



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner, Community Services

Meeting Date: November 18, 2024

Report: Electric City Culture Council, Report CSAC24-006

Subject

A report to provide an update on the status and future funding considerations of the Electric City Culture Council (EC3).

Recommendation

That Council approve the recommendation outlined in Report CSAC24-006, dated November 18, 2024, of the Commissioner of Community Services as follows:

That Report CSAC24-006 be received for information.

Executive Summary

- This report is to provide a review of the current Electric City Culture Council (EC3) funding agreement and associated requirements and to provide background information to allow for Council to decide if a funding agreement between the City and EC3 should be extended and therefore included in the 2025 budget.
- Funding for EC3 is not included in the 2025 budget. The funding source available for continued funding is the tax levy.

Background

EC3 is an independent arms-length, not-for-profit arts council providing programs and services that support the development, advancement, and sustainability of the arts in the City and County of Peterborough.

EC3 was established in 2012 as a result of the recommendations of Peterborough's Municipal Culture Plan (MCP).

Based on terms listed in their agreements, they exist to provide advocacy, leadership, education and understanding, advancing professional capacity, advancing innovation and sector development, arts recognition and public awareness, and targeted arts programming.

The City's purpose in funding EC3 is to support the local arts community in ways that the City is not able to. As a result, many of the interactions that EC3 has with City staff are typically in an advocacy role.

More information about EC3 and their activities can be found on their [website](#) and in Appendix A.

Agreement and financials

Through report [CSD20-006](#) dated November 23, 2020, Council directed staff to create a four-year funding strategy for EC3 and to develop a formal service agreement between the City and EC3. A contract was created in 2021 and renewed for an additional two years in 2022, which is ending December 31, 2024. A Service Agreement was not established as directed at that time.

The funding strategy established with CDS20-006 was to maintain the municipal contribution of \$25,000 for Artsweek all four years of the agreement and that the general operating grant would include contributions of \$80,000 for 2021, \$73,000 for 2022, \$66,000 for 2023, and \$60,000 for 2024.

This decrease in funding corresponded with the funding parameters and principles laid out in the original MCP. The MCP identified that grants, fundraising, private sector support, and funding from other levels of government needed to be established to build organizational stability, financial diversification, and operational independence. A four-to-seven-year time frame was estimated in the MCP to achieve this level of financial and organizational stability.

Report [CSACH22-011](#) dated July 4, 2022, altered the terms of the previous agreement for the municipal funding for the general operating grant to be \$92,000 in 2023 and \$100,000 in 2024, with the continued municipal contribution of \$25,000 for EC3 to operate Artsweek in each year.

The City's Service Agreement process is changing in 2025, as per report [CSD24-003](#) dated June 17, 2024. That report acknowledged that should EC3 continue to be

supported financially by Council, they will need to enter into a formalized Community Service Agreement (CSA) as originally directed in Report CSD20-006.

EC3 has expressed concerns with this process to staff. There are certain non-negotiable terms in a Service Agreement that they would not be able to meet or be supportive of agreeing to.

The terms of the service agreement proposed for EC3 would include:

- All funding is subject to budgetary approval;
- A need for a publicly accessible office space;
- List of current board members;
- Reporting documents must be received before funding will be released;
- Agree to a 3-year term; and
- Funding cannot exceed 25% of the not-for profit (NFP)'s total operating funding.

Eligibility for an organization to have a CSA is also contingent on meeting the following criteria:

- Incorporated NFP with a local board of directors;
- Be located and conduct the majority of its activities within the geographic boundaries of the City of Peterborough; and
- NFP's can receive City funding through no more than three methods.

The primary terms of concern include the establishment of a publicly accessible office space, that funding will not be issued until the reporting documents are received, and that the maximum funding received from the City shall not exceed 25% of their operating budget.

For their April 1, 2023 to March 31, 2024 fiscal year, EC3 reported total revenues of \$202,000. \$177,000 is funding from the City of Peterborough, for a total of 87.6% of their funding coming from the City. They have received additional grants, sponsorships, and donations from other sources, but the majority of their operating and programming funds are sourced from the City.

Staff understand EC3's position that a reduction in funding may be destabilizing while the organization seeks out alternative funding sources. However, the financial success of a culture council, as identified in the MCP, was not intended to rely so heavily on City funding.

Activities

The following is a summary of activities undertaken by EC3 as part of the City's funding:

- The annual Peterborough Arts Awards and the annual Mayor's Luncheon for the Arts was last held in 2019.
- In 2022 and 2024 EC3 offered two workshops as development opportunities for local artists. In 2023, they held one workshop.
- In 2024 EC3 launched the Poets of Nogojiwanong as the Poet Laureate's legacy project.
- The Bierk Art Bursary program has been distributed annually since 2021.
- In 2024, EC3 consulted with the Art Gallery of Peterborough (AGP) on the creation of a grant pilot program for Professional Arts Organizations.

In addition to their operating service grant, EC3 currently receives City funding to administer and offer the following programs annually:

- Poet Laureate \$2,000
- Individual Artist Grants \$50,000
- Arts Week \$25,000

More information on EC3s current activities can be found in their submitted report (see Appendix A).

Administration

EC3 has demonstrated that their administrative capacity is limited. They are required to submit documentation supporting their operations as part of the terms of their existing agreement. Due dates for their submissions have consistently not been met. The need for reporting, transparency, and accountability would need to be reinforced in a new Community Service Agreement.

Much of EC3s website has not been updated since 2021. What has been updated has a focus on the Poet Laureate program, the Bierk Art Bursary, and the Grants to Individual Artists, which aligns with their activity areas of focus.

According to information available to city staff and on the EC3 website, their last AGM was held in 2021.

Several concerns have been raised regarding the status of EC3s relationship with the local arts community. There is no membership list available.

Strategic Plan

Strategic Pillar: Community & Well-being

Strategic Initiative: Enhance the natural, recreational, sports, the arts, and cultural aspects of our community.

Engagement and Consultation

A preliminary MCP consultation session, facilitated by Arising Collective, was held in June 2024. A half-day brainstorming session took place with City Councillors, the (Acting) Director of Arts and Culture, and City staff to achieve the following objectives:

- Understand the current state of the Municipality's connection to, and relationship with, the Arts Council
- Create a vision of what an ideal connection with the Municipality would look like
- Identify activities and enablers to achieve the vision as well as barriers and factors influencing the Municipality's ability to be successful.

Budget and Financial Implications

In 2024 EC3 received \$100,000 in Operating funds from the City, plus an additional \$77,000 from the City to distribute as follows:

- \$2,000 – Poet Laureate program
- \$50,000 – Individual Artist Grants
- \$25,000 – Artsweek*

*Artsweek is a biennial – every 2 years – initiative totaling \$50,000 in support as per the terms of that contract.

The draft 2025 budget does not include operating funding for EC3 as its two-year funding commitment expires in December 2024. In addition, the three City supported programs previously administered by EC3 (Individual Artist Grant, Artsweek, and Poet Laureate) are not included in the Arts and Culture Draft Budget for 2025.

Staff Direction

The following are provided as options for Council consideration to facilitate the contents of this report:

- a) That Council continues to fund EC3 operations at existing levels, under the terms of a new Community Service Agreement using general taxation funds.
- b) That Council opts to partially fund EC3 operations, under the terms of a new Community Service agreement using general taxation funds. Funding amount to be determined.
- c) That Council opts to partially fund EC3 operations, under a 1-year term while the new MCP is completed. Funding amount to be determined.

- d) That Council opts not to renew funding to EC3 at this time, in anticipation of the completion of a renewed MCP, which would provide further directions for the future of a culture council.

If Council elects to continue funding EC3, a schedule of requirements would be established and included in the terms of a new Community Service Agreement. Examples of such requirements can be found in the Agreements and Financials section of this report.

Conclusion

Given EC3s origins stemming from the 2012 Municipal Cultural Plan (MCP), their role will be examined again as part of the MCP refresh taking place in 2025. It remains unclear moving forward what role EC3 will play in the new MCP as it is developed. Previous reports to Council have suggested a reduction in funding to EC3 as work on a new MCP is implemented.

Staff have concerns with such a significant portion of EC3s funding coming from the City. There are also concerns regarding EC3s limited activities, their connection to the community and the narrow scope of their activities. EC3 does advocate for some of the Arts community in the City, but there is much uncertainty around who is included in that community and who is excluded.

If Council supports a continued arrangement with EC3, a formalized Service Agreement needs to be implemented, and funding will need to be sourced from general taxation.

Attachments

Appendix A: EC3 2023/2024 activity report

Submitted by,

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