

City and Borough of Sitka

ANNUAL GRANTS FROM GENERAL FUND

SUMMARY SHEET

Name of Organization: Sitka Summer Music Festival

Alaska State Business License Number (if applicable): 961779

Name of Contact Person: Kayla Boettcher

Phone: 907 747 6774 Email: director@sitkamusicfestival.org

Mailing address: Po Box 3333, Sitka

Grant Category (check either annual or special emergency grant, and check type of services for annual grant):

- Annual Grant:
  - Human Services or
  - Cultural and Educational Services
  - Community Development
- Special Emergency Grant

Dollars Requested: \$7,500

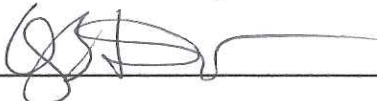
Match Dollars Committed: \$372,157 Percentage: 2% of total budget

Sources of Matched Dollars: Individual & Corporate Donations (30%), Earned Revenues (35%)  
other grants (21%), special events (11%)

Brief Description of the Purpose of the Grant: \_\_\_\_\_

To sustain current programming enhance new residency  
programs, and expand regional & national marketing.

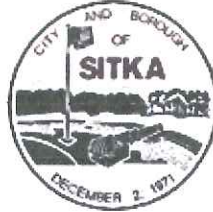
I, Kayla Boettcher, do hereby certify that all information provided for this grant application is accurate and complete to the best of my knowledge.

Name: 

Title: Executive Director Date: 15 August 2014

# Sitka Summer Music Festival

Request for a  
Cultural and Educational Services Grant  
from the City and Borough of Sitka



for Fiscal Year 2015

For further information, please contact:

Kayla Boettcher, Executive Director  
Sitka Summer Music Festival  
PO Box 3333  
Sitka, Alaska 99835  
907-747-6774  
[director@sitkamusicalfestival.org](mailto:director@sitkamusicalfestival.org)

## Detailed Project Description

The Sitka Summer Music Festival respectfully requests a Cultural and Educational Services grant of \$7,500 to help us sustain current annual programming, enhance new residency programs, and increase regional and national marketing.

The Festival board and staff remain steadfast in their commitment to provide world-class artistic and cultural experiences for Sitkans and their visitors. The Festival's annual programming – comprised of the summer festival in Sitka, the Autumn and Winter Classics series in Anchorage, and the 2-4 concerts per year in more remote Alaska locations – provides the preeminent chamber music experience for all Alaskans. The fact that "Sitka" appears in the branding for all of these concerts draws widespread attention to this community's dedication to the arts.

This request would support the Festival's budget in the following ways:

- Increase educational offerings (\$2,000): Renowned cello pedagogue Melissa Kraut from the Cleveland Institute of Music will be hired to lead two cello seminars in July, 2015. Each seminar will draw eight college-age cello performance majors to Sitka, to study with Dr. Kraut and Zuill Bailey. Private lessons and master classes will be offered to the public as part of the seminar, and the students will visit various local organizations (such as SAFV, the Pioneers Home, and Sitka Community Hospital) and restaurants (such as the Westmark, DockShack Café, and Ludvig's Wine Bar) with outreach performances and free concerts. The curriculum is based on a tiered learning strategy, with master teachers instructing the college students and adults, and providing guidance and supervision over the college students as they give private lessons and workshops to high school and middle school students.
- Assist with travel and hospitality expenses for visiting artists in February and June (\$2,350): Airfare to bring these internationally-recognized professionals to Sitka is a tremendous expense. And although the Festival is now able to house all the summer guests in Stevenson Hall, an effort is made to stock the kitchen pantry with food and other staples to make their stay as comfortable as possible.
- Offer sixty free/reduced ticket prices for concerts to Sitka Fine Arts Camp students, SAFV shelter residents, and local music students, among others (\$900).
- Market nationwide to independent travelers & classical music lovers through classical music magazines and the programs of other chamber music festivals. (\$2,250).



### Expected Outcomes

The Festival has recently been through a major transition with the retirement of founding Artistic Director Paul Rosenthal and the orientation of his successor, Zuill Bailey. Major changes as a result of this transition include an increased emphasis on community engagement and education, an eye toward program expansion – especially with residential programs in Stevenson Hall, and increased awareness of the Festival within the broader classical music world. Funding from the City of Sitka will specifically support the goals of program expansion and broadening national awareness of Sitka.

Every visiting guest artist and cello student leaves Sitka with a deeper understanding of the community and the Festival, and shares the community's favorable reputation with their colleagues, families, and friends. Expanding the residential programming to include more students and continuing to offer the warmest hospitality for all guest artists helps to build a name and brand for Sitka in much the same way that the arts programs of Aspen, Banff, and Interlochen have done for their home communities.

In addition, if funded at the full amount, \$2,250 would be dedicated to nation-wide advertising, to increase awareness of this Festival and draw more independent travelers to Sitka in June. Although there isn't a record of detailed geographical information on every Festival patron, it is known that – in June 2014 – Festival tickets were sold to at least 23 Anchorage families, 11 families from other Alaska communities, and 40 families from 16 other states and 3 other countries. Festival administration aims to strategically place ads in chamber music magazines and the programs of other classical music presenting organizations across the country to increase awareness about the Sitka Summer Music Festival. A measure of success for this goal will be increased numbers of patrons from outside of Sitka, with a benchmark measurement possible from early ticket sales in late spring.

Assisting the Festival with these goals not only helps this non-profit organization, but it also helps to spread awareness of the community in general, and make it attractive for increased independent tourism.

## Statement of Need

The request outlined in this proposal illustrates the Festival's dedication to presenting the highest caliber artistic performances as well as a desire to expand educational offerings through a tiered learning system, involving music students from middle school to adult.

Providing assistance to the Festival helps the City meet two of its Comprehensive Plan goals:

- (2.2.6) Complement existing economic activities and strive to increase economic diversity. The Festival is already recognized as an economic engine for the community, bringing a significant number of independent tourists to Sitka each year.
- (2.12.1) Recognizing that Sitka's arts and culture activities are essential to the quality of life and integral to the economic base of the community.

Scientific studies also support the notion that an emphasis on art – and classical music in particular – has the ability to do everything from improve intelligence to reduce stress, and can have a marked effect on the brain in a number of positive ways.<sup>1 2</sup>

With regard to the Festival's need for City funding specifically: the ability to show financial support from the City of Sitka is critical in leveraging funds from other sources. Your support validates Festival programs as a welcome and worthwhile effort for the community of Sitka. Without that validation, Foundations and other grantors would not be as confident in offering additional support. With the help of generous contributions from government entities and foundations, the SSMF is able to keep ticket prices low and world-class chamber music accessible to people of all socioeconomic backgrounds.

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<sup>1</sup> Duke University Medical Center. "Headphone music eases anxiety during prostate biopsies." ScienceDaily. ScienceDaily, 9 January 2012.

<sup>2</sup> Arts Education Partnership, *Music Matters: How Music Education Helps Students Learn, Achieve, and Succeed*. Washington DC, September 2011.

## Organizational Capacity

The Sitka Summer Music Festival has been a successful presence in Sitka for forty-three years, and over 150 professional classical musicians have performed across Alaska because of the Festival. In June 2014, the SSMF presented seven formal evening concerts, thirteen free community concerts and events, and four special fundraising events, to a total estimated audience of almost 4,500 people.

The SSMF enjoys consistently generous support from the community of Sitka. In FY14, \$56,000 was donated to the Festival from over 50 individual Sitkans and 13 Sitka businesses. Tremendous in-kind support with a total value of over \$14,000 was also provided by SeaMart, Allen Marine, Seafood Producers Co-op, Sitka Sound Seafoods, Ludvig's Bistro, Alaska Airlines, Larkspur Café, Dock Shack Café, Westmark Hotel, Channel Club, Sitka Community Hospital, and Foreign Auto.

In addition to the support shown toward the summer Festival events, individuals in Sitka have contributed nearly \$40,000 this year (and over \$70,000 total) to help with the Stevenson Hall capital campaign.

The SSMF also has an incredibly dedicated board, consisting of eight Sitkans plus two members from outside of Sitka. It is rare for a board member to miss the monthly meetings, and they are all extremely active in planning and hosting concerts and special fundraising events. The current board roster is as follows:

- Jim "Stef" Steffen – President
- Kari Lundgren – Vice President
- Joyce Hughes (Anchorage) – Secretary
- Cyndy Gibson – Treasurer
- Jeff Budd
- Jason Dinneen (Anchorage)
- Don Lehmann
- Kari Lundgren
- Tiffany Pearson
- Cindy Westergaard

In addition to the hard-working members of the board, over sixty volunteers help with Festival events throughout the year.



**Sitka Summer Music Festival  
Financial Information**

**FY14 Actuals and FY15 Budget\***

\*in draft form -- our fiscal year ends 08/31/14

	<b>FY14: Actuals</b>	<b>FY15: Budget</b>
<b>Income</b>		
Individual Donations	70,711.00	75,000.00
Corporate Donations	33,650.00	40,000.00
Government Funding	29,607.00	28,607.00
Sitka Charitable Trust	6,000.00	6,000.00
Foundation Contributions	21,250.00	15,250.00
SSMF Foundation	38,160.00	38,000.00
Earned Revenues	103,820.00	127,000.00
Fundraising Events	25,225.00	41,000.00
Stevenson Hall Income	10,640.00	8,800.00
<b>TOTAL INCOME:</b>	<b>339,063.00</b>	<b>379,657.00</b>
<b>Expense</b>		
Administrative	148,500.00	181,500.00
Artist Fees & Travel	64,030.00	81,000.00
Production	32,326.00	34,950.00
Merchandise	9,645.00	9,500.00
Advertising	17,265.00	25,550.00
Fundraising/Special Events	16,300.00	18,000.00
Stevenson Hall	14,885.00	19,800.00
<b>TOTAL EXPENSE:</b>	<b>302,951.00</b>	<b>370,300.00</b>

**Government & Foundation Grants**

	<b>FY14 Actual</b>	<b>FY15 Budget</b>
<b>Government Funding</b>		
Nat'l Arts Endowment	12,500.00	10,000.00
AK State Arts Council	11,107.00	11,107.00
City of Sitka	6,000.00	7,500.00
<b>Total Government Funding</b>	<b>29,607.00</b>	<b>28,607.00</b>
<b>Foundation Contributions</b>		
Ann & Gordon Getty	4,000.00	3,000.00
San Diego Foundation	250.00	250.00
AAM & JSS Charitable	5,000.00	0.00
Atwood Foundation	12,000.00	12,000.00
<b>Total Foundation Funds</b>	<b>21,250.00</b>	<b>15,250.00</b>

**FY15 City of Sitka Grant Budget**

Cello Seminar	<b>\$2,000</b> to be used toward instructor fees and supplies for the Cello Seminars in July
Travel & Hospitality	<b>\$2,350</b> to offset travel expenses and provide food staples in Stevenson Hall for guest artists in February and June
Concert Access	<b>\$900</b> - the cost of 60 tickets that will be given away to student musicians and other community members who might not have the resources to attend a concert
Advertising	<b>\$2,250</b> to target national chamber music magazines and other national marketing with the goal of bringing more visitors to Sitka

**TOTAL BUDGET FOR CBS GRANT: \$7,500**

**Internal Revenue Service****Department of the Treasury****Date: March 14, 2001****Sitka Summer Music Festival, Inc.  
PO Box 3333  
Sitka, AK 99835-3333****P. O. Box 2508  
Cincinnati, OH 45201****Person to Contact:  
Miss Hensley 31-03886  
Customer Service Specialist  
Toll Free Telephone Number:  
8:00 a.m. to 8:30 p.m. EST  
877-829-5500  
Fax Number:  
613-263-3756  
Federal Identification Number:  
92-0075160****Dear Sir or Madam:**

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in April 1980 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.



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Sitka Summer Music Festival, Inc.  
92-0075160

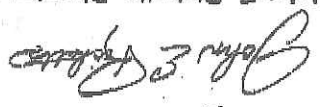
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of \$20 a day for each day you do not make these documents available for public inspection (up to a maximum of \$10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter. This letter affirms your organization's exempt status.

Sincerely,



John E. Ricketts, Director, TE/GE  
Customer Account Services

**Alaska Department of Commerce, Community, and Economic Development**

Division of Corporations, Business and Professional Licensing  
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

**SITKA SUMMER MUSIC FESTIVAL**

PO BOX 201988 ANCHORAGE AK 99520

owned by

SITKA SUMMER MUSIC FESTIVAL, INC.

is licensed by the department to conduct business for the period

December 10, 2012 through December 31, 2014  
for the following line of business:

42 - Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Susan K. Bell  
Commissioner