



STAFF REPORT ACTION REQUIRED

Multi-year Agreements with Major Cultural Organizations and Local Arts Service Organizations

Date:	June 3, 2013
To:	Economic Development Committee
From:	General Manager, Economic Development and Culture
Wards:	All
Reference Number:	

SUMMARY

This report recommends the implementation of multi-year agreements with each of the eleven not-for-profit organizations that receive annual municipal support through the Major Cultural Organizations (MCOs) program and each of the six not-for-profit organizations that receive annual municipal support through the Local Arts Service Organizations (LASOs) program.

These multi-year agreements provide the terms and conditions of the grants to the recipient organizations, ensuring accountability for the funding and stabilizing the funding relationship. The majority of the Major Cultural Organizations and the Local Arts Service Organizations had five-year multi-year agreements in place from 2007 – 2011 that have since expired. This report seeks to review the terms of these funding agreements and seek their renewal, as well as put new agreements in place with those organizations that have not had agreements in place.

Delegated authority is sought to enter into multi-year agreements with the eleven recipients of funding through the Major Cultural Organizations: the Art Gallery of Ontario; Canada's National Ballet School; Canadian Opera Company; Festival Management Committee (Scotiabank Caribbean Carnival Toronto); George R. Gardiner Museum of Ceramic Art; National Ballet of Canada; Pride Toronto; Toronto Artscape Inc.; Toronto Festival of Arts, Culture and Creativity (operates as Luminato); Toronto International Film Festival Group; and the Toronto Symphony Orchestra; and six Local Arts Service Organizations: Arts Etobicoke, East End Arts, Lakeshore Arts, North York Arts, Scarborough Arts, and UrbanArts Community Arts Council.

RECOMMENDATIONS

The General Manager of Economic Development and Culture recommends that:

- (1) authority be granted to enter into a multi-year agreement with each of the following eleven Major Cultural Organizations, (the Art Gallery of Ontario; Canada's National Ballet School; Canadian Opera Company; Festival Management Committee [Scotiabank Caribbean Carnival Toronto]; George R. Gardiner Museum of Ceramic Art; National Ballet of Canada; Pride Toronto; Toronto Artscape Inc.; Toronto Festival of Arts, Culture and Creativity (operates as Luminato); Toronto International Film Festival Group; and the Toronto Symphony Orchestra; and each of the following six Local Arts Service Organizations (Arts Etobicoke, East End Arts, Lakeshore Arts, North York Arts, Scarborough Arts, and UrbanArts Community Arts Council) subject to:
 - (a) the satisfaction of the General Manager of Economic Development and Culture, the City Solicitor, the Deputy City Manager and Chief Financial Officer; and
 - (b) the following Terms and Conditions:
 - i) the City's grants policies as established by City Council;
 - ii) that each organization submit its annual funding request to the General Manager of Economic Development and Culture, for recommendation to the Economic Development Committee and City Council for review and approval;
 - iii) that each organization submit its annual report and financial audit to the General Manager of Economic Development and Culture, for review; and
 - iv) for a period of five (5) years;
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

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

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Through Clause No. 3, Report No. 24 of the Strategic Policies and Priorities Committee, adopted by City Council at its meeting held on November 25, 26 and 27, 1998, the City established the role of Toronto's Cultural Services in the delivery of funding in the Arts and Culture category for Major Cultural Organizations.

City Council, at its meeting held on February 13, 14 and 15, 2002 by its adoption of Clause 7 of the Economic Development and Parks Committee Report No. 1 authorized the City to enter into Funding agreements (the "Funding Agreements") with Cultural Organizations that meet the criteria for the City's Major Cultural Organization Funding Program, as set out in that report.

City Council, at its meeting held on February 13, 14 and 15, 2002 by its adoption of Clause 7 of the Economic Development and Parks Committee Report No. 1, directed the Commissioner of Economic Development, Culture and Tourism to report on establishing funding agreements with other significant /specialized City-funded arts and cultural organizations.

City Council at its meeting held on July 22, 23 and 24, 2003, by adoption of Clause No. 9 of Report No. 6 of the Economic Development and Parks Committee, authorized the City to enter into funding agreements with Arts Etobicoke, Lakeshore Arts, Scarborough Arts Council and urbanArts.

City Council, at its meeting held on April 23 and 24, 2007 approved the renewal of multi-year agreements with the four existing Local Arts Service Organizations:

<http://www.toronto.ca/legdocs/mmis/2007/ed/reports/2007-04-11-ed03-cr.pdf>

City Council at its meeting held April 29, 2009 granted authority to enter into a five-year agreement with Toronto Artscape Incorporated as a recipient of City funding:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.ED20.10>

ISSUE BACKGROUND

The intent of the multi-year agreements is to define the purpose and benefits to the City of such funding and to put in place processes that will enhance accountability to the City for the funding it provides. It strengthens the City's ability to ensure compliance with funding provisions and reporting requirements. Almost all funders of not-for-profit organizations use a formal agreement to define the terms and conditions of funding.

The annual funding request for each organization would be subject to review and approval by City Council. Under the terms of the agreement, each MCO or LASO would be required to submit its funding request annually to the General Manager of Economic Development and Culture, for recommendations for Council review and approval, as well as its annual report and financial audits for review.

The recommended multi-year agreements allow for a structured link between the City and the recipient organizations. It enables planning and service delivery that offer an increased degree of stability, accountability to Council, and sets out the City's terms and conditions for the coming years.

COMMENTS

City Council provides annual operating support to eleven Major Cultural Organizations and six Local Arts Service Organizations (LASOs). Funding is provided for these non-profit arts and cultural organizations that have demonstrated consistent levels of professional standards in their operations, encouragement of artistic excellence, sound financial management systems, a diverse funding base and board accountability. Public funding is necessary as the organizations are not fully self-supporting through private donations and self-generated income.

Major Cultural Organizations provide significant economic and cultural impact, and play a vital role in developing Toronto's reputation as a creative capital. Each of the organizations offer unique public programming that help define Toronto's identity, foster and develop artists and audiences, and anchor the cultural sector. They are organizations that serve Toronto's citizens and visitors and lead Toronto's culture sector in creating jobs and wealth, attracting tourism, and contributing to the city's prosperity.

LASOs are recognized as essential to a vibrant community arts infrastructure for the City and are an important building block for healthy and cohesive communities. These organizations are hubs that provide community arts programs and services for the benefit of Torontonians. They encourage artistic growth in both emerging and established artists, contribute to the economy and local tourism, promote inclusion and equity, support healthy social change and help create audiences for the future. LASO programs and services are accessible to the public and reduce barriers to participation in arts and culture.

Applications for funding for both the MCOs and the LASOs program are reviewed by Economic Development and Culture and then further assessed through a peer review process. An Advisory Panel of peers drawn from the community advise staff on the merits of the applications, rank the organizations in terms of funding priorities, provide advice on the cultural programming, and offer professional assessment of the programs. As well, the Advisory Panels identify long-term issues and trends. The administration of the review is carried out in accordance with the City of Toronto Grants Policy as adopted by City Council on December 16 and 17, 1998.

Annual allocations to the Major Cultural Organizations and the Local Arts Service Organizations are made by the decision of City Council. The recommended five-year term of the multi-year agreements recognizes the long history of the funding relationship with the Majors and four of the six LASOs. It allows sufficient flexibility without undue administrative burdens on either the City or the recipient organizations.

Conclusion

Funding agreements that set out the terms and conditions of funding are standard for most governments and funding agencies delivering programs. Ensuring compliance and accountability for the City's funding of the Major Cultural Organizations and the Local Arts Service Organizations is enhanced with funding agreements in place. For the majority of recipient organizations, these agreements will be a renewal of previous multi-year agreements with the City that have now expired. For those organizations without a previous agreement, setting the terms and conditions of funding over five years establishes a stable framework for planning and reporting without placing undue administrative burdens on either City staff or recipient organizations.

CONTACT

Terry Nicholson
Acting Director, Cultural Services
Economic Development and Culture
Tel: 416-392-4166
Fax: 416-392-5600
Email: tnichols@toronto.ca

SIGNATURE

Michael H. Williams, General Manager
Economic Development and Culture