



Crown Corporation

B U S I N E S S P L A N S

FOR THE FISCAL YEAR 2005–2006

Art Gallery of Nova Scotia *Business Plan 2005–2006*

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Mission

To bring the art of the world to Nova Scotia and the art of Nova Scotia to the world.

Planning Context

The Art Gallery of Nova Scotia (AGNS) is the principal art museum of the Province of Nova Scotia and maintains the Queen's art collection on behalf of the people of Nova Scotia. AGNS is the largest, most significant art museum in Atlantic Canada. It performs a leadership function among art institutions in Eastern Canada.

AGNS serves the province and the people of Nova Scotia through the accumulation, creation, and dissemination of knowledge through the visual arts. Distinct from other related public arts institutions, the AGNS has the responsibility to acquire, maintain, conserve, research, publish, and make accessible the Crown's art collection on behalf of the people of Nova Scotia. The principal activities of the AGNS are the acquisition, preservation, and research of arts collections; the creation of knowledge through research; and the dissemination of these resources through exhibitions, publications, public lectures, presentations; and education programs. AGNS provides services to and assists the people of Nova

Scotia as well as international researchers by maintaining outstanding publicly accessible study centres, archives, libraries, records, and resources pertaining to the visual arts. AGNS provides this service through two venues—AGNS at Halifax and Yarmouth.

As an agency of the province, the gallery, through its board, reports to the Minister of Tourism, Culture and Heritage. The gallery is overseen by a Board of Governors made up of dedicated volunteers, who accept and hold a public trust and ensure that cultural activity remains in the public domain to the benefit of current and future generations. The AGNS board assumes responsibility, loyalty, and a duty to uphold the integrity of the organization. The role, responsibilities, and functions of a governor must be carried out with a full understanding and appreciation of the organization. The Board of Governors promotes the vitality of the AGNS by accepting and undertaking effective fundraising efforts and providing an advocacy role. AGNS aspires to strengthen its board contingent by assuring that its membership is inclusive and representative of geographic and other demographic considerations. It is imperative that the board take a leadership role in fundraising and strengthening the gallery's financial position.



The advocacy role of the AGNS Board of Governors is paramount in developing community awareness of the gallery's mission, in representing and interpreting the value of AGNS to community, government, foundation, corporate, and other funding agencies.

Challenges and the Economy

For the 2005–2006 fiscal year, AGNS will receive solely 39 per cent of its required revenue from the Province of Nova Scotia. AGNS is keenly aware that it, like other not-for-profit institutions, is facing greater competition for government and public financial support. As well, there are currently very active capital public campaigns in place to raise funds for local organizations: two Halifax hospitals and the Nova Scotia College of Art and Design (NSCAD) University are examples.

Competition for national and regional grant support is increasing every year and will be a challenge for the coming fiscal year. AGNS must communicate clearly the value it offers to provincial, federal, and municipal governments to assist in the delivery of their cultural and public mandates. Evidence of the gallery's success in this area may be found in the Canada Council for the Arts expression of pleasure with substantive quality improvements in contemporary art programming over the past two years and the large donations of artworks exceeding \$1 million during 2004–2005.

In 2003–2004, HRM delayed the repayment of a standing capital pledge to AGNS, instead offering instalments over four years. In addition, HRM imposed a moratorium, restricting AGNS from applying for any other program grants during this same time period. Both of these actions have posed additional challenges for the gallery.

Since its expansion to the Provincial Building in 1998, AGNS has managed budgeted costs (mostly fixed and semi-variable) carefully. The gallery's single greatest challenge remains its serious revenue shortfall; and to be successful in 2005–2006, the gallery must increase revenues from all available sources. AGNS intends to do this by delivering exhibitions, programs, and services that will have wide public appeal. AGNS has earned the right and is proud to be hosting three significant international touring exhibitions in 2005–2006—Rodin: A Magnificent Obsession, April Gornik, and Art of the Ancient Mediterranean World. The popular appeal of these exhibits will increase attendance, public awareness of the gallery, and earned revenues.

Halifax Port Authority wishes to develop an "arts district" along the waterfront to provide increased service to incoming cruise ship visitors to Nova Scotia. The Port Authority has partnered with AGNS, which as a service provider, will create extraordinary large-scale exhibitions at Pier 22 and Gateway Park. AGNS aspires to

increase services, increase perception of the quality of services, and increase the demonstrable number of individuals who use, benefit from, and value these services. It intends to be a genuine tourist draw, contributing directly to the decision to select Nova Scotia as a place to visit; therefore, AGNS will partner with numerous agencies to create public relations campaigns dedicated to increasing public awareness of the AGNS and increasing attendance at gallery exhibitions and programs.

The decision to open AGNS Yarmouth provides an opportunity for the gallery to act as a gateway for visitors entering Nova Scotia via the Yarmouth ferries. This satellite gallery will increase the number of people served by AGNS and hopefully broaden the opportunity for future grants, sponsorships, and donations.

Regarding capital challenges, AGNS has been hampered by inferior lighting and inadequate security cameras for a number of years; and the situation has become crucial, as it is adversely affecting the gallery's security and environmental conditions. Upgrades to the monitoring and delivery of the air handling system, temperature, and humidity control capacity are also required. The contract with the environmental monitoring company expired several years ago. The current contractor will not invest in new upgrades or expensive alterations with the uncertainty of a contract pending. While

funds for these initiatives are not included in the budget 2005–2006, these critical issues must be addressed as soon as possible.

Through its programs and leadership, AGNS contributes to the positive environment that promotes the growth of the arts and artists in Nova Scotia. It aspires to identify, acknowledge, encourage, and support the very finest achievements in the arts; bring these to the public; encourage their growth; and promote awareness of them internationally. At the same time, the gallery recognizes its own fiscal challenges and those of its largest benefactor. AGNS is striving to improve its managerial and governance practices to responsibly and prudently reach its goal of achieving greater degrees of independent sustainability.

Strategic Goals

- Stabilization of operations and increased gallery sustainability
- Implementation of the KPMG Audit Report and AGNS Strategic Plan Imperatives
- Completion of gallery expansion of AGNS Yarmouth
- Continuation of improvements to the Province of Nova Scotia's Collection of Art.



Core Business Areas

1. Public Programming and Exhibitions: The creation of knowledge in the arts

AGNS makes accessible to the public the gallery's collection, art collections from other institutions and patrons, special exhibitions, publications, lectures, films, and events and maintains accessible library, archives and study materials.

2. Collections and Conservation: The accumulation of knowledge in the arts

AGNS acquires artworks for the permanent collection consistent with the mandate of the acquisition policy. The gallery maintains related library, film, video, and resource support materials, along with institutional archival records pertaining to collections, exhibitions, and institutional history. AGNS ensures proper management of the collection through documentation, maintenance of records, and research. The Art Gallery of Nova Scotia ensures that the Province of Nova Scotia's collection is preserved and maintained in an environment that meets museum standards, while conducting conservation and restoration treatments using accepted practices of research, examination, analysis, and documentation.

3. Development and Auxiliary Services: To financially maintain AGNS and to encourage the public to visit the Art Gallery of Nova Scotia and engage in the visual arts

AGNS creates market awareness by various public relations tools. AGNS promotes membership to the public, generating revenue and, as well, these members become volunteers who assist the gallery in all aspects of its operations including fundraising, governance, and program delivery. The gallery provides auxiliary services that benefit visitors and members while increasing gallery funding. Services include membership, volunteer programs, a Gallery Shop, facility rentals, Art Sales and Rental, and Cheapside Café.

Priorities for 2005–2006

Stabilization of Operations and Increased Sustainability

Increase Revenue

- Increase admission revenues by 121 per cent by exhibiting three world-class exhibitions during the 2005–2006 fiscal year, which will have wide public appeal, and raising admission fee prices
- Launch a membership promotion campaign to increase membership revenue by 27 per cent. Utilize an aggressive direct mail appeal to increase funding by 23 per cent.
- Partner with the Friends of AGNS to deliver several fundraising events including “Artrageous Masquerade” targeted to produce 100 per cent increase in special events fundraising.
- Increase business development (sponsorship) by 83 per cent by establishing an effective committee of knowledgeable community business leaders.
- Undertake ongoing analyses of admissions to better quantify and qualify the composition of patron revenues to identify existing and potential growth opportunities.
- Increase the profitability of ancillary operations such as the Gallery Shop.

Increase Public Awareness of AGNS Exhibitions and Programs

- Create partnerships with a number of media firms and the Chronicle Herald to provide a strong marketing campaign to provide regional and provincial coverage promoting the world-class exhibitions the gallery is displaying.
- Take a leadership role in driving a program to support a network of artists working with school boards throughout the province and by continuing to administer Artsmarts to provide funding for art programming to schools, primarily rural, throughout Nova Scotia.
- Launch a new educational website, *The Age of Sail in Atlantic Canada*.
- Deliver a series of specialty lectures and interpreters to enhance visitor satisfaction with major exhibitions such as Rodin: A Magnificent Obsession, April Gornik, and Art of the Ancient Mediterranean World.

Ongoing Cost Containment

- Recognize the danger of continuing draw down of the gallery’s Endowment Fund capital to fund annual operational shortfalls.



Implementation of KPMG Audit and AGNS Strategic Plan Imperatives

- Utilize the proposed new hire project lead position to enhance the effectiveness of gallery management through improved budgeting, planning, and governance processes identified in the strategic plan and the audit to ensure recommendations are aligned where applicable.

Completion of Art Gallery of Nova Scotia Expansion to the Western Region

- Complete the final construction phase of AGNS Yarmouth and feature the exhibition and publication *Paintings of Nova Scotia* to allow the satellite gallery to share these images with visitors and residents to the Western region of the province.
- Provide education programs to service schools and lifelong learning for this area of the province.
- Establish committees made up of individuals from the community and the gallery to promote the gallery in the region and assist in fundraising initiatives.

Continuation of Improvements to the Province's Collection of Art

Make Significant Landmark Acquisitions

- Continue to implement the AGNS collections strategy to add significant works of art to fill gaps in the gallery's regional and national collections, while making complementing, smaller numbers of additions to its international collections. Most of these acquisitions will be by donation, while some key additions will be made by long-term loan.
- Continue to build the value of the AGNS Collection by encouraging support from patrons.
- Work with Public Archives of Nova Scotia to transfer artworks from the archives into the collection of AGNS.

Summary

AGNS will make substantial improvements to the perception of its national and international standing. It will present programs of value to a broad spectrum of art audiences from introductory first-time art museum visitors through dedicated museum goers through to contributions that contribute to scholarship of the highest order. AGNS will make important improvements to the quality, breadth, and value of its permanent collections by

attracting first-rate gifts and making key strategic purchases. It will maximize the advantage of its permanent collections through dramatic and attractive new permanent displays and seek complementing, significant long-term loans. AGNS will rededicate itself to attracting and promoting major art events. Yet, it will reduce substantially the total number of smaller support exhibitions, thus affecting a considerable cost saving. It will extend services to AGNS Yarmouth to provide service to citizens in the western region of the province, as well as aspiring to be a major draw for tourist visitation. AGNS will review and realign personnel functions and workload to improve organizational effectiveness. It will concentrate on marketing a positive upbeat message.

Thereby, AGNS aspires to attract larger numbers of self-generated funds through admissions and related sales, increased membership numbers, and reinvigorated sponsorships. With the support of the Department of Tourism, Culture and Heritage, the corporate community, members, visitors, volunteers, and the dedicated professional staff, the AGNS can present a year of exemplary public programs and build steadily upon its regional and national reputation as an arts leader.



Budget Context

Art Gallery of Nova Scotia Operating Budget Fiscal Year 2005–2006

REVENUE	Estimate 2004–2005 (\$)	Forecast 2004–2005 (\$)	Estimate 2005–2006 (\$)
Provincial Funding			
Allotment	1,180,000	1,180,000	1,198,000
	1,180,000	1,180,000	1,198,000
Forecast Revenue			
Admissions	150,000	162,600	360,000
Programming Recoveries	70,000	63,400	80,000
Membership	70,000	78,500	100,000
Advertising	8,000	1,400	5,000
Cost Centres- Rent	45,000	42,000	42,000
Rental Space Recoveries	35,000	31,000	32,000
Sobey Art Award - Tour & Admin	30,000	30,000	130,000
Interest	2,000	2,400	1,500
Grants	200,000	391,500	255,000
Salary Recoup - Shop	\$74,000	74,000	75,000
Donations/Miscellaneous Income	\$30,000	35,400	30,000
	714,000	912,200	1,110,500
Anticipated Fund Raising			
Direct Mail/Major Gifts	25,000	23,900	27,000
Artsmarts	110,000	110,000	100,000
Early Childhood Education	30,000	30,000	30,000
Yarmouth	10,000	-	25,000
Special Events	30,000	19,800	50,000
Business Development	200,000	147,000	275,000
Total	405,000	330,700	507,000
Projected Revenue	2,299,000	2,422,900	2,815,500

Art Gallery of Nova Scotia

EXPENDITURES

	Estimate 2004-2005 (\$)	Forecast 2004-2005 (\$)	Estimate 2005-2006 (\$)
Salaries & Benefits	985,000	980,000	1,008,000
Building Operations/Administration			
Utilities	210,000	210,000	250,000
Security/Interpreters	185,000	187,000	195,000
Climate Control-HVAC	125,000	125,000	125,000
Yarmouth Gallery	50,000	30,000	110,000
"Bldg Repairs, Maintenance & Cleaning	90,000	110,000	100,000
Insurance	61,000	61,000	70,000
Elevator Maintenance	12,000	9,000	9,000
"Stationery, Postage	42,000	35,000	40,000
Admin Promotional	2,000	1,900	2,000
Telephone	25,000	25,000	27,000
Travel	33,000	35,400	35,000
Professional Fees	20,000	20,000	22,000
Equipment Leases & Maintenance	20,000	17,000	20,000
Memberships -Professional	6,000	6,000	7,000
Delivery & Shipping	1,000	800	1,200
Technology	10,000	11,300	15,000
Staff Development & Training	5,000	3,800	10,000
Bank/Visa Charges	5,000	5,000	7,000
Miscellaneous	1,500	1,000	1,500
Total	903,500	894,200	1,046,700
Programming			
Exhibitions	252,200	482,900	597,800
Education	79,500	79,500	84,500
McConnell Artsmarts	110,000	110,000	100,000
Sobey Art Award	30,000	54,000	10,000
Early Childhood Education	30,000	30,000	30,000
Permanent Collection	10,000	4,500	10,000
Vehicle	5,000	4,200	7,000
Collection Management	4,500	2,500	5,000
Conservation Lab	4,500	4,800	5,000
Workshop Supplies	7,000	7,000	10,000
Total	532,700	779,400	859,300
Development			
Development	40,000	40,000	36,000
Communications			
Communications & Marketing	102,500	140,000	124,000
TOTAL EXPENSES	2,563,700	2,833,600	3,074,000
Net Surplus/(Net Loss)	(264,700)	(410,700)	(258,500)
Transfer From Other Funds			
Endowment Contribution	215,000	386,700	209,000
Gallery Shop	50,000	24,000	50,000
Total	265,000	410,700	259,000
Surplus/(Deficit)	300	---	500



Outcomes and Performance Measures

Core Business Area 1 *Stabilization of Operations and Increased Sustainability; Increase Revenues*

Outcome	Measure	Target	Strategies to Achieve Target
Higher admissions	Fees collected	121%	<ul style="list-style-type: none"> Exhibit Rodin and Art of the Ancient Mediterranean World—increase admission fees
Increase membership revenue	Fees collected	21%	<ul style="list-style-type: none"> Promotion and public relations campaign Increase membership fees
Increase direct mail appeal campaign	Donations	23%	<ul style="list-style-type: none"> Request letters sent to patrons and members in early fall
Increase in business development	Sponsorships	83%	<ul style="list-style-type: none"> Create effective committee with strong business contacts
Increase special events revenue	Tickets sold	100%	<ul style="list-style-type: none"> Ticket Chair in place by summer. Additional events with AGNS Friends
Increase shop revenues	Sales	25%	<ul style="list-style-type: none"> Specialty items for Rodin and Art of the Ancient Mediterranean exhibitions

Core Business Area 2

Increase Public Awareness of AGNS Exhibitions and Programs

Outcome	Measure	Target	Strategies to Achieve Target
Increased promotional materials	Number of times appearing in media	Weekly	<ul style="list-style-type: none">Partnerships with Chronicle Herald and media firms
More artists working in schools	Number of schools participating		<ul style="list-style-type: none">Providing leadership role
Age of Sail website	Fully operational, number of hits		<ul style="list-style-type: none">Launch of completed website

Core Business Area 3

Implementation of KPMG Audit and AGNS Strategic Plan Imperatives

Outcome	Measure	Target	Strategies to Achieve Target
Improved budgeting, planning and governance	Increased effectiveness and efficiency		<ul style="list-style-type: none">Utilize the new project lead to enhance effectiveness



Core Business Area 4 *Completion of Art Gallery of Nova Scotia Yarmouth*

Outcome	Measure	Target	Strategies to Achieve Target
Final phase completed	Opened and exhibiting	Tourist season	<ul style="list-style-type: none"> Working with Yarmouth Area Development Corporation to arrange construction completion
Programs delivered	Number of programs	Daily school tours	<ul style="list-style-type: none"> Developing and implementing school based programs
Increased revenues	Donations and sponsorships	100%	<ul style="list-style-type: none"> Establishing committees to develop strategies to raise funds and awareness

Core Business Area 5 *Continuation of Improvements to Province's Collection of Art
Make Significant Landmark Acquisitions*

Outcome	Measure	Target	Strategies to Achieve Target
Key acquisitions	Number of works		<ul style="list-style-type: none"> Encouraging patrons to donate artworks
Funds to purchase artworks	Donations	100%	<ul style="list-style-type: none"> One-on-one meetings with patrons to encourage cash donations in order for AGNS to purchase artworks
Archives Collection	Number of works	100%	<ul style="list-style-type: none"> Work with Nova Scotia Archives to transfer their collection of artworks to AGNS