Reserve Fund Funding Request
Bloomberg Philanthropies Public Art Challenge Grant
Wake the Great Salt Lake

November 15, 2023

***Wake: the Great Salt Lake* Project Description:**
Over the course of 2024 and 2025, the Arts Council will lead the curation and installation of several temporary artworks in Salt Lake City that all have a connection to the Great Salt Lake. This will include the installation of 1-2 large scale nationally and internationally renowned artists' work. Additionally, temporary artworks by diverse local and regional artists will be commissioned to activate all seven council districts as part of the project. Projects will be structured around major themes such as:

- water conservation
- air quality
- agriculture
- industry
- environmental justice
- ecology of the Lake
- social justice - including indigenous rights

The goal of the project is to educate and inspire both residents and visitors to identify possible solutions and act on a local and national level. Projects will occur in both urban settings and some site-specific installations. We have established initial partners throughout City Departments, local nonprofits, artists, and are working to create partnerships with local tribal communities, scientists, diverse local community members and others.

Executive Background:
On June 21, 2023, the Salt Lake City Arts Council Foundation Board of Directors unanimously approved a Board-Designated Operating Reserve Policy. The purpose of this policy was to establish written guidance from the Board to the Staff of the Salt Lake City Arts Council Foundation regarding the expenditure of cash on hand referred to as “the Reserve” which can cover both short-term and long-term funding shortfalls, gaps, unexpected/unbudgeted expenses, and other circumstances described in the policy.

In the late summer of this year, the Salt Lake City Arts Council Foundation submitted to Bloomberg Philanthropies for the project described above and were subsequently announced as the winner of a $1,000,000 grant. The proposed budget submitted in our application was bolstered by the inclusion of additional financial support, both monetary and in kind, from varied sources including private family foundations, corporations, and the Salt Lake City Arts Council Foundation Operating Reserve Fund.

Request Summary:
This document serves as our staff’s official request to draw $150,000 from “the Reserve” to support our Bloomberg Philanthropies Public Art Challenge Grant Project, *Wake: the Great Salt Lake.*

Project Budget:
Several foundations have committed to supporting the project. With the committed funds, in-kind support from partner organizations and staff the total project budget is approximately $1.8 million. We have allocated $350,000 for grants to local/regional artists projects to support and uplift the artist community in Salt Lake City. Over the past two years the Arts Council has seen growing numbers of applications with projects addressing this crisis.

Financial Summary *(as proposed to Bloomberg Philanthropies)*

Budget	Period 1 1/1/2024 12/31/2024	Period 2 1/1/2025 12/31/2025	Total
Personnel Salaries	225,150	217,049	442,199
Fringe Benefits	24,668	21,428	46,096
Contracts/Consulting	180,000	620,000	800,000
Travel & Events	12,750	17,750	30,500
Advertising/Media/Communications	106,000	-	106,000
Supplies	250	750	1,000
Grants	90,000	260,000	350,000
Equipment			
Other Direct Operating Costs	5,000	20,000	25,000
Total Direct Costs	643,818	1,156,977	1,800,795
Total Indirect Costs			N/A
Total Costs	**643,818**	**1,156,977**	**1,800,795**

Project Income *(as proposed to Bloomberg Philanthropies)*

Project Income	Notes	Amount
Total Committed Funds		
TBA Family Foundation	Private Foundation	50,000
TBA Business Contribution	Private Business	10,000
Salt Lake City Arts Council Foundation	**SLCACF Reserve Funds**	**150,000**
Subtotal		210,000
Additional Project Support to be Secured		
Matching funds from grantee organizations	Organizations will be required to match all funds at a minimum of 1:1.	150,000
Other Corporate Partners & Private Foundations		77,500

Subtotal		227,500
In-kind Support (if any)		
Salt Lake City Corporation	In-kind Salaries	307,625
Marketing & Communications Partner Contributions	In-kind ads and feature stories in print and radio	50,000
TBA Lodging Partner	Accommodations for artists	6,000
Subtotal		363,625
Amount Requested from Bloomberg Philanthropies		**1,000,000**
Total Project Income		**801,125**

Reserve Fund Analysis and Staff Recommendation:
As stated in our Operating Reserve Policy, "*The Reserve Fund target balance will be calibrated as a minimum of 25%, a maximum of 35%, with the optimal or desired calibration of Reserve fund balance at approximately 30% of operating expenses less Salt Lake City Division related expenses for the most recently approved fiscal year budget, including amendments.*"

An analysis with a this logic applied to our currently approved FY24 budget would result in a recommended minimum balance of the Reserve fund as follows; $329,028.75 (25%) $394,834.50 (30%), and $460,640.25 (35%). *It is the recommendation of the staff that the calibration of our Reserve guaranteed minimum be $460,640.25 or 35% of operating expenses less Salt Lake City Division related expenses.*

Our FY23 Financial Audit's *Financial Analysis of the Foundation's ~~Net Position~~ Fund Balance* shows a total of ~~$853,839~~ $882,091 as of June 30, 2023. If the staff recommended minimum Reserve were maintained in relationship with our current *Fund Balance* as described in our audit, ~~$393,198.75~~ $421,451 would be available for draw. As stated in our Operating Reserve Policy, "*Determination of need requires analysis of the sufficiency of the current level of funds, the availability of any other sources of funds before using reserves, and evaluation of the time period for which the funds will be required and replenished.*"

As a staff, we recommend the allocation of $150,000 of Reserve Funds to be dedicated to our Bloomberg Philanthropies Public Art Challenge Grant, Wake: the Great Salt Lake.

We feel this project represents a unique opportunity for our Reserve funds to be leveraged for a one-time expense that will have a monumental impact on our Arts and Cultural Industries while also not creating a funding cliff or gap in funding for existing priorities. Of course, should any sudden or unforeseen circumstances negatively impact the financial position of the Arts Council,

the general operations of the organization and the core functions of our programs would be prioritized over this project.

The financial impact is described below;

FY23 Audit Net Position ("the Reserve")	~~**$853,839.00**~~ **$882,091.00**
Bloomberg Public Art Challenge Grant Funds	**($150,000.00)**
Projected Fund Balance	**$732,091.00** ~~**$703,839.00**~~

Staff Recommended Reserve Minimum Calibration (35%)	***$460,640.00***
Excess to Reserve Minimum Calibration	***$271,451.00*** ~~***$243,199.00***~~

Finally, because this draw of Reserve Funds is beyond the minimum calibration requirement of the Operating Reserve Policy, there is no stated requirement that the funds be returned to the Reserve. Additionally, the current projection of our Fund Balance with this draw accounted for would result in approximately 54% of existing expenses minus Division related expenses being accounted for in the Reserve, nearly 20% above our minimum expectations.