

**RESOLUTION No. 214497**

Adopted on OCT 15 1975

BE IT RESOLVED, by the Council of The City of San Diego as follows:

That Council Policy 100-4 entitled, "Cooperative Funding of Cultural Institutions with the County of San Diego" be, and it is hereby established as set forth in the form of Council Policy filed in the office of the City Clerk as Document No. 753082.

BE IT FURTHER RESOLVED, that the City Clerk be, and he is hereby instructed to add the aforesaid to the Council Policy Manual.

APPROVED: JOHN W. WITT, City Attorney

By H. Valderhaug  
Harold Valderhaug, Deputy

HOV:nb 011.1  
9-24-75  
Or. Dept. Fin. Mgmt.

**MICROFILMED**

MAY 20 1978

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City of San Diego, California  
COUNCIL POLICY

11-2-4

Subject Cooperative Funding of Cultural  
Institutions with the County of San Diego

DOCUMENT NO. 753082

FILED OCT 22 1975

OFFICE OF THE CITY CLERK  
SAN DIEGO, CALIFORNIA

Background

During February of 1974, the City Council of the City of San Diego expressed concern with the existing basis of funding Cultural Institutions, and indicated a desire to develop a uniform City-County funding method. On June 5, 1974 the Manager of the City of San Diego and the Chief Administrative Officer of the County of San Diego submitted a jointly signed memorandum to the City Council and the County Board of Supervisors proposing a City-County funding study be undertaken. The objectives of this study were to be: to establish a coordinated and reasoned policy towards institution funding; and to explore and develop new institution revenue sources, financing alternatives, and incentives for maximizing non-governmental sources of financing. Historically, the City-County support has ranged between 47% and 67% of the total operating budgets with five out of seven institutions receiving more than 60% of their support from the City and County.

A coordinated policy has been developed on an agreed-to basis for sharing the costs of providing financial assistance to cultural institutions in the San Diego area.

Purpose

To provide for a cooperative method of financing the operation of cultural institutions in San Diego County, to provide for an agreed distribution of the fiscal burden between the City of San Diego and the County; and to provide incentive for institutions to raise funds through sources other than governmental funding.

Policy

It is the policy of the City of San Diego to participate with the County of San Diego in the funding of specific cultural institutions in the manner provided below.

1. Identification of Institutions

This cooperative funding policy is initially applicable to those institutions which are herein identified: The Fine Arts Gallery, The Natural History Museum, The Museum of Man, The Serra Museum, The Aerospace Museum, The Aerospace Hall of Fame, and The Hall of Champions. Subsequently, the City may consider extending support to other cultural institutions if they meet the following criteria at the time funding is requested and conform to County and City policy:

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- A. Hold a legally tax exempt status;
- B. Be housed in a permanent location (owned/leased) within the County;
- C. Demonstrate a positive need for City-County support;
- D. Have at least 40% of operating costs provided through other than City-County funding;
- E. Use City-County support for operating costs only;
- F. Funding request is not for a one-time effort which might be considered a local event;
- G. Provides cultural services to all county residents.

II. Eligibility for Continuing Support

To be eligible for continued City-County support, each institution shall:

- A. Maintain a system of attendance statistics which will provide visitor breakdown between (1) San Diego City Residents, (2) San Diego County residents, (3) out-of-county visitors, and (4) out-of-state and foreign visitors.
- B. Make every effort to increase the amount of non-City-County support and submit a report to the City-County Cultural Institutions Funding Committee each year detailing funding from all sources including funding for capital expenditures.
- C. Submit a full disclosure financial statement to the Funding Committee each year as part of the annual budget request. The statement is to include all operating expenditures and revenues together with capital acquisitions and other sources of funding and a statement of assets, liabilities, and reserves.
- D. The City shall have the right to audit each financial record submitted to the Funding Committee at its discretion.
- E. The Funding Committee shall evaluate the financial statements submitted under "C" in terms of need and recommendation of priorities of institutions to be funded and the levels of funding.

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### III. Ratio of City-County Funding Support

To provide for a stable and predictable funding arrangement between the City and the County, it is agreed that the City and County will bear that portion of the total funding recommendation of the Funding Committee developed for each jurisdiction by the following formula:

#### A. Formula

Each cultural institution is expected to provide for 40% or more of its total operating expense. Those institutions which in 1974-75 received local governmental support in excess of 60% of their operating expenditures are to be advised that they have three (3) fiscal years in which to bring the non-government portion of the funding in line before the 40% rule is applied.

Initially for 1975-76, The City and the County will jointly provide a basic support to the institutions consisting of the same amount which was provided jointly in 1974-75 in a support ratio of 79% City and 21% County, adjusted by 10% for cost of living increase for the previous 12 months.

The City and the County will share the total local governmental support in a ratio of 75% by the City and 25% by the County for each institution, commencing with the 1976-77 fiscal year.

Except as noted above, the basic support subsidy provided by City/County contributions will never exceed 60% of the institution's total operating budget. In the event of a decrease in non-City-County fund expenditures by the institution, the basic City-County support subsidy will be decreased by the same amount. This new City-County allocation will then become the Basic Support Subsidy, and will be used in the calculations of the Matching Fund Subsidy, and subsequent basic allocations. While the maximum City-County contributions is limited to 60% of the total operating budget, there is no minimum level of support.

#### B. Incentive Support

1. Additional "incentive support" will be provided to each institution in relation to its ability to increase funding from non-City-County sources. Such incentive support will be based on the amount of matching expenditures received during the previously completed fiscal year in relation to matching expenditures during the prior fiscal year. Incentive support will be initiated with the 1976-77 fiscal year.

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2. The incentive support will consist of a dollar-for-dollar matching of eligible matching expenditures for each institution up to ten percent (10%) of the current year's appropriation. Improvements in excess of 10% may be carried over to the next year, but the total City-County support will not increase more than 10% in any one year due to incentive support.
3. The matching expenditures upon which the incentive support is to be based, must come from eligible sources listed below:
  - a. Membership dues income
  - b. Admission fee income
  - c. Unrestricted endowment income
  - d. Restricted income (funds solicited for a specific eligible purpose)
  - e. Other income (profits from gift shops, tours, and social events; interest earned from bank deposits, and contributions and government grants, etc.)
  - f. Unexpended eligible income (from previous years)
  - g. Donations and gifts

The eligible income must be expended for institution maintenance and operations. These are defined as "matchable expenditures."

Eligible income will be considered expended during a fiscal year period after all City-County income available for matchable expenditures, as defined herein, is expended for that same period.

The City and County shall share equally in the Matching Fund Subsidy, as well as any other subsequent increases agreed upon by both governing bodies.

IV. Establishment of Funding Committee

To coordinate annual budget requests, to provide meaningful evaluation and to arrive at the total amount of annual City-County funding to be recommended, it is agreed that a Funding Committee be established. The Committee shall be comprised of:

- 3 representatives from the City of San Diego Park and Recreation Board
- 2 representatives from the County Parks and Recreation Committee appointed by Agency Advisory Board for a term consistent with that of the parent committee;
- 1 President of the Inter-Museum Council;
- 1 At-large representative selected by the IMC;
- \* 1 ~~Non-voting~~-liaison person from the County; designated by the Board of Supervisors
- \* 1 ~~Non-voting~~-liaison person from the City; designated by the City Council.

\* (10-15-75 Council voted to remove the words non-voting. 1m)

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The function of the Funding Committee will be to:

- A. Coordinate timely receipt of annual funding requests from the institutions.
- B. Review and evaluate annual budget requests and financial statements.
- C. Make specific dollar recommendations for funding of the City Council and the County Board of Supervisors.
- D. Review and evaluate requests for increases in the Basic Support Subsidy as provided for by the formula, making appropriate recommendations to the City Council and the Board of Supervisors.
- E. Review and evaluate requests for increases in the Basic Support subsidy as they directly relate to new and innovative programs.

Institutions who find themselves in disagreement with the recommendations of the Funding Committee may present their case to the City Council and the County Board of Supervisors.

In making the annual budget request to the Joint City-County Funding Committee, the institution will need to include the following information:

- A. Attendance statistics for the current fiscal year which provide visitor breakdown shown under Section II A.
- B. A report to the Committee each year detailing (1) the types of non-City-County support received during the current fiscal year, and (2) new types of support expected to be investigated in the coming year.

The form of the actual budget request will be determined by the needs of the City and County's budgetary processes and dictated by the Joint Funding Committee.

Adjustment in the basic level of support will be made by negotiation between the City, County, and the respective institution if there are any substantial increases or decreases in institution floor area used for exhibitions or other public purposes. Such an adjustment would provide funds for basic costs such as utilities and custodial services. Increased or decreased support would be considered on the basis of public use floor area increases or decreases of approximately 2,000 square feet.

Adjustments may also be made to provide support for new and innovative programs as recommended by the Joint Committee and approved by the City Council and the County Board of Supervisors.

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Passed and adopted by the Council of The City of San Diego on  
by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lee Hubbard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Martinet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Jim Ellis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jess D. Haro	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON

Mayor of The City of San Diego, California.

(Seal)

EDWARD NIELSEN

City Clerk of The City of San Diego, California.

By *Rathlum Martiniz*, Deputy.

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CITY CLERK'S OFFICE  
1975 OCT 17 AM 8 23  
SAN DIEGO, CALIF.

Office of the City Clerk, San Diego, California

Resolution Number **214497** Adopted **OCT 15 1975**

CC-1276 (REV. 1-75)

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