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**REPORT TO THE ARTS COMMITTEE  
MEETING OF WEDNESDAY, OCTOBER 14, 2015**

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**SUBJECT**     **2016-2019 Budget and Service Plan**

**ISSUE**

Approval of 2016-2019 Arts Development Budget and Service Plan

**BACKGROUND**

The Arts Development 2016-19 Budget and Service Plan reflect the revenues and expenses estimated for the four-year period at hand. The Service Plan describes the activities of the Arts Development Service. The budget describes revenue and expenses for core administration and current programs. It includes one, single-supplementary item (one-time) and one, projected continuous-supplementary item that becomes part of core budget following the year of introduction.

The core budget proposes a 1.5% increase in the operating and project grant programs (IDEA grants are currently funded from reserve and do not appear as part of the budget). Core administration increases .67%.

*Supplementary Items*

A single supplementary (one-time) item of \$60,000 for consulting costs related to the CRD Arts Service Strategic Plan (CASSP) is projected, increasing 2016 administration by 25.19%. The following year a continuous supplementary of \$25,000 is estimated for programs resulting from the CASSP. The 2018-2019 budget projections reflect no other significant changes, limiting increases to 1.5% per year.

**ALTERNATIVES**

1. Approve the budget and Service Plan as presented.
2. Approve revisions and direct staff to revise the budget and Service Plan accordingly.

**FINANCIAL IMPLICATIONS**

*Core budget*

- Operating and Project Grant Programs: proposed increase of 1.5% (\$31,350 in operating, \$5,755 in project)
- Administration: increase of .67% over previous year (\$6,487)

*2016 Single Supplementary Item*

- \$60,000 for consulting expenses related to the CRD Arts Service Strategic Plan (CASSP)

*2017-19 Continuous Supplementary Item*

- \$25,000 estimate for programs or strategic initiatives arising from the CASSP

**CONCLUSION**

The single supplementary budget request of \$60,000 is the most significant initiative and will be used to implement the CRD Arts Service Strategic Plan and Board Strategic Priority 11b in 2016. This single supplementary request is an increase in total operating costs of 3.8% and requires an increase in requisition of 4.6% compared to the previous year. In the following year the projected requisition increase is less than 1% at .43%.

Adoption of the 2016-2019 budget containing the 2016 single supplementary item will enable the delivery of the CRD Arts Service Strategic Plan and fulfillment of Board strategic priority 11b.

Reducing or not approving the single supplementary for 2016 will result in a diminished ability to accomplish the CASSP.

**RECOMMENDATION**

That the Arts Committee approve the 2016-19 Arts Service Budget and Service Plan as presented.



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James Lam, Manager  
CRD Arts Development Service

JL:sb

- Attachments
1. Budget
  2. Reserve Schedules
  3. Capital Plan
  4. Service Plan

ARTS GRANTS	BUDGET REQUEST						FUTURE PROJECTIONS			
	2015 BOARD BUDGET	2015 ESTIMATED ACTUAL	2016 CORE	2016 Continuous Supplementary	2016 Single Supplementary	2016 TOTAL	2017 TOTAL	2018 TOTAL	2019 TOTAL	2020 TOTAL
<b>EXPENSES</b>										
<u>ARTS GRANTS:</u>										
Operating Grants	2,089,890	2,089,890	2,121,240	-	-	2,121,240	2,153,059	2,185,355	2,218,135	2,251,407
Project Grants	156,065	152,645	158,400	-	-	158,400	185,770	188,557	191,385	194,256
<b>Total Grants</b>	<b>2,245,955</b>	<b>2,242,535</b>	<b>2,279,640</b>	-	-	<b>2,279,640</b>	<b>2,338,829</b>	<b>2,373,911</b>	<b>2,409,520</b>	<b>2,445,663</b>
*Percentage Increase on Grants		-0.15%	1.50%			1.50%	2.60%	1.50%	1.50%	1.50%
<u>ADMINISTRATION COSTS:</u>										
Salaries, Wages and Benefits	179,330	173,930	181,057	-	-	181,057	183,773	186,529	189,327	192,167
Internal Allocations	24,300	24,300	24,380	-	-	24,380	25,492	25,875	26,264	26,658
IT, Telephone and Computer	15,080	15,080	14,720	-	-	14,720	15,611	15,845	16,083	16,324
Office Operating and Other Admin	11,190	11,920	11,020	-	60,000	71,020	11,179	11,349	11,523	11,698
Training, Travel and Meeting	6,800	6,620	6,720	-	-	6,720	6,821	6,923	7,027	7,132
Building Occupancy	6,680	6,680	7,120	-	-	7,120	7,290	7,510	7,730	7,900
Transfer to Equipment Replacement Fund	1,330	1,330	1,330	-	-	1,330	1,330	1,330	1,330	1,330
<b>Total Administration Costs</b>	<b>244,710</b>	<b>239,860</b>	<b>246,347</b>	-	<b>60,000</b>	<b>306,347</b>	<b>251,495</b>	<b>255,362</b>	<b>259,283</b>	<b>263,209</b>
*Percentage Increase on Admin Costs		-1.98%	0.67%			25.19%	-17.91%	1.54%	1.54%	1.51%
<b>TOTAL OPERATING COSTS</b>	<b>2,490,665</b>	<b>2,482,395</b>	<b>2,525,987</b>	-	<b>60,000</b>	<b>2,585,987</b>	<b>2,590,324</b>	<b>2,629,274</b>	<b>2,668,804</b>	<b>2,708,872</b>
*Percentage Increase		-0.3%	1.4%			3.8%				
<u>FUNDING SOURCES (REVENUE)</u>										
Estimated balance C/F from current to Next year		8,270				-				
Balance C/F from Prior to Current year	(22,035)	(22,035)	(8,270)	-	-	(8,270)	0	0	0	(0)
Refunded Project funds from Previous year	-	-	-	-	-	-	-	-	-	-
Payments In Lieu of Taxes	(132,880)	(132,880)	(132,880)	-	-	(132,880)	(134,873)	(136,896)	(138,950)	(141,034)
<b>TOTAL REVENUE</b>	<b>(154,915)</b>	<b>(146,645)</b>	<b>(141,150)</b>	-	-	<b>(141,150)</b>	<b>(134,873)</b>	<b>(136,896)</b>	<b>(138,950)</b>	<b>(141,034)</b>
<b>REQUISITION</b>	<b>(2,335,750)</b>	<b>(2,335,750)</b>	<b>(2,384,837)</b>	-	<b>(60,000)</b>	<b>(2,444,837)</b>	<b>(2,455,451)</b>	<b>(2,492,378)</b>	<b>(2,529,854)</b>	<b>(2,567,837)</b>
*Percentage increase over prior year requisition			2.10%			4.67%	0.43%	1.50%	1.50%	1.50%
<u>AUTHORIZED POSITIONS:</u>										
Salaried	1.80	1.80	1.80	0.00	0.00	1.80	1.80	1.80	1.80	1.80

<b>Total Core/Core change is</b>	\$ 49,087.00	
Salary increase	\$ 1,727.00	0.96%
Arts Operating grants	\$ 31,350.00	1.50%
Project grants	\$ 2,335.00	1.50%
change in surplus carryforward	\$ 13,765.00	
PILT and other	\$ (90.00)	

## 1.297 ARTS DEVELOPMENT SUPPLEMENTARY

<b>2016 <u>SUPPLEMENTARIES</u></b>			
<u>Continuous Supplementary Items:</u>	\$ -	<u>One-Time Single Supplementary Items:</u>	\$ <b>60,000</b>
	-	Regional Arts Plan Per CRD Board Strategic Priority	60,000
	-		
	-		
<b>2017 <u>SUPPLEMENTARIES</u></b>			
<u>Continuous Supplementary Items:</u>	\$ <b>25,000</b>	<u>One-Time Single Supplementary Items:</u>	\$ -
Program Grants from Regional Arts Plan	25,000		
<b>2018 <u>SUPPLEMENTARIES</u></b>			
<u>Continuous Supplementary Items:</u>	\$ -	<u>One-Time Single Supplementary Items:</u>	\$ -
<b>2019 <u>SUPPLEMENTARIES</u></b>			
<u>Continuous Supplementary Items:</u>	\$ -	<u>One-Time Single Supplementary Items:</u>	\$ -

Reserve Schedules - 1.297 Arts Grants and Development Service  
 Summary Schedule  
 2016 - 2020 Financial Plan

1.297 Arts Grants and Development Reserve Summary

	2015 Estimate	Budget				
		2016	2017	2018	2019	2020
1.297 Arts Grants and Development ERF	9,562	10,892	12,222	11,852	12,332	12,662
1.297 Arts Grants and Development Reserve Account	176,697	151,697	151,697	151,697	141,697	141,697
<b>Total</b>	<b>9,562</b>	<b>10,892</b>	<b>163,919</b>	<b>163,549</b>	<b>154,029</b>	<b>154,359</b>

**Equipment Replacement Fund Schedule (ERF)**

**ERF Fund: 1.297 Arts Grants and Development Equipment Replacement Fund**

Capital Regional District Equipment Replacement Fund (ERF) was established in 1981 under Bylaw No. 0945. The monies in the reserve fund shall be expended only for the purchase of machinery and equipment.

**1.297 Arts Grants and Development ERF Cash Flow**

Fund: 1022 Fund Center: 101789  
ERF Group: ARTSDEV.ERF

	Estimate	Budget Forecasting				
	2015	2016	2017	2018	2019	2020
<b>Beginning Balance</b>	9,582	9,562	10,892	12,222	11,852	12,332
<b>Transfer from Ops Budget</b>	1,330	1,330	1,330	1,330	1,330	1,330
<b>Interest Income</b>	150	-	-	-	-	-
<b>Planned Purchase</b>	<b>(1,500)</b>	-	-	<b>(1,700)</b>	<b>(850)</b>	<b>(1,000)</b>
<b>Ending Balance \$</b>	<b>9,562</b>	<b>10,892</b>	<b>12,222</b>	<b>11,852</b>	<b>12,332</b>	<b>12,662</b>

1. Planned purchase is based on 2016-2020 capital plan.
2. Future interests for 2016-2020 offsets inflation costs increases.

**Reserve Account Schedule**

**Reserve Account: 1.297 Reserve Account - Arts Program & Policy Development**

The Arts Development Reserve was established to support special initiatives or pilot projects.

**1.297 Arts Grants and Development Reserve Account Cash Flow**

G/L: 290060	Estimate	Budget Forecasting				
	2015	2016	2017	2018	2019	2020
<b>Beginning Balance</b>	206,397	176,697	151,697	151,697	151,697	141,697
<b>Transfer from Ops Budget</b>	-	-	-	-	-	-
<b>Interest Income</b>	500	-	-	-	-	-
<b>Planned Spending</b>	(30,200)	(25,000)	-	-	(10,000)	-
<b>Ending Balance \$</b>	<b>176,697</b>	<b>151,697</b>	<b>151,697</b>	<b>151,697</b>	<b>141,697</b>	<b>141,697</b>

1. In 2015, the reserve is the source of funding for the second year of the renewed three-year cycle of IDEA Grants and a one-time special grant to Blue Bridge Repertory Theatre.
2. In 2016, the reserve will fund the third and final year of the IDEA grants prior to a scheduled review of the program.
3. 2017 and 2018 may draw on the reserve as a result of the outcomes of the Regional Arts Plan.
4. In 2019, the reserve will fund the Economic Activity Study of Arts and Culture in the Capital Region.





# Service Plan for Arts Development

2016-2019

Capital Regional District

*Date submitted: September 30, 2015*

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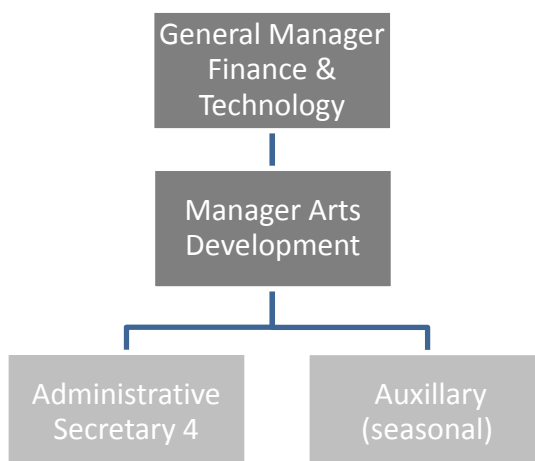
# 1 Overview

## 1.1 Division & Service Summary

The Arts Development Service manages a range of funding programs that support the operational and programming activities of organizations in the not-for-profit arts sector that meet established eligibility criteria and goals for public investment in the sector. It also manages a searchable database of public art on behalf of its member municipalities and oversees the Golden Jubilee Youth Arts Fund vested with the Victoria Foundation that benefits youth arts. The Arts Development Service is a resource for the arts in the capital region, serving the general public and arts funders in other jurisdictions and levels of government.

Service Purpose, Role or Overview	Participants	Funding Sources	CRD Board Committee and/or Commission Reporting Structure
<p><b>Grant and organizational capacity-building programs for the not-for-profit arts sector</b></p> <ul style="list-style-type: none"> <li>• <b>Operating Grant Program</b></li> <li>• <b>Project Grant Program</b></li> <li>• <b>IDEA Grant Program</b></li> <li>• <b>Maintain Indicators</b></li> <li>• <b>Committee Support</b></li> <li>• <b>Information Resource &amp; Data Collection</b></li> </ul>	<p>Victoria, Saanich, Oak Bay, Esquimalt, View Royal, Metchosin, Highlands, Sidney</p>	<p>Requisition</p>	<p>Arts Committee</p>

## 1.2 Organization Chart



## 1.3 Key Trends, Issues & Risks – Service Specific

Municipal investment in the arts recognizes the contribution that arts organizations make to the quality of life, the provincial and national visibility such organizations provide to the region, their role in providing a wide range of event and activities for citizens and visitors, and for the economic benefits that accrue to the region as a result. Sustaining and increasing investment in the arts is strongly tied to local and global economic trends that affect municipalities' ability and desire to support such investment.

## 1.4 Link to Priorities

### RECREATION, ARTS & CULTURE

- support increased access to community arts and recreation through programming and strategic investments

### ECONOMIC DEVELOPMENT

- review existing arts and culture strategies and identify new priorities and actions

# 2 Services

## 2.1 Service Levels

Service Level Adjustments in Role/Scope					
Service	Base year 2015	Year 1 (2016)	Year 2 (2017)	Year 3 (2018)	Year 4 (2019)
<b>Operating grant program (1 intake per year)</b>	Provide support to Arts Advisory Council and sub-committees to enable fulfillment of their adjudicative mandate per Bylaw 2973: <ul style="list-style-type: none"> <li>• screen organizations for eligibility (45-50)</li> <li>• provide assessment and reporting on eligible organizations (32)</li> <li>• monitor funded organizations for fulfillment of grant obligations</li> </ul>	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.
<b>Project grant program, 2 intakes per year</b>	Advise and support prospective applicants on project development, grant eligibility, application processes, and issues related to capacity development. <ul style="list-style-type: none"> <li>• screen organizations for eligibility (40-50)</li> <li>• provide assessment and</li> </ul>	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.

	<p>reporting on eligible organizations (32)</p> <p>Monitor funded groups for fulfillment of grant objectives</p> <p>Maintain data on funding outcomes events produced: 181; attendance: 42,716; employment: 392; volunteer engagement: 1210 (all numbers 2010).</p> <p>Provide support to Arts Committee by maintaining accountable processes for disbursement of program allocations.</p>				
<b>IDEA grant program, 2 intakes per year (program review in 2017)</b>	<p>Advise and support prospective applicants on project development, grant eligibility, application processes, and issues related to capacity development.</p> <ul style="list-style-type: none"> <li>• screen organizations for eligibility (20-25)</li> <li>• provide assessment and reporting on eligible organizations (22)</li> </ul> <p>Monitor funded organizations for fulfillment of grant obligations</p> <p>Provide support to Arts Committee by maintaining accountable processes for disbursement of program allocations.</p>	Adjust to meet service delivery needs, as required.	<p>Program assessment year</p> <p>Program target levels tbc</p>	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.
<b>Maintain indicators</b>	<p>Baseline data as of 2013</p> <ul style="list-style-type: none"> <li>• events produced: 2285</li> <li>• event attendance: 603,847</li> <li>• admin and tech employment: FT 152; PT 599</li> <li>• artists employed: 2653</li> </ul>	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.
	Sector-generated economic activity: \$177.3 million GDP (2012)	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Commission updated economic impact report	Adjust to meet service delivery needs, as required.

	<p>Provide support to individuals and organizations on not-for-profit structure, governance, and capacity development in general and as it relates to Arts Service programs.</p> <p>Respond to inquiries on funding (CRD and other sources).</p> <p>Liaise with arts funders at other levels of government.</p> <p>Collect data for internal use and by outside agencies.</p>	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.
<b>Committee support</b>	Provide support to Arts Committee by maintaining accountable processes for allocation of program budgets.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.
<b>Information resource and data collection</b>	<p>Provide support to individuals and organizations on not-for-profit structure, governance, and capacity development in general and as it relates to Arts Service programs.</p> <p>Respond to inquiries on funding (CRD and other sources).</p> <p>Liaise with arts funders at other levels of government.</p> <p>Collect data for internal use and by outside agencies.</p> <p>Manage web-database of regional public art for 5 municipalities.</p>	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.	Adjust to meet service delivery needs, as required.

## 2.2 Workforce Considerations

Service	Workforce (FTEs)				
	Base year 2015	Year 1 (2016)	Year 2 (2017)	Year 3 (2018)	Year 4 (2019)
<b>Total</b>	1.8	1.8	1.8	1.8	1.8

# 3 Divisional Initiatives & Budget Implications

This section highlights important divisional initiatives over the next four years, including those initiatives related to delivery of 2015 – 2018 Board Strategic Priorities.

Title & Estimated Completion Date	Description	Priority Reference (if applicable)	Budget Implications
<b>2016</b>			
<b>Regional Arts and Culture Strategic Plan</b>  Completion: 2016	Building on the existing Arts Strategic Plan, develop a Regional Arts Strategy that includes communication and community engagement activities to accomplish the following goals: <ul style="list-style-type: none"> <li>• increase community and stakeholder knowledge and support of the arts;</li> <li>• encourage municipalities to fully participate in funding the CRD Arts Service;</li> <li>• identify and reduce barriers to participation in the arts;</li> <li>• enable sustainable growth of the arts and arts organizations in the region;</li> <li>• ensure Arts Service grant programs are responsive to community needs and use effective and accountable processes.</li> </ul>	Recreation, Arts & Culture  Economic Development	Single supplemental
<b>2017</b>			
<b>Development of new initiatives as driven by outcomes of Regional Arts and Culture Strategic Plan</b>  Completion: 2018	Program(s) and/or initiatives resulting from gap analysis	Recreation, Arts & Culture  Economic Development	Continuous supplemental
<b>2018</b>			
<b>Continued implementation of programs and initiatives from Regional Arts and</b>	Program(s) and/or initiatives resulting from gap analysis	Recreation, Arts & Culture  Economic	Continuous supplemental

Title & Estimated Completion Date	Description	Priority Reference (if applicable)	Budget Implications
<b>Culture Strategic Plan</b> Completion: 2019		Development	
<b>2019</b>			
<b>Economic Activity Study of Arts and Culture in the Capital Region</b> Completion: 2019	Update (previous studies commissioned in 2010 and 2012) to gauge impact of arts and culture in the Capital Region.	Recreation, Arts & Culture  Economic Development	Reserves

## 4 Goals & Performance Indicators

	Service Goals	Indicators or Measures
	Support arts development in the region	<ul style="list-style-type: none"> <li>Prepare Regional Arts Strategic Plan for adoption by December 2016</li> <li>Maintained or increased funding support for arts from current and new municipal partners*</li> <li>Increased number of arts organizations supported through arts funding* (over 2015 levels)</li> <li>Public art database is updated and shared annually</li> </ul>
	Ensure high quality and accountable management of funding programs	<ul style="list-style-type: none"> <li>Conduct a funding program review every four years in consultation with members from the Arts Advisory Committee and Arts Committee as well as input from grantees.</li> </ul>
	Increase understanding of economic impacts of arts in the region	<ul style="list-style-type: none"> <li>Complete analysis of GDP impact of arts sector for 2019</li> </ul>

\* = Corporate Indicator – multiple divisions may contribute to this measure

### Contact

Name: James Lam  
Title: Manager, Arts Development Service  
T: 250-360-3205