

DATE: February 1, 2019**FILE:** 1700-02/2019/615**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. DYSON*****RE: 2019 - 2023 Financial Plan – Electoral Areas Arts and Culture Grant Service–
Function 615**

Purpose

To provide the Electoral Areas Services Committee with the proposed 2019 - 2023 Financial Plan and work plan highlights for the Electoral Areas Arts and Culture Grant Service, function 615.

Recommendations from the Chief Administrative Officer:

1. THAT the proposed 2019 - 2023 financial plan for Electoral Areas Arts and Culture Grant Service Function 615 be approved.
2. THAT staff negotiate a one year term service agreement with the 2019 Electoral Areas Arts and Culture Grant recipients with an option of a one year renewal.
3. THAT staff bring forward a report in spring of 2019 to review the Electoral Areas Arts and Culture Grant service, function 615, with options of improving the service.

Executive Summary

The service was established for the electoral areas to provide funding to societies and nonprofit organizations that own and/or operate arts or culture facilities in the Comox Valley to assist with the protection, preservation, maintenance and promotion of infrastructure.

- Proposed 2019 tax requisition is \$79,500 or \$0.0124 per \$1,000 of assessed value, an increase of \$6,289 over 2018;
- For a home assessed at \$400,000, this represents a residential tax levy in 2019 of \$4.96;
- 2019 maximum requisition is \$142,671 based on a maximum levy equal to the greater of \$100,000 or \$0.025 per \$1,000 of assessed value;
- Total grant allocations for 2019 are \$73,673 vs a total of \$72,150 in 2018;
- Most recent grant service agreements expired December 2018 and will require renewal in 2019;
- Staff will bring forward a report in the spring with recommendations to improve this service;
- Staff are recommending a two-per cent increase to grant recipients for 2019;
- Requests for increases to annual grant funds have been received from several of the recipient agencies which are not included in the proposed financial plan.

Prepared by:

T. Ian Smith

T. Ian Smith, MCE
General Manager of Community Services

Stakeholder Distribution (Upon Agenda Publication)

Comox Archives & Museum	✓
CV Art Gallery	✓
Courtenay & District Museum	✓
Cumberland Museum	✓
CV Community Arts Council	✓
CV Farmers Market	✓
Pearl Ellis Gallery	✓
Sid Williams Theatre	✓

Policy Analysis

The Electoral Areas Arts And Culture Grant Service is established by Bylaw No. 278 being “Electoral Areas Arts and Culture Grant Service Establishing Bylaw No. 278, 2014”, for the purpose of providing funding to societies and nonprofit organizations that own and/or operate arts or culture facilities in the Comox Valley to assist with the protection, preservation, maintenance and promotion of said infrastructure.

- **Maximum tax requisition:** the greater of \$100,000 or \$0.025 per \$1,000 applied to the net taxable value of land and improvements for regional hospital district purposes.
- **Participants:** CVRD’s Electoral Areas A (excluding Denman and Hornby Islands), B and C.

Financial Plan Background and Overview

This electoral area service was created in 2014 to provide an annual contribution for various organizations that provides them and the regional district with greater financial certainty for a five year term. The money would be able to be used to assist with the protection, preservation, maintenance and promotion of the arts and culture facilities.


Most of the organizations participating in this service received incremental increases over the five year term of the service agreement which expired on December 31, 2018.

Staff are recommending a two-percent increase to grant recipients for 2019. This will allow time for staff to bring forward a report in the spring of 2019 with recommendations to the board for consideration to improve this service. If there are board adopted changes they could be implemented in the 2020 financial planning process.

Requests for increases to annual grant funds have been received from several of the recipients. These requested increases have not been included in the proposed financial plan.

Table1 summarizes the 2019 proposed budget as compared to the 2018 adopted budget. Significant variances from 2018 adopted budget will be discussed in the financial plan highlights section below.

Table 1: Financial Plan Highlights



2019
Proposed
Budget

#615 Electoral Areas Arts & Culture Grants

Operating	2018 Budget	2019 Proposed Budget	Increase (Decrease)
Revenue			
Requisition	73,211	79,500	6,289
Prior Years Surplus	6,301	6,030	(271)
	\$ 79,512	\$ 85,530	\$ 6,018
Expenditures			
Operating	79,012	80,554	1,542
Contribution to Reserve	500	4,976	4,476
	\$ 79,512	\$ 85,530	\$ 6,018

The 2019 - 2023 proposed five-year financial plan for the Electoral Areas Arts and Culture Grant service, including the requisition summary and operating budget, is available within the full proposed budget binder, provided in both searchable PDF and e-reader formats, located on the CVRD financial plan web page at www.comoxvalleyrd.ca/currentbudget.

Highlights of the 2019 - 2023 proposed financial plan for the service include:

Revenue Sources

The proposed 2019 tax requisition is \$79,500 representing an increase of \$6,289 over 2018. This increase is due to two per cent increase in operational grants budgeted in 2019.

Personnel

No personnel associated with this service.

Operations

The increase in operational costs to \$80,554 in 2019 is reflective of the two per cent increase applied to all recipient organizations except *Comox Archives & Museum who have indicated they were not seeking an increase to their funding. (See Table 2 below).

Table 2: 2018 Operational Grants by Agency compared to 2019 Proposed Budget

Recipient Agencies	2018 Adopted Budget	2019 Proposed Budget
Comox Archives & Museum	\$ 5,000	\$ 5,000*
CV Art Gallery	9,500	9,690
Courtenay & District Museum	17,500	17,850
Cumberland Museum	5,000	5,100
CV Community Arts Council	4,000	4,160
CV Farmers Market	4,000	4,080
Pearl Ellis Gallery	2,150	2,193
Sid Williams Theatre	25,000	25,500
Total (2018 last year of 5 year agreements)	\$72,150	\$73,573

Capital

There are no capital costs associated with this service.

Reserves

There is a future expenditure reserve with a balance of \$17,425 as of December 31, 2018. There is a reserve contribution of \$4,976 proposed for 2019. Reserve balances will be confirmed and updated as part of the recommended budget once the 2018 year end is closed.

Citizen/Public Relations

Stakeholder engagement has begun with some of the recipients and staff will continue to seek feedback from the remaining grant recipients currently funded under this service. This feedback will be used for incorporation into the report back to the board in the spring of 2019.