

TORONTO STAFF REPORT

January 4, 2002

To: Economic Development and Parks Committee

From: Joe Halstead, Commissioner Economic Development, Culture and Tourism

Subject: 2001 Caribana Financial Report

All Wards

Purpose:

To report to City Council on the financial operation of the 2001 Caribana festival, the progress of the plan to restructure the Caribbean Cultural Committee, and preparation for the 2002 festival.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that:

- (1) Council receive the report on the disbursement of the City's grant in support of the 2001 Caribana Festival;
- (2) Council receive the "Final Report on Direct Government Funding To Bandleaders, Steelbands and Calypsonians", submitted by the Toronto Mas Bands Association and included as Attachment No. 1;
- (3) in considering funding for the 2002 Caribana Festival, Council funding be paid directly to the Toronto Mas Bands Association for disbursement to the Mas Bandleaders, Steel Bands and Calypsonians in order to ensure that the production of the artistic components proceeds on schedule;
- (4) in considering funding for the 2002 Caribana Festival, Council provide direct payments toward pertinent expenses for event preparation, venue permits, insurance coverage and police security, based on payment schedule and supplier invoices jointly prepared and submitted by the Caribbean Cultural Committee and the Toronto Mas Band Association;

- (5) the Commissioner of Economic Development, Culture and Tourism, in conjunction with the Chief Administrative Officer, undertake a community sounding with stakeholders on the distribution of City funding for future Caribana Festivals and the City's role in enhancing Caribbean carnival arts, and report to the Economic Development and Parks Committee in the Fall of 2002; and
- (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

City Council at its meeting on June 26, 27 and 28, 2001 adopted Clause No. 4 of Report No. 6 of the Economic Development and Parks Committee entitled "2001 Cultural Grants Recommendations-Major Cultural Organizations" from the Commissioner of Economic Development, Culture and Tourism. Council approved a grant for the 2001 Caribana Festival with the following conditions:

- (3) a grant to the Caribbean Cultural Committee – Caribana – in the amount of \$353,500.00 be approved, subject to the organization meeting the following outstanding grant conditions for the year 2000, to the satisfaction of the Commissioner of Economic Development, Culture and Tourism, by July 16, 2001:
 - (a) the Caribbean Cultural Committee will have a Chief Executive Officer in place to provide professional management of the Caribana Festival;
 - (b) the Caribbean Cultural Committee will produce a complete audit of its financial operations for the year 2000; and
 - (c) the Caribbean Cultural Committee be required to submit to the Commissioner of Economic Development, Culture and Tourism a complete audit of its 2001 financial operations no later than December 31, 2001; and

It is further recommended that the Commissioner of Economic Development, Culture and Tourism be requested to submit a report to the Economic Development and Parks Committee, in January 2002, on:

- (a) the Caribbean Cultural Committee's progress in implementing a plan to restructure the organization, in order to ensure the future stability of the Caribana Festival; and
- (b) receipt of a complete audit of the 2001 financial operations of the Caribbean Cultural Committee;

- (4) up to \$245,000.00 of the \$353,500.00 conditional grant to the Caribbean Cultural Committee be paid directly to the Toronto Mas Bands Association for disbursement to the Mas Bands, Steelbands and Calypsonians in order to ensure that the production of the artistic component of the 2001 Caribana Festival proceeds on schedule;
- (5) an Advisory Committee for Caribana be established to provide advice to all parties during the transition period and the Commissioner of Economic Development, Culture and Tourism be directed to report back to the Economic Development and Parks Committee on the Advisory Committee's membership and mandate;

For the 2001 Caribana, all parties agreed that the City should direct a portion of the 2001 grant to the Toronto Mas Bands Association so that preparations for the 2001 Caribana can proceed on schedule. In July 2001, in order to ensure the event took place as planned, it became necessary for City staff to pay other Caribana suppliers directly, based on documentation submitted by the event organizers.

To date, the City has received the confidential Caribana Restructuring Report submitted by the Caribbean Cultural Committee, the "Final Report on Direct Government Funding to Bandleaders, Steelbands, and Calypsonians", submitted by the Toronto Mas Bands Association (TMBA), a proposal from TMBA for an expanded role in the operation of the 2002 event, entitled 'Toronto International Carnival-Restoring the Pride', and a proposal submitted by the Toronto Calypso Tent Masters Association, entitled Business Plan.

Comments:

2001 Financial Disbursement:

Although the Caribbean Cultural Committee (CCC) has provided financial information on the 2001 festival, it has yet to submit audited financial statements for 2001. As a result, staff is not able to provide analysis of those proceeds and expenses, beyond the disbursement of public funds administered by City staff. Council approved a Major Cultural Grant in the amount of \$353,500 toward the 2001 Caribana. The Province of Ontario provided a grant in the amount of \$353,000.00 for Caribana as well. Based on documentation submitted by the organizers, City and provincial funding was disbursed, and accounted for by City staff. The City's funds are accounted for in the following tabulation:

	City of Toronto funds
Toronto Mas Band Association	\$245,000.00
Site and Event Preparation	\$54,700.02
Marketing and Promotion	\$36,010.66
Insurance	\$17,789.32
Total	\$353,500.00

Toronto Mas Band Association in conjunction with City staff, established a payment schedule with four payments towards artistic production by the Mas Bands, the Steelbands and the Calypsonians. TMBA negotiated legal agreements and payment schedules, determined eligible expenses, and recommended payments for City staff's review and requisition. Three payments were disbursed prior to the festival to cover start-up and production costs. A remaining fourth payment, representing 10% of the total funds, was disbursed after the festival, based on individual financial management performance. TMBA was responsible for the disbursement of \$245,000.00 of City funds, and has submitted a full accounting of these disbursements in its Final Report.

City staff was also engaged in the requisition of funds and direct payments to other Caribana suppliers in three broad categories, including Site and Event Preparation, Marketing and Promotion, and Insurance. It became apparent in July 2001 that in order to ensure the festival would proceed as planned, City staff had to take certain responsibility toward paying some key suppliers. These suppliers were identified by the CCC, invoices were sought and direct payments to these suppliers were issued by City staff. As a result, staff was accountable for the direct disbursement of \$108,500.00. If staff were to be involved in paying Caribana suppliers directly in the future, staff would ensure critical components are paid for by City funding, including insurance coverage, police security and various venue permits. It is recommended that City Council receives the report on the disbursement of the City's 2001 Caribana grant.

2001 Caribana Festival:

As Council provided a grant for \$245,000.00 toward the production of the artistic components through TMBA, TMBA submitted its report on the accounting and disbursement of the funds, and their observations of the 2001 Festival, entitled "Final Report on Direct Government Funding to Bandleaders, Steelbands and Calypsonians". It is recommended that Council receive this report, Attachment No. 1, from TMBA.

In approving the 2001 grant, City Council established a number of conditions as listed above. In the confidential Caribana Restructuring Report, the CCC provided audited financial statements for the 2000 Caribana, a restructure plan and a business plan for the 2002 Festival. CCC included financial information of the 2001 Caribana, however, it has not provided "a complete audit of the 2001 financial operations of the Caribbean Cultural Committee" as requested by Council. In the most current audited financial statements, for the fiscal year ended October 31, 2000, CCC recorded \$464,986 in Current Liabilities.

CCC has proposed to restructure its corporate entity and operations, and it is seeking funding from another level of government to support its implementation. CCC anticipates the completion of the design of Restructuring Plan by the end of 2001, and projects a restructuring implementation commencement date for January 2002, with a completion date projected for December 2002. Regarding the Business Plan, while it has targeted a modest increase in corporate sponsorship, it has not provided a plan to achieve that target. As it currently stands, the CCC has yet to submit a complete audit of the 2001 financial operation, starting in January 2002 it plans to proceed with the restructuring plan, pending on the availability of funds from another

level of government, and it plans to undertake the preparation work for the 2002 Caribana, including the administration of all public funds.

2002 Caribana Festival:

In its Final Report, TMBA proposed the continuation of it receiving direct public funding for 2002, so that the artistic components of the Festival can proceed on schedule. Given the fact that TMBA has shown its ability to implement a sound financial management system, has negotiated terms and payments with over thirty artistic production teams, and that the CCC is undergoing substantial changes to attain stability, it is recommended that, in considering City funding for the 2002 Caribana Festival, funding be paid directly to the Toronto Mas Bands Association for disbursement to the Mas Bandleaders, Steel Bands and Calypsonians in order to ensure that the production of the artistic components of the 2002 Caribana Festival proceeds on schedule.

Toronto will be hosting the 2002 World Youth Day in late July, one week before Caribana. Pertinent City services have indicated that preparation for the 2002 Caribana have to be finalized by May 2002. In light of the extraordinary sequence of large scale events that require mobilization and co-ordination of various City services, and in order to ensure critical Caribana components are paid for, including pertinent expenses for event preparation, venue permits, insurance coverage and police security, it is recommended that Council provide direct payments to qualified Caribana suppliers. Drawing from City funding to be allocated for the 2002 Caribana Festival, these payments will be based on a payment schedule and supplier invoices jointly prepared and submitted by the Caribbean Cultural Committee and the Toronto Mas Band Association.

TMBA also proposed to assume expanded responsibilities for the 2002 festival events. It cited several CCC organizational breakdowns in 2001 regarding the Junior Carnival event, the King and Queen event, and the parade itself as a part of the rationale for its request to assume expanded responsibilities. Notwithstanding TMBA's ability to deliver the artistic components of the Caribana festival and its willingness to take on an expanded role, and in light of CCC's plan to stabilize its operations and to renew the organization, it is recommended that Council would undertake a community sounding with stakeholders and report to the Economic Development and Parks Committee in the Fall of 2002. This community sounding will focus on the distribution of City funding for future Caribana Festivals, and the City's role in enhancing Caribbean carnival arts. It is recommended that the community sounding will be undertaken in conjunction with the staff of the Chief Administrative Officer office, who currently co-ordinate the logistics of City's services for Caribana through the Caribana Liaison Committee.

City Council requested the establishment of an Advisory Committee to provide advice to all parties during the transition period under restructuring. Pertinent information on the proposed restructuring was submitted by CCC in recent weeks. According to the restructuring timeframe provided, the transition period will take place during 2002. It is prudent to examine all aspects of the information, including the availability of restructuring funding from another level of government as indicated, before reporting back to the Economic Development and Parks Committee on the mandate and membership of the proposed Advisory Committee.

Conclusions:

Although 2001 Caribana presented a number of challenges, it continues to be a tremendous event in the City's summer cultural calendar. In 2001, the City has played a larger role in ensuring financial accountability. It is anticipated that the Caribbean Cultural Committee, and its partners, including the Toronto Mas Bands Association would continue to ensure future successes of the festival.

Contact:

Rita Davies, Managing Director, Culture Division
Telephone: 416-397-5323
Fax: 416-395-0278
E-mail: rdavies@city.toronto.on.ca.

Joe Halstead
Commissioner Economic Development, Culture and Tourism

List of Attachments:

Attachment No. 1
Final Report on Direct Government Funding To Bandleaders, Steelbands and Calypsonians