

AGENDA
COUNCIL MEETING
TOWNSHIP OF WELLESLEY
RECREATION COMMITTEE
JANUARY 17, 2012 – 6:45 PM
COUNCIL CHAMBERS - CROSSHILL

Pages

1-7

Recreation 1/12 – Region of Waterloo re: Regional Funding for Arts & Culture
Organizations – For information

region
Recreation



REGIONAL MUNICIPALITY OF WATERLOO

OFFICE OF THE REGIONAL CLERK

150 Frederick Street, 2nd Floor
Kitchener ON N2G 4J3 Canada
Telephone: 519-575-4420
Fax: 519-575-4481
www.regionofwaterloo.ca

December 28, 2011
C11-60/WRTMC

Ms. Susan Duke, Clerk
Township of Wellesley
4639 Lobsinger Line, R.R. 1
St. Clements, ON N0B 2M0

Dear Ms. Duke:

Re: Regional Funding for Arts and Culture Organizations

Please be advised that the Council of the Regional Municipality of Waterloo at their regular meeting held on Wednesday, December 14, 2011, approved the following motion:

THAT the Regional Municipality of Waterloo take the following actions with respect to the 2012 Grants to Arts and Culture Organizations, as further described in Report P-11-100/F-11-083, dated December 6, 2011:

- a) **subject to 2012 budget approval, approve funding for the core arts and cultural organizations as recommended in Report P-11-100/F-11-083 subject to the receipt of audited financial statements;**
- b) **allocate an amount of \$33,000 to the Creative Enterprise Enabling Organization (CEEO) on the condition that this amount be matched by funding from other sources and awarded to local arts and culture organizations through a competitive process;**
- c) **direct staff to continue to explore options for streamlining and rationalizing municipal funding for arts and culture organizations within Waterloo Region; and**
- d) **not consider new applications for funding of arts and culture operational grants until the study of municipal arts and cultural funding is completed and implemented.**

For staff and committees in your municipality who deal with grants to arts and culture organizations please take note of Item d) in this recommendation. As the Region will not be considering new applications for arts and culture operational grants in 2012, such organizations should not be required to apply to the Region before, or in conjunction with, an application to your municipality.

RECEIVED JAN 03 2012

1085538

RECREATION
Township
File No: 1/12

...2

①

Please accept this letter for information purposes only, a copy of the report is enclosed. If you have any questions please contact Lucille Bish, Director, Community Services, at 519-575-4499

Please forward any written responses to this letter to Kris Fletcher, Director, Council & Administrative Services/Regional Clerk.

Yours truly,



Mike Grivicic
Council/Committee Support Specialist

MG/mw

cc: L. Bish, Director, Community Services

RECREATION
Township
File No: 1/12



REGION OF WATERLOO

PLANNING, HOUSING AND COMMUNITY SERVICES
Community Services
FINANCE
Treasury Services

Report: P-11-100/F-11-083

RECREATION
Township
File No: 1/12

TO: Chair T. Galloway and Members of the Administration and Finance Committee

DATE: December 6, 2011 **FILE CODE:** F11-20

SUBJECT: REGIONAL FUNDING FOR ARTS AND CULTURE ORGANIZATIONS

RECOMMENDATION:

THAT the Regional Municipality of Waterloo take the following actions with respect to the 2012 Grants to Arts and Culture Organizations, as further described in Report P-11-100/F-11-083, dated December 6, 2011:

- a) subject to 2012 budget approval, approve funding for the core arts and cultural organizations as recommended in Report P-11-100/F-11-083 subject to the receipt of audited financial statements;
- b) allocate an amount of \$33,000 to the Creative Enterprise Enabling Organization (CEEEO) on the condition that this amount be matched by funding from other sources and awarded to local arts and culture organizations through a competitive process;
- c) direct staff to continue to explore options for streamlining and rationalizing municipal funding for arts and culture organizations within Waterloo Region; and
- d) not consider new applications for funding of arts and culture operational grants until the study of municipal arts and cultural funding is completed and implemented.

SUMMARY:

This report summarizes the work that has been undertaken over the past year to address Regional Council's direction that the Region collaborate with the Area Municipalities and the Creative Enterprise Enabling Organization to review municipal funding for arts and culture in the Region. Together, staff from these organizations have clarified and documented how the Region and Cities fund arts and culture organizations, agreed that providing greater certainty about funding helps arts organizations and should be recommended to Councils, agreed to work on simplifying the application process for funding, discussed potential fundamental changes to municipal funding of arts and culture organizations in the long term, and agreed to study change options and funding criteria.

The Region's funding for arts, culture and heritage organizations has increased by \$660,000 since 2008, slightly more than the \$1 per capita requested in 2009 by the Prosperity Council. For 2012, the recommended total funding is \$1,217,200. It is also recommended that the same four arts and culture organizations that were funded by the Region in 2011 be funded again in 2012. Such a status quo approach by the Region, in a year when the Area Municipalities are also not contemplating significant arts funding changes, would avoid introducing negative funding impacts among the core arts organizations. It is further recommended that \$33,000 be allocated to the Creative Enterprise Enabling Organization (CEEEO) on the condition that this amount be matched by funding from other sources and awarded to local arts and culture organizations through a competitive process. This is already being done by the City of Kitchener as an incentive to encourage matching funding for the arts.

REPORT:

In connection with the 2011 grants to arts and culture organizations, Regional Council considered Report RC-11-002, May 24, 2011, which summarized the Region's current approach to funding designated core cultural organizations, and the requests that had been received from other cultural organizations, particularly galleries. Council approved the following recommendation:

"That the Regional Municipality of Waterloo work in collaboration with the new Creative Enterprise Enabling Organization (CEEEO) and area municipalities to review municipal funding for arts and culture in the Region and that the Region maintain its current approach and policies to arts and culture funding until such time as it undertakes any changes which may emerge from such a review and appropriate funding is in place."

Work Completed in 2011

In response to the direction from Regional Council, the Regional and three City CAOs, along with appropriate staff and the CEEEO, have met several times in 2011 to discuss municipal funding for arts and culture. These meetings have resulted in useful and informative discussions about which municipalities fund which organizations, how funding approaches could be rationalized and improved, and the related role of the CEEEO. There have been a number of accomplishments, which are described below.

1) Clarification and documentation on how the Region and Cities fund arts and culture organizations: The Region and Area Municipalities provide substantial funding support to multiple organizations each year. Two organizations (K-W Symphony and The Museum) received funds from the Region and the three cities in 2011. At least 20 arts organizations received funds from two or more municipalities. Funds flow from the municipalities through operating budgets, grants requiring an application, and in-kind resources.

2) Agreement that providing greater certainty about funding helps arts and culture organizations, and should be recommended to Municipal Councils: Several years ago, Kitchener Council instituted "Tier One" funding for some arts organizations, through which they receive annual operating funding on the basis of a multi-year agreement. Total available funding is subject to annual Council approval. The City of Waterloo is in the process of moving to a similar model. This provides greater certainty for arts organizations about their year-to-year base funding, and removes the requirement to complete annual application forms. To date, the Region has required annual applications from arts and culture organizations seeking Regional funding.

3) Agreement to work on simplifying the application process for funding: A sub-committee of municipal staff has met to review the various application forms that arts and culture organizations complete for funding and have agreed to continue to work on this in 2012. However, in the interim, the Region could streamline the process for the four organizations it has funded over the past several years.

4) Discussion on potential fundamental changes to municipal funding of arts and culture organizations in the longer term: Several municipal funding models were discussed by the CAOs. However, with the role of the CEEEO just being established, and still unclear to Councils, it was determined that more information is needed before recommendations could be made.

RECREATION
Township
File No: 1/12

5) Agreement to study change options and funding criteria: The CEEO, Region, and Area Municipalities agreed that a study is needed to consider municipal funding of arts and culture organizations in the Region, with the purpose of better understanding municipal funding expectations, rationalizing which municipalities fund which organizations, and establishing allocation criteria and performance measures.

Funding Considerations in 2012

Over the past three years (starting in 2009), there has been a significant increase in municipal operating funding of arts and culture organizations. For the Region of Waterloo and the Cities of Kitchener and Waterloo, the available grant dollars have been increased by the equivalent of at least \$1 per capita, in response to a recommendation of the Prosperity Council/Creative Enterprise Task Force in 2009. This increase has been included into the base operating budgets for the Region and the City of Waterloo. In Kitchener, it was allocated as one-time funding for 2011 and 2012. Capital funding by the municipalities is not considered in this report.

This increase in funding has sometimes been called "sustainability funding", as the primary impetus for the increase was the finding by the Creative Enterprise Task Force that existing core cultural organizations required additional funding to remain viable. One recommendation of the Task Force was that annual funding for the local creative sector from municipal, private sector, and senior government sources, should be increased by at least \$3 million, or \$1 million from each. The municipal sector contribution was proposed to be \$1 per capita for the Region, and for each of the Area Municipalities. To date, the Region, Kitchener, and Waterloo have budgeted for the increased funding. The Creative Enterprise Enabling Organization is to focus on achieving an equivalent increase in funding from senior government levels and the private sector.

The following table shows complete details of the allocation of the Region's funding to arts, culture and heritage organizations, which has increased by \$660,000 from \$557,200 in 2008 to \$1,217,200 in 2011.

Region of Waterloo Arts, Culture and Heritage Organizations, 2008-2011

Organization	2008	2009	2010	2011
The Museum	70,000	250,000	300,000	360,000
K-W Symphony	130,000	200,000	300,000	360,000
Grand Philharmonic	20,000	20,600	28,000	30,000
Grand River Film Festival	0		10,266	10,000
WRAC	30,000	31,000	31,000	0
K-W Arts Awards		3,500		
Sub-Total: Grants to Arts and Culture Organizations	250,000	505,100	669,266	760,000
Waterloo Region Arts Fund	204,800	208,800	215,600	248,800
W R Heritage Foundation	102,400	104,400	107,800	108,400
CEEEO Administration			100,000	100,000
Total: Arts, Culture, Heritage	557,200	818,300	1,092,666	1,217,200

The funding growth in 2009, 2010 and 2011 has achieved the "\$1 per capita increase" at the Regional level, and no new money, aside from inflation, is being proposed for 2012. In keeping with other grants programs, a 3% inflation increase is being recommended in the 2012 budget, bringing the total budget for arts and culture organization grants to \$816,000.

RECREATION

1058426

Township

File No:

1/12

Proposed Regional Funding Allocation in 2012

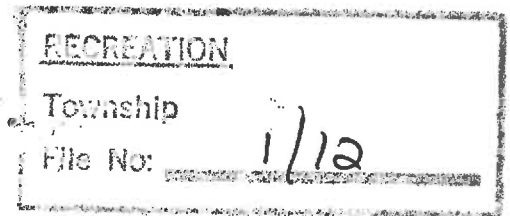
As there is no increase beyond inflation included in the 2012 budget for arts and culture grants, it is proposed that only the same four core organizations that were funded by the Region in 2011 be funded again in 2012. They would each receive their 2011 grant allocation plus an adjustment for inflation. Such a status quo approach by the Region, in a year when the Area Municipalities are also not contemplating significant arts funding changes, **would avoid introducing negative funding impacts among the core arts and culture organizations.**

With this direction, there would be no need for these organizations to submit the usual application forms required in previous years. For 2012, it is recommended that each organization submit only a cover letter requesting funding, and their most recent audited and interim Financial Statements. There would be continuing expectations of collaboration with other arts organizations, and the CEEO. This approach is consistent with the recent changes made by Kitchener and Waterloo to streamline their grants application and approval processes. It responds to requests from various organizations to simplify and streamline the grants process, allowing them to focus more of their resources on their core activities.

It is further recommended that \$33,000 be allocated to the Creative Enterprise Enabling Organization (CEEEO) on the condition that this amount be matched by funding from other sources and awarded to local arts and culture organizations through a competitive process. As noted above, the CEEEO has a mandate to leverage funding from multiple sources to support arts organizations. In 2011, Kitchener's contribution of \$20,000 to the CEEEO was leveraged through private sector donations into \$50,000 total funding which was awarded through an application process. Out of 59 applications, 12 organizations received investments ranging from \$500 to \$10,000, with the intention that the investment be used to enable sustainable revenue growth. It would be highly desirable for the CEEEO to have 2012 funds with which to leverage private sector donations and funding from other sources to create a larger pool of financing for continued investments in the region's arts sector.

In summary, the recommended 2012 grant allocations for arts and culture organizations subject to final Regional Council budget approval would be:

Organization	Recommended 2012 Allocation
TheMuseum	\$370,900
K-W Symphony	\$370,900
Grand Philharmonic	\$ 30,900
Grand River Film Festival	\$ 10,300
CEEEO (to be matched and distributed)	\$33,000
Total	\$816,000



In addition, the draft 2012 base operating budget includes funding for CEEEO Administration (\$100,000), Waterloo Region Arts Fund (\$252,400), and Waterloo Region Heritage Foundation (\$110,200) for a total funding to arts, culture and heritage organizations of \$1,278,600.

Further Study

The Region, the Area Municipalities and the CEEEO are agreed that a more rigorous study of municipal funding for arts and culture organizations is needed, and should be initiated in 2012. The

6

objective would be to ensure greater success of core and emerging arts organizations in the Region by creating sustainable funding. The study would consider total funding needs, rationalization of who funds what, allocation criteria and performance measures. Arts and culture organizations and advisory committees would be consulted during this one to two year project.

CORPORATE STRATEGIC PLAN:

These recommendations support Action 2.4.1 of the Region's Strategic Plan: "Work with the Creative Enterprise Enabling Organization, area municipalities and others to strengthen the arts and culture sector."

FINANCIAL IMPLICATIONS:

Subject to the 2012 budget approval, the grants to arts and culture organizations would be \$816,000 for 2012. The preliminary 2012 base budget included \$816,000 for arts and culture grants as well as funding for CEO Administration (\$100,000), Waterloo Region Arts Fund (\$252,400), and Waterloo Region Heritage Foundation (\$110,200), for a total funding to arts, culture and heritage organizations of \$1,278,600.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

This report has been prepared in consultation with the Finance Department.

ATTACHMENTS: Nil

PREPARED BY: *L. Bish*, Director, Community Services

APPROVED BY: *R. Home*, Commissioner of Planning, Housing and Community Services
A. Hinchberger, Acting Chief Financial Officer

RECREATION
Township
No: <i>1/12</i>