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**Item No. 9.1.2**  
**Audit & Finance Standing Committee**  
**January 21, 2015**

**TO:** Chair and Members of Audit & Finance Standing Committee

Original Signed

**SUBMITTED BY:** \_\_\_\_\_  
Brad Anguish, Director, Parks & Recreation

**DATE:** December 5, 2014

**SUBJECT:** Special Events Grant Process – Administrative Orders

**ORIGIN**

March 27, 2007, motion of Regional Council:  
MOVED by Councillor Walker and seconded by Councillor Karsten that Regional Council approve the Civic Events Policy and Granting Framework.

January 4, 2012 motion of Special Events Advisory Committee:  
MOVED by Mr. Joliffe and seconded by Mr. Ransome that Special Events Advisory Committee request a staff report reviewing/outlining the Federal and Provincial tools uses (such as the Sports Tourism Model) to project economic impact and which should be used when, and what threshold, in terms of measuring economic impact of an event to enable the Committee to better evaluate the event; and, whether use of that review (tool) would be set as a condition to awarding funds for annual events or one-time events.

July 3, 2012 motion of Regional Council:  
MOVED by Councillor Uteck and seconded by Councillor Sloane that staff provide a report on increasing the 2013/14 Civic Events Operating Budget by \$100,000; and, further, that staff develop an HRM Event Strategy which will identify supporting criteria for various categories of events and falling under the umbrella of the HRM Cultural Plan.

January, 2011, Auditor General Report on Corporate Grants, Donations and Contributions.

**LEGISLATIVE AUTHORITY**

*Halifax Regional Municipality Charter, Section 79 (1) (av)*

## **RECOMMENDATION**

It is recommended that the Audit & Finance Standing Committee recommend that Halifax Regional Council:

- 1) Adopt the Marketing Levy Special Event Reserve Grants Administrative Order #2014-020-GOV (Attachment 1);
- 2) Adopt the Regional Special Events Grants Administrative Order #2014-021-GOV, (Attachment 2);
- 3) Approve the revised Marketing Levy Special Event Reserve Business Case (Attachment 5);
- 4) Approve the transfer of oversight for event grants to the Grants Committee from the Special Events Advisory Committee; and
- 5) Approve the Regional Events and Cultural Initiatives Operational Event Programs criteria and realignment.

## **EXECUTIVE SUMMARY**

In 2010, Halifax Regional Municipality (HRM) adopted its current Event Strategy which outlines the vision for the delivery of events in HRM. The strategy enables the provision of funding grants to event organizers to assist in the support of both community and major events. Along with the Event Strategy, an operating document, the "Civic Events Granting Framework and Policy," was approved which outlines the administrative process for provision of event grants. Pursuant to the direction outlined in the Event Strategy as well as recommendations outlined by the Auditor General in the report entitled "Corporate Grants, Donations and Contributions", staff has reviewed the administrative processes through which event grants are provided.

As a result, administrative changes, program redesigns and funding allocations are being proposed to improve the ability of HRM to provide event grant funding in a reliable, clear and transparent manner. Two administrative orders have been created to direct the grant programs for both those events which provide an economic and tourism focus and those that are more community and cultural focussed.

## **BACKGROUND**

Events in HRM are provided through a variety of means. Annually, there are hundreds of events planned and executed across HRM. Some are delivered directly by HRM staff and others are delivered by external event organizers and community groups. While HRM delivers a small number of events directly, significant funding is provided to the external organizers, community groups and non-profit agencies who deliver the majority of events.

### **Current Civic Events Policy and Granting Framework Structure**

In 2010, HRM adopted its current Event Strategy which outlines the vision for the delivery of events in HRM. The strategy enables the provision of funding grants to event organizers to assist in the support of both community and major events. Along with the Event Strategy, an operating document, the "Civic Events Granting Framework and Policy," was approved which outlines the administrative process for provision of event grants.

There has been confusion between the "Civic Event Policy and Granting Framework" and the "Event Strategy". Often references have been made to the "Event Strategy" when the reference or discussion was actually related to the "Civic Event Policy and Granting Framework". To clarify, for the purposes of this report, the Event Strategy is not under review and it does direct the administrative process of HRM's event grants. Rather the focus of this report is on the administrative "Civic Event Granting Framework and Policy".

Currently, all event granting programs are administered through the Civic Events Granting Framework. The Special Events Advisory Committee (SEAC) oversees the event grant programs and makes recommendations for funding to Regional Council for approval.

HRM currently operates 5 event grant programs (Attachment 3);

- Festivals and Events;
- Summer Festivals;
- Annual Events;
- Hallmark Events; and
- Non-Annual Events.

The Festivals and Events, Summer Festivals and Annual Events programs are funded through general tax and assigned to the Parks & Recreation operating budget (C760).

The Hallmark Events and Non-Annual Events programs are funded out of the Marketing Levy Special Events Reserve (MLSER). Host city bids and events that fall under the Exception Clause program are also funded from the MLSER. The MLSER is generated by a two percent (2%) hotel tax that is applied to all sleeping establishments in HRM that operate twenty (20) rooms and over. Sixty percent (60%) is transferred to Destination Halifax to use as operational funding and forty percent (40%) is retained by HRM for the purposes of economic and tourism development. The MLSER – Q315 Reserve Business Case outlines the use of the HRM funding and provides guidance to the event granting programs funded by MLSER.

### **Direction to Review the Civic Events Policy and Granting Framework**

On June 15, 2010, Regional Council approved the HRM Event Strategy that provided a 10 year strategic timeline focused on a comprehensive set of goals, objectives and actions to advance the Municipality's event development.

In Section 3.3 of the Strategy, Event Grant and Contributions (Attachment 4), it states that between 2010 and 2015 staff should amend the Civic Events Grant Policy and Framework to include several new programs and performance clauses to improve event grant and contribution services.

The MLSER – Q315 Reserve Business Case also states that HRM will undertake a review of the reserve guidelines at a minimum of every five (5) years.

### **Auditor General's Recommendations**

In January 2011, the Auditor General released a report entitled "Corporate Grants, Donations and Contributions". One of the key recommendations noted that all current grant policies in HRM should be reviewed in as timely a manner as possible. In Reference #2.7, the report states, "It is our view an immediate review of the information contained within this report be undertaken with a view to rationalizing the number of administered programs." All recommendations that relate to event grants are outlined in Attachment 4. Several of the recommendations have been addressed within the recommended administrative orders provided by this report. In addition, staff is currently working on an overall Grant Policy which address those recommendations related to centralization.

### **DISCUSSION**

In 2013, to fully understand the process that would be required to implement the Auditor General recommendations and Council direction, staff participated in an HRM Business Process Improvement project (BPI). This provided the necessary framework for reviewing the existing granting process, capturing potential improvements, and documenting findings and recommendations. The process highlighted the need for improvements in both the type of grants and the accountability measures associated with each program. This systematic review of the event granting "as is" (current) process and recommendations for necessary process and operational improvements has proven a key component in developing the proposed framework and program alterations.

In addition, regular feedback from Council members and a workshop with SEAC provided additional context and recommendations for improvements to the process. In all cases, similar challenges were raised.

### **Current Challenges**

There are four (4) key challenges identified by the Auditor General, SEAC, external organizers, and staff which exist within the current Civic Event Policy and Granting Framework and overall event granting process. These challenges are related to the deliverables and outcomes of the MLSER, the annual funding/ eligibility of events, Committee governance, and the lack of definition and supporting rationale for HRM delivered events. An overview of these challenges and recommended changes are outlined below.

#### **1. Economic Outcomes vs Cultural Outcomes**

The MLSER currently “provides funding to attract and host exceptional tourism, culture, and heritage events that are typically national or international in calibre and that occur on an infrequent basis”. The overarching objective of the Reserve is to recommend funds to events that deliver an immediate economic impact. The values of the MLSER reflected in the Business Case support this rationale.

However, one of the core principles of the HRM Event Strategy is that community events, cultural events and tourism events are held with equal importance. Some events bring economic benefit and international profile while others focus on building a sense of community, citizen connection to the area and cultural recognition.

Events that represent different cultural sectors and deliver cultural content have increased significantly in recent years. As the event landscape in HRM evolves, more attention is being given to the importance of cultural experiences that help to sustain a creative city. These events carry social impacts in addition to delivering “longer-term” economic benefits, but in many cases do not deliver the immediate economic impact that the logic of the MLSER demands. The current framework does not utilize scoring criteria that weight cultural impact, diversity or social benefit and, as a result, this omission fails to consider the value of these factors.

Therefore, due to the variety in events and the need for all sectors to be considered accordingly, two (2) separate funding streams and administrative orders are being recommended. This would allow all events to be considered in the context of their overall value and to be compared to sector specific criteria.

#### **2. Annual Funding and Hallmark Status**

The current framework has numerous inconsistencies and inequities in regards to annual community event funding which has led to confusion among organizations. A number of community events have been grandfathered at certain funding levels since amalgamation while others are required to apply for funding annually through various programs. As well, the current framework does not allow for growth and support of new community events, nor does it meet the needs of the changing community.

Another challenge with the current framework concerns the eligibility of events for annual funding and the criteria on which they are assessed. Under the current framework, annual, large scale events are not eligible for funding from the MLSER unless the event has qualified for Hallmark status. The original definition of the Hallmark status was to acknowledge events that are “unique, synonymous and inseparable” from the image of the Municipality. However, the category has been expanded to award Hallmark status to some annual, large scale events as a mechanism to provide sustainable funding. There are events with Hallmark status that arguably, while strong in their attendance numbers and budgets, do not wholly meet the definition.

Alternately, there are some events that may be eligible for this program but, in the current framework there is no structure provided for them to be considered. Also, any amendments to the eligibility for the Hallmark program (as well as all other programs) have been suspended in anticipation of the revised

granting framework which has resulted in several events being assessed under the Exception Clause of the current framework and an over use of the clause.

The proposed MLSE Events Administrative Order (AO) removes the limitations and opens up several new categories for annual events to receive sustainable funding. The nine (9) annual Hallmark programs will continue to be provided with financial support with the adoption of the proposed AO, however, there may be some events that will be realigned into new programs. As well, the proposed Regional Events Grant AO creates equity among all community events and allows for transparency of funding.

### 3. Governance - Special Events Advisory Committee, SEAC

In the 2011 report, the Auditor General also recommended the “Administration consider centralizing the delivery of grants, donations and contributions of all kinds into one (1) division with primary responsibility for developing policy, business practices and reporting of grants and contributions on an organization-wide basis” (Recommendation #4).

The proposed expansion of the Grants Committee's role does not require any amendment to the committee's terms of reference. In recent years the committee has provided this service to Council across a range of programs not previously administered under the Grants and Contributions portfolio. For example, unsolicited requests for funding outside an established program, rural transit grants, and discretionary grants to local business improvement organizations. In 2014, recommendations regarding grants to professional arts organizations will also be tabled for the committee's consideration and it is anticipated that a designated funding program in relation to the 100th Anniversary of the Halifax Explosion will be developed, monitored and delivered with the committee's input. Hence, the proposed changes to the Grants Committee's role can be considered an extension of an existing trend and supports the governing structure proposed by the Auditor General. Transferring the governance for event grant funding to the Grants Committee would result in the Grants Committee holding responsibility for the monitoring of grants and contributions on an organization-wide basis.

Under HRM's current governance structure, both SEAC and the Grants Committee are advisory committees of the Audit & Finance Standing Committee. The chair of these advisory committees must be a member of the Audit & Finance Committee and as a result, there has been duplication in roles. Realignment of oversight of event grants to the Grants Committee would also reduce Councillor's time and reporting to multiple Committees as the SEAC committee would no longer be required.

Representation from sector specific organizations such as Destination Halifax and the Hotel Association of Nova Scotia (HANS) has been helpful to assess the viability of events and their financial impact on Halifax as a national and international event destination. However these members have business schedules that can prevent attendance to meetings on a regular basis. Further, since the committee membership includes several sector specific members, conflicts of interest concerns have also challenged the deliberations of SEAC due to the nature of the events and use of hotels and support agencies.

Under the proposed changes, staff would continue to include third party consultation with other levels of government and HANS as well as its own agencies, Greater Halifax Partnership and Destination Halifax, to assist in defining the business and marketing opportunities HRM can leverage from events. While there is still the potential for conflicts of interest within the Grants Committee structure, consultation with the sector specific bodies rather than committee representation can help alleviate this challenge. In addition all events applying to the MLSE grant program will be required to complete an economic impact analysis as part of their application. The Sport Tourism Economic Assessment Model (STEAM) or a similarly recognized economic assessment tool is currently used by other levels of government to project the economic impact of proposed events. Inclusion of these tools will provide relevant information for HRM to also ensure the validity of anticipated economic generation from the events.

Since 2007, SEAC has been the governing body to oversee the event grant process. In recent years, the committee has struggled with quorum challenges for approximately one-third of its meetings. Ongoing

challenges to achieve quorum at SEAC meetings in past years have resulted in delays to provide recommendations to Regional Council in a timely matter and to ensure grant payments are issued in advance of the event.

As a result of cancellation of SEAC meetings, events that apply for MLSE funding have not been in a position to definitively confirm programming or activities for the planned event or have been significantly delayed. Further, the delays in the ability to provide funding in a timely manner have resulted in cash flow concerns for event organizers. While the administrative process for the Grants Committee would remain the same, it has tended to have fewer challenges achieving quorum and as a result, a change in governance will also help enable decisions to be rendered in a timely manner which will allow applicants to prepare events with assurance of funding and lessen cash flow restrictions.

#### 4. HRM Delivered Events

The 2011 Auditor General's report also recommended review of the nine (9) events that HRM directly operates and delivers, and one (1) event that has been delivered through collaboration but is included as an HRM delivered event (See Attachment 6 for the history of civic events programs and delivery). These ten (10) events are listed chronologically below:

1. Bedford Days
2. Canada Day
3. Natal Day Festival
4. Clam Harbour Beach Sandcastle Competition
5. Hopscotch Halifax
6. Halifax Christmas Tree Lighting
7. Dartmouth Christmas Tree Lighting
8. Halifax Explosion Commemoration
9. Menorah Lighting
10. New Year's Eve Grand Parade Celebration

The Auditor General recommendations and the directive for review of the Event Strategy has provided support for staff to assess the rationale and values that is applied to the management and delivery of civic events. The objective of the review is to establish a more consistent, normalized approach to operating events for the citizens of Halifax. Historically the majority of events that are organised by the Municipality have been assigned through different methods: including grandfathered at the time of amalgamation, by direction from senior management, a directive from the Mayor or district Councillor of the time, or when a community no longer has the resources (financial and/ or volunteers) to continue with the direct delivery. This has created an overall program that lacks a consistent rationale and does not meet the current municipal standard requirements for transparency and equity in funding. Therefore all event programs that are under the direct care and control of HRM Civic Event staff will be defined as "regional operational" event programs. These are civic events for which:

- HRM assumes the risk and liability;
- HRM civic event staff organize and deliver;
- Budgets are held internally within the HRM SAP accounting system;
- Occur annually and the duration of event activities is no longer than 5 days;
- Provide benefits such as local media coverage, economic and business benefit, promotes HRM within the event's marketing campaign. Examples: Canada Day, Natal Day, Clam Harbour Beach Sandcastle Competition;
- Are accessible and attractive to people of all ages, ethnicity, and cultural background; and
- Program supports a national or regional landmark occasion.

The results from the review of the Civic Events programs organized, funded and delivered by HRM staff are found in Attachment 6.

## Proposed Administrative Orders & MLSER Business Case

As indicated, two Administrative Orders have been prepared to outline the event granting programs and to improve their overall administration. The attached MLSER Grants AO (Attachment 1) and the Regional Events Grants AO (Attachment 2) are intended to replace the current “Civic Events Granting Framework and Policy”. Their shared purpose is to maximize the economic, social and cultural benefits within the community and to ensure that Halifax, as the largest municipality in Atlantic Canada, reinforces its investment and support of the special events sector by investing strategically with municipal funding. In addition, the business case for MLSER has been amended to reflect the new MLSER Grant AO (Attachment 5).

Creating two (2) separate AO's will increase clarity around the respective programs as well as funding sources. All community focused event programs are proposed to be funded out of the operating budget C760 (Regional Recreation and Culture), and a new cultural event program will be introduced and is proposed to be funded from budget allocated within the Cultural Development Reserve (Q312). All economic impact focused event programs are proposed to be funded out of the MLSER (Q315). These changes will ensure that all event grant programs will be strategically aligned with the appropriate funding source.

### The MLSER Grants AO

The MLSER Grants AO will focus on the following two (2) Priority Outcomes: Economic Development and Tourism Development. The MLSER programs will support large scale special events that generate significant economic impact, attract visitors and provide enhanced visibility to Halifax as a tourist and business destination. In order to address the challenges outlined above, new categories have been created, sustainable funding introduced and improved administration provided in the MLSER AO. An overview of the new grant programs is outlined below:

#### 1. Signature Events Program

The proposed Signature Events Program would replace the existing annual Hallmark funding program. All events in the Signature Events Program would be required to complete an economic impact analysis, the Sport Tourism Economic Assessment Model (STEAM) or a similarly recognized economic assessment as approved by staff as part of their application. Successful applicants would be offered up to a three (3) year funding commitment from HRM (with annual review, ability to amend and subject to budget approval). Eligibility requirements for this program include a minimum budget of \$250,000, be in existence for five (5) years and registered as a non-profit organization or for-profit entity. Events eligible for this program will be assessed on governance and structure, number of tourists attracted, hotel stays generated, seasonal tourism period, media profile/publicity, local expenditures and employment supported/ created and partner/ sponsor supports.

#### 2. Tourism Events Program

The proposed Tourism Event Program would replace the Non-Annual Program and would fund large scale events that create significant economic impact and attract visitors to HRM for multiple day visits. Eligibility for this program includes a minimum budget of \$100,000, registered as a non-profit organization or for-profit entity. Events in this program would be required to complete an economic impact analysis, the Sport Tourism Economic Assessment Model (STEAM), or a similarly recognized economic assessment as approved by staff, as part of their application. Events eligible for this program will be assessed on governance and structure, number of tourists attracted, hotel stays generated, seasonal tourism period, media profile/ publicity, local expenditures and employment supported/created and partner/sponsor supports.

The Tourism Program will continue to support national sporting championships and will no longer include restrictions for consideration of annual funding. Once an event has been in existence for five (5) years

and meets the necessary category requirements, it may be considered for inclusion in the Signature program.

3. *New/Emerging Events Program*

The proposed New Events Program supports organizations that bring or create a new event in Halifax, which has the potential to create significant economic impact, attract multiple day visits from tourists and provide enhanced visibility to Halifax as a tourist and business destination. Eligibility for this program states that events must be “new” (has not occurred in Halifax for at least three years) and have a minimum budget of \$50,000.

Funding will target initiatives that address known gaps in the existing event offerings, or that provide unique and innovative presentations or experiences that have not traditionally been presented or offered in HRM. As a result, this program can offer up to three (3) years of sustainable funding in order to assist with the ability to become established and can cover the costs of executing a STEAM or similar economic impact assessment in the first and last year of funding. Preference will be given to applicants that have secured other government funding. Events eligible for this program will be assessed with the same criteria used in the as a Tourism program.

4. *Major Events Host Program*

This is a new program which creates a formal process for supporting major events that require multi-level funding by government partners, attract visitors for multiple day visits, and create a significant economic impact in Halifax. A minimum of \$250,000 of MLSER funds will be earmarked as “hosting funds” in this program annually. Any remaining funds will be rolled into the following fiscal’s assignment of hosting funds to build capacity. This allocation will ensure there will be a portion of the total budget available to bid for or host high profile special events whose presence promotes Halifax’s reputation both nationally and internationally as a competitive event destination. As part of the application process, staff may consult with other levels of government, HANS as well as its own agencies, Greater Halifax Partnership and Destination Halifax, to define the business and marketing opportunities HRM can leverage from events that apply for this program.

Eligibility requirements include a minimum budget of \$500,000 to apply and submission of a STEAM assessment or a similarly recognized economic assessment as approved by staff. Awards will be conditional on receiving additional government funding when necessary. Events eligible for this program will be assessed on governance and structure, number of tourists attracted, hotel stays generated, seasonal tourism period, media profile/ publicity, local expenditures and employment supported/ created, partner/ sponsor supports and economic opportunities for Halifax. As these opportunities tend to occur at random times, there will be no open call application process for this program. Rather, organizations will be required to contact staff to initiate consideration within this program.

Proposed MLSER Q315 Reserve Business Case Amendments

The current reserve business case has been revised to include the new programs and clauses of the proposed MLSER Events AO. The proposed changes to the Q315 Business Case are submitted to support the accompanying AO. The revised MLSER Business Case is included as Attachment 5. However, it should be noted that currently staff are conducting a review of all Reserves, therefore it may be necessary to introduce further amendments once Regional Council has approved changes. It is also important to note that several programs have been removed from the Reserve Business Case as they did not meet the purpose of the MLSER. These programs include the HRM float maintenance program and event infrastructure program which will be funded from respective operating accounts. The Twinning’s Program remains as a program that can be funded from the MLSER consistent with Regional Council’s April 29, 2014, approval of the Administrative Order 2014-003-GOV *Respecting International Partnerships*. That AO supports an economic development lens to new partnerships for HRM. Since both MLSER and the International Partnership AO have an economic development focus, the use of MLSER funding to support international partnerships is consistent with the MLSER business case.



The Regional Events Grants AO

The Regional Events Grants Programs will focus on delivering two (2) Priority Outcomes: Community Engagement and Cultural Development. In order to address the challenges outlined above, new categories have been created, sustainable funding introduced, and improved administration provided in the Regional Events Grant AO.

This new AO proposes a new configuration of the three (3) existing community event grant programs; Annual Events, Festival and Events, and Summer Festivals, to improve equity and accountability. It is not intended for the proposed AO to cease funding of current events but rather to improve the process by which these various events are prioritized. The new proposed AO has three (3) programs under the Community focus area: Community Celebrations, Established Community Festivals and Significant Anniversaries; and one (1) program under the Cultural development focus area - Cultural Festivals and Showcases. These four (4) programs are outlined below:

1. Community Celebrations Program

This program replaces the current Festivals and Events program and would support local community events organized primarily for the benefit and enjoyment of local residents such as BBQs and small civic holiday celebrations. Eligibility requirements for this program include an event that is free to the public to attend and is organized by a non-profit organization. The maximum grant awarded under this program will not exceed \$1,000 and there is no minimum budget size requirement. Events eligible for this program will be assessed on accessibility, attendance, volunteer and community engagement and diversity.

2. The Established Community Events Program

This program replaces the Summer Festivals and the Annual Events programs and will fund community festivals. This new program will provide more equitable funding for district events; many of whose funding levels have been grandfathered and are not reflective of the current community needs. While the existing Annual Events Program does not have an open application process, these events will be required to go through the application process for this new program for the 2015/16 fiscal year and beyond.

Eligibility requirements for this program include being supported by one (1) or more districts, being in existence for a minimum of three (3) consecutive years, including a minimum budget of \$7,500 and being organized by a non-profit organization. These events will be offered up to a three (3) year sustainable funding commitment from HRM (with annual review, ability to amend and subject to budget approval). The maximum grant award for this program is \$25,000 however the majority of the grant amounts are expected to vary from \$2,500 to \$7,500 due to the diverse range of events. Events eligible for this program will be assessed on governance, accessibility, attendance, volunteer and community engagement, budget and diversity.

3. Significant Anniversaries Program

This program has been removed from MLSE funding as its purpose is civic celebration, not to generate economic activity and is proposed to be assigned as a community program. The Significant Anniversaries program would support communities who wish to celebrate significant quarter century milestones (25th, 50th, 75th, 100th, etc.) and celebrate Halifax's heritage and community. Eligibility requirements for this program include a minimum event budget of \$7,500; event organized by a non-profit organization and not in receipt of funding from another HRM event grant program. The maximum grant award for this program is \$10,000 and eligible events will be assessed on appropriateness of celebration, governance, accessibility, attendance, volunteer and community engagement, budget and diversity. In the event that there is no applications submitted to this program in a year, funding may be used to supplement other Regional Grant programs.

4. *Cultural Events and Showcases Program*

The establishment of a new cultural program is a response to the lack of focused funding for cultural events in HRM. This program would support arts and culture festivals and events that have a strong cultural content and programming and further the disciplines of literary, media, performing and visual arts. Successful applicants would be offered up to a three (3) year funding commitment from HRM (with annual review, ability to amend and subject to budget approval). Eligibility requirements include being accessible to public with free or low cost activities, further the principles and objectives of the HRM Cultural Plan, provide opportunities for audiences and a minimum budget of \$50,000. The maximum grant award for this program is \$60,000 and eligible events will be assessed on artistic and cultural merit, Cultural Plan objectives met, governance, accessibility, attendance, volunteer and community engagement, budget and diversity.

Administrative Changes

Both proposed AOs also include revised clauses and criteria around eligibility, eligible expenses, reporting requirements and transparency. These clauses have been revised in consultation with SEAC and the Auditor General's recommendations.

All event organizers will be required to enter into an event grant agreement with HRM that clearly outlines all requirements.

In addition, both AOs include a Referral by Council mechanism which allows requests to be reconsidered. Inclusion of this process brings the event grant program into alignment with HRM's Community Grant program and provides a clear and transparent appeal process for event organizers, Regional Council and staff. Also included is a "concerned status clause" which will increase HRM's ability to manage grants. Very few grants or contributions provided by HRM explicitly set forth a concerned or sunset clause for HRM's support of events. This new clause will allow HRM to take steps in reducing an event's current grant and or reducing a multi-year funding grant if the event has not met the relevant conditions.

**Application Process Changes**

There are several changes regarding the application process as a result of the proposed AOs.

Intake and Deadlines

The application process will move from two (2) intakes to (1) intake per year. For the upcoming fiscal year, the deadline will be based upon approval timeline of this report; however, for the following fiscal the MLSER Grant AO will have a deadline of the first Thursday in December and the Regional Events AO will have a deadline of the last Friday in January. This change in deadline for the MLSER AO will ensure events applying to the Tourism program, as well as renewing Signature events, receive an indication of their funding earlier in the following calendar year, albeit the awards will be conditional upon the Council budget approval.

Presentations

Currently all events requesting funding over \$20,000 from the MLSER are required to present the details of their event to the Committee as part of their application. Under the proposed MLSER AO, presentations will occur only if requested by the Committee. This practice follows provincial and federal procedures, ensures transparency of information and reduces the time/workload of the Committee.

Regional Events Grants Programs

All event programs will now require an application. Currently events receiving grants via the Annual Event Program (see Table 1 below) are not required to apply to any process as funds for these events are committed via the budget approval process as the result of previous direction. As a result of this

“grandfathering” of funding for these events, inequity has been created across all community events. Under the proposed AO, these events will be required to apply through an open application process to the Established Community Events program every three (3) years (or earlier) depending on levels of sustained funding. This will administer all community events through one (1) program for funding which allows for greater transparency and comparison. Further, it ensures that all community events have an equal and consistent opportunity to receive funding.

The eight (8) events that are currently housed in the Annual Event Program are:

<b>Table 2: 2014/15 Annual Event Grant Program</b>	
<b>Event Name</b>	<b>14/15 Budget</b>
Eastern Passage Cow Bay Summer Carnival	\$ 3,500
Greek Fest	\$ 3,500
Halifax County Exhibition	\$ 25,000
Keloose Days	\$ 3,500
Light up Bedford Parade	\$ 3,500
Sackville Patriot Days	\$ 20,000
Spryfield Santa Parade	\$ 3,500
Waverley Gold Rush Days	\$ 3,500
<b>Total</b>	<b>\$ 66,000</b>

For the 2015/16 fiscal year the above events will be required to apply through the open application intake however HRM will commit to funding no less than equal to their respective 2014/15 amounts. The purpose of this allowance is to serve as a one (1) year notification period for organizations to review their funding requirements under the new program categories and application process.

### **Funding Strategy**

The MLSER programs do not have any additional funding requirements as the funding is restricted to the monies generated from the MLSER Reserve which is funded by the hotel levy. That funding will be allocated to those programs outlined in the MLSER Program AO.

The Regional Events Grants programs are intended to be funded from two streams. The existing funding allocated in the HRM operating budget which is used to fund external events will be realigned to a separate account to fund the proposed Community Celebrations, Established Community Events and Significant Anniversaries. In July, 2011, Regional Council approved a \$100,000 increase to the 2013/14 Civic Events Operating Budget. As directed this increase will be allocated operationally to support special events at the regional level. The Cultural Plan includes a policy statement which states HRM will establish an operational framework that supports integrated service delivery with community and cultural agencies”, and as such these funds are specifically used to ensure HRM’s ongoing commitment to ensuring adequate financial resources are provided to various levels of events. As well, an annual amount of \$200,000 would be allocated within the Cultural Development Reserve – Q312 to fund the Cultural Events and Showcases program.

Both AOs outline that all requests for event grant funding are subject to available funding. It is expected that the realigned funding and improved structure for event grants will allow for the programs to be provided using the current funding levels. Staff will review funding allocations after the first year of the new programs. Should any funding level changes be required, recommendations would be provided through the annual budget process.

## **Conclusion**

The current review has significant implications for a broad diversity of stakeholders. All events currently funded from the MLSER including events with Hallmark status will be required to apply to the new grant programs in one (1) intake for 2015/16. Events that are currently funded from operating accounts, i.e. events currently in the Summer Festival, Festivals and Events and Non Annuals programs will also be required to apply to the new programs. This process will challenge the “grandfathered” levels of funding and create more transparency to ensure an equitable allocation of funds, especially for community events.

## **Implications/ Next Steps**

The proposed AOs will take effect immediately upon Council's approval. Notification would be sent to all events affected with the new information and process, and the event grant website would be revised. Throughout this period staff will also finalize the grant application process including the individual program applications and score sheets to reflect the new programs.

## **FINANCIAL IMPLICATIONS**

All proposed event grant programs, except the Cultural Events & Showcases, would be realigned within the current approved budget. The Cultural Events & Showcases program would be funded through a \$200,000 annual transfer from Cultural Development Reserve - Q312. The business case for the Cultural Development Reserve will be revised in the near future as a new funding source to this reserve needs to be identified. The anticipated net available balance in this reserve at March 31, 2015, can accommodate this new planned withdrawal for 2015/16.

## **COMMUNITY ENGAGEMENT**

Members of the Special Events Advisory Committee and Grants Committee are public citizens.

## **ENVIRONMENTAL IMPLICATIONS**

Not applicable

## **ALTERNATIVES**

1. The Audit & Finance Standing Committee may choose to recommend that Regional Council maintain the status quo within the event grant process. This is not recommended because it does not improve the process as outlined and could impact the timeline for the provision of event grants for the 2015/16 fiscal year.
2. The Audit & Finance Standing Committee may choose to recommend that Regional Council approve the Administrative Orders but maintain SEAC to provide oversight of event grants. This is not recommended as it does not align with the recommendations from the Auditor General for centralized grant oversight.
3. The Audit & Finance Standing Committee may choose to recommend changes to the overall Administrative Orders or the programs or criteria contained within for Regional Council's consideration.

## **ATTACHMENTS**

- Attachment 1: Administrative Order Number 2014-020-GOV Respecting Marketing Levy Special Event Reserve Grants
- Attachment 2: Administrative Order Number 2014-021-GOV Respecting Regional Special Events Grants

- Attachment 3: Existing Grant Programs
- Attachment 4: Auditor General's Recommendations
- Attachment 5: Reserve Business Case: *Marketing Levy Special Events Q315*
- Attachment 6: Realignment of Regional Recreation and Culture Operational Event Programs

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Elizabeth Taylor, Manager Events & Cultural Initiatives 490-4387

Original Signed

Report Approved by:

\_\_\_\_\_  
Denise Schofield, Manager, Regional Recreation & Culture, 490-6252

Original Signed

Report Approved by:

\_\_\_\_\_  
John Traves, Director, Legal, Insurance & Risk Management Services, 490-4219

Original Signed

Financial Approval by:

\_\_\_\_\_  
Greg Keefe, Director of Finance & ICT/CFO, 490-6308

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**Attachment 1**  
**ADMINISTRATIVE ORDER NUMBER 2014-020-GOV**  
**Respecting Marketing Levy Special Event Reserve Grants**

**WHEREAS** the Council of the Halifax Regional Municipality values the economic impact of large scale events to the Halifax Regional Municipality;

**AND WHEREAS** the Council of the Halifax Regional Municipality wishes to support organizations to attract and host large scale special events within the Halifax Regional Municipality through grants;

**BE IT RESOLVED AS AN ADMINISTRATIVE ORDER** of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

**Short Title**

1. This Administrative Order may be known as the *Administrative Order on MLSER Grants*.

**Interpretation**

2. In this Administrative Order,
  - (a) “Applicant” means an organization applying for funding under this AO;
  - (b) “Concerned status” means conditions attached to the release of grant funds in accordance with section 31 of this AO;
  - (c) “Council” means the Regional Council of the Halifax Regional Municipality;
  - (d) “Enhanced visibility” means multi-media opportunities to promote the Municipality that would not occur, in whole or in part, without a grant under this AO;
  - (e) “Grant” means a transfer of funds to an organization subject to eligibility criteria;
  - (f) “Grant assessors” means staff, members of Destination Halifax, Greater Halifax Partnership and the Hotel Association of Nova Scotia;
  - (g) “Grants Committee” means the committee of Council;
  - (h) “Major Hosting Event” means a national or international event that does not recur annually and is awarded to a host destination through a competitive bidding process;

- (i) “Multi-media opportunities” means opportunities to profile the Municipality through a number of marketing platforms such as radio, television, video, print, internet and social media;
- (j) “Municipality” means the Halifax Regional Municipality;
- (k) “New or Emerging Event” means an event that has never been held in Halifax or has not been held in Halifax for a period of at least three (3) years;
- (l) “Organization” means a registered charity, non-profit society or for-profit entity with demonstrated event management experience;
- (m) “Organizer” means the organization responsible for delivering the special event;
- (n) “Special event” means an event, festival or public celebration that:
  - (i) demonstrates capacity and the ability to develop as a tourism driver over the long term;
  - (ii) is promoted to and marketed to tourists; and
  - (iii) is available to the general public to attend, either free or through the purchase of tickets;
- (o) “Staff” means staff of Parks & Recreation;
- (p) “Tourist” means a person who travels 100 kilometres or more specifically to attend the special event.

**Purpose**

3. The purpose of this Administrative Order is to provide grants from the Municipality to direct financial support to large scale special events in Halifax Regional Municipality that support and promote tourism and business development.

**Grants Available**

4. There are hereby established four grant programs:

- (a) Signature Events: supports annual large scale special events.

- (i) Available to Organizations that have operated for a minimum of three (3) consecutive years with strong event management and a track record of success.
  - (ii) The special event must be in existence for a minimum of five (5) consecutive years and have a minimum budget of \$250,000.00.
  - (iii) Provides sustainable funding up to a maximum term of three (3) years.
- (b) Tourism Events: supports annual or one-time large scale events.
- (i) Available to Organizations that have operated for a minimum of two (2) consecutive years with strong event management and a track record of success.
  - (ii) The event must have a minimum budget of \$100,000.00.
  - (iii) Once an annual Tourism Event has been in existence for five (5) years and meets the criteria, it may be eligible for consideration under the Signature Events grant program.
- (c) New Events (Emerging): supports Organizations that bring or create a new event in Halifax.
- (i) Available to Organizations that have operated for a minimum of one (1) year with demonstrated experience in event management.
  - (ii) The event must have a minimum budget of \$50,000.00.
  - (iii) Preference will be given to applicants that have secured funding from another level of government.
  - (iv) The New Events (Emerging) Program:
    - a. provides up to three (3) years of sustainable funding; and
    - b. provides the cost of executing a Sport Tourism Economic Assessment Model (STEAM) or an alternate industry recognized economic assessment tool as approved by staff in the first and third year of funding.



(d) Major Hosting Events: supports Organizations bidding on the rights to host major events and supports programs, activities and services specific to the delivery of a major event being hosted in Halifax. Events must be of a size and scope sufficient to draw tourists to the Municipality's communities, attract significant media exposure, and profile Halifax destinations nationally and globally.

(i) The event must have a minimum budget of \$500,000.00.

(ii) Funding may be conditional on receiving funding from other levels of government.

**Application Requirements**

5. There is one intake period per fiscal year. The intake period and application deadline will be established by staff and advertised on the HRM website.

6. Applications must be signed by the applicant's authorized representative(s).

7. All applications must be received by mail, in person or emailed by the application deadline. Applications may be submitted:

(a) in person to:  
HRM Event Grants Officer  
2<sup>nd</sup> floor, Alderney Landing

(b) by mail to:  
HRM Event Grants Officer  
P.O. Box 1749  
Halifax, NS  
B3J 3A5

(c) by email to:  
eventgrants@halifax.ca

8. Late or incomplete applications will not be reviewed or considered.

9. All applications shall be in a format prescribed by staff and include:

(a) a description of the applicant, including history of the organization and role in the community;

- (b) details on any other funding received from the Municipality within the current and two previous fiscal years, including tax relief;
- (c) a statement of other funding sources sought by the applicant, including current status of applications;
- (d) a detailed event description;
- (e) a detailed event budget; and
- (f) completion of an economic impact analysis, such as the Sport Tourism Economic Assessment Model (STEAM) or an alternate industry recognized economic assessment tool as approved by staff

**Eligibility**

10. To be eligible for funding, an applicant shall be a registered not-for-profit society or for-profit entity in good standing with the Provincial Registrar of Joint Stock Companies or federally registered under the *Corporations Act* and:

- (a) does not receive operating assistance, excepting tax relief, or any other funding from any other department of the Municipality;
- (b) has no outstanding reports due to the Municipality; and
- (c) secures additional sources of revenue such as corporate contributions, donations, sales, and membership fees and must pursue other sources of public or private funding.

11. For the organization to be eligible for funding the event must:

- (a) provide an element of the event open to the general public to attend;
- (b) be held within the geographical boundaries of the Municipality; and
- (c) be fourteen (14) days or less in duration.

12. The following organizations are not eligible for funding:

- (a) government agencies;
- (b) organizations aligned with a political party or to support activities thereof;
- (c) individuals;

- (d) educational institutions; or
- (e) groups using the funds for activities outside the Municipality.

13. The following events are not eligible funding:

- (a) consumer shows;
- (b) trade shows;
- (c) meetings;
- (d) seminars;
- (e) clinics;
- (f) symposiums;
- (g) public lectures;
- (h) fundraisers;
- (i) professional training and development;
- (j) educational initiatives;
- (k) banquets;
- (l) conferences; and
- (m) marketing initiatives.

**Expenses**

14. Grants may be applied to programing, operating, marketing and promotional expenses.

15. No portion of the grant shall be:

- (a) applied to staff wages, volunteer bursaries or honoraria; or

- (b) paid to members or officers of an organization's Board of Directors either directly or indirectly.

**General Provisions**

- 16. Staff is available to assist with the application process and other issues that may arise.
- 17. Staff may consult with provincial and federal government funders as well as its own agencies, such as Greater Halifax Partnership and Destination Halifax, to thoroughly assess the rights and benefits being offered by the applicant.
- 18. Retroactive funding will not be awarded.
- 19. Any event that will occur less than three (3) months after the application deadline will be assessed on a case by case basis with no guarantee of a decision before the date of the event.
- 20. All grant recipients must provide staff full access to the event for the purposes of monitoring and evaluation, including by not limited to audit and inspection of accounts, records, receipts, invoices, vouchers and other documents related to the funding provided through HRM.

**Application Evaluations**

- 21. The following criteria will be used to evaluate applications for Council's consideration:
  - (a) degree of economic impact;
  - (b) number of consecutive, multiple day visits from tourists;
  - (c) enhanced visibility to Halifax as a tourist and business destination;
  - (d) expertise of event organizer;
  - (e) financial stewardship as demonstrated through financial statements and proposed event budget; and
  - (f) for New Events (Emerging) and Major Hosting Events, funding support from other levels of government.

22. To ensure transparency in the evaluation of applications:
  - (a) all grant assessors will complete a “Disclosure of Conflict of Interest” declaration;
  - (b) staff, grant assessors or Grants Committee members who have provided direct assistance to support an applicant in completing an application shall not be involved in any part of the grant assessment process for that application;
  - (c) advice or information given to one applicant shall be made available to all other applicants; and
  - (d) staff, grant assessors or Grants Committee members who declare an interest in an application, shall not be involved in any part of the grant assessment process for that application.

#### **Application Review Process**

23. Applications will be administered by staff of Parks & Recreation.
24. Applicants will be notified promptly if their application is ineligible.
25. Parks & Recreation staff will consult with Destination Halifax, Greater Halifax Partnership and the Hotel Association of Nova Scotia in assessing the applications and preparing a report for consideration by the HRM Grants Committee for recommendation to Council.
26. Final approval of all applications for a grant, and the amount thereof, is a decision of Council in its sole discretion.
27. Notification of the decision of Council will be mailed to applicants after it is made.
28. Approval of grants is conditional on Council’s approval of the annual program budget.
29. Due to limited funds, not all eligible applications may receive funding.

#### **Conditions of Approval & Payment of Grants**

30. Successful applicants are required to sign an HRM Event Grant Agreement. Funds will not be released prior to the HRM Event Grant Agreement being executed.
31. All HRM Event Grant Agreements will contain the following terms regarding Concerned Status:

(a) The Grants Committee or Council may identify concerns with an organization or event and recommend the organization be placed under Concerned Status. An organizer will be notified immediately upon the organization being placed under Concerned Status.

(b) Concerned Status may occur if the organization:

- (i) has a major deficit, such deficit being ten percent (10%) or more of the organization's annual budget;
- (ii) shows evidence of not being financial viable;
- (iii) has a significantly reduced audience or sales base that differs from stated intentions;
- (iv) does not demonstrate the ability to plan into the future;
- (v) does not address major artistic concerns, such as artistic or editorial direction, declining quality of activity, or failure to achieve activity plan;
- (vi) does not meet contractual obligations or minimum requirements outlined in the agreement; or
- (vii) demonstrates management or governance practices which do not conform with generally acceptable practices in the sector.

(c) An organization placed under Concerned Status will be required to meet quarterly with Parks & Recreation staff for review of the following documentation:

- (i) profit & loss statement;
- (ii) balance sheet;
- (iii) year-to-date budget;
- (iv) bank reconciliation (only required upon specific request from staff);
- (v) new or updated business plan; and

- (vi) any other documentation relevant to the Concerned Status designation.
- (d) When an organization receiving a multi-year grant commitment has been placed under Concerned Status it may result in:
- (i) a lower grant award;
  - (ii) additional conditions placed on the current grant and any future grants; and
  - (iii) discontinuation of the grant where issues go unresolved.
32. Grant monies for applications approved will be dispersed according to a schedule as outlined in the executed HRM Event Grant Agreement, with up to twenty per cent (20%) being withheld until completion of the event and submission of the final report.
33. Successful applicants are required to complete a final report form within one hundred and twenty (120) days of the conclusion of the event describing the impact of the funding received from the Municipality. A final report template will be available from Parks & Recreation staff. The criteria for reporting includes:
- (i) name of organization, amount of grant, terms and conditions;
  - (ii) total event costs;
  - (iii) a breakdown of the expenditure of the grant funds (the Municipality reserves the right to require proof of payments made);
  - (iv) a final description of the event, including information on the completeness of the project; and
  - (v) copies of printed materials funded through the grant (poster, brochure, booklet, CD, catalogue or photograph of project, newspaper article, magazine article), as well as documentation of events or projects directly or indirectly supported by the Municipality through this grant process.
34. A successful applicant may request an extension to file the final report if unable to meet the one hundred and twenty (120) days deadline. The request must be received one (1) month prior to the deadline. Submission of a request for extension does not guarantee that an extension will be awarded.
35. Failure to submit a final report within one hundred and twenty (120) days of the conclusion of the event or at the end of an approved extension period will result in:

- (a) the forfeiture of any remaining grant; and
- (b) placement of the organization on the Municipality's delinquent organizations list.

The organization will be notified of any forfeiture of grant funds.

36. Organizations placed on the delinquent organizations list are ineligible to apply for future grants from HRM. Organizations will be removed from the delinquent organizations list on submission of a final report.

37. The Municipality's support must be recognized as outlined in the "Requirements for Acknowledging Funding" set out in the HRM Event Agreement.

#### **Referral by Council**

38. The question of grant funding for a particular event pursuant to this Administrative Order may be referred by Council to a Standing Committee or to the Council in Committee for a recommendation to the Council on whether to provide grant funding.

#### **Scope**

39. Notwithstanding this Administrative Order, an application for an event may be considered by Council or the Grants Committee for a grant.

40. Nothing in this Administrative Order shall be interpreted to limit or otherwise prescribe Council's general discretion to provide grants under the *Halifax Regional Municipality Charter* or otherwise.

#### **Transition**

41. Notwithstanding this Administrative Order, current multi-year grants awarded by Council under the "Civic Events Granting Framework and Policy" shall be governed in accordance with the agreement made at the time of the award, including payment schedules and reporting requirements.

#### **Repeal**

42. The "Civic Events Granting Framework and Policy" adopted by Council on March 27, 2007 and all amendments thereto are hereby repealed.

Done and passed in Council this \_\_\_ day of \_\_\_\_\_, 2015.



Administrative Order Number 2014-020-GOV  
Respecting Marketing Levy Special Event Reserve Grants

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\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Municipal Clerk

I, Cathy Mellett, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on \_\_\_\_\_, 2015.

\_\_\_\_\_  
Cathy Mellett, Municipal Clerk

**Attachment 2**  
**ADMINISTRATIVE ORDER NUMBER 2014-021-GOV**  
**Respecting Regional Special Events Grants**

**WHEREAS** the Council of the Halifax Regional Municipality values positive community development that celebrates heritage, builds bridges between diverse populations, enriches quality of life for residents and improves civic pride in the Halifax Regional Municipality;

**AND WHEREAS** the Council of the Halifax Regional Municipality wishes to strengthen the arts and cultural community by supporting events in the Halifax Regional Municipality through grants;

**BE IT RESOLVED AS AN ADMINISTRATIVE ORDER** of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

**Short Title**

1. This Administrative Order may be known as the *Administrative Order on Regional Events Grants*.

**Interpretation**

2. In this Administrative Order,

- (a) “Applicant” means an organization applying for funding under this AO;
- (b) “Concerned status” means an organization placed under concerned status in accordance with section 28 of this AO;
- (c) “Council” means the Council of the Halifax Regional Municipality;
- (d) “Enhanced visibility” means multi-media opportunities to profile the Municipality that would not occur, in whole or in part, without a grant under this AO;
- (e) “Grant” means a transfer of funds to an organization subject to eligibility criteria;
- (f) “Multi-media opportunities” means opportunities to profile the Municipality through a number of marketing platforms such as radio, television, video, print, internet and social media;
- (g) “Municipality” means the Halifax Regional Municipality;
- (h) “Organization” means a registered charity or not-for-profit society governed by a volunteer board;

- (i) “Organizer” means the organization responsible for delivering the special event;
- (j) “Special event” means an event, festival or public celebration that:
  - (i) encourages residents to have fun, participate in their community and connect with each other;
  - (ii) contributes to a community’s strength; and
  - (iii) is available to the general public to attend, either free or at minimal cost through the purchase of tickets;
- (k) “Sustainable funding commitment” means a funding commitment of more than one (1) year subject to Council’s approval of annual budgets;
- (l) “Staff” means staff of Parks & Recreation.

**Purpose**

- 3. The purpose of this Administrative Order is to further the Municipality’s community and cultural development by assisting organizations that plan and deliver special events in Halifax Regional Municipality that align with those outcomes.

**Grants Available**

- 4. There are hereby established four (4) Regional Event grant programs:
  - (a) Community Celebrations: provides a maximum annual grant of \$1,000.00 to support organizations that deliver events that:
    - (i) are less than five (5) days in duration;
    - (ii) are organized primarily for the benefit and enjoyment of local residents;
    - (iii) coincide with a community gathering or civic holiday; and
    - (iv) are free to the public to attend.

(b) Established Community Events: provides a maximum annual grant of \$25,000.00 and up to a three (3) year sustainable funding commitment to organizations that deliver events that:

- (i) are held a maximum of seven (7) consecutive days;
- (ii) are organized primarily for the benefit and enjoyment of local residents;
- (iii) are accessible to the public with free or low cost activities;
- (iv) have been in existence for three (3) consecutive years; and
- (v) have a minimum budget of \$10,000.00.

(c) Significant Anniversaries: provides a maximum grant of \$10,000.00 to support organizations that deliver events organized around major quarterly anniversaries (25<sup>th</sup>, 50<sup>th</sup>, 75<sup>th</sup>, 100<sup>th</sup>, etc.) that:

- (i) celebrate Halifax's heritage and community;
- (ii) have a minimum budget of \$7,500.00; and
- (iii) are not eligible for consideration under any other HRM event grant program.

(d) Cultural Events & Showcases: provides a maximum grant of \$60,000.00 to support organizations that deliver arts and culture festivals that:

- (i) have strong cultural content;
- (ii) further the disciplines of literary, media, performing and visual arts;
- (iii) are accessible to the public with free or low cost activities;
- (iv) have a minimum budget of \$50,000.00; and
- (v) further the principles and objectives of the HRM Cultural Plan and provide opportunities for audiences that include:
  - a. enjoyment of unique experiences;

- b. access to high-quality work;
- c. exploration of own and other cultures;
- d. exposure to local, national and international artists and ideas;
- e. participation in artistic programs and a range of other activities;
- f. quality of opportunities offered;
- g. contribution to cultural infrastructure;
- h. impact on local and national artistic and community organizations;
- i. level of interaction with local artists;
- j. strengthening ongoing artistic activity in HRM;
- k. contribution to HRM's culture and community identity; and
- l. encouragement of cross-cultural and international understanding and innovation

**Application Requirements**

- 5. There is one intake period per fiscal year. The intake period and application deadline will be established by staff and advertised on the HRM website.
- 6. Applications must be signed by the applicant's authorized representative(s).
- 7. All applications must be received by mail, in person or emailed by the application deadline. Applications may be submitted:
  - (a) in person to:  
HRM Event Grants Officer  
2<sup>nd</sup> floor, Alderney Landing
  - (b) by mail to:  
HRM Event Grants Officer  
P.O. Box 1749  
Halifax, NS  
B3J 3A5

- (c) by email to:  
eventgrants@halifax.ca
8. Late or incomplete applications will not be reviewed or considered.
9. All applications shall be in a format prescribed by staff and include:
- (a) a description of the applicant, including history of the programming and role in the community;
  - (b) details on any other funding received from the Municipality within the current and previous fiscal year, including tax relief;
  - (c) financial statements from the previous fiscal year;
  - (d) a statement of other funding sources sought by the applicant, including current status of applications;
  - (d) a detailed event description; and
  - (e) a detailed event budget.

**Eligibility**

10. To be eligible for funding, an applicant shall be a registered charity or a not-for-profit society in good standing with the Provincial Registrar of Joint Stock Companies and:
- (a) does not receive operating assistance, excepting tax relief, or any other funding from any other department of the Municipality;
  - (b) has no outstanding reports due to the Municipality; and
  - (c) secures additional sources of revenue such as corporate contributions, donations, sales, and membership fees and must pursue other sources of public or private funding.
11. To be eligible for funding the event must be:
- (a) open to the general public to attend;
  - (b) held within the geographical boundaries of the Municipality; and
  - (c) fourteen (14) days or less in duration.

12. The following organizations are not eligible for funding:
- (a) government agencies;
  - (b) for-profit or commercial organizations;
  - (c) organizations aligned with a political party or to support activities thereof;
  - (d) individuals;
  - (e) educational institutions; or
  - (f) groups using the funds for activities outside the Municipality.
13. The following events are not eligible funding:
- (a) sporting tournaments;
  - (b) consumer shows
  - (c) trade shows;
  - (d) meetings;
  - (e) seminars;
  - (f) clinics;
  - (g) symposiums;
  - (h) public lectures;
  - (i) fundraisers;
  - (j) professional training and development;
  - (k) educational initiatives;
  - (l) banquets;

- (m) conferences; and
- (n) marketing initiatives.

**Expenses**

- 14. Grants may be applied to programing, operating, marketing and promotional expenses.
- 15. No portion of the grant shall be:
  - (a) applied to the staff wages, volunteer bursaries or honoraria; or
  - (b) paid to members or officers of an organization's Board of Directors either directly or indirectly.

**General Provisions**

- 16. Staff is available to assist with the application process and other issues that may arise.
- 17. Retroactive funding will not be awarded.
- 18. Any event that will occur less than three (3) months after the application deadline will be assessed on a case by case basis with no guarantee of a decision before the date of the event.
- 19. All grant recipients must provide staff full access to the event for the purposes of monitoring and evaluation, including by not limited to audit and inspection of accounts, records, receipts, invoices, vouchers and other documents related to the funding provided through HRM.

**Application Evaluations**

- 20. The following criteria will be used to evaluate applications for Council's consideration:
  - (a) community engagement;
  - (b) community cultural development;
  - (c) demonstrated financial need; and
  - (d) demonstrated added value to the community.

**Application Review Process**

- 21. Applications will be administered by staff of Parks & Recreation.
- 22. Applicants will be notified promptly if their application is ineligible.



23. Final approval of all applications for a grant, and the amount thereof, is a decision of Council in its sole discretion.
24. Notification of the decision of Council will be mailed to applicants after it is made.
25. Approval of grants is conditional on Council's approval of the annual program budget.
26. Due to limited funds, not all eligible applications may receive funding.

**Conditions of Approval & Payment of Grants**

27. Successful applicants are required to sign an HRM Event Grant Agreement. Funds will not be released prior to the HRM Event Grant Agreement being executed.
28. All HRM Event Grant Agreements will contain the following terms regarding Concerned Status:
  - (a) The Grants Committee or Council may identify concerns with an organization or event and recommend the organization be placed under Concerned Status. An organizer will be notified immediately upon the organization being placed under Concerned Status.
  - (b) Concerned Status may occur if the organization:
    - (i) has a major deficit, such deficit being ten percent (10%) or more of the organization's annual budget;
    - (ii) shows evidence of not being financial viable;
    - (iii) has a significantly reduced audience or sales base that differs from stated intentions;
    - (iv) does not demonstrate the ability to plan into the future;
    - (v) does not address major artistic concerns, such as artistic or editorial direction, declining quality of activity, or failure to achieve activity plan;
    - (vi) does not meet contractual obligations or minimum requirements outlined in the agreement; or
    - (vii) demonstrates management or governance practices which do not conform with generally acceptable practices in the sector.

(c) An organization placed under Concerned Status will be required to meet quarterly with Parks & Recreation staff for review of the following documentation:

- (i) profit & loss statement;
- (ii) balance sheet;
- (iii) year-to-date budget;
- (iv) bank reconciliation (only required upon specific request from staff);
- (v) new or updated business plan; and
- (vi) any other documentation relevant to the Concerned Status designation.

(d) When an organization receiving a multi-year grant commitment has been placed under Concerned Status it may result in:

- (i) a lower grant award;
- (ii) additional conditions placed on the current grant and any future grants; and
- (iii) Discontinuation of the grant where issues go unresolved.

29. Grant monies for applications approved will be dispersed according to a schedule as outlined in the executed HRM Event Grant Agreement, with up to twenty per cent (20%) being withheld on grants over \$10,000.00, until completion of the event and submission of the final report.

30. Successful applicants are required to complete a final report form within one hundred and twenty (120) days of the conclusion of the event describing the impact of the funding received from the Municipality. A final report template will be available from Parks & Recreation Services staff. The criteria for reporting includes:

- (i) name of organization, amount of grant, terms and conditions;
- (ii) total event costs;
- (iii) a breakdown of the expenditure of the grant funds (the Municipality reserves the right to require proof of payments made);

(iv) a final description of the event, including information on the completeness of the project; and

(v) copies of printed materials funded through the grant (poster, brochure, booklet, CD, catalogue or photograph of project, newspaper article, magazine article), as well as documentation of events and/or projects directly or indirectly supported by the Municipality through this grant process.

31. A successful applicant may request an extension to file the final report if unable to meet the one hundred and twenty (120) days deadline. The request must be received one (1) month prior to the deadline. Submission of a request for extension does not guarantee that an extension will be awarded.

32. Failure to submit a final report within one hundred and twenty (120) days of the conclusion of the event or at the end of an approved extension period will result in:

(a) the forfeiture of any remaining grant; and

(b) placement of the organization on the Municipality's delinquent organizations list.

The organization will be notified of any forfeiture of grant funds.

33. Organizations placed on the delinquent organizations list are ineligible to apply for future grants from HRM. Organizations will be removed from the delinquent organizations list on submission of a final report.

34. The Municipality's support must be recognized as outlined in the "Requirements for Acknowledging Funding" set out in the HRM Event Agreement.

#### **Referral by Council**

35. The question of grant funding for a particular event pursuant to this Administrative Order may be referred by Council to a Standing Committee or to the Council in Committee for a recommendation to the Council on whether to provide grant funding.

#### **Scope**

36. Notwithstanding this Administrative Order, an application for an event may be considered by Council or the Grants Committee for a grant.

37. Nothing in this Administrative Order shall be interpreted to limit or otherwise prescribe Council's general discretion to provide grants under the *Halifax Regional Municipality Charter* or otherwise.

**Transition**

38. Notwithstanding this Administrative Order, current multi-year grants awarded by Council under the “Civic Events Granting Framework and Policy” shall be governed in accordance with the agreement made at the time of the award, including payment schedules and reporting requirements.

Done and passed in Council this \_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Municipal Clerk

I, Cathy Mellett, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on \_\_\_\_\_, 2015.

\_\_\_\_\_  
Cathy Mellett, Municipal Clerk

### **Attachment 3 – Existing Grant Programs**

#### Festival & Event Grant Program

Program provides financial support for community non-profit organizations for new, reoccurring and annual small scale community events. These events are usually small in scale, traditional and community led. The average grant in this program is \$250 - \$500.

Budget: \$25,000 (an additional \$10,000 is provided by the Province of Nova Scotia)

Funding Source: Operating Budget C760

#### Summer Festival Program

Program provides financial support for community events that are geographically located within the former Halifax County Municipal boundaries. The original intent of this program was to rotate the total grant amount each year to different former county communities so they could deliver a larger scale event. However, over the past few years numerous communities have applied and the grant has been divided up among the applicants. This practice has decreased the grant award available to communities

Budget: \$25,000

Funding Source: Operating Budget C760

#### Annual Events Program

Program provides financial support for community non-profit organizations that produce annual community and cultural festivals. The majority of these events were placed into the operating budget at the time of amalgamation.

Budget: \$93,500

Funding Source: Operating Budget C760

#### Non-Annual Grant Program

Program provides financial support for non-annual major events (national and international calibre events). This program funds a range of events from national sporting championships (CIS, baseball, sprint canoe/kayak) to international sporting events (FIVB, IIHF) to international tourism events (Tall Ships, ECMA).

Budget: Total budget varies depending on availability of funds and quantity of applications.

Funding Source: Marketing Levy Special Events Reserve

#### Hallmark Grant Program

Program provides financial support for recurring events that are unique, synonymous and inseparable from HRM's identity and have large economic impacts and exposure.

Budget: \$390,000 was awarded in 2014.

Funding Source: Marketing Levy Special Events Reserve

#### **Attachment 4 – Auditor General’s Recommendations**

Below are the specific Auditor General’s recommendations (*Corporate Grants, Contributions and Donations, January 2011*) as they impact HRM Event Grant policy, programs and governance:

Reference #2.7: It is our view an immediate review of the information contained within this report be undertaken with a view to rationalizing the number of administered programs.

Reference #3.8: HRM Administration should consider centralizing the delivery of grants, donations and contributions of all kinds into one division with primary responsibility for developing policy, business practices and reporting.

Reference # 3.9: The HRM Regional Council committee responsible for grants and contributions should have its authorities enhanced to include responsibility for the monitoring of grants and contributions on an organization-wide basis. To assist with this function, Regional Council and Management may wish to establish a type of subcommittee to administer the process.

Reference #5.1: It would seem the focus of the Grants Committee (now Special Events Advisory Committee) and those responsible for the awarding of grants at the business unit level appears to be around the application process or the awarding of the grant or contribution. Given better/improved overall report development and better use of the SAP system, the focus of HRM energies should be placed on how the money is to be – and is in fact – spent.

Reference #5.2: All applications should contain a signed certification which confirms all statements and facts in the application are true and correct and an acknowledgement any false statements may result in prosecution.

Reference #5.3: All applications should contain certification the applicant has not applied for or been in receipt of any additional funds or in-kind services from HRM during the current fiscal year. Should there be additional receipts, the source and amount of the receipt should be outlined.

Reference #5.4: The use of grant agreements should be considered. Within the agreements, the various responsibilities of both HRM and the grant recipient should be clearly outlined.

Reference #5.5: Throughout the review period, it was often difficult to identify the direct link between expenditure and a Council focus area. It is our view, one of the fundamental ways for HRM to achieve maximum effectiveness from its grants and contributions would be to align them with Council focus areas in place at the time of application. With this in mind, perhaps each application should have a section detailing how the use of funds may assist with achieving a Council focus area. This information can then be captured in the SAP reporting process and reviewed by the Council Committee responsible for grants and contributions.

## Attachment 5

# Reserve Business Case: *Marketing Levy Special Events Q315*

Type of Reserve: *Contingency Fund for Opportunities*

### Purpose

To provide funding to attract and host exceptional large-scale sporting and tourism events that create significant economic impacts, promote Halifax as a multi- experiential event destination and attract tourists to HRM for multiple day visits.

### Source of Funds

An ongoing transfer of 40% of the Provincial Hotel Sales Tax (Marketing Levy).

### Application of Funds

The Marketing Levy Special Events Reserve (MLSER) is used to support events that support tourism and economic development. All funds will be distributed through grant programs in the MLSER Grant AO. If funding is requested outside any existing grant program, the scope of the MLSER Grant AO allows an application to be considered by Council or the Grants Committee for funding.

### Time Line and Balances

The Reserve is intended to be permanent subject to annual review as to its usefulness to the organization in accordance with the Financial Reserves Administrative Order, 2014-015 ADM.

### Approval Process

All requests for withdrawals must be initiated by Parks & Recreation. Finance is responsible for confirming the availability of funds and appropriateness of expenditure prior to Council approval. These approvals are primarily done through the annual budget process or on an individual basis prior to being approved by Council. Only applications which are in compliance with the proposed MLSER AO will be considered by the Grants Committee and applications will be reviewed in accordance with the criteria approved by the Committee. Parks & Recreation in cooperation with Finance will prepare an annual MLSER Budget, and will be responsible for monitoring projections (actual versus budgeted expenditures). The MLSER Budget will be approved by HRM Council annually as part of HRM's overall corporate Budget and Business Plan.

HRM will undertake a review of the MLSER Guidelines at a minimum of every five (5) years

### Attachments

Marketing Levy Special Events Reserve Budget

Original Council Approval Date	October 23, 2001
Effective Date of Last Revision	April 17, 2012
Business Unit Director Contact	Brad Anguish, Director, Parks and Recreation



## **Attachment 6 – Realignment of Regional Recreation and Culture Operational Event Programs**

Historically the majority of events that are organized by the Municipality have been assigned through different methods, including being grandfathered at the time of amalgamation; by direction from senior management; a directive from the Mayor or district Councillor of the time; or when a community no longer has the resources (financial and/ or volunteers) to continue with the direct delivery.

### History of HRM Event Operational Programs

Since 1996, five (5) events have been added to the list of HRM operational programs. The management and delivery of the Halifax Christmas Tree Lighting was transferred to HRM from the Downtown Halifax Business Commission (DHBC) in 2000; Tunes at Noon program was transferred to HRM from the Downtown Halifax Business Commission in 2009; and the Clam Harbour Beach Sandcastle was assumed by HRM from the local organizing committee in 2007. In 2010, the fourth operational program Hopscotch Halifax was created to deliver a new multidisciplinary cultural event targeting youth/young adults based on themes of urban art, hip hop dance and music. In 2012, the event originally called the Newcomers Barbeque, now the Welcome Barbeque, was transferred to the Events & Cultural Initiatives business unit from Volunteer Services.

However, two (2) of the five (5) previously discussed events have been transferred out of HRM care and control. In 2013 the Tunes at Noon program was transferred from the Municipality to the DHBC. This program is defined as a “series” of performances and not an operational program by definition, thus the delivery is more appropriately situated with the local Business Improvement District (BID). As well, in 2013, the Welcome Barbeque registered with Nova Scotia Registry of Joint Stock Companies as a non-for-profit society. In order to assist the Committee over the one (1) year transition period, the event received the same HRM support for 2014. In 2015/16 the society will apply to the Regional Events Grant program.

In 2013, the New Year’s Eve Grand Parade Celebration that has been delivered through collaboration between HRM and CTV, celebrated its 20<sup>th</sup> Anniversary. A larger event was provided in honour of this milestone which increased HRM’s investment from \$60,000 to \$80,000. This increase of \$20,000 was used to enhance programming and cover escalating production costs. The increase was made available for 2013 only. For 2014, staff initiated negotiations with CTV to host the broadcasted event for a period of three (3) years at a cost of \$70,000 per year. CTV could not confirm their participation within the timeline or budget that was presented as they were also exploring the potential broadcasting of the 150<sup>th</sup> Anniversary event from Prince Edward Island. As a result, the 2014 New Year’s Eve celebration was delivered as a fully funded and organized regional operational program without the broadcast element.

### Proposed Operational Programs Realignment

There were several considerations in the review of the current operational programs that included the scope and intent, the role of the office of the Mayor, municipal service costs, audience demographics and sector specification. Two (2) events were identified that do not meet the proposed definition of a Regional Operational Event Program. These two (2) events are Bedford Days and the Dartmouth Christmas Tree Lighting.

Both Bedford Days and the Dartmouth Christmas Tree Lighting are district specific events that do not support a regional landmark occasion. Bedford Days is a district festival that celebrates its local community like many other community operated festivals within the Municipality. The same logic applies to the Dartmouth Christmas Tree Lighting event whose audience is specific to its community. The Municipal’s recognized main holiday event is the Halifax Christmas Tree Lighting located in Grand Parade.

As well, Bedford Days and the Dartmouth Christmas Tree Lighting have been grandfathered within the operational programs stream which has allowed each event to receive HRM benefits unavailable to other community events. These are benefits such as insurance coverage, marketing assistance, financial assistant (HST savings) and HRM staff management. The aforementioned benefits create an inequity between these two (2) HRM delivered community events and the externally organized, established community events (i.e., Cole Harbour Harvest Festival, Sea Side Harvest Festival, Keloose Days,

Waverly Gold Rush Days, etc.). These externally organized community events are required to apply for funding and do not receive the aforementioned benefits. Therefore, it is recommended that Bedford Days and the Dartmouth Christmas Tree Lighting programs be realigned and organized by their externally registered non-for-profit societies.

This realignment is proposed to be conducted using a phased approach. The two (2) programs will be transitioned from the regional operational program category over a two (2) year period beginning in 2015. These programs have the benefits of experienced and committed volunteers who lead their own fundraising campaigns and already manage many elements of the program. Staff will work with both community committees over this changeover period to ensure all aspects of the program will be transferred to a registered organization. However, the staff support will be reduced over the phased timeframe to allow the committees to take over the logistics and delivery. These programs will continue to receive municipal services support services from the Special Events Task Force process and will be assigned a civic event lead. In 2017, as a result these events will be registered with the Nova Scotia Registry of Joint Stocks or will be accepted by an existing non-for-profit organization, have care and control of an external bank account and follow the application process for grants in the same manner as other established community festivals.

As part of the transition, the operating budgets associated with Bedford Days and the Dartmouth Christmas Tree Lighting would remain to support the respective events over the next two (2) years and as such there will be no savings to the operational program budget until 2017/18.

Proposed Budget Realignment

The proposed seven (8) Regional Recreation and Culture Operation Programs for the 2015/16 fiscal are listed below:

Table 1: Proposed Regional Recreation & Culture Operational Programs	
Operational Program Name	Budget
Canada Day	\$ 50,000
Natal Day Festival	\$ 150,000
Clam Harbour Beach Sandcastle Competition	\$ 30,000
Halifax Christmas Tree Lighting	\$ 35,000
Halifax Explosion Commemoration	\$ 5,000
Hopscotch Halifax	\$30,000
Menorah Lighting	\$ 4,000
New Year's Eve Grand Parade Celebration	\$ 70,000
Total	\$ 374,000
Bedford Days	\$20,000
Dartmouth Tree Lighting	\$15,000
Interim Total	\$409,000

\*As noted, funding for Bedford Days and Dartmouth Tree Lighting would remain until transition is completed in 2017/18.