



REPORT FOR ACTION

One Year Extension of Contribution Agreements for Cultural Grant Recipients

Date: November 1, 2017
To: Economic Development Committee
From: General Manager, Economic Development and Culture
Wards: All

SUMMARY

This report recommends the extension of contribution agreements with cultural grant recipients for a period of one year from January 1, 2018 to December 31, 2018. All existing contribution agreements with the Major Cultural Organizations, the Local Arts Service Organizations and the Specialized Collections Museums expire December 31, 2017. These contribution agreements provide the terms and conditions of the use of funds. The agreements govern the use of funds in the operating activities of recipient organizations, and ensure public benefit, accountability, and transparency for the City. The actual amounts to be granted in the 2018 budget will still be subject to City Council approval.

City Council direction is sought for a one-year extension from January 1, 2018 to December 31, 2018, of current contribution agreements with the ten recipients of funding through the Major Cultural Organizations program: Art Gallery of Ontario; Canada's National Ballet School; Canadian Opera Company; Festival Management Committee (Toronto Caribbean Carnival); National Ballet of Canada; Pride Toronto; Toronto Artscape Inc.; Toronto Festival of Arts, Culture and Creativity (operates as Luminato); Toronto International Film Festival; and the Toronto Symphony Orchestra; six Local Arts Service Organizations: Arts Etobicoke, East End Arts, Lakeshore Arts, North York Arts, Scarborough Arts, and UrbanArts; and three Specialized Collections Museums: George R. Gardiner Museum of Ceramic Art; Design Exchange; and Museum of Contemporary Art Toronto.

RECOMMENDATIONS

The General Manager of Economic Development and Culture recommends that:

1. City Council approve a one-year extension of contribution agreements, excluding 2018 funding allocation commitments which are subject to City Council approval, with the same terms and conditions, with each of the ten Major Cultural Organizations funding recipients: Art Gallery of Ontario; Canada's National Ballet

School; Canadian Opera Company; Festival Management Committee [Toronto Caribbean Carnival]; National Ballet of Canada; Pride Toronto; Toronto Artscape Inc.; Toronto Festival of Arts, Culture and Creativity [operates as Luminato]; Toronto International Film Festival; and Toronto Symphony Orchestra; each of the six Local Arts Service Organizations: Arts Etobicoke; East End Arts; Lakeshore Arts; North York Arts; Scarborough Arts; and UrbanArts); and three Specialized Collections Museums: George R. Gardiner Museum of Ceramic Art; Design Exchange; and Museum of Contemporary Art Toronto, to expire December 31, 2018.

2. City Council direct that the contribution agreements be subject to the satisfaction of the General Manager of Economic Development and Culture, the City Solicitor and the Chief Financial Officer.
3. City Council direct all funding recipient organizations to continue to submit their annual funding requests through the City's annual operating grants programs.

FINANCIAL IMPACT

There is no financial impact in 2017. Funding in the amount of \$7,914,695 for the Major Cultural Organizations program, \$1,705,400 for the Local Arts Service Organizations and \$610,058 for Specialized Collections Museums was included in the 2017 Approved Operating Budget for the Economic Development and Culture Division. Funding allocations for 2018 are included in EDC's 2018 Operating Budget submission and are subject to City Council approval.

The Acting 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 multiyear 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>

City Council at its meeting held on July 16, 17, 18 and 19, 2013, adopted the authority for the City to enter into a multi-year agreement with the eleven Major Cultural Organization and six Local Arts Service Organizations:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.ED23.4>

The Grants to Specialized Collections Museums will be considered by City Council on November 7, 2017:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.ED24.7>

COMMENTS

City Council provides annual operating support to ten Major Cultural Organizations, six Local Arts Service Organizations and three Specialized Collections Museums. Funding is provided to non-profit arts and cultural organizations that provide public benefit, have demonstrated consistent levels of professional standards in their operations, encourage artistic excellence, demonstrate sound financial management systems, and demonstrate 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. Existing clients of these programs have contribution agreements in place that were executed between years 2013 to 2017 that can all be extended for one year. None of the contribution agreements are more than five years old. They all expire December 31, 2017.

Annual funding applications to EDC's cultural grant programs are assessed by peer advisory committees and City staff. Recommended allocations to grant recipients are made by the decision of City Council. Contribution agreements then govern the use of the funds for the recipient organization's operations. The one-year extension of the contribution agreements recognizes the City's long history of the funding relationship with recipient organizations.

While Economic Development and Culture completes its strategic plan and review the impact of its cultural grants programs, staff recommend that the current contribution agreements are given a one year extension to December 31, 2018. Consideration will be given to executing multiyear agreements in the future.

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SIGNATURE

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