

2015 - 2016 Seattle City Council Statement of Legislative Intent

Ready for Notebook

Tab	Action	Option	Version
33	1	A	1

Budget Action Title: Four-Year Plan to Increase the Balance of OAC's Arts Account Operating Reserve

Councilmembers: Budget Committee

Staff Analyst: Sara Belz; Frank Video

Date		Total	SB	BH	SC	TR	NL	TB	JG	MO	KS
	Yes										
	No										
	Abstain										
	Absent										

Statement of Legislative Intent:

The City Council requests that the Office of Arts and Culture (OAC) work with the City Budget Office to develop a plan for increasing the minimum balance of the operating reserve in the Arts Account to \$600,000 by January 1, 2019. The current balance of the reserve is \$400,000. The plan to increase the balance of the reserve should be based on the most recent Admission Tax forecast data available and outline a reasonable, phased approach that could be implemented over the next four years. To the extent possible, implementation of the plan should minimize cuts to OAC's existing programs. The Council requests the plan be submitted to the Council's Finance and Culture Committee by no later than July 1, 2015.

Background:

The Arts Account supports all OAC programs, except those associated with the 1% for Art initiative, and is almost entirely funded by Admission Tax revenues. Consistent with Resolution 31507, which was adopted by the Council in March of 2014, a minimum operating reserve of \$400,000 is maintained in the Arts Account to address short-term fluctuations in Admission Tax revenues that could undermine OAC's ability to fund its existing programs. Beginning in 2016, the Resolution calls for the minimum reserve balance to be adjusted annually by CPI. In the event the reserve remains underfunded for more than two years, the policies outlined in the Resolution call for OAC appropriations to be adjusted to allow the reserve fund to be replenished.

With the City currently experiencing healthy increases in annual Admission Tax revenues, the Council is interested in raising the minimum balance for the Arts Account operating reserve to \$600,000 by 2019. This would have the effect of further shielding OAC programs from Admission Tax revenue declines that could occur in the future.

Responsible Council Committee(s): Finance and Culture

Date Due to Council: July 1, 2015