



Committee of the Whole Report

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| Report Number: | ED2023-036 |
| Meeting Date: | May 9, 2023 |
| Title: | 2023 Arts and Culture Resiliency Fund and the Chamber of Commerce Resiliency Fund |
| Description: | In year operational funding for cultural community organizations and local Chambers of Commerce |
| Author and Title: | Donna Goodwin, Economic Development Officer – Arts and Culture Rebecca Mustard, Manager of Economic Development |

Recommendations:

That Report ED2023-036, 2023 Arts and Culture Resiliency Fund and the Chamber of Commerce Resiliency Fund be received;

That Staff establish and manage an in year fund for 2023: The Arts and Culture Resiliency Fund and the Chamber of Commerce Resiliency Fund, as generally outlined in Report ED2023-036;

That a review committee of up to five (5) Staff from Development Services, Community Services, and Corporate Services be established to review application eligibility, and the Director of Development Services be authorized to approve applications; and

That this recommendation be brought forward to Council for consideration at the next Regular Council Meeting.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

At the Council Meeting of February 28, 2023, Council adopted the following resolution:

CR2023-154

That \$200,000.00 be included in the 2023 Operating Budget for the City of Kawartha Lakes to create a one-year operating grant funding program for Arts and Culture Organizations and Chambers of Commerce, funded from the 2022 Operating Budget Surplus; and

That Staff report back by the end of Q2, 2023 with the parameters that will apply to the proposed one-year operating grant funding program.

This report provides Council with a program framework for disbursing the \$200,000 budget commitment to cultural organizations and local Chambers of Commerce.

Rationale:

The City remains committed to supporting pandemic recovery efforts of Arts & Culture organizations, as well as the City's four (4) Chambers of Commerce, in 2023. The Arts and Culture Resiliency Fund and the Chamber of Commerce Resiliency Fund (Fund) is an in year operational support payment to help cover the burden of operating costs; fixed or through staffing. This Fund will not cover costs currently supported by other municipal funding arrangements.

The City wishes to provide financial assistance and support to these community organizations and associations in recognition of these groups as a valuable resource in helping the municipality provide a strong community focus.

The Municipal Act, Section 107 (1), General power to make grants, acknowledges Council's authority to provide financial assistance through the following statement;

Despite any provision of this or any other Act relating to the giving of grants or aid by a municipality, subject to section 106, a municipality may make grants, on such terms as to security and otherwise as the council considers appropriate, to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that council considers to be in the interests of the municipality.

The City therefore may distribute funding for the purpose of providing financial support to various community-based, not-for-profit arts/culture/chamber organizations struggling with fixed and other operating costs post COVID.

The proposed Fund framework is based on the City's 2021 Recovery Funding for Arts, Culture and Heritage organizations. The 2021 Fund provided structured financial support to not-for-profit arts, culture and heritage organizations that experienced economic hardship due to the shutdown of the sector from COVID-19 regulations. In recognition of the breadth of the local cultural industry in need of emergency support, the Kawartha Lakes Arts, Culture and Heritage Recovery Fund was available to volunteer based not-for-profit organizations in the City of Kawartha Lakes that provided a cultural resource or creative service to the municipality and its residents. This included organizations such as art galleries, museums, live theatre and heritage organizations.

In 2021, \$149,081.90 was disbursed through the Recovery fund; supporting eligible fixed costs. Staffing was not included at that time. With the reopening of the cultural sector, many organizations have experienced a shift in the sector compared to pre-pandemic norms. The cultural sector has not recovered in the same way that other sectors affected by the shutdown have recovered. The cultural sector was identified as a priority in 2021, and since that time, new cultural non profits are operating in the municipality. New to the 2023 fund being proposed is the inclusion of Chambers as an eligible organization and an Operating Grant stream.

2023 Resiliency Funds

In February 2023, Council discussed the need to provide immediate support for arts, culture and chamber organizations through this \$200,000 fund. Staff are proposing \$120,000 for Arts and Culture funding (2023 Kawartha Lakes Arts and Culture Resiliency Fund), and \$80,000 for Chambers of Commerce funding (Kawartha Lakes Chambers of Commerce Resiliency Fund). This allocation provides a prescribed amount of funding to both programs which will be helpful during disbursement.

2023 Kawartha Lakes Arts and Cultural Resiliency Fund

Eligibility Criteria

Applicants must be a not-for-profit with a board of management operating in the City of Kawartha Lakes. The definition of eligible applicants is: Arts, Culture and Heritage Organization who 'are a local community group or association which operates as a not-

for-profit organization, is volunteer based, and provides a valuable cultural resource or service to the municipality and its residents'. Cultural resource means a project or initiative which enhances the community through the area of artistic, historical and/or theatrical achievement.

Grant funding programs typically deal within three areas of funding: capital, project, and operating. This fund is specific to operating and for the purpose of this fund covers fixed and staff operating costs. Fixed Operating Costs means required payment for fixed assets that do not fluctuate in relation to profit or loss of organizational activities. Examples are items as rent, mortgage, utilities, telephone, property taxes, and building insurance.

Staffing Operational Costs means required payment for services rendered in a permanent staffing capacity not already covered by another City funding source. The funds can be used to cover operating costs: fixed and/or subsidize staff position.

Ineligible Activities

Staffing and other operating costs related to programing supported through grants/sponsorship are considered project based funding and are not eligible. Operational costs for staff funded through grants, sponsorships and employment programs are not eligible expense/submissions.

Capital costs are not an eligible expense for programs, facility upgrades and maintenance are not eligible expense/submissions.

As with the Arts and Culture Resiliency Fund, capital costs and costs funded through grants, sponsorships and/or employment programs are not eligible expenses.

Funding Structure

The structure of funding is modelled from the 2021 Recovery Fund. Applicants will submit 2022 Operating costs – Fixed/Salary (not including costs paid for by other organizations or positions subsidized by other funding sources), with a sliding scale of assistance based on operating costs;

between \$500 and \$4,999: fixed funding amount up to \$2,500

between \$5,000 and \$14,999: fixed funding amount up to \$10,000;

over \$15,000: fixed funding amount up to \$20,000;

Program Criteria

- 1.1 Total funding allotment for this fund is to be considered as City wide.
- 1.2 Cultural Organizations must apply in writing to the Economic Development Department prior to June 30, 2023 to access funding.
- 1.3 The applicant must provide a detailed financial statement.
- 1.4 The funds must be used to cover fixed costs not already supported through other municipal funding arrangements. Funding will not support the offset of staff wage(s) already supported through other funding arrangements.
- 1.5 Eligible organizations are limited to registered non-profits; Museums, Galleries, and Theatres, and demonstration of associated fixed costs and/or operational need.
- 1.6 Organizations are limited to one funding request. A funding scale of assistance to a maximum of \$20,000 can be allotted to any one Cultural Organization in 2023.
- 1.7 Applications will be reviewed and authorized by the Director of Development Services, or designate and reported on to Council for information purposes.
- 1.8 Program applicants are encouraged to seek any and all alternate sources of funding but are advised that application to this program precludes application to any other source of funding that may be provided by the City for the same activity.

Specific 2023 operating funding for the Kawartha Art Gallery (KAG) and the Kawartha Lakes Archive and Museum (KLAM) was approved by Council in the 2023 budget.

Program Administration

When a funding framework is approved, the applications will be available on the Kawartha Lakes website and shared with the community. Applications will be received and reviewed by an internal Review Committee to determine eligibility against program criteria, verified by the review committee, and approved by the Director of Development Services. A list of successful applicants will be presented to Council.

2023 Chambers of Commerce Resiliency Fund

There are four local Chambers of Commerce in Kawartha Lakes; Bobcaygeon and Area Chamber of Commerce; Coboconk, Norland and Area Chamber of Commerce; Fenelon Falls and Area Chamber of Commerce; and, Lindsay and District Chamber of Commerce.

It is proposed that all four Chambers of Commerce receive up to \$20,000 each. The Chambers of Commerce will be required to report eligible operating expenses to the maximum of \$20,000 at the end of the 2023 municipal financial year.

Other Alternatives Considered:

The proposed Arts and Culture Resiliency Fund and Chamber of Commerce Resiliency Fund framework provides a simple, streamlined and transparent process for supporting organizations immediately, as requested by Council. Council could choose to make a different amount of funding available to the program or distribute the funds under alternative criteria.

An alternative concept could be proportional response to a request for funding. Rather than the sliding scale with a cap of \$20,000, organizations could submit their operational request of base costs and the total request of eligible costs could be prorated based on the proportion of the funding envelope in relation to the overall budget of the applicants. There is no cap to individual funding allotment. In this structure, Staff would identify and compare the proportion of eligible expenses of each organization, and proportionally allocate the \$120,000 Arts and Culture amount, or the full \$200,000 fund amount (and include Chambers of Commerce), to organizations. This structure allows the \$200,000 to be distributed in its entirety.

Alignment to Strategic Priorities

The Arts and Culture Resiliency Fund and the Chamber of Commerce Resiliency Fund directly supports the 2020-2023 Kawartha Lakes Strategic Plan goal; An Exceptional Quality of Life through the action of community Building;

- Enhance community involvement
- Foster civic pride
- Update and execute the Cultural Master Plan
- Support and promote arts, culture and heritage

Financial/Operation Impacts:

Funds in this Fund are proposed to be allocated to eligible organizations based on a scale of assistance as identified in this report and drawn from the 2022 Operating Budget Surplus.

Total disbursement of funds available is \$200,000.

Attachments

Appendix A – MD2021-001 Resiliency Fund (DRAFT Revised)



ED2023-036MD2021-
001RecoveryFunding_1

Consultations:

Chief Administrative Officer

City Treasurer

Senior Accountant, Finance

Department Head email: rholy@kawarthalakes.ca

Department Head: Richard Holy, Director of Development Services