



Committee of the Whole Report

Report Number: ED2023-039

Meeting Date: October 10, 2023

Title: **Proposed Kawartha Lakes Cultural Funding Program**

Description: Proposed permanent cultural funding program for not-for-profits in Kawartha Lakes for operating and project related costs

Author and Title: Rebecca Mustard, Manager Economic Development
Donna Goodwin, Economic Development Officer – Arts & Culture

Recommendations:

That Report ED2023-039, **Proposed Kawartha Lakes Cultural Funding Program**, be received;

That annual funding be established in future City budgets to support local cultural not-for-profit organizations and their operations, administered through an application-based process;

That \$200,000 be allocated in the 2024 Budget to launch this program; 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:

The Cultural Master Plan 2020-2030 was adopted by Council on February 18, 2020:

CR2020-049

Moved By Councillor Richardson

Seconded By Councillor Elmslie

That Report ED2020-005, **Cultural Master Plan 2020- 2030**, be received;

That Council approve the Cultural Master Plan 2020-2030 as outlined in Appendix A to Report ED2020-005; and

That Staff bring forward to Council implementation action items for consideration through the annual budget processes.

Carried

The Cultural Master Plan 2020- 2030 (Cultural Master Plan) builds on the goals of the City's first Cultural Master Plan (completed in 2013) and provides a long-term vision and strategic action plan to guide the growth of the local cultural economy. The Cultural Master Plan also strives to enhance quality of life and place making, by providing direction to ensure that future investments reflect the unique cultural identity of Kawartha Lakes.

The Cultural Master Plan includes seven strategic priorities to address the current conditions in the cultural sector:

1. Training for cultural sector businesses and non-profit organizations
2. Addressing local factors inhibiting cultural sector growth
3. Improving cultural spaces and places
4. Expanding cultural sector funding options
5. Focusing on authentic local culture
6. Maximizing sector growth through collaboration and partnerships
7. Strengthening cultural promotion and marketing

Staff continue to implement the Cultural Master Plan. Initiatives are funded through the Economic Development operating budget, with larger funding requirements coming to Council for direction.

In 2020 as the pandemic impacted the Canadian and global economy, the cultural sector was disproportionately disadvantaged. In response, Council leveraged the Cultural Master Plan to provide immediate support to the cultural sector, and committed to accelerating the operational funding recommendation. At the Council Meeting of November 17, 2020, Council adopted the following resolution:

CW2020-164

That Report ED2020-23, Economic Recovery Task Force Recommendations, be received;

That permit fees for park use, patios and events in 2021 be waived, with forecasted reduced revenue identified in the 2021 budget;

That the downtown Fenelon Falls reconstruction project be included as a decision unit in the 2021 capital budget;

That an increase in garbage cans and frequency of waste pick up in our downtowns and major parks be costed and included as a decision unit in the 2021 budget;

That portable washrooms and associated directional signage in our downtowns and parks be costed and included as a decision unit in the 2021 budget;

That accelerated investment in our boat launches and trails for improved access and enjoyment be costed and included as a decision unit in the 2021 budget;

That Council supports the work of EORN and EOWC for the Eastern Ontario "1 GIG" proposal for increased broadband capacity;

That Council directs staff to develop a cultural sector recovery grant program for 2021, which could be applied to operating costs for our arts and culture community, and report back to council on the scope of the program by end of Q1 2021;

That Council approves a modified extension to the Kawartha Lakes Innovation Cluster Pilot program until December 31, 2021, through in-kind support to provide specific support for high growth businesses; and

That Council endorses the Economic Recovery Task Force Action Plan as provided in Appendix A to this report.

Carried

Appendix A: Economic Recovery Task Force Action Plan included the following recommendation:

That the Culture Master Plan implementation be accelerated;

That Council consider setting up an immediate short term funding program in 2021 for the cultural sector, which could be applied to operating costs for our arts and culture community; and

That Staff develop an ongoing cultural organization operating program for consideration in the 2022 budget.

In March, 2021, an immediate short term funding program for the cultural sector, the Arts, Culture and Heritage Recovery Fund, was launched. The Fund disbursed over \$149,000 to 11 local organizations.

An update to Council on the local state of the cultural sector was provided in October 2021 in Report ED2021-035. The Report noted a number of initiatives underway that had the potential to shape the needs of cultural organizations. The two most significant being; the Cultural Centre Feasibility Study, and the hiring of an Economic Development Officer-Curatorial Services to support the municipal collection of three dimensional (3D) artifacts and community owned collections. In the report, Staff recommended bringing a funding framework forward for Council's consideration in 2022 when the outcome of these initiatives was better known.

On June 7, 2022, Council received an update on the current Canadian cultural funding landscape and the Cultural Master Plan funding recommendations in Report ED2022-036. The Cultural Master Plan funding recommendation:

Priority 4: Expand Cultural Sector Funding Options

Objective 3: The municipality offers a modest performance-based grant program to help address current operational funding gaps for cultural organizations, with a ceiling on the amount of support available prior to their qualification for provincial and federal operational funding grants. The objective of this funding program is to enable local cultural organizations to improve their operation and professional capacities so that they are able to qualify for and obtain provincial and federal operational funding.

It was shared that the Priority objective would be premature as there was no provincial or federal funding program for museums to graduate to once municipal step funding

was complete. At the June 21, 2022 Council meeting Council adopted the following resolution:

CW2022-154

That Report ED2022-036, **Report Back on Operational Funding for Cultural Organizations in Kawartha Lakes**, be received for information.

Carried

Since that meeting, Staff have continued to review the municipal cultural funding landscape to identify programs that may be of benefit to the Kawartha Lakes cultural economy.

At the February 28, 2023, Special Council meeting to set the 2023 budget, Council directed staff in Economic Development to create an in-year operational funding program for Arts and Culture organizations and the four Chambers of Commerce.

CR2023-154

Moved By Councillor Yeo

Seconded By Councillor Warren

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 one-year operating grant funding program.

Carried

In the 2023 Budget, Council also provided direct support to the Kawartha Art Gallery and the Kawartha Lakes Museum and Archives:

CR2023-155

Moved by: Deputy Mayor Richardson

Seconded by: Councillor Yeo

That a \$50,000.00 contribution to the Kawartha Art Gallery be included in the 2023 Operating Budget for the City of Kawartha Lakes, funded from the 2022 Operating Budget Surplus; and

That a \$50,000.00 contribution to the Kawartha Art Gallery be included in the proposed 2024 and 2025 Operating Budgets for the City of Kawartha Lakes for consideration.

Carried

CR2023-156

Moved by Deputy Mayor Richardson

Seconded by Councillor Smeaton

That a \$125,000.00 contribution to the Kawartha Lakes Museum and Archives be included in the 2023 Operating Budget for the City of Kawartha Lakes, funded from the 2022 Operating Budget Surplus.

Carried

In May 2023, Staff returned to Council with the framework for the 2023 Arts and Culture Resiliency Fund program. Council approved the framework and requested additional work to be completed regarding options for a permanent operational funding program.

CR2023-268

Moved By Councillor Warren

Seconded By Councillor Joyce

That Staff report back to Council by the end of Q3, 2023 regarding options that are available for the establishment of a permanent funding program for not-for-profit organizations to aid with operating costs for economic development initiatives.

Carried

In the 2023 program, approximately \$120,000 to 11 local cultural organizations, and \$80,000 was disbursed to the four local Chambers of Commerce in Kawartha Lakes.

This report addresses the Council direction to provide options for a permanent municipal funding program.

Rationale:

Council currently directly supports not-for-profit community organizations across Kawartha Lakes through a variety of funding programs, and through other direct operational funding for organizations located in municipal facilities.

Community funding for capital, projects, and events is facilitated by the Community Services Department through four programs:

Community Partnership and Development Fund; established for the purpose of providing operating funding support to various community-based, not-for-profit organizations with elements for beautification, special events, milestone special events, municipal tax rebate program, and culture.

50/50 Community Project Capital Funding; for the purchase of and enhancement of both City facilities and parks, and facilities and parks in those communities where no such municipally owned amenities exist.

C.H.E.S.T. Fund; (available in Lindsay and Bobcaygeon) provides financial assistance to non-profit, community-based organizations that provide programs, projects, services, or activities that enhance the quality of life for Lindsay and Bobcaygeon residents in the areas of health, arts, culture, leisure, heritage, education and the environment.

Canada Day Fund; events celebrating and promoting Canada Day.

Chambers of Commerce are eligible for the Summer Tourism Experience fund that was launched as an Empower project. Local Chambers are provided with funding to support the hiring of Summer Students and related project costs to enhance visitor experience and support a strong tourism economy.

A number of not-for-profit cultural organizations are currently located in municipal buildings and operate programming from those facilities. As stewards of these buildings, Council provides operational funding to maintain municipal assets through Other Direct Operating Expenditures (ODOE); building maintenance and repairs. Table 1 shows the organization and the annual amount of operational support such as heat, hydro, gas/utilities, building maintenance and repair, snow plowing, ground maintenance, fire and safety components, HVAC system maintenance provided in 2019, 2020, 2021 and 2022.

Table 1 – Other Direct Operating Expenditures (ODOE) 2019 – 2022 funded by the City

Organization	Location	2019	2020	2021	2022
Olde Gaol – VCHS/KLMA	Lindsay	\$56,105.58	\$39,377.32	\$43,166.18	\$48,326.07
Fenelon Falls Train Station	Fenelon Falls	\$2,899.52	\$5,384.62	\$2,940.84	\$2,949.79
Pontypool Grain Elevator	Pontypool	\$290.43	\$237.63	\$277.19	\$295.03
Kinmount Railway Station	Kinmount	\$12,687.10	\$6,917.84	\$7,750.05	\$6,085.59
Coboconk Train Station	Coboconk	\$10,990.67	\$9,902.56	\$16,332.90	\$18,055.85
Boyd Museum (57.79% of building)	Bobcaygeon	\$20,792.72	\$12,302.09	\$23,531.35	\$39,151.25
Maryboro Lodge	Fenelon Falls	\$12,278.74	\$6,317.42	\$9,136.26	\$14,298.62
Kawartha Art Gallery (6.2% of LL)	Lindsay	\$7,721.42	\$6,437.65	\$6,718.79	\$7,629.47
Total		\$123,766.18	\$86,877.13	\$109,853.56	\$136,791.67

Community organizations are important partners helping the municipality work towards the vision of thriving and growing communities within a healthy and natural environment. As demonstrated in the funding disbursed through a variety of programs,

and ODOE support, municipal financial contributions are well received by the community.

Economic development initiatives are undertaken by many organizations. Many of these organizations are eligible for municipal, provincial, federal and other funding programs on a project by project basis. All organizations and businesses in Kawartha Lakes are able to access business advisory services, business development programs, grant writing support, and where eligible grant funding.

The Economic Development Strategy recognizes the importance of nurturing the growing cultural economy. To do this, the Cultural Master Plan identified a specific funding gap for cultural organizations that municipal funding contributions could assist in closing and help strengthen the cultural economy.

The funding program proposed below focuses Council's new funding consideration to strategically address a known gap and intentionally strengthen the cultural economy.

Cultural Master Plan 2020-2030 Funding Framework

The Cultural Master Plan identified operational funding as an activity necessary to build capacity in the sector and prepare it for upper levels of permanent government funding (Priority 4, Objective 3). While the availability of permanent funding from upper levels of government is not presently accessible, three themes of the funding framework presented remain; (1) operational support; improving operational and professional capacities, and financial stability (2) equitable; accessible to all organizations across the community, and (3) performance based; demonstrate prescribed levels of achievement, partnerships with other local organizations, enhanced events and cultural activities, increased visitor/customer numbers and annual earnings.

These themes are present in cultural funding programs offered by other Canadian municipalities.

An environmental scan of Canadian municipalities was conducted and focused on five (5) municipalities with established cultural funding programs and strong reputations for a growing cultural economy; The Municipality of Chatham-Kent, The City of Greater Sudbury, The City of Moncton, The City of Kelowna and The City of Calgary. These municipalities currently offer permanent operational funding programs for non-municipally owned not-for-profit organizations specifically geared to support organizations that provided services not offered by the municipality itself or for support of activities that advanced the municipality's strategic plan. In all cases, these municipalities have blended two funding models: operational funding and project based

funding. Appendix A, 2023 Municipal Funding Programs Chart, provides an overview of the municipal programs reviewed.

Proposed Operational Funding Program for Cultural Organizations

The proposed operational funding program for cultural organizations is founded in the Cultural Master Plan, the municipal Strategic Plan, and best practice from Canadian municipalities with established cultural funding programs. This new program to start in 2024 considers existing municipal funding programs available to not-for-profit organizations and seeks to fill existing gaps. It is anticipated that 2024 will form a baseline for ongoing operational funding for not-for-profit cultural organizations, with the expectation that the program will grow and develop over the life of the Cultural Master Plan.

The proposed operating funding program creates partnerships with cultural organizations for the betterment of the economic vibrancy of the City, supporting their contribution to the community while ensuring the organizations retain their independence. The program is built on the three themes of the Cultural Master Plan; sustainable operating support, equitability, and operational performance, and is as follows:

Operating Funding

Operating funding supports organizations with reliable funding for sustainable operations that are typically not funded by cultural funding opportunities. Operating funding is proposed for Kawartha Lakes not-for-profit organizations where arts, culture, and/or heritage is the primary mandate of the organization, and the organization has a facility from where public programming is provided. For profit, individuals, religious, political, or lobby groups would not be eligible applicants.

Operating funds would be available to support the cost of space and staffing (fixed costs). Examples of fixed costs include rent, mortgage, utilities, telephone, insurance and permanent staffing (not related to a specific funded project). Organizations would be required to provide a demonstrated need for funding: a commitment to securing revenue beyond public funding, a strong organizational capacity, and a commitment to advancing the Cultural Master Plan and Kawartha Lakes Strategic Plan. Expenses covered by another municipal funding source would not be eligible.

Organizations receiving operating funding would be required to apply annually, provide financial and year end reporting, and publically recognize the City's contribution. In the first year of the program, organizations will be required to provide proof of at least three (3) years of operation.

The maximum support per organization is proposed at 25% of eligible fixed costs up to a maximum of \$20,000, whichever comes first.

Program Administration

Notwithstanding current funding offered through the Parks and Recreation Division, the Cultural Funding program is proposed to be delivered by Staff through the Economic Development Division. Applications will be available on the City of 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, or designate. A report for information will be presented to Council. If there is more demand than program funds available, Staff will bring forward a report to Council with recommendations for decision. A list of successful applicants will be announced through news release and posted on the City's website.

It is expected that the Cultural organization funding program will continue to grow over the life of the Cultural Master Plan. Staff will continue to monitor funding requests from cultural organizations and the impact of the fund and bring recommendations forward to Council for future growth of the program. Should funding not be fully allocated in any calendar year, the funds will be kept for the next year.

Consideration and Next Steps

A key theme of the proposed funding program is equity in support. Table 1 demonstrates significant organizational support for those in municipal facilities. Staff recommend grandfathering ODOE allocations to these organizations and retaining the existing administrative relationship for such contributions. All eligible organizations may apply for operational funding that is not covered through ODOE.

Staff are proposing to operate the program administratively to provide a streamlined process for evaluation and approvals. Council may, however, choose to appoint a Committee of Council similar to the C.H.E.S.T. Fund to evaluate project stream and make recommendations to Council for approval.

The proposed applicant eligibility requires not-for-profit cultural organizations to offer public programming from a physical facility. This approach eliminates groups that operate in Kawartha lakes but do not operate out of a physical facility. Council may choose to broaden the eligibility to additional cultural organizations by removing the requirement to offer public programming from a physical facility.

Specific 2024 and 2025 operating funding for the Kawartha Art Gallery (KAG) has been approved by Council. It is proposed that an application by the KAG may be considered starting in 2026.

It has been the intent of Council to consider a cultural funding program to launch in 2024, if approved, a policy will be provided to Council for approval. The program would launch in Q1 with anticipated decisions in Q2, 2024. Staff will consult with the cultural sector throughout 2024 to refine the program and bring forward amendments for consideration for the 2025 budget.

Other Alternatives Considered:

The introduction of a permanent cultural funding program is a significant municipal investment. Staff have interviewed colleagues from municipalities across Ontario, researched existing successful program, and evaluated each in the context of the local Kawartha Lakes cultural landscape. Staff have also considered presenting a similar program structure to the 2021 and 2023 cultural funding programs.

The program presented is, in the opinion of Staff, the most transparent, accountable, and progressive approach to supporting local organizations and positioning Kawartha Lakes as a leader in the cultural economy.

Council could choose to offer an alternative approach to meeting the desired objectives or choose not pursue direct funding of the Arts and Culture sector.

Alignment to Strategic Priorities:

The proposed operating funding program supports the 2020-2023 City of Kawartha Lakes Strategic Plan's Strategic Priority An Exceptional Quality of Life through the action of Community Building;

- Enhancing community involvement;

- Updating and executing the Cultural Master Plan; and

Supporting and promoting arts, culture and heritage.

The program also supports the Kawartha Lakes Economic Development Strategy goal; Grow Specific Sectors with the emerging sector of Culture specifically identified.

Financial/Operation Impacts:

Council has directly supported the Kawartha Lakes cultural sector through funding programs in 2021 and 2023, as well as providing direct support to the Kawartha Art Gallery and the Kawartha Lakes Museum and Archives. Together, these contributions total approximately \$444,000.

The proposed cultural funding program is requesting an annual operating budget contribution of \$200,000 from the 2024 tax base. As the program continues to grow, Staff will bring forward to Council recommendations for additional budget in subsequent years.

Staff time will be required to administer the program. The program has been designed to be achievable with current Economic Development Staff resources.

Consultations:

Chief Administrative Officer

Director, Community Services

Manager, Communications, Marketing and Advertising

Treasurer

Attachments:

Appendix A – 2023 Municipal Funding Programs Chart



2023 - municipal
funding programs chart

Department Head email: rholy@kawarthalakes.ca

Department Head: Richard Holy, Director Development Services