

September 20, 2023

Grand Forks Art Gallery Society 2024 Fee for Service request

Attn. Mayor and Council, City of Grand Forks

In accordance with the 2022 Funding Agreement with the City of Grand Forks, the Grand Forks Art Gallery Society (GFAGS) hereby submits a request for continued Fee for Service funding effective January 1, 2024.

We are not requesting an increase at this time – the funding request for 2024 is \$154,000.

- a) Community Benefit:** Gallery 2 is a stable, keystone cultural institution in Grand Forks, offering consistent contemporary art exhibitions and public programs, providing information and services to visitors in our area through the Visitor Centre, and serving as a civic hub for community engagement.

Gallery 2 is one of a very few regional art galleries located outside of major urban areas in our province, adding to the quality of life for all citizens of Grand Forks and the Boundary. The gallery produces work at a level comparable to what you might expect for a much larger community, we do it on a relatively small budget with style and grace.

In addition to our operational successes, we have been able to secure grant funding to invest in the long-term maintenance and visual profile of the 1911 heritage courthouse, a key civic asset. These include exterior signage and wayfinding, feature lighting, window restoration and masonry conservation, as well as planned accessibility upgrades.

- b) Use of funding:** In 2023, the FFS contributed 34% of our operating budget, supporting core functionality to operate the facility year-round. Broadly speaking the FFS covers the following costs:

- \$24,000 Utilities – water, electricity, communications, IT infrastructure
- \$40,000 janitorial and facility maintenance
- \$90,000 base staffing (36% of total in 2022/2023)

When viewed as a percentage of total operating revenues, City of Grand Forks funding for Gallery 2 through our FFS agreement has gone from 47% in 2018 to 34% in our current fiscal year.

- c) 2023 deliverables and use of funding:** In 2024 we do not anticipate any changes to the FFS deliverables or use of funding.

d) Other significant funding partners: We are working with all our funding partners and internal revenue streams to ensure the fiscal stability of the organization moving forward. In the current fiscal year, these include:

- BC Arts Council annual operating and specialized equipment grants – including \$20k to support track lighting upgrades for the exhibition galleries
- BC Gaming annual operating grants – in 2023 we applied for and received dedicated funding to support education programming at Gallery 2.
- RDKB annual operating grant and capital grants-in-aid.
- Canadian Museums Association Young Canada Works youth employment grant
- Private foundations including the Phoenix and Hamber foundations.
- Internally generated revenue through the Gallery 2 Gift Shop, Art Rental and Sales Program, and facility rentals for external events.
- Internally generated revenue through Gallery 2 fundraising events – we are thrilled to be hosting both Taps and Tapas craft beer tasting and the 2023 Wine Tasting Gala.
- Gallery 2 memberships and donations.

The approved Gallery 2 2023/2024 operating budget is included with this request.

e) Current operating surplus: As a not-for-profit dedicated to advancing arts and culture, Gallery 2 budgets balance revenue and expenses. As of the end of August 2022, we currently anticipate a revenue neutral fiscal year.

f) Financial reserves or accumulated surplus totals: Gallery 2 has internally restricted funds from a donor bequest totaling \$129,369. As per the bequest, these have been designated as matching funding for future project grant applications and are not available for regular operational funding. We anticipate using \$8,191 of these funds in the current fiscal year to support capital projects.

As of March 31, 2023, Gallery 2 has retained a modest but significant (for us!) accumulated surplus of \$85,040 (2022 was \$84,181) which allows for stability and continuity of staffing and programs. Of this, \$17,500 has been allocated to the current fiscal year.

g) Visitation statistics: From September 1, 2022, through August 31, 2023 Gallery 2 welcomed 7574 visitors. This is a 25% increase over the previous year (6055), and a 40% increase over 2020/2021 (5421)! Detailed analysis will be presented at the October 10 COTW.

- h) 2024 overall total funding request of all funding partners:** Gallery 2 advocates with all of our funding partners for stable funding with incremental increases where possible. We anticipate budget 2024 will be similar to the current fiscal year.
- i) 2024 alternate funding streams pursued:** Stable operating funding provided by the City of Grand Forks enables Gallery 2 to continue to deliver Arts and Culture programs to the citizens of Grand Forks. We are actively seeking project funding through the Canada Council of the Arts as well as program funding from BC Gaming to improve and increase program offerings while maintaining existing staffing and service levels.

The Fee for Service (FFS) model is a progressive and mutually supportive funding arrangement between City and Gallery 2, it enables us to focus on delivering programs, while ensuring that our high-profile civic facility is utilized and occupied – reflecting the dynamic and evolving community of Grand Forks.

Thank you for your past support, we are looking forward to the future.

Regards,



Tim van Wijk
Director/Curator | Gallery 2