



Committee of the Whole Report

Report Number: ED2024-002
Meeting Date: March 5, 2024
Title: Economic Development Fund Policy
Description: A new Council Policy to fund Culture and Local Economic Development Not-For-Profit organizations
Author and Title: Rebecca Mustard, Manager of Economic Development

Recommendations:

That Report ED2024-002, **Economic Development Fund Policy**, be received;

That City of Kawartha Lakes Economic Development Fund Policy appended to Report ED2024-002 be adopted, numbered and inserted into the Corporate Policy Manual; 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:

Since the pandemic, Council has increased support for cultural Not-For-Profits and local Chambers of Commerce through several funding initiatives. In 2023, Council committed to continuing to support this work through a structured program.

At the Council Meeting of October 24, 2023, Council adopted the following resolutions:

CR2023-490

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; and

That \$200,000.00 be allocated in the 2024 Budget to launch this program.

Carried

CR2023-491

That \$100,000.00 to support the operating costs of not-for-profit community based organizations that are actively engaged in local economic development initiatives be included as a decision unit for consideration as part of the 2024 budget process; and

That, if the decision unit is approved, Staff report back with a proposed program framework and policy for consideration to launch in Q1, 2024.

Carried

At the Special Council Meeting of December 5, 2023 Council adopted the following resolution:

CR2023-650

That \$100,000.00 be included in the Proposed 2024 Operating Budget to establish a program to support the operating costs of not-for-profit community

based organizations that are actively engaged in local economic development initiatives, funded from the Economic Development Reserve; and

That Staff report back with a proposed program framework and policy for consideration by the end of Q1, 2024.

Carried

This report addresses the request for the adoption of new funding programs for organizations in support of culture and local economic development initiatives.

Rationale:

Council requested the development of two new funding initiatives to support the work of local Not-For-Profit organizations that contribute to the cultural economy and local economic development initiatives.

Significant background work on the development of the Cultural Not-For-Profit fund was provided to Council in October 2023, through Report ED2023-039 (Appendix A). The report outlined best practice funding programs currently offered across Canada, and provided a funding framework that furthers the implementation of the Kawartha Lakes Cultural Master Plan and is relevant to the current conditions of the Cultural sector following the impacts of the pandemic.

In preparation for the development of a fund to support Not-For-Profits implementing local economic development initiatives, Staff conducted an environmental scan of existing funding frameworks for economic development related initiatives to learn about program intent, structure, administration, and outcomes. A summary chart can be found in Appendix B. The proposed Council Policy brings forward best practice from existing programs and is written for the local Kawartha Lakes context.

New Council Policy: Economic Development Fund

The proposed Economic Development Fund Council Policy (Appendix C) provides Council with a framework for overseeing the provision of funds to external Not-For-Profit organizations. The Policy is named the Economic Development Fund, to reflect the positioning of both Culture and Local Economic Development fund activities in the Kawartha Lakes Strategic Plan priority 'A Growing and Vibrant Economy'. The Policy is premised on the use of these program funds to advance the strategic directions of the

municipality as defined in the Strategic Plan, and other Council approved strategies, studies and policies.

The Policy includes two focus areas;

- Culture; and,
- Local Economic Development.

The Policy includes direction on the use of funds, reporting, and the development of Guidelines for each funding Program offered.

In 2024, the following programs would be included:

1. Cultural Organization Operating fund: \$200,000 (funding approved).
For Not-For-Profit Cultural organizations that have a facility from which they offer public programming.

Funding of up to 25% of operating costs (fixed costs or staffing (not incremental project staff)), or \$20,000, whichever comes first.

2. Economic Development Operating fund: \$100,000 (funding approved).
For Not-For-Profit organizations that are delivering local economic development initiatives.

Funding of up to 25% of operating costs (fixed costs or staffing (not incremental project staff)), or \$20,000, whichever comes first.

3. Summer Tourism Experience: \$60,000 (funding approved).
To support local Chambers of Commerce in their summer visitor ambassador programs. This is an ongoing program established during the pandemic and included in the Economic Development Operating Budget.

Up to \$15,000 to each Chamber, primarily to cover incremental staff costs.

Following approval of the proposed Policy, Staff will release Guidelines for the three (3) funding programs listed above. It is anticipated that program applications will be open shortly following the Council meeting and funds disbursed in Q2, 2024. As a new program, improvements are expected to be identified throughout the first year of operation. Staff will consult with the sector throughout 2024 to refine the program and bring forward any necessary amendments for consideration for the 2025 budget. The

Economic Development Operating base budget will incorporate this \$360,000 annually commencing in 2025.

Other Alternatives Considered:

This report provides the funding policy for the Cultural Not-For-Profit fund approved by Council October 24, 2023, and the Economic Development Not-For-Profit fund approved by Council in the 2024 budget deliberations.

Alignment to Strategic Priorities

The policy enables a structured, thoughtful approach to funding Not-For-Profits in strategic focus areas by investing in organizations that support the implementation of Council's Strategic Plan and associated approved studies, strategies, and policies. The Policy supports the following Kawartha Lakes Strategic Plan Strategic Priorities:

1. An Exceptional Quality of Life
2. A Vibrant and Growing Economy
3. Good Government

Financial/Operation Impacts:

In 2024, Council has approved \$200,000 for the Cultural Fund, \$100,000 for the Economic Development Fund, in addition to \$60,000 for the Summer Tourism Experience Fund. In future years, these programs will be brought forward in the Economic Development Operating Budget.

Consultations:

Chief Administrative Officer
Director, Corporate Services
Manager, Parks and Recreation
Economic Development Officer - Arts and Culture
Economic Development Officer - Community

Economic Development Association of Canada (EDAC) membership. A number of municipalities provided details of their business and not-for-profit funding programs that support operational and/or project costs.

Attachments:

Appendix A – ED2023-039 Proposed Kawartha Lakes Cultural Funding Program



ED2023-039.pdf

Appendix B – Economic Development Funding Program Comparisons



202402 Comparison
Program Matrix.docx

Appendix C – New Council Policy (Economic Development Fund)



2024xx Council Policy
Funding.docx

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