuity and more economies in every area - without sacrificing artistic integrity.

Description	Unit	FY 2005	FY 2006	FY 2007	FY 2008
Output Measure					
Rental rate increase	Percent	5.0	5.0	5.0	20.0
Per ticket surcharge for operations	Dollars	\$1.00	\$1.00	\$1.00	\$1.00
Effectiveness Measure					
Days rented	Number	80	85	90	95

Strategy

To offer a wide range of free or affordable educational outreach experiences to students, teachers and lifelong learners.

Task

Continue school-time performances.
 Continue to work with the school system to offer opportunities for teacher training and artists in the classrooms.
 Work with the Kennedy Center and Dana Foundation to implement educational programming.
 Work in tandem with the Van Wezel Foundation to apply for new grants and find new donors.

Description	Unit	FY 2005	FY 2006	FY 2007	FY 2008
Output Measure					
Educational program tickets sold	Number	25,857	29,850	29,134	n/a
Grants applied for through Foundation	Number	6	6	n/a	n/a
Effectiveness Measure					
Schools involved in programs	Number	102	104	n/a	n/a

Strategy

To offer many different kinds of programs at the Van Wezel and to continually increase both the numbers and the diversity in the audience.

VAN WEZEL PERFORMING ARTS HALL

Task

To present a diverse, balanced season that appeals to the cultural and entertainment interests of all of Southwest Florida's residents and visitors.

To expand the current marketing and public relations efforts that inform the public of the Van Wezel's many offerings.

To co-sponsor, joint venture or co-promote more performances with Sarasota organizations throughout the year.

Description	Unit	FY 2005	FY 2006	FY 2007	FY 2008
Output Measure					
Tickets sold	Number	182,549	190,000	140,000	142,000
Effectiveness Measure					
Ticketed hall performances	Number	n/a	n/a	131	135

Department Expenditures by Cost Center

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
121000 VAN WEZEL PERFORMING ARTS HALL	9,575,327	10,073,082	9,068,467	-153,458	8,915,009
121077 VAN WEZEL EDUCATION PROGRAM	249,496	233,000	549,905	-44,051	505,854
122000 VAN WEZEL BAR OPERATIONS	6,411	6,000	0	0	0
Totals	\$9,831,234	\$10,312,082	9,618,372	-197,509	\$9,420,863

Department Expenditures By Category

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
Personal Expenditures	1,799,055	2,045,780	2,173,644	-189,841	1,983,803
Non Personal Expenditures	7,805,152	7,950,279	6,972,083	-7,668	6,964,415
Capital Expenditures	0	81,050	0	0	0
Transfer Expenditures	227,027	234,973	472,645	0	472,645
Totals	\$9,831,234	\$10,312,082	9,618,372	-197,509	\$9,420,863

Personnel Summary

Actual Positions	25.00	25.00	-3.00	22.00
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Revenue Summary

	FY 2006 Actual	FY 2007 Budget	FY 2008 Continuation	FY 2008 Issues	FY 2008 Totals
INTERGOVERNMENTAL	417,440	370,000	116,813	0	116,813
CHARGES FOR SERVICES	8,490,895	8,296,400	8,006,103	0	8,006,103
INTEREST	80,078	46,000	96,000	0	96,000
OTHER MISCELLANEOUS REVENUES	358,129	675,250	509,500	0	509,500
TRANSFERS	577,000	900,000	888,339	-297,509	590,830
Totals	\$9,923,542	\$10,287,650	\$9,616,755	(\$297,509)	\$9,319,246

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Budget Reduction

This reduction in spending requires the elimination of three vacant full time positions from the Hall's staffing. Two of these positions had been scheduled for redeployment to enable creation of critical positions for better managing the Hall's finances and programming; the other is a position that had been created to supplement the educational staff of the Hall, but which is difficult to justify at the reduced programming level of the Hall. If paid parking is instituted at the Hall for fiscal year 2007-08, it should approximate \$200,000 in revenue, and these positions will not be eliminated.

The subsidy from the General Fund has been reduced by \$297,509. This is \$100,000 more than the expenditures are being reduced which will cause the operation to use a portion of fund balance to cover expenses.

In addition, funds have been eliminated from temporary or part time employment for the education programs and to enable ticket support and parking attendants for members of the Van Wezel Foundation. These services that are not available to members of the general public should be paid for by the Foundation. These reductions will inevitably marginalize the effective management of the Hall and, over time, erode the ability of the Hall to fulfill its mission with appropriate accountability.

Cost of Issue

Personal	-189,841
Operating	-7,668
Capital	0
Transfers	0
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Total	-197,509

Revenue

TRANSFERS	-297,509
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	-297,509

Net Cost of Issue **100,000**

**CITY OF SARASOTA, FLORIDA
VAN WEZEL SURCHARGE FUND**

	Actual 2005-06	Budget 2006-07	Amended Budget 2006-07	Estimated 2006-07	Budget 2007-08
Available Fund Balance	\$ 1,012,056	\$ 1,051,556	\$ 1,165,741	\$ 1,165,741	\$ 1,201,665
<u>Revenues</u>					
VW ticket surcharge	236,660	250,000	250,000	236,148	191,965
Investment income	51,737	5,000	5,000	35,000	15,000
Total Revenue	288,397	255,000	255,000	271,148	206,965
Estimated Funds Available	1,300,453	1,306,556	1,420,741	1,436,889	1,408,630
<u>Expenditures</u>					
Operating	24,185	120,750	120,750	70,000	88,978
Capital	110,527	439,700	479,727	165,224	1,016,200
Total Expenditures	134,712	560,450	600,477	235,224	1,105,178
Projected Ending Balance	<u>\$ 1,165,741</u>	<u>\$ 746,106</u>	<u>\$ 820,264</u>	<u>\$ 1,201,665</u>	<u>\$ 303,452</u>

VAN WEZEL EQUIPMENT SURCHARGE FUND

Description

The Van Wezel Surcharge Fund was established to accumulate funds for the necessary replacement of equipment or major repair of the facility. The surcharge is levied at the rate of \$1.00 per ticket sold

Beginning Fund Balance \$1,201,665

Revenue Summary

Title	Continuation	Issues	Total
CHARGES FOR SERVICES	191,965	0	191,965
INTEREST	15,000	0	15,000
Totals	\$206,965	\$0	\$206,965

Department Expenditure Summary

Title	Continuation	Issues	Total
VAN WEZEL PERFORMING ARTS HALL	1,105,178	0	1,105,178
Totals	\$1,105,178	\$0	\$1,105,178

Ending Fund Balance 303,452