

CITY OF SEATTLE
ARTS ACCOUNT SUBFUND ARTS and CULTURE FUND FINANCIAL POLICIES

1. Retention of Admission Tax revenues: The Office of Arts ~~and &~~ Cultural Affairs (OACA ARTS) shall establish an operating reserve ~~of \$400,000~~ equivalent to 20% of Arts & Culture Fund annual operating expenses using Admission Tax revenues, deposited into the ~~Arts Account Subfund General Fund and appropriated to the Arts & Culture Fund ;~~ that are for the sole use of OACA ARTS. This reserve shall be retained to address any short-term fluctuations in Admission Tax revenues that undermine ~~OACA's ARTS'~~ OACA ARTS' ability to fund those programs and activities outlined in Seattle Municipal Code (SMC) Section 5.40.120.

2. Timing and reserve amount: The reserve fund balance ~~shall grow over time until~~ should have a balance ~~of \$400,000 in 2015 dollar~~ equivalent to 20% of Arts and Culture Fund annual operating expenses budgeted for a given year. is achieved by January 1, 2015. ~~After January 1, 2015, if~~ the operating reserve drops below the minimum reserve amount ~~of \$400,000~~, it shall be replenished within a 2-year time period. The reserve ~~amount, set at \$400,000 for the 2015 budget,~~ will be adjusted annually ~~by CPI beginning with~~ since the ~~2016~~ budget.

3. Use of the reserve: The reserve shall be maintained solely for the purposes of supporting OACA ARTS programs outlined in SMC 5.40.120 and shall not be used or directed to any other program or account.