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**REPORT TO THE ARTS COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 10, 2014**

SUBJECT 2015 ARTS DEVELOPMENT BUDGET

ISSUE

Arts Committee Divisional Budget review

BACKGROUND

2015 is the final year in the currently approved, three-year cycle. The attached budget page (Appendix 1) represents the proposed 2015 Arts Development budget and also notes the status of the Arts Development Service reserve fund and related encumbrances.

COMMENTS

The 2015 budget anticipates little change relative to the original three-year proposed budget. Overall internal allocations have fallen slightly. I. telephone and computer costs have increased marginally. Small increases are anticipated in general administration and meeting expenses mainly to accommodate anticipated costs related to strategic work planning undertaken by the two Arts Service committees that typically take place at the beginning of a new political mandate and currently anticipated in early 2015. These costs include facilitation and meeting expenses.

Overall increase in core operating costs is estimated to be .3%. A continuous supplementary of \$2910 represents the increase to Metchosin which will bring them to 30% of their group 1 contribution level and will bring the total increase in operating costs to .4%.

FINANCIAL IMPLICATIONS

The total increase in operating costs for 2015, including the increase to Metchosin's contributions is .4%. The overall increase in requisition over the previous year is estimated to be 1.07%.

SUMMARY

The 2015 Arts Development budget remains within the budgetary limits specified by the board and by senior administration.

RECOMMENDATION

That the Arts Committee approve the 2015 Arts Development budget as presented.

James Lam, Manager
CRD Arts Development Service

JL:sb

Attachment: Appendix 1, Arts Development Budget

ARTS GRANTS	2014		BUDGET REQUEST				FUTURE PROJECTIONS			
	BOARD BUDGET	ESTIMATED ACTUAL	2015 CORE	2015 Continuous Supplementary	2015 Single Supplementary	2015 TOTAL	2016 TOTAL	2017 TOTAL	2018 TOTAL	2019 TOTAL
EXPENSES										
<u>ARTS GRANTS:</u>										
Operating Grants	2,065,720	2,065,720	2,086,980	2,910	-	2,089,890	2,110,789	2,131,897	2,153,216	2,174,748
Project Grants	167,500	167,500	148,840	-	-	148,840	150,328	151,832	153,350	154,884
Total Grants	2,233,220	2,233,220	2,235,820	2,910	-	2,238,730	2,261,117	2,283,728	2,306,566	2,329,631
*Percentage Increase on Grants		0.00%	0.12%			0.25%	1.00%	1.00%	1.00%	1.00%
<u>ADMINISTRATION COSTS:</u>										
Salaries, Wages and Benefits	177,190	177,190	179,330	-	-	179,330	181,450	183,606	185,792	188,009
Internal Allocations	25,460	25,460	24,300	-	-	24,300	25,928	26,188	26,188	26,188
IT, Telephone and Computer	14,920	14,920	15,080	-	-	15,080	15,382	15,535	15,535	15,535
Office Operating and Other Admin	9,060	9,060	11,190	-	-	11,190	11,414	11,528	11,528	11,528
Training, Travel and Meeting	6,390	6,390	6,800	-	-	6,800	6,936	7,005	7,005	7,005
Building Occupancy	6,550	6,550	6,680	-	-	6,680	6,814	6,882	6,882	6,882
Transfer to Equipment Replacement Fund	-	-	1,330	-	-	1,330	1,357	1,370	1,370	1,370
Total Administration Costs	239,570	239,570	244,710	-	-	244,710	249,280	252,114	254,300	256,517
*Percentage Increase on Admin Costs		0.00%	2.15%			2.15%	1.87%	1.14%	0.87%	0.87%
TOTAL OPERATING COSTS	2,472,790	2,472,790	2,480,530	2,910	-	2,483,440	2,510,397	2,535,843	2,560,866	2,586,149
*Percentage Increase		0.0%	0.3%			0.4%				
FUNDING SOURCES (REVENUE)										
Estimated balance C/F from current to Next year		10,733				-				
Balance C/F from Prior to Current year	(13,550)	(13,550)	(10,000)	-	-	(10,000)	(10,201)	(10,303)	(10,303)	(10,406)
Refunded Project funds from Previous year	-	(10,500)	-	-	-	-	-	-	-	-
Payments In Lieu of Taxes	(148,300)	(148,533)	(137,690)	-	-	(137,690)	(139,875)	(141,274)	(142,686)	(144,113)
TOTAL REVENUE	(161,850)	(161,850)	(147,690)	-	-	(147,690)	(150,076)	(151,577)	(152,989)	(154,519)
REQUISITION	(2,310,940)	(2,310,940)	(2,332,840)	(2,910)	-	(2,335,750)	(2,360,321)	(2,384,266)	(2,407,877)	(2,431,629)
*Percentage increase over prior year requisition			0.95%			1.07%	1.05%	1.01%	0.99%	0.99%
Equipment Replacement Fund		7,189				7,019	8,376	9,746	11,116	12,486
AUTHORIZED POSITIONS:										
Salaried	1.80	1.80	1.80	0.00	0.00	1.80	1.80	1.80	1.80	1.80

Total Core/Core change is	\$ 21,900.00	
Salary increase	\$ 2,140.00	1.21%
Arts Operating grants	\$ 21,260.00	1.03%
Project grants	\$ (18,660.00)	-11.14%
change in surplus carryforward	\$ 3,550.00	
PILT and other	\$ 13,610.00	

Reserve Funds committed:
2015-2016

\$217,401	Operating Reserve Balance at July 24, 2014
\$9,684	Equipment Replacement Fund Reserve Balance at July 29, 2014
\$20,000	ArtsVest program
\$105,000	Renewal of IDEA Grant program

1.297 ARTS DEVELOPMENT SUPPLEMENTARY

2015 SUPPLEMENTARIES

<u>Continuous Supplementary Items:</u>	Increased Group 2 Contributions	\$ 2,910	0.12%
	Metchosin \$ 2,910		

<u>One-Time Single Supplementary Items:</u>		\$ -	
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