

### Description

This service package would provide an additional \$750,000 in one-time operating support to the Art Gallery of Alberta.

The new Art Gallery of Alberta (AGA) opened its doors in January 2010. Over the last 2 years, more than 250,000 people have visited the Art Gallery. Admissions have grown by over 400% and Membership has increased from 1,650 at the end of 2009 to over 4,800 in 2012. Each year, the AGA presents 18-20 different exhibitions, which range from new works projects by local artists to large exhibitions of internationally renowned historical masterworks. Each exhibition is complemented by a range of public programs, including lectures, symposia and artist's talks to public tours and family open houses. The AGA's school tour program welcomes over 100 children each day, with over 19,000 children visiting over the course of the school year. Tours are offered in 3 languages (English, French and Spanish) and are designed to connect with the Alberta course of study.

The receipt of this funding would allow the AGA to continue to operate at this level, providing a dynamic art museum of international quality and significance, in the heart of Edmonton.

### Justification

The operations and programming of the new AGA have proven to be more substantial than what was experienced in the previous building. In 2010 and 2011, operations were supported with additional one-time contribution from the Province of Alberta equal to \$3M spent over 2 years. Despite this, AGA deficits for 2010 and 2011 were still \$101K and \$614K respectively. As well, the AGA does not currently have an operating reserve established and so deficits are carried forward to subsequent years, thereby reducing the funds available for the future.

The 2012 budget approved by the AGA Board was based on an expectation of receiving the same \$1,250,000 provincial contribution. The Province, however, committed to contribute only \$600,000 in 2012, leaving the AGA with a deficit projection of approximately \$650,000 for this year. For 2013 and forward, the Province has again committed additional operating funds, but on a declining basis: \$450,000 in 2013; \$300,000 in 2014 and \$150,000 in 2015. The AGA board and management are working to convince the Province to increase its annual commitment, ideally back to the 2010/2011 level, or at least to maintain the additional \$600,000 amount that was received in 2012. These discussions are in progress, but the success is still to be determined. Given this, the AGA is currently expecting to operate with \$650,000 less revenue from the Province in 2012, and potentially less in 2013 and for future years.

### Service Level Impact

If the funding is not approved, the Art Gallery of Alberta will have to reduce its annual operating budget by at least \$1,000,000 - \$1,200,000. While the funding request to the City of Edmonton is for \$750K only, actual budget reductions would need to exceed \$1,000,000; as the reductions that would need to be made to public hours, staff and exhibition programming would greatly hinder the AGA's ability to self-generate revenue. Reductions to the quantity and quality of exhibitions and programs has the direct effect of reducing possible opportunities for corporate sponsorship; declining Admissions, declining Shop and food service sales; fewer Memberships; and fewer facility rentals and events.

Ultimately the impact on the level of service that the AGA would be able to offer the public is significant and dramatic. Fulfilling the promise of the new building, to bring world class art and an international museum experience to the City of Edmonton, would be impossible.

### Impact on Other Departments

Minimal

Incremental (\$000)	2013				2014				2015			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget	\$ 750	-	750	-	\$ (750)	-	(750)	-	\$ -	-	-	-
Annualization	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 750</b>	<b>-</b>	<b>750</b>	<b>-</b>	<b>\$ (750)</b>	<b>-</b>	<b>(750)</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>