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STAFF REPORT TO ARTS COMMITTEE  
REGULAR MEETING OF WEDNESDAY, JUNE 9, 2010

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**SUBJECT**

**Strategic Priority to Pursue Full Participation in the Arts Service from All Municipalities**

**PURPOSE/ISSUE**

The purpose of this report is to provide discussion points on the strategic priority to *pursue full participation in the Arts Service from all municipalities*.

**HISTORY/BACKGROUND**

The Arts Service provides two ways for municipalities to participate in the Service: by formula (group 1) or through a fixed-cash amount (group 2).

The objective of the priority to pursue full participation in the Arts Service from all municipalities is to *maximize municipal support of the arts* using **three strategies**:

1. Raise current group 2 municipalities to group 1 contribution levels
2. Bring new municipalities into the service
3. Encourage new participation by considering other funding models for non-group 1 contributors

**COMMENTS FOR DISCUSSION**

**Strategy 1- *Raise current group 2 municipalities to group 1 contribution levels***

An issue fundamental to this strategy is whether there is an intent to make group 1 funding a *requirement* of participation, either immediately upon joining or through set increments. This would be a significant change from the current model. Considerations include:

- a) whether a “group 1 only” policy would be a barrier to prospective municipalities
- b) if unable to commit to a group 1 only policy how would current group 2 participants be affected

**Current situation:** estimates have been provided on the financial requirements to increase current group 2 participants to group 1 levels over five years. No other options for participation have been defined.

### **Strategy 2 - Bring new municipalities into the service**

The committee needs to clarify the issues outlined in the discussion points for strategies 1 and 3 in order to provide appropriate information to prospective municipalities.

### **Strategy 3 - Encourage new participation by considering other funding models for non-group 1 contributors**

If a group 1 only policy is implemented then the most likely models will be:

- a) a phased-in approach e.g. five years for group 2 to group 1, or
- b) a requirement for immediate full group 1 funding

If multi-level participation is retained then alternate models might be:

- c) an increased minimum for group 2 participation (currently \$500)
- d) a group 2 formula
- e) adoption of milestones when group 2 would be required to (re)consider group 1 funding
- f) more levels of participation e.g. a combination of “c” and “d”

## **FINANCIAL IMPLICATIONS**

The establishment of a group 1 only policy may be a financial barrier to prospective municipalities, limiting new requisition. Maintaining the current system of multiple levels of participation may have a similar effect.

There is no general policy for allocation of increased requisition however past practice has not used new requisition to reduce overall requisition. View Royal's shift from group 2 to group 1 came with a request that it be used to increase support to funding programs. Increased requisition from Sidney joining the Service is currently unallocated.

## **SUMMARY**

The Arts Committee has made full participation from all municipalities a strategic priority. The broad issues requiring discussion in order to move forward are

1. whether group 1 status should be a *requirement* of Arts Service participation; and if not
2. if the current model of participation should be revised

The Arts Committee may also wish to consider non-financial benefits that may accrue to the Service through municipal participation, regardless of level.

## **RECOMMENDATION**

It is recommended that the Arts Committee consider the issues outlined in this report, make appropriate decisions that will achieve their objective of maximizing municipal support of the arts and provide direction to staff.

A handwritten signature in black ink, appearing to read "James Lam".

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James Lam, Manager  
CRD Arts Development Service