

Background

At its meeting of February 3, 2016, the Budget Standing Committee approved the following motion.

That staff come back with a three (3) year implementation plan to achieve the \$3.28 per capita for the SCCIP; and

That the funding source include special event parking fees of \$1 and ticket event fees of \$1; and

That the contribution from the CPF increase to \$50,000.

Report

Ticket Surcharge

Staff has reviewed and further discussed the motion from February 3, 2016. “Road Show” has been interpreted by Staff to mean any show performed at the FOPAC **other than** by a non-profit organization or by an organization within the City or Niagara Region. Using this interpretation of “Road Show”, the charge of a \$1 ticket surcharge would generate approximately \$7,500 annually as there are only about 10 events that would be considered “Road Shows”.

According to the Executive Director of the FOPAC it is the industry standard to have a capital surcharge on tickets for performances. To add another surcharge to tickets may have a negative impact on FOPAC operations. An alternative would be to allocate \$1 from the current \$2 capital surcharge to fund SCCIP and to increase the capital surcharge by fifty cents (\$0.50) per year for each of 2017 and 2018 years. The capital surcharge will total \$3 by 2018, with \$1 going towards SCCIP and \$2 going towards capital. It is Staff’s opinion that this is a viable option for FOPAC operations as it is unlikely that the capital surcharge funds will be required by FOPAC in next couple of years.

By charging the \$1 ticket surcharge on only “Road Shows” (as defined above) would take significantly more than three years to achieve the \$3.28 per capital amount without using more assistance from the CPF or tax base.

Special Event Parking Revenues

Staff have reviewed the Special Event Parking revenues to determine the impact the opening of the FOPAC had on these revenues. With only three full months of FOPAC operations the full amount of the impact of the FOPAC on Special Event Parking Revenues is not easily determined at this time. There has definitely been an increase in this revenue stream with the opening of the FOPAC. Staff is making a conservative estimate based on our limited data.

Art Award Fundraising Event

During SCCIP funding discussions the Mayor indicated that he would support an Art Award fundraiser similar to his Au Marche and Charity Golf Tournament events. As this would be a new initiative, the amount of funds it is expected to generate is not determinable at this time. The fundraising event previously recommended by Staff estimated net funds raised to be approximately \$50,000. Staff conservatively estimate the generation of \$25,000 from fundraising events in 2016 to support SCCIP in the next year, with this amount increasing by \$10,000 in 2017 for 2018.

Another fundraising initiative recommended by the Executive Director of the FOPAC was to request SCCIP funding support through the annual membership renewal of FOPAC members. If BSC is supportive of this initiative it can be investigated with the 2016/2017 membership renewals.

Tax Base Support

The Arts and Cultural Funding Task force has expressed some concern about the main funding source for SCCIP coming from a reserve fund and the sustainability of this funding source. For this reason Staff recommends funding a portion of the SCCIP from the tax base beginning in 2017. By funding a portion of the SCCIP from the tax base increases the sustainability of this funding program for the Arts and Cultural community.

The following table contains the implementation plan to increase SCCIP funding from the current level of \$1.14 per capita to \$3.28 per capita by 2018.

| Year | <u>2016</u> | <u>2017</u> | <u>2018</u> |
|---|--------------------|--------------------|--------------------|
| <i>Funding Sources:</i> | | | |
| CPF | \$150,000 | \$150,000 | \$150,000 |
| Additional Funds from CPF | \$50,000 | \$50,000 | \$50,000 |
| \$1 fee from Ticket Capital Surcharge | \$100,000 | \$100,000 | \$100,000 |
| Special Event parking - \$1 during PAC events | \$7,500 | \$7,500 | \$7,500 |

| | | | |
|--|-------------------------|-------------------------|-------------------------|
| Art Awards Fundraising Event to generate funds for next year | \$0 | \$25,000 | \$35,000 |
| Tax Base Support | <u>\$0</u> | <u>\$37,500</u> | <u>\$88,500</u> |
| Total SCCIP Funding | <u>\$307,500</u> | <u>\$370,000</u> | <u>\$431,000</u> |
| | | | |
| Per Capita Amount | <u>\$2.34</u> | <u>\$2.82</u> | <u>\$3.28</u> |
| | | | |
| Percentage Increase from Prior Year | <u>105.0%</u> | <u>20.5%</u> | <u>16.3%</u> |

The implementation plan above achieves the BSC motion of SCCIP funding of \$3.28 per capita by 2018.

Recommendation

That the Budget Standing Committee approve the implementation plan for increasing the SCCIP funding from \$2.34 per capita or \$307,500 in 2016 to \$3.28 per capita or \$431,000 in 2018; and

That the Executive Director of FOPAC include an option to directly support SCCIP on the annual FOPAC Membership Renewals.