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Halifax Regional Council
March 7, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Carol Macomber
Carol Macomber, Acting Director of Recreation, Tourism and Culture

DATE: February 27, 2006

SUBJECT: Events Funding Review

INFORMATION REPORT

ORIGIN

Staff

BACKGROUND

Halifax Regional Council, through its annual budget process, approves a variety of different funds to support festivals and events throughout the municipality. In relation to the recently developed Economic Strategy and Cultural Plan, HRM Recreation Tourism and Culture (RTC) has initiated a review of RTC grants and contributions programs used to disseminate these funds. This review is expected to address a variety of questions, issues and concerns raised by Council, staff and event organizers regarding the tools and processes used by RTC to support festivals and events. The purpose of this report is to provide an overview, time lines, and expected outcomes for the review process.

In addition to the review of event funding, RTC has initiated a review of the Heritage and Culture Reserve and the Major Events Facilities Reserve. Any recommended changes to these reserves will be provided to Council at a future date.

DISCUSSION

There are two basic categories of events delivered in HRM. The first category consists of events which are organized and implemented directly by HRM staff and/or HRM Committees of Council. The second category consists of events that receive funding from the municipality but are conducted by external event organizers. These external events range from annual community and regional events to large national or international events hosted in HRM. All internal and external events supported by HRM are funded from one of two sources - the RTC operating budget and the Special Events Reserve. An overview document which provides summaries, histories, and funding information for each of the funding sources available for festivals and events is attached to this report.

The intention of the review of festival and event programs is to develop revised criteria, application procedures, and funding models in advance of the 2007/2008 fiscal year. All of the funding sources listed in the attached overview are being reviewed and input is being actively sought from stakeholders. This work will result in a new process which will formalize HRM's funding framework for events. Any significant changes to programs or funding levels recommended by this review will be implemented in the 2007/2008 fiscal year.

It is expected that the following materials will be produced by the review:

- Project Overview and Work Plan (attached to this report);
- Overview of RTC event funding programs including summary, history, and funding information for each program (attached to this report);
- Issue and opportunities paper, which will highlight the primary issues, requirements, and gaps for festival and event funding in HRM;
- Discussion paper on recommended process and administrative changes for each of the RTC funding programs and for the Business Unit as a whole;
- Report to Council with recommendations for program, policy and funding revisions (i.e. Reserve Business Case, Reserve Guidelines, Grant Review Structure, etc).

Recommendations will focus on three areas:

- Administrative - i.e. applications, forms, guidelines, program information, etc.;
- Process - i.e. screening process for requests, review and decision-making frameworks, evaluation and review process, linkages with other HRM resources, etc.;
- Funding - i.e. re-alignment of existing budget, among programs and existing festivals and events, addition of new events, allocation model, etc.

Generally, recommendations will also examine areas related to costs for municipal services, debt owed to HRM by external event organizers, and the linkage of RTC event funding and processes to other HRM initiatives and structures such as the Community Grants Program, the Cultural Plan, the Event Hosting Strategy, the Economic Strategy.

To date, some work on the review process has been conducted and initial steps taken. This work includes development of revised applications, criteria, and screening procedures for the Special Events Reserve, based on the existing Council approved Business case and guidelines for the reserve. A detailed work plan and time line for the review is attached to this report. It is expected that a report with recommended changes will be before Council in May or June 2006.

BUDGET IMPLICATIONS

There are no direct budget implications as a result of the material discussed herein.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

There are no recommended alternatives

ATTACHMENTS

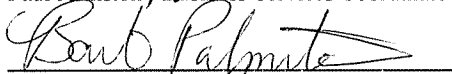
- (1) Events Funding Program Inventory
- (2) Event Funding Review - Work Plan

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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RECREATION, TOURISM AND CULTURE

Review of Funding Programs

Events Funding Program Overview

Special Events Reserve

Summary

Based on a Council approved Business Case and Guidelines, the Special Events Reserve provides financial assistance for hosting national or international cultural, sports and heritage events that do not occur annually. Preference is given to events and activities which are free or low cost for the public to attend, cost-shared with other government partners, occur between November 1st and April 30th, and have broad public appeal and community interest. Twinning, memorials, commemoratives, receptions and other special functions may be eligible for funding. Eligible expenses also include the provision and maintenance of HRM infrastructure for special events.

History

In 2001, in response to urging from the tourism industry, a hotel room levy was established through Provincial legislation and Council approval. Implemented at the beginning of the 2002-2003 fiscal year, the levy rate was set at 1.5% of the daily room rental fee and is now applicable to all tourism accommodation properties containing 20 or more rental rooms. The revenue collected on a monthly basis by HRM is distributed 2/3 to Destination Halifax and 1/3 to the Special Events Reserve.

Funds

Approximately \$650,000 is generated annually by 1/3 of the levy. Revenue for the 2005/06 Events Reserve to date is approximately \$1,100,000 - \$650,000 hotel tax, \$50,000 transfer from operating, and \$400,000 carry over from 2004/2005.

Festivals and Events Grants Program

Summary

The Festivals and Events Grants Program is an annual program that provides grants to community non-profit organizations to assist in hosting community events. The level of assistance is generally in the range of approximately \$250 - \$1,000. There is an annual deadline in the Spring and applications are received, vetted and prioritized by a staff committee.

History

Prior to amalgamation, the Metro and Area Tourism Association (MATA) provided funding grants to small events throughout the former Cities of Halifax and Dartmouth, former Town of Bedford, and a portion of the former Halifax County. Funding for the program was provided by the Province. MATA was one of several Tourism associations throughout the Province that received this funding. At amalgamation, MADA was dissolved and the HRM Tourism Department took over responsibility for the program. Initially, HRM matched the Province's contribution but some incremental funding has been added to HRM's contribution to the program budget since that time.

Funds

\$25,000 in Civic Events and Festivals operating budget (C760). An additional \$10,000 is provided by the Province of Nova Scotia.

Summer Festival Grant

Summary

The Summer Festival grant is awarded annually to provide a legacy enhancement for a community event that is geographically located within the former Halifax County Municipal boundaries. There is an annual deadline in the Spring. A Summer Festival Grant Committee, comprised of three Councillors from Districts within the former Halifax County, is appointed by Halifax Regional Council to assist staff in selecting a host(s) community(ies).

History

In 1995, an event known as “Septemberfest” was organized by the staff of the former Halifax County Municipality in partnership with local community organizations. At the time, this event was intended to become an annual celebration held in communities throughout the former Halifax County. After amalgamation, Council approved a \$70,000 budget to continue to deliver Septemberfest. The intention was to maintain annual funding for an event in the non-urban, former Halifax County Municipality to balance the annual funding provided to Halifax and Dartmouth Natal Days, Bedford Days and Canada Day. Since that time, the funding stream was renamed Summer Festival grant allow eligibility for community events staged during the entire summer season.

Funds

\$35,000 in Civic Events and Festivals operating budget (C760)

Annual Event Grants from Operating

Summary

Annual events sponsored with direct grants from operating fall into two basic categories. The first category consists of sixteen events and initiatives which are organized and managed directly by HRM staff and/or HRM Committees of Council (i.e. Natal Day, Canada Day, New Year’s Eve). The HRM contribution for some of these events is enhanced significantly by contributions from external sponsors. The second category is direct grants to thirteen annual events that are conducted by external event organizers (i.e. Buskers Festival, Atlantic Film Festival, Atlantic Jazz Festival). There is no application process for this funding.

History

Prior to amalgamation, the former municipalities funded a variety of civic and community events and festivals. At amalgamation, a report to Council recommended that annual special events funded by the previous municipalities continue to receive funding at their former levels. At that time, three categories of events were recommended for continued financial assistance - (1) events organized and managed directly by the former municipalities; (2) small community events which had received discretionary funding from Councillors of the former municipalities; and (3) events organized by independent groups but supported by the former municipalities to offset the costs of essential municipal services. Since that time, funding has not been added to the events operating budget for any new annual event but funding to some external events was eliminated or reduced as a result of a HRM budget cut in 1998.

Funds Available

Currently \$387,685 for internal events and initiatives and \$120,900 for external events, for a total of \$508,585 in the Community Events cost element of the Civic Events and Festivals operating budget (C760).

RECREATION, TOURISM AND CULTURE
Review of Funding Programs
Event Funding Review Work Plan / Time Line

Task	Deadline	Complete
Complete Project Overview	August 2005	√
Complete Program Inventory of RTC Grants and Contributions Programs including summary, history and funding information for each program	August 2005	√
Complete issue/opportunities paper which will highlight the primary issues, requirements and gaps for each of the RTC funding programs and for the BU as a whole	September 2005	√
Draft letter to event organizers supported by RTC operating budget asking for event details, budgets and performance objectives for 06/07 and providing notice of review.	January 2006	√
Information Report to Council describing review process, time lines, and expected outcomes.	February 2006	√
Consultation with stakeholder groups, event organizers and other levels of government on criteria and models for assessing and funding festivals and events.	January 2006 - March 2006	
Review criteria, structure and models for assessing and funding festivals and events used by other municipalities.	January 2006 - March 2006	
Discussion paper and draft recommendations on process and administrative changes for each of the RTC funding programs and for the Business Unit as a whole	March 2006 or April 2006	
Report to Council on recommended changes, proposed funding models, criteria for event funding, and decision-making structure	May 2006	
Communication of program and/or funding changes and revisions to event organizers currently funded by HRM	September 2006 - October 2006	
Incorporate new processes, criteria and required funding for events in 2007/2008 business plan and draft budget	October 2006 - November 2006	
Set application deadlines and conduct screening	February 2007 - March 2007	
Approve and allocate funds to event organizers	April 2007 - May 2007	

Consultation and Research:

Stakeholders who will be consulted include:

- HRM Culture and Heritage Staff
- HRM Civic Events and Festivals Staff
- HRM Cultural Plan committees and staff
- HRM Grants and other Finance staff
- Provincial and Federal cultural funding agencies
- Event Organizers
- Business Commissions
- Marketing Levy Committee of Council
- Events Halifax
- WTCC
- Destination Halifax
- Members of Halifax Regional Council

Other municipalities to be reviewed include:

- Vancouver
- Victoria
- Calgary
- Edmonton
- Winnipeg
- Ottawa
- Toronto
- Montreal