

Arts and Culture Advisory Commission Meeting

January 20, 2022



- The meeting has not yet begun
- Commissioners have been muted upon entry to minimize excess “noise”
 - Please do an audio/visual check so that you can be counted as present – reminder that if your video is off, you will be counted as absent per Texas Open Meetings Act
 - Public speakers must also be on video and can do audio/video check if logging in early
- The meeting will begin once we have reached quorum and the Chair calls the meeting to order
- Please refrain from discussing any business before the meeting has been called to order





City of Dallas

Arts and Culture Advisory Commission Briefing

January 20, 2022

Office of Arts and Culture
City of Dallas

Agenda



- Cultural Spotlight: Avant Chamber Ballet
- Briefing: FY 2022-23 Cultural Organizations Program Guidelines
- Briefing: Latino Cultural Center Facility Component Naming Proposals
- WRR Municipal Radio Overview and Procurement Process
- COVID-19 Impacts on Cultural Services
- Chair's Report: Commissioner and Cultural Organizations Program Liaison Updates



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FY 2022-23 COP Guidelines



- Cultural Organizations Program (COP) provides operational support to nonprofit arts and cultural organizations with a minimum of \$100,000 operating budget for a year-long program of events
- Program guidelines are updated and approved annually per Cultural Policy
- Community review panel approach evaluates applications
- Review panel scoring (70 points) + administrative scoring (30 points)
- Allocations Committee and Arts and Culture Advisory Commission make funding recommendations in the summer/early fall based on scores by tier
- Organizations are contracted for a one-year term
- FY 2022-23 COP Guidelines are largely consistent with previous year's guidelines



FY 2022-23 COP Guidelines



- Timeline:
 - Guidelines posted and program marketing begins: February 1
 - Application period: March 1 – April 11
- Key Updates to 2022-2023 Guidelines:
 - Funding level restrictions made “progressive”
 - Commissioner liaison board meeting access
 - Administrative scoring criteria: minimum employee pay, SMU DataArts Cultural Data Profile
- Virtual Panel Review Process:
 - 10-minute video presentation upload / 10-minute Q&A session
- Next Steps:
 - City Council vote to approve COP guidelines: January 26
 - Ongoing: OAC marketing and engagement with new ALAANA and/or small organizations to apply
- Commissioner Referrals for Panelists & Applicants



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LCC Facility Components Naming Proposals



- Council Resolution 19-1905 approving the residency agreements provided for both groups' names to be on the outside of the multiform theater pending fulfillment of contract requirements
- For the capital campaign acknowledgment, OAC naming policy (part of 2018 Dallas Cultural Policy) provides for naming opportunities to increase sustainability of the arts ecosystem and OAC buildings via private fundraising
- Policy requires that contributions related to naming rights must be dedicated in part to facility needs
- LCC consolidated capital campaign follows policy, with 100% of contributions dedicated to the LCC Phase II project
- Naming proposals for received contributions must undergo a 30-day public comment period on OAC's website and other applicable public forums
- Following the 30-day comment period, the Arts and Culture Advisory Commission will vote to recommend to the Director



LCC Facility Components Naming Proposals



- Facility Component Naming Proposals
 - LCC Phase II Naming Proposals were posted on OAC, LCC, and City Secretary's Office websites on December 13, 2021 for 30-day comment period per Cultural Policy
 - 91 comments received; all comments were in favor of Naming Proposals
- LCC Phase II Naming Proposals for vote by ACAC are as follows:
 - **Eliberto Gonzalez Theater** (Theater space interior entry way)
 - **Cora Cardona Entrance** (Outdoor sign over entrance to new black box theater)
 - **Catalina E. García, MD Walkway** (Walkway leading to new theater entrance from Florence Street)
 - **Friends of the Latino Cultural Center Lobby** (Lobby – near the entrance to new theater)
 - **The Dallas Foundation Courtyard** (New courtyard)



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Purpose



- Share an overview and historical context on WRR 101.1 Classical FM, a municipal radio station managed as an Enterprise Fund by the Office of Arts and Culture
- Provide information about the ongoing procurement for future classical radio programming and station management of 101.1 FM
- Give Commissioners a preview ahead of City Council Quality of Life, Arts and Culture Committee briefing planned for February



Overview of WRR-FM



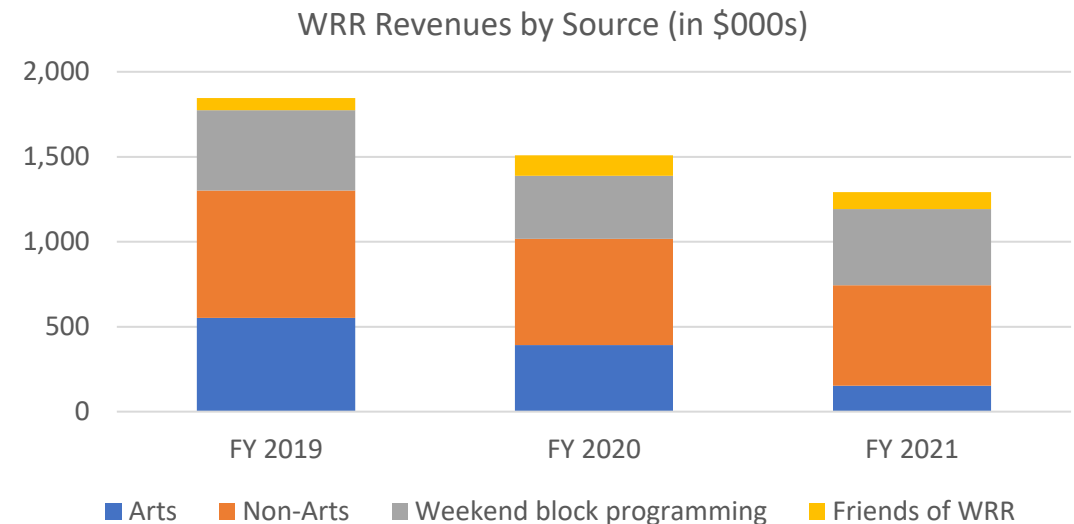
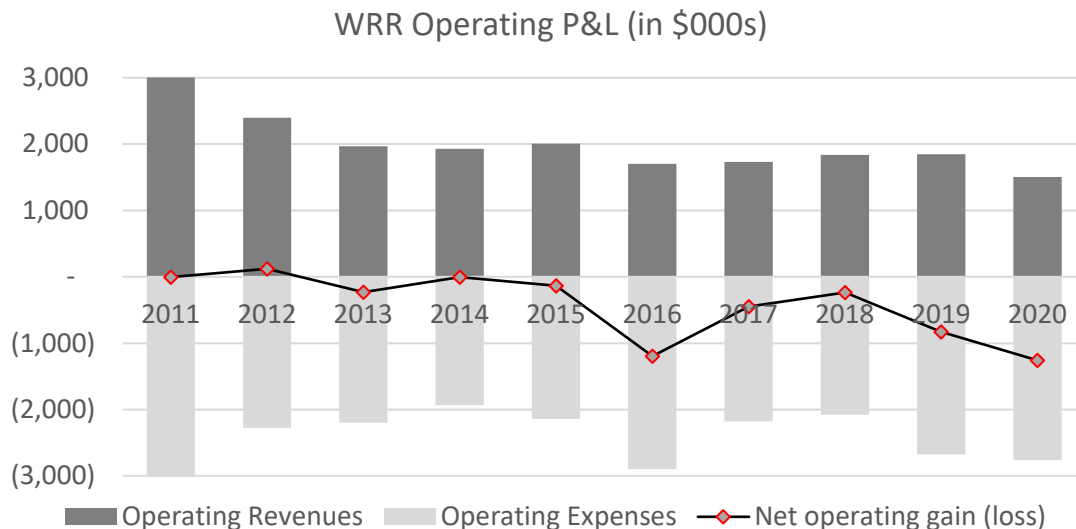
- WRR was licensed in August 1921 as fire department communications and converted to an all-classical station in 1964
- WRR is an enterprise fund of the City of Dallas, generating revenue through advertising and sponsorships to cover its expenses; other enterprise funds include Water, Sanitation, and Aviation
 - Commercial spots sold by WRR sales staff paid on commission, with applicable City ethics rules limiting on-air promotions
- Station has operated out of current Fair Park studios since 1974
- Per Council Resolution, City Council agenda meetings typically aired two Wednesdays per month on WRR for 5-6 hours (pre-pandemic)



Overview of WRR-FM: Financials



- Current FY22 operating expense and revenue budget of \$1.8M with 9 FTEs; November forecast of \$1.7M revenues
- FY 2020 audited financials – operating expenses of \$2.8M and revenues of \$1.5M with operating loss of \$1.3M*
- Of last 10 years, only 2012 had a net operating gain, of \$123K
- From 2003-2020, net assets have decreased by \$11.6M, from +\$6.7M to -\$4.9M
 - City Council chose to transfer \$4.8M following the 2009 recession (41% of asset losses)**



*Operating expenses include depreciation, post-employment benefits; net cash used was -\$64K per 2020 Consolidated Annual Financial Report

**Council Resolution Nos. 09-2377 and 10-2286 authorized transfers up to \$6.4M; the net transferred out of the Capital Fund was \$4.8M, and the final transfer occurred in March 2011. Over \$33M in transfers from other enterprise funds to the General Fund were also authorized

Overview of WRR-FM: Listeners



- Average 2021 weekly audience of 238K, with 1.3% market share and time spent listening (TSL) of 2 hours
- Pre-pandemic high in 2018 was 326K weekly audience, with 1.9% market share and TSL of 3 hours 15 minutes
- WRR ranks #5 of classical radio stations nationally
- Audience is 7% Black, 14% Latinx/Hispanic (79% categorized by Nielsen as Other)
- 40% of WRR-FM listeners are in the City of Dallas; 60% are in other cities in the 100-mile radius broadcast zone*



* All listener data for calendar year 2021, unless otherwise noted, from The Nielsen Company

City Council Agenda Meetings



- Currently mandated due to 1978 Resolution No. 78-0309
 - In 2019, there were 8,700 average listeners in any given 15-minute period
 - During City Council morning sessions, this dropped to 400 listeners (95% decrease) and afternoon sessions dropped to 200 listeners (98% decrease)
 - For 89% of the City Council broadcast hours, the audience was statistically 0
 - Audio-only broadcasts were added to the City's website in January 2019
 - During the pandemic, sound quality from Webex is not high enough for radio broadcast; Webex also allows for a call-in option to listen by phone
 - No complaints have come in to OAC or WRR management regarding this change
- It is estimated that pre-pandemic, this prime-time radio time cost WRR over \$80K annually in forgone revenues
- Staff recommended changing this in 2019, but Council rejected 8-7



*Operating expenses include depreciation, post-employment benefits; net cash used was -\$64K per 2020 Consolidated Annual Financial Report

** All listener data for calendar year 2021 from The Nielsen Company

WRR-FM Procurement Rationale



- Staff recommendation is to:
 - Continue history of providing free Classical broadcasts on 101.1FM by seeking an outside partner
 - Increase hours of Classical programming by removing mandate for Council broadcasts
- Services are challenged by continuing financial losses, and downward ad revenues and radio industry trends are forecasted to continue
- Challenges of a government-run radio station could be addressed by a contracting with a private partner
- No current WRR funds available for upcoming (5-10 year) capital needs for building and broadcast infrastructure



WRR-FM Procurement Must-Haves:



- Classical radio station continuing to operate on the 101.1FM bandwidth
- City to retain ownership of license, and proposer to take control of sales and programming
 - Common model in the industry, known as a Local Marketing Agreement
- Locally-programmed Classical at same or more hours than currently
- Continue WRR history of providing services to the arts community
- Non-profit type management – local responsiveness to City
- Reimburse City for all WRR-related expenses
- Station operations desired to continue in Fair Park studios
- Additional financial benefit to the City – e.g., revenue share or guaranteed promotional spots



WRR-FM Procurement Timeline



- March 2021 – WRR/Office of Arts and Culture leadership met with WRR staff and Executive Director + Chair of the Board of Friends of WRR to discuss the upcoming procurement process
- June 17, 2021 – [Request for Proposals](#) for WRR Municipal Radio Station Management opened
- August 12, 2021 – Proposal Period closed (8 weeks)
- August 13, 2021 – Bids opened and 2 bidders announced – Dallas Symphony and North Texas Public Broadcasting (KERA)
- Fall 2021 – Scoring of proposals by 4-member evaluation committee
- Current – Negotiating with proposers to finalize key deal terms



Next Steps



- Public input session on a new programming and sales partner for WRR will be scheduled for February 2022
- Quality of Life, Arts and Culture Committee briefing planned for February/March 2022 with key deal points
 - Reminder: procurements are governed by state law, and discussion with a proposer prior to a City Council vote is not allowed
- City Council broadcast mandate and contract vote planned for April/May 2022
- Contracts to be finalized in late Spring/early Summer 2022, with transition complete by September 30, 2022, concurrent with end of fiscal year



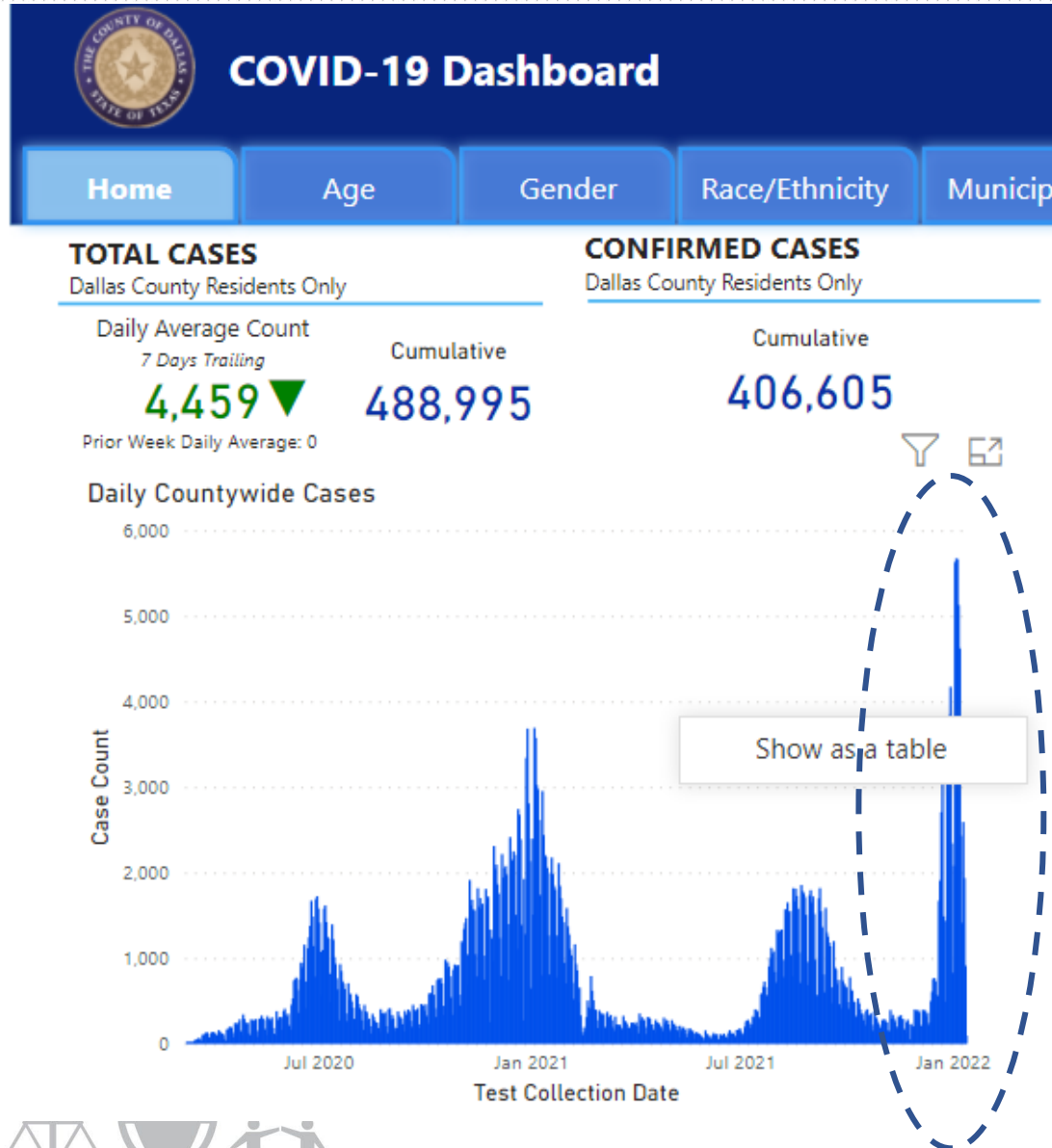
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Impact of COVID Omicron Wave:



- Like the rest of the country, Omicron has meant sharply increasing community infection rates and hospitalization rates in Dallas County
- The City of Dallas has encouraged employees to work from home when possible, but with continuance of operations
- Cultural Centers are still open, and The Majestic is continuing to see strong bookings and sell-out crowds



Impact of COVID Omicron Wave:



- Theater and performing arts have been particularly affected:
 - Dallas Theater Center cancelled several productions of *The Christmas Carol*
 - January Moody cancellations, namely Shakespeare Dallas' *Twelfth Night* and Junior Players' *Be More Chill*, mean we are reforecasting Moody financials
 - Cry Havoc Theater postponed run of *The Forever Quest* at SDCC, reduced ticketing capacity to only 36 per show, but made it happen!
- Many of the Dallas museums and other attractions had hoped for field trips to resume but are seeing increased cancellations of field trips and special private events
- "No show" rates have increased dramatically and some venues are still limiting capacity based on sales
- The DSO and ATTPAC remain requiring proof of vaccine and masks and DSO is rapid testing unvaccinated patrons onsite



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Chair's Update



- Updates on Commissioners
 - Vicki Meek, Art League Houston's 2021 Texas Artist of the Year
- Updates on Liaison Organizations - liaison reports in your meeting packets:
 - The Dallas Opera
 - Junior Players



Looking Ahead



- City Council
 - January 26 – City Council Vote on FY 2022-23 Cultural Organizations Program Guidelines and Octavio Medellin Proclamation
 - February 9 – City Council Acceptance of Juanita J. Craft Civil Rights House and Museum Donation and Mayoral Proclamation in honor of Mrs. Craft
 - Junior League of Dallas invites all Commissioners to a reception following the proclamation in the City Hall lobby – see your email for the invitation



Looking Ahead



- Commission and Committees
 - February 1 – Public Art Committee
 - February 10 – Allocations Committee
 - February 17 – Arts and Culture Advisory Commission
- Other City Meetings
 - Ongoing – We Are One Dallas Racial Equity Plan Meetings – full list at <https://weareonedallas.org>
 - February 3, 5:30 pm at Hampton-Illinois Branch Library - We Are One Dallas Racial Equity Plan Community Consult: An action oriented conversation about equity in Arts & Culture



