



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: July 4, 2022

Subject: Electric City Culture Council Funding Agreement Report and Budget Pre Commitment, Report CSACH22-011

Purpose

A report to request a new funding agreement between the City of Peterborough and the Electric City Culture Council (EC3) and a pre commitment for the 2023 budget.

Recommendations

That Council approve the recommendations outlined in Report CSACH22-011, dated July 4, 2022 of the Commissioner of Community Services, as follows:

- a) That the Service Agreement between the City of Peterborough and the Electric City Culture Council including deliverables, financial reporting process, and program measurements be extended for an additional two years (2023-2024);
- b) That the 2023 budget include a pre commitment in the amount of \$86,700 and \$88,434 for 2024 and a continued municipal contribution of \$25,000 for EC3 to operate Artsweek; and,
- c) That the Mayor and Clerk be authorized to sign such agreement and other documents in terms acceptable to the Commissioner of Community Services.

Budget and Financial Implications

The 2022 budget has \$85,000 allocated to this organization through the Municipal Cultural plan capital budget and \$25,000 through the Arts, Culture and Heritage

operating budget. The \$85,000 is a city grant for Electric City Culture Council for general operating while the \$25,000 in the operating budget is for EC3 to operate ArtsWeek on behalf of the City. The 2-year extension would include a 2023 budget precommitment in the amount of \$86,700 and \$88,434 for 2024.

Background

The City of Peterborough Municipal Cultural Plan (MCP) was approved by Council in 2012. One of the recommendations in the plan was the creation of a Culture Council which was ultimately formed in 2012. As the City reaches the end of the mandate for the existing MCP, staff retained a consultant to review other municipalities and recommend next steps for the MCP and to determine an appropriate funding level for the Electric City Culture Council (EC3). The requirement for staff to have reviewed EC3 stemmed from the following Council Motion adopted as part of the 2020 budget review:

"That to supplement the \$50,000 Budget provision for the Electric City Culture Council (EC3) included in the Municipal Cultural Plan Capital Project 6-7.01 found on page 143 of the 2020 Budget Highlights Book, EC3 be provided an additional \$35,000 during the 2020 calendar year on a one-time basis only, and be funded from residual Municipal Cultural Plan Project Capital Budgets approved in 2019 and prior years, and;

That staff be directed to undertake a comprehensive review of other Arts Council funding levels in other Ontario cities, remaining outstanding objectives from the Municipal Culture Plan, and outcomes from previous funding provided to EC3 and to report back to Council by September 2020 with a recommendation on the level of funding to be provided to EC3 going forward along with expected performance measures for EC3."

The consultant report in 2020 observed that EC3 was funded through the MCP's capital budget. Unlike the City's community grant process, this left EC3 without a clearly defined application process and a way of anticipating or advocating for funding. EC3 is a "young" organization compared to the other councils reviewed and according to the consultant's report doing very well within its mandate. EC3 has built some financial reserves, is professionally managed, and is acknowledged as a leader among the Alliance of Arts Councils of Ontario. Compared to councils in larger cities EC3 is more successful in almost all revenue streams. The consultant report also indicated that while it is hard to find entirely comparable comparator municipalities, Peterborough is providing a funding level to its arts council above that of most other cities, especially given the size of Peterborough. It is also clear that there is no best practice or industry standard to determine an appropriate funding level. Each city provides funding based on their unique individual circumstances, the program expectations of their arts council, and how the arts council was originally formed. Following the consultant report a staff report in 2021 recommended a formal service agreement be put in place for 2021-2022 which was approved by Council through Report CSD20-006, Electric City Culture Council and Municipal Cultural Plan Budget Considerations, dated November 23, 2020.

The report covered both the recommended development of a new Municipal Cultural Plan and a review of EC3 as one of the purposes of the funding the City provides to EC3 is meant to assist the City in delivering on the recommendations of the Municipal Cultural Plan. Funding provided to EC3 had been contained in the City's capital budget to recognize this linkage to the implementation of the recommendations in the MCP.

Council reviewed this through Report CSD20-006 dated November 23, 2020, of the Commissioner of Community Services, and adopted the following:

- a) That a two year municipal funding strategy for Electric City Culture Council be approved. The municipal contribution of \$25,000 for Artsweek shall be maintained for all two years of the agreement. The general operating grant shall include contributions of \$85,000 for 2021 and 2022 and that the funds be drawn from general taxation;
- b) That a formal Service Agreement be developed between the City of Peterborough and the Board of Directors of Electric City Culture Council to include deliverables, financial reporting process, and program measurements;
- c) That the Service Agreement shall include provisions that Electric City Culture Council (EC3) focus on arts and culture and that heritage be directed to the City Heritage Preservation Office and PACAC;
- d) That the Mayor and Clerk be authorized to sign such agreement and other documents in terms acceptable to the Commissioner of Community Services;
- e) That the Arts, Culture and Heritage (ACH) Division undertake an update to the Municipal Cultural Plan; and
- f) That staff be directed to undertake a review of Bylaw 12-152 being a Bylaw to Reconstitute the Arts, Culture, and Heritage Advisory Committee and report back to Council.

The 2022 year is the end of the 2-year agreement between the City of Peterborough and the Electric City Council. City staff have met with their Board President and their Executive Director to discuss next steps in a renewed agreement. A full slate of programs highlighting the 2022 year and the proposed 2022-2023 years were provided to the city. In staff's review, all conditions and expectations of the 2 year agreement have been fulfilled.

Currently staff and ACHAC have undertaken the initial steps to update the Municipal Cultural Plan and city staff are reviewing Bylaw 12-152. Staff fully expect to continue to work on the update to the municipal cultural plan and that the work of EC3 and staff is integral to ongoing programs which support the Arts community. The MCP has provided the City of Peterborough and the Arts community with a strong foundation to build on going forward. The accomplishments of the current plan provide a strong indication of

continued support and partnerships while directly engaging the community in the process and planning for future growth.

Covid has put a tremendous strain on the Arts and Culture community and as such EC3 has had to pivot their programming to provide support for the sector. EC3 and the City of Peterborough have worked together to provide additional grants such as Arts Alive Fund and Grants to Individual Artists in 2022.

EC3 has provided the attached letter requesting an increase to their funding levels over the next two years. The board chair noted that their salaries are not competitive with other Arts Councils and that as they begin succession planning for the organization the board strives to improve salaries to meet the current market rates to maintain and attract suitable candidates. Staff would recommend an annual cost of living (2%) increase comparable to city staff and that EC3 continue to leverage municipal support to apply for other funding opportunities.

Summary

The report is to request a 2-year extension to the agreement between the City of Peterborough and the Electric City Culture Council (EC3). The current contract ends in 2022 and an extension to the agreement would help set the guidelines and funding levels for the next years which would provide stability for EC3 as they work with the Arts and Culture community to recover from Covid and plan for the future.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

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Attachments:

Appendix A - Electric City Culture Council EC3 Request Letter



June 3, 2022

RE: EC3 2023 -2024 Funding Request and Service Agreement

Dear Sheldon and Karen,

We are writing, as requested, to follow up on our discussion with Karen Rennie about our Operating Funding Agreement and contract for 2023-2024. We very much appreciated the opportunity to review our performance and accomplishments over the past two years, to discuss our current circumstances and outline our plans for the future.

EC3 has come through the pandemic in good shape and our strategic deployment of extraordinary Covid 19 relief and recovery funding will allow us to invest funds from our 2021/22 surplus into our 2023 programs in an effective way, much needed at this time. However, as we advised two years ago, our development in response to the needs of this growing sector does mean that we need additional operating funds now to secure and stabilize our administrative infrastructure, meet best practice standards and make the most of all of the City's investments made to date.

After considerable and serious analysis and assessment we would request the following:

- A renewal of the exiting two-year Operating Funding Agreement/Contract for an additional two years, (2023-2024), at an increased level of financial support in line with previous projections.
- No changes to the existing contract. We are pleased with the terms and conditions outlined in the current agreement, it has worked very well and we see no need to change or add to any of the existing wording or conditions contained therein.
- A funding level of \$100,000 in the first year (2023), and \$100,000 and an additional cost of living increase in the second year.

EC3's funding has been frozen for three years and several factors have influenced our request for this increase at this time:

- EC3 has clearly met and exceeded the expectations laid out for it in the 2012 Municipal Cultural Plan. We have, on an ongoing basis since 2014, provided a high quality, well-managed operation that now offers more than a dozen programs and services annually, effectively connects community members, builds partnerships, enhances arts awareness and audience engagement, while forging strong relationships with City Council members and diverse community groups. As an arts service organization, we have leveraged tens of thousands of new dollars from a diversified revenue base to be invested in the arts community, amplifying the impact of public funding and creating multiple new value-added opportunities for artists, arts organizations and audiences. Our Board and staff have worked very hard and very well together, becoming strong ambassadors for the Peterborough arts sector both, at home and beyond.
- Our work during COVID 19 to sustain and support the arts community as funder, knowledge and information source, advocate for both individual artists and arts organizations, and to develop and deliver effective recovery and response initiatives was exemplary and very successful. EC3 employed our skilled staff and board to raise funds for COVID 19 relief from a number of special government programs and made that money available to the community, making it clear that an effective, thoughtful and respected arts council plays a vital role, not just in good times, but in bad, ensuring a secure future for many. Additionally, working with partners, we raised \$107,000 for the Peterborough Arts ALIVE Fund, that included \$67,000 from individual donors and \$40,000 from the City. We proved that we could be flexible, innovative and resilient, reimagining our programs during different lockdown scenarios to keep providing funding for artists to make work and for audiences to experience it. EC3 brought the community together to enhance solidarity, diminish isolation and share ideas. We took on a great deal of extra work, but it has taken its toll and revealed both the strengths and weaknesses in our management paradigm and operations infrastructure.
- As the "signature recommendation" of the 2012 Municipal Culture Plan, EC3 has exceeded the expectations set out for it in the areas of advocacy, mentorship programs, professional development for the arts sector, and the development and delivery of an

arts awards program - a program funded entirely by the private sector sponsors and donors that we cultivated and continued to work with.

- At the numerous round tables, focus groups and program evaluations that we have conducted, we get high marks for the quality, value, effectiveness and importance of our programs and projects, and are asked to maintain or increase the level of service we provide.
- Among our accomplishments has been our ongoing ability and success at leveraging new, additional, funding from other levels of government, the private sector and foundations that goes directly to support the arts community. This includes new or increased grants from the DBIA, Canadian Heritage, Canada Summer Jobs, OAC Projects, Trillium, Arts Awards etc. This is our 10th Anniversary and as part of our “celebrations” we expect to leverage new funds through the establishment of an Endowment Fund. Approximately \$40,000 in additional funds are raised for Artsweek.

EC3’s careful financial planning, management and control ensures that additional funds that we raise are invested in the community through artist fees, awards and prizes that go directly to supporting Peterborough artists for the development of their work, the advancement of local arts organizations and bespoke programming initiatives to strengthen and sustain the entire sector. Over the past two years this has totaled approximately \$210,000. EC3 is now a powerful leveraging force and we can do more if our operating funding allows us to solidify our foundations. This additional \$15,000 in operating funding will be a catalyst to generating more funding, with a strong multiplier effect, delivering more strategic programming and services with even greater impact.

A dedicated, strong, effective EC3 with skilled and experienced staff has been the key to our success. However, we have reached the limit of what we can do with current operating funds from the City and we can no longer justify asking staff to subsidize our operations through low wages and extensive unpaid overtime. Our funding level, in comparison to those of other arts council’s has been well documented in reports from Jenny Ginder and EC3. It is time to take this next step, based on our success, and the growing demands on the organization.

The reasons for this modest increase (beyond inflation) that will stabilize our organizational infrastructure are many, including:

- Stabilizing equitable staff salaries so that they are in keeping with industry standards. This will go a long way toward maintaining and attracting qualified employees and ensuring a smooth succession as senior staff move toward retirement and new opportunities
- Ensuring we have a large enough staff compliment that can manage the expanding administrative demands of existing and new programs and the stewardship and reporting requirements of the new revenue sources we have leveraged
- Peterborough is a growing city with a growing arts community – the needs for servicing the sector will only increase over the next few years
- EC3 will incur new costs for office space as it moves out of the home office model necessitated by the pandemic. This would see a hybrid model with both a downtown office accessible to the public and staff being allowed to work from home.
- Our programming goals and objectives, particularly in the areas of diversity, equity and inclusion and rural outreach are costlier, and an urgent priority.

This increase request is in line with our previous discussions and the funding levels at other arts councils.

Finally, let me say, not only on behalf of EC3, but the entire arts and culture community, that none of this would have been possible without the generous financial support from the City for our operations, the PAA Fund, the Poet Laureate Program, Artsweek and the new Grants to Individual Artists Program. We are so very grateful for the funding and the recognition of the contributions and value of the arts to our life in Peterborough that this brings.

We look forward to working together in the future.

Please feel free to call me or Su if you have any questions or require any further information.

We would be happy to meet with you at your earliest convenience to get feedback on our proposal.

Many thanks again.

Yours Sincerely,

Bill Kimball

President, Electric City Culture Council

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