

Executive Director's Report 2009—10 Season



In April I completed my second year as Executive Director/CEO of the Stockton Symphony. In this second year we have experienced a dreadful recession, navigated a financial crisis, added a Pops Series, moved our Pops & Picnic to UOP, enjoyed impressive audience growth and accomplished (some would say survived) much change.

Let me list just a sample of our accomplishments and successes this season:

- **We grew our Classics Series subscriptions by 25% over 2008-09. Overall, we increased ticket revenue by almost 5%.** In June 2008 when I made my first report as your new Executive Director I noted that one of the most significant challenges facing the orchestra was declining ticket sales. We have turned that around --- thanks to new Pops offerings, good advice from our marketing consultant, media sponsorships by *The Record*, discount pricing for new subscribers, and attractive programming by our music director.
- **We launched a Pops Series and had two sold-out concerts.** In our first year of offering a 3-concert Pops Series, we sold out two of the three concerts: the Holiday and Valentine Pops concerts. Plus, we had long waiting lists for tickets for both these concerts. Our Pops Concerts will be a key ingredient to sustainability. We have already exceeded the total number of Pops subscribers last season – six months before the first Pops concert of 2010-2011.
- **We exceeded the FY10 ticket sales income budget by more than \$17,000.**
- **We won a \$50,000 stimulus grant from the federal government – the maximum award for arts organizations.** Half of this was used to preserve our education concerts for 4th and 5th graders. The other half supported the salary of our marketing associate and administrative assistant.
- **We are a finalist for the second phase of the Arts Regional Initiative by the James Irvine Foundation.** If funded, we will receive a grant in the amount of \$250,000 for projects centered around improving cultural participation and achieving financial sustainability.
- This spring **we were invited**, based on our good record of performance and compliance, **to submit a \$10,000 grant proposal to the National Endowment for the Arts for an education project in 2010-2011.**
- **We have been awarded a \$16,000 grant from the California Arts Council that will make possible our first free concert for the community since the City cancelled our July 4th concerts five years ago.**

- We offered, for the first time, in-home recitals featuring our guest artists as fundraisers. Thanks to the Yecies and the Shermans for hosting these.
- We presented our **first chamber music concert**.
- **We deepened our engagement with the University of the Pacific** by moving our Pops & Picnic concert to the Alex G. Spanos Center and by exploring the possibility of co-operatively launching an El Sistema education program in Stockton.
- **We have had some national press.** We were featured in *Symphony* magazine twice this year.
- **We negotiated a new three-year collective bargaining agreement with the musicians union. We took an important step in ensuring artistic quality by giving our musicians a raise --** 8% increase for 2009-2010 and 7% for 2010-2011. Our musician pay rates still lag behind other regional orchestras including our close neighbors in Modesto and Sacramento.
- **We negotiated more favorable contracts** with guest artists for the 2009-2010 season --saving the orchestra more than \$22,000 compared to the previous season.
- **We continued intensive work on improving our governance**, thanks to consultancies with Werth-It and BoardSource, paid for by a James Irvine Foundation grant. Board members received fundraising training and more board members were involved in fundraising visits to donors than in the past. We passed conflict of interest and whistle blower policies and began to track board engagement.
- **We recruited a number of new board members.** Our board now more accurately reflects the diversity of our community.
- **We won a contest (and a \$5,000 prize) sponsored by the University of the Pacific's Global Center for Social Entrepreneurship** and United Way for a sustainability project. We were one of 24 nonprofit entrants. The prize money will be used to pilot a presentation series of small concerts, called Music Beyond Borders, in neighborhood venues. UOP's MBA candidates will help the Symphony develop a business plan next semester to support this idea.
- **We won, by competitive application, free consulting from the NonProfit Finance Fund** to give us an historical financial diagnostic analysis with suggestions for the future. This will begin this summer.
- **We added two strong new staff members** to the team: Jennifer Tait, fund development associate, and Julie Ford, marketing associate. **Unlike 2008-09, we lost no administrative staff this season, despite frozen salaries and cuts in benefits.**
- **We did not have to borrow from the bank this year.**

- **We launched a new improved website. We made it possible for patrons to choose their own seats when purchasing tickets online. We added music clips to the program notes pages of the website.**

Despite these impressive strides, we have also had some **extraordinary challenges and disappointments due to the bad economy** and slow recovery here in Stockton.

- We had an **operating deficit** for the second year in a row.
- We had a **30% drop in contributed support**. We lost contributed support in the amount of \$200,000 compared to FY09 – due in large part to the difficulty in securing corporate sponsorships and corporate grants. Many of our most loyal sponsors abandoned us this year. This loss of sponsorship also resulted in lowered net profits from our Pops and Picnic fundraiser for a second year.
- We had to **freeze all administrative wages** for most of FY10 and reduce some benefits in calendar year 2010.
- The Symphony's offices are in a City-owned building. The City cannot afford to fix the ac an heating systems. **We may be forced to move in the near future** and have not yet identified alternate space. The move will be an unbudgeted expense and will cause disruption in business.

And we still have challenges, including

- **Turning a larger number of subscribers into donors.** Currently 45% of subscriber households also donate. We must improve this if the Symphony is to be a sustainable organization.
- **Insufficient staff salaries.** We will continue to have trouble retaining administrative staff unless we can offer more competitive salaries.
- **Difficulty in getting top musician talent to sign a contract** and/or to honor fully their contracts due to noncompetitive pay rates. Our orchestra roster is different from concert to concert. We must find new sources of income that will ultimately allow us to reach parity in musician pay with other orchestras in the region – insuring our ability to attract and retain artistic talent.
- **Declining or disappearing music programs in area school districts.** This will seriously impact future audiences. We must be pro-active in fighting for our public school music programs.
- **Inadequate government funding.** California is second to last of all the states in arts funding. Currently the County provides no funding for the Symphony. The City of Stockton awards relatively little funding to arts organizations, in comparison to cities of similar size in other parts of the country. This makes sustainability that much more difficult to achieve. The safety net for arts organizations is in tatters.

- Competition for board members/volunteers. We are a small community with a small number of dedicated, involved leaders - who are sought after by an increasing number of nonprofits for leadership positions. As our dedicated volunteers retire from service we are challenged to find new ones to step up and take their place. Our own Alliance is losing leadership with nobody willing to take on the President or Vice President roles.
- Meeting the needs of a diverse community. Our region's demographics demand that we learn how to become of value to more of our populace. Our audience does not reflect the diversity of our community.

As an organization we need to broaden, deepen and diversify our audience if the orchestra is to have a secure financial future. This will require a new kind of work on our part, including:

- Learning how to reach and communicate with all the varied constituent groups that make up our community. Orchestras that do not represent and reflect the communities they serve will not last. The orchestra has to become valued by, and of service to, more people.
- Experimenting further to learn what kind of artistic programming will provide a gateway for these new audiences to the symphony concert hall – an unfamiliar and intimidating world for the newcomer.
- Getting out of our traditional concert hall with small ensembles to perform for these prospective new audiences in the familiarity of their own neighborhood churches and community centers.
- Developing partnerships with organizations that can help us to meet and create relationships with nontraditional audiences.
- Developing new and innovative adult education programs that will deepen our audience members' relationship with the music and our organization.
- Finding ways to fund and develop the technologies that will attract younger people to the orchestra's programs. – MySpace, Blogs, and audio and video podcasts. This is how young people communicate and we cannot be relevant to them if we don't learn these new technologies and skills

The Stockton Symphony has become the organization it is because of fine artistic leadership and because of the dedicated support of board members and donors, both individual and corporate. The gifts of talent, time and treasure can combine to ensure the future, both artistic and financial, of the Stockton Symphony. By being open to new ideas and change, while still honoring our orchestra's traditions, we can ensure that it will grow and prosper.

The Stockton Symphony has the potential to reach even greater artistic heights, to educate even more young people, and to become an organization that reflects and serves the entire community. I look forward in the next year to working with all of you on these grand goals.