

**Community Planning & Economic  
Development Standing Committee  
March 20, 2014**

**TO:** Chair and Members of Community Planning & Economic Development  
Standing Committee

**SUBMITTED BY:** Original Signed  
\_\_\_\_\_  
Kelly Denty, A/Director, Community & Recreation Services

**DATE:** March 6, 2014

**SUBJECT:** Special Arts and Cultural Advisory Committee Recommendations

**ORIGIN**

- April 11, 2013 - Motion of the Community Planning & Economic Development Standing Committee (CPED) that Regional Council direct Staff to establish an Ad Hoc Special Arts and Culture Advisory Committee (SACAC), in accordance with the standard terms of reference for HRM standing committees, and that Regional Council request a staff report be provided to the next meeting of the CPED outlining any budget implications, staff support plan and provide the detailed Terms of Reference for review and recommendation by CPED for approval by Regional Council.
- April 30, 2013 – Motion of Regional Council to direct staff to:
  1. Establish an AdHoc Special Arts and Culture Advisory Committee, in accordance with the Standard terms of reference for advisory committees and for a term not to exceed December 2013. The purpose of the AdHoc Committee is to advise, provide feedback and guidance to staff related to the following:
    - Best practice models for how municipalities have enabled and support strong links between the professional arts and culture sector and the municipality;
    - Best practice models and possible program directions HRM could undertake to support the professional arts and culture sector in HRM in support of the Regional Plan objectives and to inform the development of the Culture and Heritage Priority Plan;
    - Staff to report with recommendations, including any input received back from the advisory committee to the Community Planning and Economic Development Standing Committee for their review and consideration no later than December 31, 2013 in order to make recommendations to Regional Council in advance of the 2014-2015 budget process.

**Recommendations on Page 2**

2. Further, that Regional Council direct the CPED Standing Committee to be both the nominating and appointing body for the AdHoc Committee and provide governance overview and direction to the work undertaken by the Committee.

3. And further, as there may be budget implications to support this committee, that Regional Council request a staff report be provided to the June meeting of CPED outlining any budget implications, staff support plan and detailed Terms of Reference for review and recommendation by CPED Standing Committee for approval by Regional Council.

- June 13, 2013 – Motion of CPED to recommend that Halifax Regional Council adopt the proposed Terms of Reference for a new Special Arts and Culture Advisory Committee as outlined in Attachment 1 of the May 17, 2013 staff report.
- June 25, 2013 – Motion of Regional Council to adopt the proposed Terms of Reference for a new Special Arts and Culture Advisory Committee (SACAC) as outlined in Attachment 1 of the staff report dated May 17, 2013.
- December 13, 2013 - Motion of SACAC to approve the recommendations memo.

#### **LEGISLATIVE AUTHORITY**

- *HRM Charter*, Section 21 (1) and 79 (1) (k) and 9av) (v)
- CPED’s Terms of Reference, Sec. 3.3 ‘Oversight of HRM’s community building initiatives in the areas of arts, culture and recreations and related facilities strategies.’

#### **RECOMMENDATIONS**

It is recommended that the Community Planning & Economic Development Standing Committee (CPED) recommend that Halifax Regional Council:

1. Direct staff to include \$300,000 in the 2014/15 budget and implement the Interim Professional Arts Organization Grant Program outlined in Attachment 4, subject to approval of the 2014/15 Operating Budget;
2. Direct staff to initiate the creation of a professional arts and culture sector advisory committee with a peer jury process for 2015/16 consistent with the Governance Review of Committees, and coordinated with upcoming Grant Policy and Culture and Heritage Priorities Plan; and
3. Direct staff to undertake an analysis of the remaining SACAC recommendations outlined in Table 1 for determination of financial implications and harmonization with other corporate initiatives.

## **BACKGROUND**

At the April 11, 2013 meeting, CPED was presented with a staff information report titled “Comparative Analysis for Municipal Cultural Investments”. This report outlined HRM funding to the arts and culture sector, and indicated HRM would be participating in a comparison study with other similar sized cities to be undertaken through the consultant Kelly Hill Strategies Inc. A total of seven cities participated in the Kelly Hill Strategies study including: Richmond, Edmonton, Saskatoon, Windsor, Hamilton, Oakville and HRM.

At the same meeting, CPED requested that an adHoc Special Arts and Culture Advisory Committee be established to provide recommendations related to professional arts funding in response to concerns related to the funding and support for professional arts organizations. At the April 30, 2013 meeting, Regional Council approved the recommendation from Community Planning and Economic Development Standing Committee to establish an adHoc Special Arts and Culture Advisory Committee (SACAC). The terms of reference for the committee were approved by Regional Council on June 25, 2013.

The Committee convened on September 20, 2013 and met formally seven times over the course of their mandate to develop their recommendations. Relevant HRM staff were consulted to provide insight into existing programs and administrative processes in order to help inform their recommendations. SACAC also engaged the Canada Council for the Arts and the Province of Nova Scotia’s Department of Communities, Culture and Heritage.

## **DISCUSSION**

SACAC presented its final report to staff on December 13, 2013 to meet the Council direction for its findings and subsequent staff recommendations to be presented to Regional Council in advance of the 2014/15 budget process. The report (Attachment 1) contains 3 primary recommendations, supplemented by 23 detailed recommendations, and includes a detailed budget proposition.

Due to the broad scope of the SACAC recommendations, it is important to align the corresponding staff recommendations to the work currently underway on several corporate initiatives:

- The RP+5 “Culture and Heritage Priorities Plan”;
- Corporate-wide review of HRM’s various grants and contributions programs;
- Review of By-law T-200 concerning Tax Exemption;
- Governance review of Committees of Council;
- HRM Branding Exercise;
- HRM response to Auditor General’s reports on (i) grants and contributions, (ii) economic development through partnership models, and (iii) review of the Seaport Market Contribution; and
- Receipt of the “Cultural Investment by Halifax Regional Municipality” study by Kelly Hill Strategies.

In particular, the cultural investment analysis conducted by Kelly Hill Strategies provides a comprehensive analysis of HRM's funding contribution to the sector as compared to other, similar-sized jurisdictions in Canada. The results of the study provide an important context for Council's consideration of the recommendations stemming from the SACAC work. The other HRM initiatives impact the timing and full implementation of recommendations to address the SACAC suggestions.

### **SACAC Recommendations**

The SACAC report outlines three (3) main recommendations supplemented by 23 detailed recommendations. These recommendations fall into three broad categories:

- (1) governance;
- (2) funding and program administration; and
- (3) corporate integration.

The specific recommendations are outlined in the SACAC report (Attachment 1) and are summarized below:

#### Governance

- Regional Council establishes an arts council, "Arts HRM", initially as an advisory committee to Council that will:
  - encourage creative expression by funding activity in the arts through programs that invest in non-profit arts organizations;
  - employ peer assessment processes in the determination of merit and the allocation of funding;
  - represent a broad cross section of the city's arts and cultural community; and
  - advise and work with Regional Council, municipal cultural staff, and advisory bodies on arts related policy issues.
- Arts HRM will work closely with Arts Nova Scotia to ensure efficient and comprehensive service to the arts community.
- Regional Council will task staff and Arts HRM to develop a gap analysis that identifies priorities for facilities upgrades, replacements and construction of new facilities, either owned by the municipality or in partnership with other stakeholders.
- Regional Council will develop formal recognition through the Office of the Mayor of the contribution of the arts to the quality of life in HRM. This will be incorporated into the mission and vision of Arts HRM.

#### Funding and Program Administration

- Regional Council allocates current arts funding, including grants and tax exemptions, into a new arts funding program, administered by a dedicated program officer, and provides \$300,000 in new grant funding for fiscal 2014/15, with the goal to provide the national

average of municipal funding for the professional arts by 2017/18 as defined in the Kelly Hill Strategies report in which HRM is a participant.

### Corporate Integration

- Regional Council endorses HRM as a Creative City including, but not limited to:
  - officially recognizing HRM’s responsibilities as the provincial capital and, as advised by Arts HRM, actively engaging the Province to identify and support joint arts, culture and creative industry objectives;
  - giving staff and Arts HRM the task of developing a facilities inventory, and identifying priorities for upgrade, replacement and construction for consideration of Council; and
  - developing and adopting a communications strategy, coordinated and implemented by HRM communications staff, to promote the artistic and cultural output of HRM across the municipality’s operations.
- HRM will establish a new, easy to navigate Arts HRM website.
- Regional Council will actively promote the work of HRM artists by:
  - ensuring all official gifts from HRM are made by local artists/companies;
  - using local music as “hold music” on phones and online applications;
  - naming streets/places after artists or culturally important events/people; and
  - incorporating the spirit of the “I Love Local” movement in operations.
- HRM will establish formal communication links and further its engagement activities with current and emerging youth networks.
- HRM will explore the possibility of a Sister City program to develop working relationships and share ideas and insight with other cities across the globe.
- HRM will look for opportunities to incorporate the diversity of our city’s arts and culture into marketing and promotional activities.
- HRM will submit a municipal application to the Department of Canadian Heritage’s “Cultural Capitals of Canada” program to receive a designation as the 2024 “Cultural Capital of Canada”, in celebration of the 275th anniversary of Halifax.

### **Kelly Hill Strategies Study Findings**

The analysis undertaken by Kelly Hill Strategies “Cultural Investment by Halifax Regional Municipality” (Attachment 2) found that HRM invested nearly \$7 million in both operating grant funding and capital support for arts and culture in 2012/13. This results in an amount of \$17.25 per capita. The Kelly Hill Strategies study indicated that this places HRM as fifth of the seven participating cities. The study further determined that in addition to direct financial support, HRM provides “...significant indirect or non-monetary supports for the sector. In fact, Halifax provides indirect support in more areas than any other participating city.” Since a corresponding value for this support could not be quantified for all participating cities, the study does not consider this support.

The study does, however, consider capital, operating and grant funding. Due to a particularly significant capital expenditure by the city of Saskatoon during the timeframe, the study indicated

that an analysis without the inclusion of capital provides for a more relative and realistic view of comparative funding across the cities. Based on that analysis, the study found that the amount of ongoing operating and grant investment ranged significantly as follows:

Saskatoon	\$27.21 per capita
Edmonton	\$23.90 per capita
Hamilton	\$19.50 per capita
Richmond	\$19.32 per capita
HRM	\$16.66 per capita
Oakville	\$14.20 per capita
Windsor	\$ 9.52 per capita

Based on these amounts, within the Kelly Hill Strategies study, the average amount of funding across the seven cities is \$18.62 per capita. As a result, HRM's funding is currently \$1.37 per capita below this average. For HRM to provide a level of funding that meets the average identified by the study, an increase in annual funding of \$765,000 for arts and culture initiatives and grants would be required.

The proposed staff recommendation would provide an additional \$300,000 to professional arts organizations. If approved, HRM's per capita funding level of grant and operating support would increase to \$17.43 which is still \$1.19 below the average outlined in the Kelly Hill Strategies study. Staff will continue to explore further funding in future budget cycles with a goal of striving to achieve the national average noted in the study by 2017.

### **Response to SACAC Recommendations**

In order to effectively respond to and implement the SACAC recommendations, they need to be considered in the context of ongoing corporate initiatives. As a result, a general overview of the staff recommended actions for the broad SACAC recommendations is outlined below and organized in the same categories. Detailed commentary for specific individual SACAC recommendations is outlined in Attachment 3 and SACAC recommendations requiring additional analysis are outlined later in this report in Table 1.

#### Governance

The primary recommendation of SACAC relates to the creation of an advisory committee which would be tasked with both the determination of recommendations for financial support and contributions to the overall vision and direction for HRM's arts and culture sector. The recommendation also outlines the value of a peer jury process for the determination of arts and culture grant funding.

As noted above, staff are currently completing a Council-directed review of the governance of committees of Council. This work will ensure an effective structure and mandate is in place for all committees. It will be necessary to ensure that the alignment of the proposed advisory committee is consistent with this work. In addition, the current HRM review of granting



programs pursuant to the Auditor General's report on "Grants and Donations" is expected to result in an overall granting policy that will ensure appropriate processes are in place for the consideration of granting requests. It is also expected that the granting policy will enable the consideration of a peer jury process for grant funding. Finally, pending Council approval of RP+5, work on the Culture and Heritage Priorities Plan will inform the future vision and direction of arts and culture in HRM. This also includes the creation of a project committee which would need to be aligned with a future Arts HRM advisory committee. Due to the related mandate of these corporate initiatives, they will impact and be impacted by a future Arts HRM committee and therefore it is critical that they be appropriately aligned. With these initiatives expected to be presented to Council in the near future and the steps required to initiate an Arts HRM advisory committee, its creation can be timed to align with the outcomes of similar corporate initiatives.

In terms of other SACAC recommendations which can be considered to fall within the governance category, some currently cannot be undertaken due to the cancellation of federal programs or HRM's legislative authority related to permitted support and Council authority. Several of the remaining SACAC recommendations would align successfully with a future advisory committee, as outlined in Table 1. In particular, integration with Arts Nova Scotia, promotion of the arts and culture sector, as well as alignment between HRM and this sector, would be key components of the committee. The committee would also be able to provide a leadership role in the consideration of legislative changes and peer jury roles. As a result, it is expected that the Arts HRM advisory committee would be able to be a key component to achieving the long term goals related to arts and culture in HRM. However, prior to its implementation, determination of the scope of the mandate, assessment of the financial implications of the recommendations and harmonization to other corporate initiatives is required.

#### Funding and Program Administration

Another key recommendation from SACAC is the inclusion of additional funding for the support of professional arts organizations to be administered by the Arts HRM advisory committee. As noted above, creation of the advisory committee should be aligned with ongoing corporate initiatives. Further, the administrative process to create both a committee and subsequent grant program would not be achievable in time to be able to provide grant funding for 2014/15.

Typically, changes to or initiation of grant funding programs are implemented over a number of months, primarily to ensure sufficient communication and coordination with other programs. As well, it can help reduce confusion and the establishment of interim processes which can be cumbersome. This is the approach used by other arts government funding partners. However, the recommendations from SACAC outline the need for additional funding in the 2014/15 fiscal year which is confirmed by the Kelly Hill Strategies study. To accommodate this, staff has determined an interim process which could be implemented for the 2014/15 fiscal year.

Therefore, it is recommended that an Interim Professional Arts Organization Grant Program (Attachment 4) be implemented and administered by Community & Recreation Services' staff until the creation of a new grant process can be established by the future committee. This

approach is consistent with the SACAC recommendations which recognized the challenge in timing and as a result indicated that “The existing Community Grants program will continue to allocate funds to professional arts projects until the initiation of the Arts HRM Project Grants Program in 2016/17.” While the Interim Professional Arts Organization Grant Program would be aligned to the Community Grant Program, it would need to be a separate program due to the variations in funding levels, eligibility and assessment criteria. However, the proposed grant policy would provide the overarching policy direction to both programs, enabling their alignment. It should also be noted that SACAC did not finalize a definition for “Professional Arts Organizations” so the criteria proposes to use the Arts Nova Scotia definition in order to be able to ensure the funding is allocated to those agencies envisioned as professional arts organizations, pursuant to the SACAC mandate.

Should CPED recommend that Regional Council choose to approve the inclusion of funding designated for grants to professional arts organizations and the Interim Professional Arts Organization Grant Program as outlined in Attachment 4, funding in the amount of \$300,000 would be included in the 2014/15 Operating Budget expected to be considered by Regional Council on March 26, 2014. This amount would increase HRM’s support to the arts and culture sector, which is supported by the findings of the Kelly Hill Strategies study and the SACAC recommendations.

If approved, the Interim Professional Arts Organization Granting Process would continue to be administered by staff until creation of the committee and subsequent new granting program. Further, in future budget cycles, staff will continue to explore further funding with a goal of striving to achieve the Kelly Hill Strategies study average by 2017. Upon creation of the committee, review and recommendations related to specific funding applications as well as recommendation for future overall funding levels would then be provided by the committee.

#### Corporate Integration

Several of the recommendations outlined by SACAC are either currently underway or envisioned to form part of the upcoming Culture and Heritage Priorities Plan. Items included in the SACAC recommendations currently underway within HRM include:

- Review of HRM Sister City program;
- Actively promoting local artists;
- Participation in tri-level arts and culture committee with federal and provincial representatives;
- Commemoration Naming Policy incorporates culturally sensitive options;
- Incorporation of variety of local arts and culture into promotional materials;
- Participation in Creative Cities Network;
- Inclusion of arts and culture in recreation programming;
- Review of granting program; and
- Review of HRM Cultural Awards program.

Several of the ongoing initiatives noted above could have an impact on the implementation of process and program changes to effectively address the SACAC recommendations. Therefore,



for some of the SACAC recommendations, it would not be prudent for HRM to consider implementation until completion of other related work. In particular, HRM is currently reviewing its Tax Exemption By-law, so it is important that the program be maintained in its current state while that review is completed and that any proposed changes be aligned to that work.

*Culture & Heritage Priorities Plan*

As noted, one of the significant corporate initiatives which will impact and inform the implementation of the SACAC recommendations is the Culture and Heritage Priorities Plan (C&HPP). The relationship between these two processes was noted in the original motion from Regional Council. Some of the recommendations from SACAC are directly linked to work included in the scope of the C&HPP including completion of a facilities inventory, gap analyses and creation of a project committee.

Other recommendations will be important to inform the work of the C&HPP including alignment with Arts Nova Scotia, enhanced relationships and outreach as well as potential legislative changes to enable a broadened scope of support. The alignment of SACAC recommendations to the proposed scope of the Culture and Heritage Priorities Plan confirms that the C&HPP scope is appropriate to ensure the future of arts and culture in HRM meets the needs and expectations of its residents.

*Additional Recommendations*

While the above noted approaches would address the broad SACAC recommendations, there are other supplemental SACAC recommendations which need to be addressed. As noted, many of these recommendations relate to the creation of the Arts HRM advisory committee or other corporate initiatives. Further, the recommendations may have additional financial impacts. Therefore, it is recommended that staff be directed to complete further analysis to determine the financial implications of these items and their harmonization with other corporate initiatives before considering further implementation. Additional details on these items is outlined in Attachment 3.

**Table 1: SACAC Recommendations for Analysis**

<b>SACAC Recommendations</b>
Arts HRM will recommend core funding and project funding programs
Peer Jury process for consideration of merit of applications
The decisions of the peer jury will be presented to the CAO for authorization and disbursement. Neither Regional Council nor Arts HRM will have final approval of funding decisions
The existing tax exemption for non-profit organizations arts facilities should be brought under the umbrella of Arts HRM
Community Grants program continue to allocate funds to professional arts projects until the initiation of the Arts HRM Project Grants Program in 2016/17

<b>SACAC Recommendations</b>
Public Arts Program be brought under the umbrella of Arts HRM with peer assessment as part of the process
Staff and Arts HRM to continue to explore options to enable funding for individual artists, for implementation in 2017/18
Regional Council commit to raise program funding for Arts HRM incrementally to the national average by 2017/18
Arts HRM will work closely with Arts Nova Scotia to ensure efficient and comprehensive service to the arts community
Council will task staff and Arts HRM to develop a gap analysis that identifies priorities for facilities upgrades, replacements and construction of new facilities
HRM will establish a new easy to navigate Arts HRM website that will include
Council will actively promote the work of HRM artists
HRM will establish formal communication links and further its engagement activities with current and emerging youth networks
HRM will look for opportunities to incorporate the diversity of our city's arts and culture into marketing and promotional activities
Council will develop formal recognition through the Office of the Mayor of the contribution of the arts to the quality of life in HRM
HRM will explore the possibility of a Sister City program
Council will submit an application to the Dept of Canadian Heritage's "Cultural Capitals of Canada" program to receive a designation as the 2024 "Cultural Capital of Canada"

**Conclusion:**

Completion of the outlined approaches for all of the SACAC recommendations will ensure alignment with all relevant corporate initiatives in order to effectively enable HRM to meet long term goals related to arts and culture. The interim process for grant funding will allow HRM to meet short term needs related to arts and culture funding, further improving on its overall support for the arts and culture sector. Further, the recommended approaches will also inform the Culture and Heritage Priorities Plan and ensure that upcoming process is aligned to the SACAC work and findings. Accordingly, staff recommends that Council approve the recommendations provided in this report.

**FINANCIAL IMPLICATIONS**

Funding in the amount of \$300,000 will be allocated to a new account in Community & Recreation Services through the 2014/15 budget process and designated for the Interim Professional Arts Organization Grant Program.

In addition, the establishment of an advisory committee with the anticipated scope and responsibility outlined requires a financial commitment on the part of the Municipality. As the proposed program develops, staff will be bringing forward recommendations through CPED to Regional Council during the annual budgeting process.

## **COMMUNITY ENGAGEMENT**

Stakeholder engagement was undertaken by the SACAC as part of their work.

## **ENVIRONMENTAL IMPLICATIONS**

None identified.

## **ALTERNATIVES**

- (1) CPED may choose to recommend that Regional Council not approve the Interim Professional Arts Organization Grant Program and \$300,000 in funding. This is not recommended as the funding would improve HRM's level of support to the arts and culture sector.
- (2) CPED may choose to recommend that Regional Council direct staff to include additional funding in excess of the recommended \$300,000. This is not recommended as it would impact funding for other operating requirements.
- (3) CPED may choose to recommend that Regional Council direct staff to provide additional support to only specific anchor organizations and delay the inclusion of additional grant funding for professional arts organizations until 2015/16 to align with the creation of the Arts HRM advisory committee. This is not recommended as it would delay additional support for the overall arts and culture sector consistent with the findings of the Kelly Hill Strategies study.
- (4) CPED may choose to recommend that Regional Council direct staff to initiate creation of a terms of reference for a professional arts and culture sector advisory committee prior to 2015/16. This is not recommended as it would not permit alignment with the current governance review of committees of Council, the upcoming grant policy and the work of the Culture and Heritage Priorities Plan.
- (5) CPED may choose to recommend that Regional Council not direct staff to undertake further analysis on the SACAC recommendations as outlined in Table 1. This is not recommended as it would not ensure the SACAC recommendations are aligned to other corporate initiatives and full financial implications known.

## **ATTACHMENTS**

Attachment 1: SACAC Recommendation Report to HRM Staff

Attachment 2: Kelly Hill Strategies study "Cultural Investment by Halifax Regional Municipality" 2009/10 to 2012/14

Attachment 3: Staff Commentary on SACAC Recommendations

Attachment 4: Interim Professional Arts Organization Grant Program

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

Report Prepared by: Jamie MacLellan, Public Art Facilitator, 490-1039  
Elizabeth Taylor, Manager, Events and Cultural Initiatives, 490-4387

Report Approved by: Original Signed  
Denise Schofield, Manager, Regional Recreation & Culture 490-6252

Report Approved by: Original Signed  
Cathy Mellett, Municipal Clerk, 490-6456

Report Approved by: Original Signed  
Jane Fraser, Director, Planning & Infrastructure, 490-7166

Financial Approved by: Original Signed  
Greg Keefe, Director of Finance & ICT/CFO, 490-6308

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## Special Advisory Committee on Arts and Culture Report to HRM Staff

TO: Elizabeth Taylor, Manager, Regional Events and Cultural Initiatives

SUBMITTED BY:

Gordon Whittaker, Chair, on behalf of the Special Advisory Committee on Arts and Culture

DATE: Friday December 13, 2013

PAGES: 12

SUBJECT: Recommendations for HRM arts and culture policy

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### **FORWARD**

Not one of the following recommendations are new nor is the research. All of this has been presented with great effort and support to HRM Regional Council in the past, most recently by the Greater Halifax Arts Coalition and also in the Alternative Municipal Budget for HRM.

It is with great confidence that we present to you a unified vision of how, with HRM's support, the arts can not only exist in our capital city, but flourish.

### **RECOMMENDATIONS**

1. Regional Council establishes an arts council, "Arts HRM", initially as an advisory committee to Council that, as outlined in the Discussion in Recommendation 1 of this memo will:
  - a. encourage creative expression by funding activity in the arts through programs that invest in non-profit arts organizations;
  - b. employ peer assessment processes in the determination of merit and the allocation of funding;
  - c. represent a broad cross-section of the city's arts and cultural community;
  - d. advise and work with Regional Council, municipal cultural staff, and advisory bodies on arts-related policy issues.
2. Regional Council allocates current arts funding, including grants and tax exemptions, into a new arts funding program, administered by a dedicated program officer, and provides \$300,000 in new grant funding for fiscal 2014/15, with the goal to provide the national average of municipal funding for the professional arts by 2017/18 as defined in the

upcoming Hill Strategies report in which HRM is a participant, as per the Discussion in Recommendation 2 of this memo.

3. Regional Council endorses HRM's as a Creative City, as per the Discussion in Recommendation 3 of this memo, including but not limited to:
  - a. officially recognizing HRM's responsibilities as the provincial capital and, as advised by Arts HRM, actively engaging the Province to identify and support joint arts, culture and creative industry objectives;
  - b. giving staff and Arts HRM the task of developing a facilities inventory, and identifying priorities for upgrade, replacement and construction for consideration of Council;
  - c. developing and adopting a communications strategy, coordinated and implemented by HRM communications staff, to promote the artistic and cultural output of HRM across the municipality's operations.

## **BACKGROUND**

The Special Arts and Culture Advisory Committee (SACAC) was established by a motion of Regional Council on April 30, 2013. SACAC's ("the Committee") purpose is to "advise, provide feedback and guidance to staff" on the following:

- a. Best practice models for how municipalities have enabled and supported strong links between the professional arts and culture sector and the municipality.
- b. Best practice models and possible program directions HRM could undertake to support the professional arts and culture sector in HRM in support of the Regional Plan objectives and to inform the development of the Culture and Heritage Priority Plan.

In addition, the priority actions of HRM's 2006 Cultural Plan include much of what is repeated in this document:

- Review HRM's cultural service delivery structure and establish appropriate operational levels to manage and implement the Plan.
- Review HRM Board and Committee mandates with respect to Culture and establish a new Cultural Advisory Committee.
- Establish a tiered (equitable) grants program with decision-making criteria.
- Review HRM's cultural funding programs and sources to develop a long-term funding program for Council's consideration and approval.



## ENGAGEMENT

Since its initial meeting on September 9, 2013, the Committee met with a diverse range of presenters and guests to share insights on arts and culture funding models and best practices and allow for stakeholder feedback.

- September 9: HRM Staff: Mary Angela Munro and PJ Temple (Denise Schofield also presented)
  - Review of comparative municipal funding analysis including the Hamilton study and other reports including the second Kelly Hill study currently underway.
  - Overview of the current Community Grants program and portfolio of programs, budgets and purpose, as well as current HRM staffing and areas of responsibility.
- September 20: HRM Staff: Mary Angela Munro and Leticia Smillie
  - Continuation of municipal funding analysis. Discussion regarding inputs and exclusions and per capita targets.
  - Introduction to the Culture and Heritage Chapter of the RP+5 Regional Plan review and the Culture and Heritage Priorities Plan content and timeline.
- September 30: Committee Chair met Jeff Ransome, Marriott Hotel (past president of Hotel Association of Nova Scotia)  
& October 3: Committee Chair and Stuart Jolliffe, Delta Hotels (Chair of Destination Halifax)
  - Both meetings provided context, background and clarity regarding the Special Events Advisory Committee and its funding approach, intent and objectives.
- October 25: Neptune Theatre: Amy Melmock, General Manager
  - Review of Neptune Theatre's operations and mission and HRM's contribution.
- October 30: Committee Chair met HRM staff Elizabeth Taylor and Jamie MacLellan
  - A valuable "check-in" before final 6 weeks: discussion around key themes, missing information and potential presenters.
- November 15: HRM Staff: Bruce DeBaie (Corporate Communications) and Sara Knight (legal)
  - Discussion on HRM Communications Department, its portfolio and mandate. Discussed new brand and value of proactive approach to marketing arts and culture.
  - Overview of general HRM legal parameters.
- November 28: Committee Vice-Chair (Laura Simpson) and Councillor Wayne Mason met with members of the Creative Nova Scotia Leadership Council ("CNSLC"): Ronald Bourgeois (Chair), Paula Davis, Scott Simpson, Chris Ball, Terrilee Bulger, Fiona Diamond, George Klass, Mary Elizabeth Luka, Jamie MacLellan, Maria Osende, Susan Tooke, Carol Beaton, Daniel Pink, Peggy Tibbo-Cameron (Director of Strategic Planning and Intergovernmental Relations, Communities, Culture and Heritage), Marcel McKeough (Executive Director, Culture Division).
  - Presentation on the Committee background and work to date. Discussion on joint interests and mutual objectives. Reviewed direction of the Committee and

alignment with the CNSLC's current strategic planning process on behalf of the Province.

- November 29: Arts NS: Chris Shore (Executive Director, Arts NS) and Peggy Tibbo-Cameron (also at November 28 meeting).
  - Discussion on background of Arts NS, its structure and decision-making.
  - An overview of the Department of Culture, Communities and Heritage, its structure and mandate. Discussed common areas of interest and current research priorities.

## **PROPOSED TIMELINE**

For transition and implementation of the above recommendations:

Proposed Draft Work Plan, 2014/15:

End May: Arts HRM Terms-of-Reference confirmed, call for members sent out  
End June: Arts HRM meeting  
July: Finalize program for 2014/15, call for submissions  
August: Peer jury process starts  
October: Funding process complete  
Winter 2015 Tax exemption, Public Art programs transferred to Arts HRM for fiscal 2015/16

Proposed Program Roll-out, 2014-2018:

2014/15: Grants for Arts Organizations - Operating Grant Program  
2015/16: Grants for Arts Organizations - Operating Grant Program + tax exemption  
2016/17: Grants for Arts Organizations - Project Grant Program  
2017/18: Grants for Individual Artists and other programs as identified by Arts HRM.

## **CONCLUSION**

The Committee wishes to thank HRM Council for the opportunity to provide recommendations that will support the future of this city's rich, vibrant and diverse arts and cultural community so residents and visitors can continue to enjoy and experience our distinct creative city. Thank you to HRM Staff and Councillor Mason for their valuable support and input throughout the process.

The nine members of the Committee are:

Gordon Whittaker, Chair	Laura Simpson, Vice-Chair	
Alex MacLean	Bruce Johnson	Jessica Kerrin
Councillor Waye Mason	Jonny Stevens	Monique LeBlanc
Susanne Chui		

## **DISCUSSION:**

### **Recommendation #1: Structure**

Regional Council establishes an arts council, “Arts HRM”, initially as an advisory committee to Council that will:

- A. encourage creative expression by funding activity in the arts through programs that invest in non-profit arts organizations;
- B. employ peer assessment processes in the determination of merit and the allocation of funding;
- C. represent a broad cross-section of the city’s arts and cultural community;
- D. advise and work with Regional Council, municipal cultural staff, and advisory bodies on arts-related policy issues.

### **Objective:**

Arts HRM will advise on program design, adjudication criteria, and oversee objective, transparent decision-making through a peer jury process. Acting as a go-between for HRM and the arts community, Arts HRM will ensure fair treatment and representation of the city’s artists and arts organizations. This will strengthen HRM’s credibility in the arts community while building relationships with similar organizations across the country.

### **Discussion:**

The Committee concluded that establishing an arms-length arts Council, Arts HRM, is the most effective way to achieve HRM’s goals in the sector. This model is employed in other jurisdictions across the country, and ensures transparency in decision-making while facilitating stronger connections for Regional Council and HRM staff to other art councils and best practices. It is clear to the Committee that this model is in the best interests of the municipality, in addition to being part of HRM’s 2006 Cultural Plan:

“In support of this governance shift the goals and objectives contemplate a rethinking of Council’s current advisory committee mandates with respect to culture and go further to recommend a longer-term Cultural Advisory Committee to ensure the governance structure is aligned with the Cultural Plan.” - From Section 3, the Policy Framework, p. 20

In addition, Actions from the Cultural Plan Policy (1.4) include:

“Research and consider information required to develop and fund an independent body to address investment issues and opportunities within the arts sector including expenses and funding mechanisms.”

And, “Investigate models of peer-review evaluation for arts and cultural funding and apply where appropriate.”

More recently, the idea of an arts council was proposed directly in the Background Materials document presented to HRM's Committee of the Whole in consideration of Strategic Priority Outcomes from November 27, 2012 on page 39: "Establish a Municipal Arts Council in partnership with the Arts and Culture community". This came with the outright recommendation by staff to approve these tactics and "direct staff to develop the 2013/2014 Budget and Business Plans in support of these priorities," (from the presentation to Committee of the Whole, December 4, 2012).

Arts HRM could be implemented with relative ease with programs and responsibilities transferred in phases over the first year of operations. Arts HRM will be responsible for working with HRM staff and third party experts to oversee the operationalization of the Committee's recommendations.

The Committee recommends establishing a core operational funding program for non-profit arts organizations, which is essential for a sustainable arts and culture sector. Arts HRM will be tasked with recommending final eligibility criteria to Council. The Committee feels that arts organizations that have a demonstrated track record of success and are well-managed should be considered for core operational funding support. To provide opportunities for a diverse group of eligible organizations, and to recognize differing levels of need, the Committee recommends that Arts HRM establish two operating funding tiers, "Anchor" and "Other Non-Profit Organizations".

In addition to core operational funding, Arts HRM should consider funding for projects from organizations that are not eligible for operational funding. Regional Council should also continue to pursue avenues that would allow grants for individual artists.

The Committee recommends that tax exemption for arts and culture organizations and the public art program be brought under the Arts HRM umbrella for program review and peer jury adjudication of applications.

It should be noted that HRM already employs the use of peer juries, as per the 2008 Public Art Policy, as per the national standards outlined in the Canada Council's statement regarding the peer assessment principle:

#### The peer assessment principle

In Canada and elsewhere, peer review is a respected method for assessing quality of achievement in creative and intellectual occupations. It is the preferred method of assessment in agencies that support the arts, sciences and humanities. It is used to evaluate submissions to academic journals and requests for accreditation in professional organizations, as well as for awarding prizes by world-renowned organizations such as the Nobel Foundation.

Over the years, a variety of peer assessment processes have evolved at the Canada Council to become the advisory cornerstone of the Council's funding decisions. The Council

developed policies to govern the role of peers – practising artists and other professionals working in the arts – in their assessment of grant applications and prize nominations.

The Canada Council’s commitment to peer assessment is based on the conviction that:

- while no system is perfect, peer assessment provides the best possible means of identifying outstanding ability and artistic merit in the arts;
- freedom of thought and expression benefits from a decision-making process that encompasses a very wide range of professional expertise; and
- the use of a large number of peer assessors each year provides the best guarantee of accountability and transparency in the Council’s funding decisions.

As a steward of public funds, the Council must make the wisest possible use of its resources. Through the assessment process, peers can attest to the integrity, credibility and fairness of the Council’s procedures, and the Council can involve the arts community directly in its operations. (Canada Council, <http://canadacouncil.ca/>)

#### **Detailed Recommendations:**

- The initial structure of Arts HRM will be a committee, including representation from the professional arts community, structured in a similar manner to the Special Advisory Committee on Arts and Culture. Members will be engaged on a long-term basis to work in collaboration with the Arts HRM program officer. By 2017/18, Arts HRM should evolve into a non-profit arms-length arts council.
- The Committee strongly recommends a dedicated program officer (employed by HRM) be assigned to manage funding programs, peer juries and support Arts HRM.
- Arts HRM should be supported by Cultural Initiatives and Events staff.
- Arts HRM will recommend core funding and project funding programs for eligible arts organizations. It will:
  - establish criteria for eligibility, peer assessment review and application processes;
  - review legal requirements for multi-year funding;
  - determine deadlines based on internal workflow, resources, processes and other related considerations; and,
  - make refinements and changes to the following proposed program guidelines based on ongoing operations and experience.
- HRM Finance and the Program Officer will ensure that applicants are eligible for grant funding. This “checklist” approach will confirm technical eligibility only; merit will be determined by peer jury.
- Arts HRM will approve the design of recommendation of peer juries. Jurors will be recruited by the Program Officer. A large pool of jurors is recommended to ensure juries are different throughout the year.

- The decisions of the peer jury will be presented by staff to the CAO for authorization and disbursement. Neither Regional Council nor Arts HRM will have final approval of funding decisions.
- Program Transition:
  - The existing tax exemption for non-profit organizations arts facilities should be brought under the umbrella of Arts HRM, working in conjunction with HRM Finance.
  - The existing Community Grants program will continue to allocate funds to professional arts projects until the initiation of the Arts HRM Project Grants Program in 2016/17.
  - The existing Public Arts Program should be brought under the umbrella of Arts HRM, managed by the current program officer, with peer assessment as part of the process.
- The Committee recommends that Regional Council direct staff and Arts HRM to continue to explore options to enable funding for individual artists, for implementation in 2017/18.

### **Recommendation #2: Funding**

Regional Council allocates current arts funding, including grants and tax exemptions, into a new arts funding program, administered by a dedicated program officer, and provides \$300,000 in new grant funding for fiscal 2014/15, with the goal to provide the national average of municipal funding for the professional arts by 2017/18.

#### **Objective:**

To provide eligible arts organizations with more predictable funding, including core operational funding; to raise the level of HRM investment in arts and culture to better reflect the importance and diversity of this sector; to support its growth and development and better align HRM with comparative jurisdictions.

#### **Discussion:**

The Committee recommends that HRM increases its level of investment to professional arts organizations to adequately reflect the importance and scope of the sector. Current studies show that Halifax lags behind benchmark cities when comparing per capita expenditures in arts and culture.

A recent Kelly Hill study showed that Arts and Culture is the 8th largest private sector in Nova Scotia's economy and contributed roughly \$950 million to the provincial GDP in 2008, yet by various studies, HRM is at the bottom of the pack when it comes to funding. An increased investment in this sector will benefit the city and contribute to its economic development goals.

Multi-year operational funding is especially needed for stability in the arts community and it is already part of HRM's own goals, as stated in the 2006 Cultural Plan. From Policy 5.4:



“Develop stable multi year operational and capital funding and incentives for cultural development review current funding envelopes, revenue sources and investment criteria and make necessary adjustments to ensure linkages to the Cultural Plan Goals.”

**Detailed Recommendations:**

- The Committee recommends the following grant programs be established::

1. Grants for Arts Organizations - Operating Grant Program

Anchor Organizations:

- Operate on large budgets, in excess of \$3 million per year (e.g. Neptune Theatre, Symphony Nova Scotia).
- Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.
- Demonstrate strong public impact in terms of number of events, attendance and employment figures.
- Will be eligible to access a maximum of \$30,000 per year in 2014/15, rising to \$50,000 in 2015/16, and \$75,000 in 2016/17.
- Will be subject to review and adjudication by a peer jury.

Other Non-Profit Organizations:

- Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.
- Will be eligible to access a maximum of \$15,000 per year in 2014/15, rising to \$25,000 in 2015/16, and \$35,000 in 2016/17, or 10% of the applicant’s budget, whichever is lower.
- Will be subject to review and adjudication by a peer jury.

2. Grants for Arts Organizations - Project Grant Program

- Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.
- Will be eligible to access a maximum of \$5,000 per year for a specific arts project as defined by Arts HRM.
- Will be subject to review and adjudication by a peer jury.

3. Grants for Individual Artists (as per the Public Arts program and additional project funding when available)

- Capital expenses should be considered eligible operating expenses, to help transition out of structure of Community Grants Program.

**Proposed Budget:**

The recommended budget for Arts HRM in 2014/15 is:

● Transfer from Community Grants	\$ 95,109 (average last four fiscal years)
● Tax Exemption	\$ 500,000*
● New program funding	<u>\$ 300,000</u>
<b>2014/15 total</b>	<b>\$ 895,109</b>

*\* actual figure to be confirmed by HRM staff*

HRM is currently participating in a new benchmarking study with Hill Strategies that should provide an accurate comparison of municipal funding for similar sized cities across Canada by summer 2015. The Committee recommends that Regional Council commit to raise program funding for Arts HRM incrementally to the national average by 2017/18.

**Recommendation #3: Creative City**

Regional Council endorses HRM’s as a Creative City including but not limited to:

- a. officially recognizing HRM’s responsibilities as the provincial capital and, as advised by Arts HRM, actively engaging the Province to identify and support joint arts, culture and creative industry objectives;
- b. giving staff and Arts HRM the task of developing a facilities inventory, and identifying priorities for upgrade, replacement and construction for consideration of Council;
- c. developing and adopting a communications strategy, coordinated and implemented by HRM communications staff, to promote the artistic and cultural output of HRM across the municipality’s operations.

**Objective:**

To position HRM as the cultural capital of the east and align the objectives of HRM and the arts and culture community by:

- Strengthening the relationship between HRM and the arts community
- Promoting HRM’s new brand and supporting its economic development goals
- Positioning Arts HRM as the representative body of the broader creative community and lead advocate for all arts and cultural organizations and events

- Providing city and staff with a direct link to a comprehensive organization representing the professional arts and culture sector regardless of funding restrictions.

**Discussion:**

The Committee recognizes that arts and culture provides many key benefits to HRM, most notably the strong arts and cultural community creates a vibrant and interesting place to work, live and play.

The Committee recommends Regional Council formally recognize HRM’s responsibilities as the provincial capital and, as advised by Arts HRM, actively engage the Province to identify and support joint arts, culture and creative industry objectives. As the provincial and regional capital, Halifax hosts many of the premier arts and culture facilities, events and presentations east of Montreal. It is essential that staff, political leadership and their respective advisory Councils develop good working relationships, leading to regular dialog and identification of and action regarding shared goals and objectives.

Critical to that work is to inventory current facilities, and their ability to meet current program and audience requirements. This should coincide with work already being done by the Nova Scotia Department of Communities, Culture and Heritage and HRM’s Culture and Heritage Priorities Plan.

Arts and cultural product should be incorporated in broader HRM strategic initiatives in the areas of re-branding, economic development and city promotion. There is an opportunity to integrate arts and culture (specifically Arts HRM investments) into marketing and communications activities. A rich, vibrant arts and culture community will help drive more residents to live in the regional centre (see HRM economic strategy), help attract new people and businesses to the city and create a unique and exciting place to market and promote internationally and locally.

**Detailed Recommendations:**

- Arts HRM will work closely with Arts Nova Scotia to ensure efficient and comprehensive service to the arts community.
- Council will task staff and Arts HRM to develop a gap analysis that identifies priorities for facilities upgrades, replacements and construction of new facilities, either owned by the municipality or in partnership with other stakeholders. A facilities master plan should also include opportunities to partner with other business units of HRM and external partners. It is important, however, that all facilities be built to nationally accepted best practice standards for professional arts facilities.
- HRM will establish a new easy-to-navigate Arts HRM website that will include:
  - the long term vision of Arts HRM
  - information about funding programs
  - links to application forms and program guidelines
  - information about opportunities for artists within HRM
  - comprehensive, centralized online events calendar

- gallery of the city’s public art collection, including location information
- Council will actively promote the work of HRM artists by:
  - ensuring all official gifts from HRM are made by local artists/companies
  - using local music as “hold music” on phones and online applications
  - naming streets/places after artists or culturally important events/people
  - incorporating the spirit of the “I Love Local” movement in operations
- HRM will establish formal communication links and further its engagement activities with current and emerging youth networks (school programs in music, art, drama etc.) to cultivate audiences with younger citizens.
- HRM will look for opportunities to incorporate the diversity of our city’s arts and culture into marketing and promotional activities to help support tourism, business, and recreation.
- Council will develop formal recognition through the Office of the Mayor of the contribution of the arts to the quality of life in HRM. This will be incorporated into the mission and vision of Arts HRM.
- HRM will explore the possibility of a Sister City program to develop working relationships and share ideas and insight with other cities across the globe.
- Council will submit a municipal application to the Department of Canadian Heritage’s “Cultural Capitals of Canada” program to receive a designation as the 2024 “Cultural Capital of Canada”, in celebration of the 275th anniversary of Halifax.

# Cultural Investment by Halifax Regional Municipality

2009/10 to 2012/13



*Report prepared by Kelly Hill*



*February 2014*

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## ***Executive Summary***

The main goal of this study is to quantify Halifax Regional Municipality's current investment in the arts, culture, and heritage using established methodology and definitions. Another important goal is to track whether the level of investment has increased or decreased since 2009/10.

Benchmarking of cultural investment levels can help municipal representatives understand how their city compares with other municipalities across the country. This information can be very useful, given the growing recognition that local investment in culture contributes to economic and social development. As noted in HRM's 2006 Cultural Plan, "culture is integral to community vitality and prosperity, local and regional economic development, and overall quality of life."

Via the Creative City Network of Canada, Hill Strategies Research approached staff members from a number of cities to see if they were interested in a custom study of cultural investments for four fiscal years (2009/10, 2010/11, 2011/12, and 2012/13). Seven cities decided to participate in this year's data capturing effort: Richmond, Edmonton, Saskatoon, Windsor, Hamilton, Oakville, and Halifax. The project is modelled on a similar study conducted for five of Canada's largest cities (Vancouver, Calgary, Toronto, Ottawa, and Montreal) as well as a separate study for the City of Mississauga.

No data currently cover municipal cultural spending in any detail, as Statistics Canada's *Government Expenditures on Culture* dataset only provides an estimate of cultural spending in all Canadian municipalities, with no breakdowns by municipality and only limited breakdowns by type of spending. Furthermore, Statistics Canada has discontinued the *Government Expenditures on Culture* survey.

As context to the analysis of Halifax's cultural investment, the next section of the summary provides information about the City's plans and non-financial supports for culture.

### ***Halifax's plans and non-financial supports for the cultural sector***

Halifax was a relatively early adopter of a culture plan. In 2006, HRM Regional Council approved the city's first-ever Cultural Plan, which outlined 19 goals within five strategic directions:

- Service Delivery & Partnerships.
- Cultural Access & Equity.
- Community Character & Heritage.
- Life-Long Learning & Creative Expression.
- Investment & Promotion.

In addition to its direct financial support for culture, Halifax Regional Municipality also provides significant indirect or non-monetary supports for the sector. In fact, Halifax provides indirect supports in more areas than any other participating city. Unfortunately, the exact value of these supports could not be quantified for all participating cities. As such, it is not possible to compare the value of these supports.

Details of HRM's indirect supports follow:



- Property tax exemptions for cultural organizations were estimated to be \$675,000 in 2012/13.
- Three cultural organizations are supported with “Less than Market Value Lease Arrangements”.
- In-kind communications supports include free advertising on the HRM website and free use of social media. (See also “free advertising on city structures” below.)
- Density bonusing: A bonus in height may be offered as an incentive for specific public benefits in excess of the minimum development requirements. Public benefits may include: (1) the preservation or enhancement of a heritage building; (2) the provision of publicly accessible amenity space; (3) the provision of rental commercial space made available at a subsidized cost for arts and cultural uses or child care centres; (4) the provision of public art.
- Community use agreements / public use of private spaces: Bloomfield property sale (December 2012) includes community cultural use of private space.
- Free advertising on city structures: Free advertising on Metro Transit buses, shelter posters, 250 interior bus boards, 20 exterior bus boards, bench advertisements, and behind driver cards.
- Heritage conservation incentives (indirect /non-monetary): Construction permit fees are waived for work completed on registered heritage properties.
- Formal cultural districts: HRM is involved in two formal cultural districts (Irish Town Cultural District and Hydrostone Cultural District) as well as one heritage district (Barrington Street Heritage Conservation District).

### *Definition of municipal cultural investment*

“Municipal cultural investment” includes operating, grant, and capital expenditures related to the performing arts, visual and media arts, crafts, design, museums, heritage, special events, multidisciplinary activities, creative and cultural industries, city-owned cultural facilities, cultural districts, public art, and other art purchases.

Net investment represents what is spent on cultural programs and services from the municipal tax base. Net investment, which excludes other sources of funding or revenue, is the main focus of this summary.

The raw cultural investment data were compiled by Halifax cultural staff members for 2009/10, 2010/11, 2011/12, and 2012/13, using the same definition of cultural services as other cities that have participated in this process. City staff held teleconferences with representatives from other municipalities and Hill Strategies Research to discuss the definition of culture before collecting and submitting their draft data. Kelly Hill of Hill Strategies Research closely examined the data submitted by City staff to ensure the accuracy of the figures and consistency with other participating cities.

### *Nearly \$7 million – over \$17 per resident – invested in Halifax’s cultural sector in 2012/13*

Halifax Regional Municipality invested a net amount of \$6.7 million in the cultural sector in 2012/13, including \$5.2 million in operating expenditures, \$1.3 million in grants, and \$229,000 in capital expenditures.

Halifax Regional Municipality's investment represents \$17.25 per resident in 2012/13 (based on the 2011 census population of 390,100). This includes \$13.24 in operating expenditures, \$3.42 in grants, and \$0.59 in capital expenditures.

### *Overall cultural investment decreased by 5% between 2009/10 and 2012/13*

Halifax Regional Municipality's net investment in culture decreased from \$7.0 million in 2009/10 to \$6.7 million in 2012/13, a 5% decrease. The decrease is due to the lack of any capital grants after a relatively large capital grant was issued in 2009/10 (the first year of this study). Excluding the large capital grant in 2009/10, HRM's net cultural investment would have increased by 3%.

In per capita terms, Figure 1 shows that Halifax's net cultural investment decreased from \$18.07 per local resident in 2009/10 to \$17.25 in 2012/13.

While none of the figures in this report have been adjusted for inflation or population growth, the Consumer Price Index increased by 6% in Canada between 2009 and 2012, and population growth in Halifax was approximately 3% during this timeframe.

### *Operating investments increased; Grants and capital investments decreased*

As shown in Figure 1, Halifax's operating expenditures for culture increased from \$12.39 per capita in 2009/10 to \$13.24 in 2012/13, a 7% increase. While operating expenditures include administrative and staff costs, the most important component relates to supplementary funding for arts education in local schools. Research has shown that arts education can help improve students' performance in school and generate lifelong arts appreciation. The supplemental funding by Halifax is therefore a strength of the city's cultural support and a unique element that is not provided by any of the six other cities participating in this study.

While project grants from Halifax Regional Municipality to arts, culture, and heritage organizations remained relatively stable between 2009/10 and 2012/13, a large one-time capital grant was issued in 2009/10. Since that time, Halifax has not had another large capital grant and, in fact, the capital granting program is currently under review. Because of the large capital grant in 2009/10 (the first year of this study), total grant funding by Halifax Regional Municipality decreased by 28% between 2009/10 and 2012/13. A large decrease in 2010/11 was followed by small increases in 2011/12 and 2012/13. Grants amounted to \$4.77 per resident in 2009/10, \$3.03 in 2010/11, \$3.28 in 2011/12, and \$3.42 in 2012/13.

Halifax's direct capital expenditures for culture were very limited throughout the period of this study: \$0.91 per capita in 2009/10; \$0.49 in 2010/11, \$0.87 in 2011/12; and \$0.59 in 2012/13.

### *Halifax ranks fifth among seven participating cities*

Seven cities participated in the measurement of their cultural investments between 2009 and 2012: Edmonton (2011 census population of 812,200); Hamilton (519,900); Halifax (390,100); Saskatoon (222,200); Windsor (210,900); Richmond, B.C. (190,500); and Oakville (182,500).

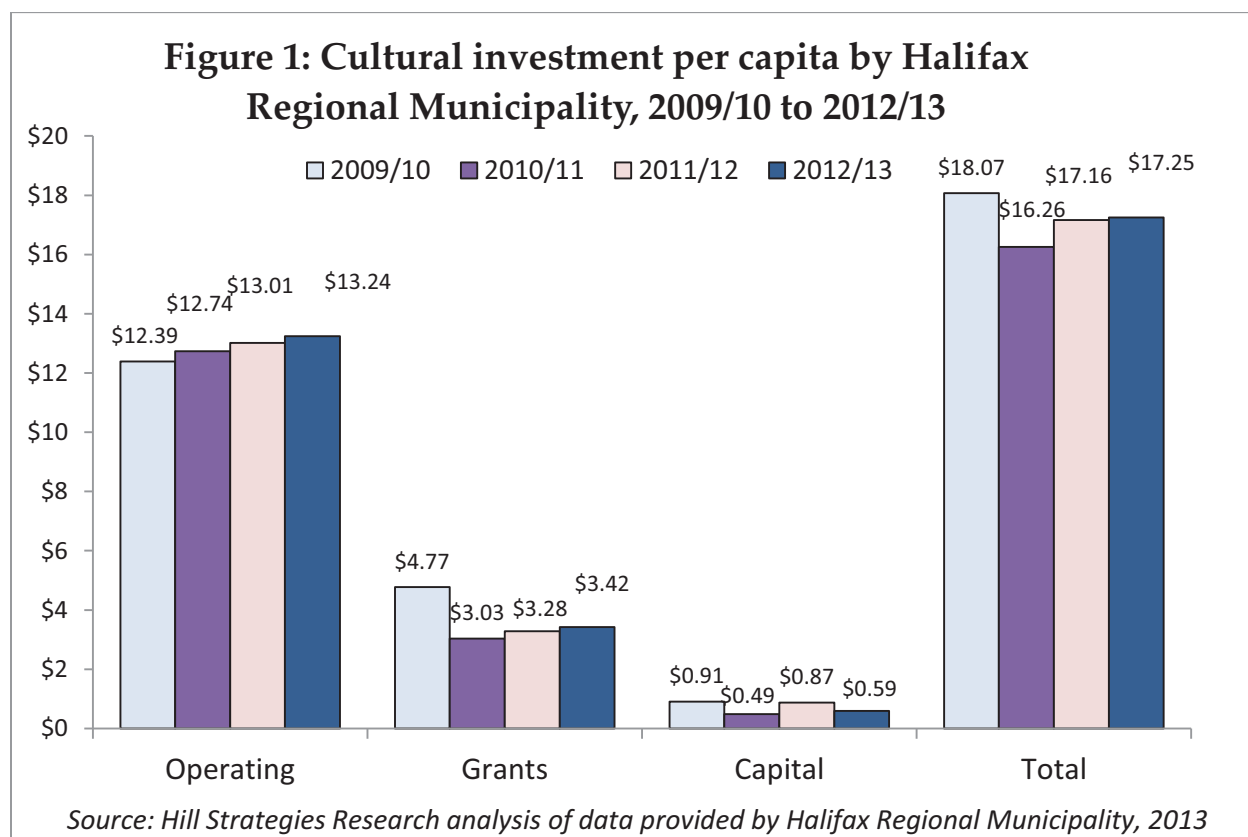
Halifax Regional Municipality's net investment in culture ranks fifth among the seven cities participating in this study, ahead of Oakville (\$16.69) and Windsor (\$15.30) but behind Saskatoon (\$47.05), Edmonton (\$38.68), and Richmond (\$31.85), and Hamilton (\$24.10).

If all seven cities' capital investments are removed from the calculations, Halifax invested \$16.66 via operating expenditures and grants in 2012/13. By this revised measure, Halifax still ranks fifth, behind Saskatoon (\$27.21), Edmonton (\$23.90) Hamilton (\$19.50), and Richmond (\$19.32) but ahead of Oakville (\$14.20) and Windsor (\$9.52).

Halifax's per capita investments via operating expenditures (\$13.24) are in the middle of the seven cities, essentially tied with Richmond and Oakville (both \$13.22) but behind Saskatoon (\$23.43) and Hamilton (\$14.89). Operating investments in Halifax were larger than in Edmonton (\$11.83) and Windsor (\$5.87).

HRM's cultural grants in 2012/13 (\$3.42 per capita) rank sixth among the seven cities, ahead of only Oakville (\$0.98). In 2012, grants represented \$12.07 per capita in Edmonton, \$6.09 in Richmond, \$4.61 in Hamilton, \$3.78 in Saskatoon, and \$3.65 in Windsor.

Halifax's capital expenditures (\$0.59 per capita) rank last among the cities. The capital investments in the other cities were: \$19.84 in Saskatoon, \$14.77 in Edmonton, \$12.53 in Richmond, \$5.79 in Windsor, \$4.59 in Hamilton, and \$2.48 in Oakville.



Among the seven participating cities, Halifax was the only city to see a decrease in its net investment in culture between 2009/10 and 2012/13. Even if the large capital investment in Halifax in 2009/10 were excluded from the calculations, the 3% increase would still rank last among the cities. The growth in cultural investment in the other cities was 76% in Saskatoon, 53% in Oakville, 39% in Richmond, 33% in Windsor\*, 23% in Edmonton, and 17% in Hamilton. None of these figures were adjusted for inflation or population growth. (\*Windsor's investments

*in 2009 were somewhat lower than normal because of a strike by municipal staff in that year. This would inflate the rate of change in Windsor between 2009 and 2012.)*

In all seven cities, the average increase between 2009 and 2012 was 34%. Operating expenditures increased by 16%, and grants increased by a similar amount (15%). Because of major investments in some cities, capital expenditures doubled in the seven cities between 2009 and 2012.

The amounts invested by each of the cities fluctuated from year to year between 2009/10 and 2012/13. For this reason, the average annual investment per capita was also calculated. By this measure, Halifax ranks sixth, with an average cultural investment of \$17.19 over the four-year period, compared with \$34.39 in Edmonton, \$32.36 in Saskatoon, \$23.52 in Richmond, \$23.51 in Hamilton, \$19.28 in Oakville, and \$12.49 in Windsor.

### *Details of Halifax's cultural investment*

Table 1 provides details about the net cultural investment by Halifax Regional Municipality between 2009/10 and 2012/13, as well as the corresponding per capita amounts. (Net investment represents what is spent on cultural programs and services from the municipal tax base.)

**Table 1: Net cultural investment by Halifax Regional Municipality, 2009/10 to 2012/13 (2011 Census population: 390,100)**

Type of investment	<i>Expenditures (\$ millions)</i>				<i>Per capita expenditures</i>			
	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2009/ 10	2010/ 11	2011/ 12	2012/ 13
Operating expenditures	\$4.8	\$5.0	\$5.1	\$5.2	\$12.39	\$12.74	\$13.01	\$13.24
Grants	\$1.9	\$1.2	\$1.3	\$1.3	\$4.77	\$3.03	\$3.28	\$3.42
<i>Subtotal: Operating + grants</i>	\$6.7	\$6.2	\$6.4	\$6.5	\$17.16	\$15.77	\$16.29	\$16.66
Capital expenditures	\$0.4	\$0.2	\$0.3	\$0.2	\$0.91	\$0.49	\$0.87	\$0.59
<b>Total (operating + grants + capital)</b>	<b>\$7.0</b>	<b>\$6.3</b>	<b>\$6.7</b>	<b>\$6.7</b>	<b>\$18.07</b>	<b>\$16.26</b>	<b>\$17.16</b>	<b>\$17.25</b>

*Source: Hill Strategies Research analysis of data provided by Halifax Regional Municipality, 2013*

## **Section 1: Introduction**

The main goal of this study is to quantify Halifax Regional Municipality's current investment in the arts, culture, and heritage using established methodology and definitions. Another important goal is to track whether the level of investment has increased or decreased since 2009/10.

Benchmarking of cultural investment levels can help municipal representatives understand how their city compares with other municipalities across the country. This information can be very useful, given the growing recognition that local investment in culture contributes to economic and social development. Culture has myriad social connections, including strong relationships with education, citizens' social engagement, volunteering, and improved health. As noted in HRM's 2006 Cultural Plan, "culture is integral to community vitality and prosperity, local and regional economic development, and overall quality of life."

Via the Creative City Network of Canada, Hill Strategies Research approached staff members from a number of cities to see if they were interested in a custom study of cultural investments for four fiscal years (2009/10, 2010/11, 2011/12, and 2012/13). Seven cities decided to participate in this year's data capturing effort: Richmond, Edmonton, Saskatoon, Windsor, Hamilton, Oakville, and Halifax.

The project is modelled on a similar study conducted for five of Canada's largest cities (Vancouver, Calgary, Toronto, Ottawa and Montreal)<sup>1</sup> as well as a separate study for the City of Mississauga.

No data currently covers municipal cultural spending in any detail, as Statistics Canada's *Government Expenditures on Culture* dataset only provides an estimate of cultural spending in *all* Canadian municipalities, with no breakdowns by municipality and only limited breakdowns by type of spending. Furthermore, Statistics Canada has discontinued the *Government Expenditures on Culture* survey.

*Included in this study: operating, grant and capital expenditures related to ...*

- *performing arts*
- *visual and media arts*
  - *crafts*
  - *design*
  - *museums*
  - *heritage*
  - *special events*
- *multidisciplinary activities*
- *creative and cultural industries*
- *city-owned cultural facilities*
  - *cultural districts*
  - *public art*
  - *other art purchases*

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<sup>1</sup> *Municipal Cultural Investment in Five Large Canadian Cities*, Hill Strategies Research Inc., January 2012.



## **Section 2: Local plans and non-financial supports for the cultural sector**

This section contains a general overview of the cultural plans and non-financial supports in Halifax Regional Municipality. This information provides context for the analysis of financial support for the cultural sector in the next section of the report.

Halifax staff members provided Hill Strategies with documents and web links providing information about the city's plans and non-financial supports for the cultural sector. Hill Strategies reviewed this information and created the following description, which covers:

- Culture: Integral to community vitality, prosperity, and quality of life
- Cultural planning for the vitality and vibrancy of the city
- HRM Cultural Plan
- Indirect supports for culture

### ***Culture: Integral to community vitality, prosperity, and quality of life***

As noted in HRM's 2006 Cultural Plan, "culture is integral to community vitality and prosperity, local and regional economic development, and overall quality of life."

### ***Cultural planning for a vibrant city***

The Events and Cultural Initiatives section of the HRM website indicates that cultural planning can "help create the vitality and vibrancy necessary to bring inspiration, imagination and innovation to the creative sector, which in turn will provide for economic development (employment, tourism, new product development, exportation, etc.) and social development (gathering places, celebratory events, sense of ownership, identity and pride, affordable housing, etc.)."

*HRM Events and Cultural Initiatives: The Creative City*

<http://halifax.ca/Culture/CreativeCity/index.html>

### ***HRM Cultural Plan***

Halifax was a relatively early adopter of a culture plan. In 2006, HRM Regional Council approved the city's first-ever Cultural Plan, which outlined 19 goals within five strategic directions:

- Service Delivery & Partnerships.
- Cultural Access & Equity.
- Community Character & Heritage.
- Life-Long Learning & Creative Expression.
- Investment & Promotion.

*Halifax Regional Municipality Cultural Plan (2006)*

<http://www.halifax.ca/culturalplan/documents/CulturalPlan112007.pdf>

The Cultural Plan provided a long-term blueprint to:

- Define citizens' expectations.
- Guide cultural programming and capital investment.
- Define the needs and opportunities of both communities and the cultural sector.
- Integrate cultural programming and service delivery.
- Integrate culture into the Municipal agenda.
- Develop and sustain multi-sector partnerships.
- Leverage investment resources.
- Position HRM as a leader in cultural planning & development.

The Cultural Plan also outlined the municipality's role in local cultural development, as programmer, investor, facilitator, and manager.

### *Indirect supports for culture*

In addition to its direct financial support for culture, Halifax Regional Municipality also provides significant indirect or non-monetary supports for the sector. In fact, Halifax provides indirect supports in more areas than any other participating city. Unfortunately, the exact value of these supports could not be quantified for all participating cities. As such, it is not possible to compare the value of these supports.

Further details of HRM's indirect supports follow:

- Property tax exemptions for cultural organizations were estimated to be \$675,000 in 2012/13.
- Three cultural organizations are supported with "Less than Market Value Lease Arrangements".
- In-kind communications supports include free advertising on the HRM website and free use of social media. (See also "free advertising on city structures" below.)
- Density bonusing: A bonus in height may be offered as an incentive for specific public benefits in excess of the minimum development requirements. Public benefits may include: (1) the preservation or enhancement of a heritage building; (2) the provision of publicly accessible amenity space; (3) the provision of rental commercial space made available at a subsidized cost for arts and cultural uses or child care centres; (4) the provision of public art.
- Community use agreements / public use of private spaces: Bloomfield property sale (December 2012) includes community cultural use of private space.
- Free advertising on city structures: Free advertising on Metro Transit buses, shelter posters, 250 interior bus boards, 20 exterior bus boards, bench advertisements, and behind driver cards.
- Heritage conservation incentives (indirect /non-monetary): Construction permit fees are waived for work completed on registered heritage properties.
- Formal cultural districts: HRM is involved in two formal cultural districts (Irish Town Cultural District and Hydrostone Cultural District) as well as one heritage district (Barrington Street Heritage Conservation District).

### **Section 3: Halifax's cultural investment**

This section provides the overall dollar value and per capita calculation of Halifax's financial support for the cultural sector in 2009/10, 2010/11, 2011/12, and 2012/13.<sup>2</sup> Comparisons with other cities that participated in the data collection process are also provided here, based on per capita amounts using the 2011 census population.<sup>3</sup>

#### ***Definition and methodology***

"Municipal cultural investment" includes operating, grant and capital expenditures related to the performing arts, visual and media arts, crafts, design, museums, heritage, special events, multidisciplinary activities, creative and cultural industries, city-owned cultural facilities, cultural districts, public art, and other art purchases.<sup>4</sup> In cases where recreation or other facilities or squares are partially used for culture, a portion of the expenses has been included in the study.<sup>5</sup>

The definition used in this report bears many similarities to, but is slightly narrower than, what Statistics Canada measured in order to produce estimates of government spending on culture.<sup>6</sup>

Public libraries are an important community resource and often a venue for significant cultural activity. However, in Halifax, as in many cities, public libraries are managed by a separate library board. For this reason, as well as to focus on other types of cultural investments, library expenditures are excluded from this study.

The data represent actual amounts spent in each year, not budgeted amounts.

The raw cultural investment data were compiled by Halifax cultural staff members for 2009/10, 2010/11, 2011/12, and 2012/13, using the same definition of cultural services as other cities that have participated in this process. City staff held teleconferences with representatives from other participating cities and Hill Strategies Research to discuss the definition of culture before collecting and submitting their draft data. Kelly Hill of Hill Strategies Research closely examined the data submitted by City staff to ensure the accuracy of the figures and consistency with other cities.

The cultural investment data capture both "gross" and "net" investment. Gross expenditures include investment from the municipal tax base as well as all other sources of funds that are used for cultural investment, including transfers from other levels of government for cultural

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<sup>2</sup> The other six cities in this study have fiscal years that match the calendar year. Halifax's 2012/13 data are compared with 2012 data for other cities.

<sup>3</sup> Population data from the 2011 census were used in order to ensure the comparability of the population estimates between the participating cities.

<sup>4</sup> The detailed definition is provided in an appendix.

<sup>5</sup> These expenses are allocated by the number of cultural events as a proportion of total events in the facility or by the square footage of spaces with a cultural use as a proportion of total square footage. The exception to this rule is local arenas, which have not been considered cultural facilities for the purposes of this report because they are most commonly used for large sporting events. It should be noted, however, that large-scale concerts and performances sometimes take place in arena facilities.

<sup>6</sup> Key differences relate to the exclusion, in this study, of some heritage-related expenditures and the exclusion of library expenditures. These modifications are not intended to imply that excluded aspects of the definition are less important for creative-city building. Rather, the modifications reflect the simple fact that these items could not be reliably measured for this study. As noted in the introduction to this report, Statistics Canada's *Government Expenditures on Culture* dataset, which has now been discontinued, provided an estimate of cultural spending in all Canadian municipalities, with no breakdowns by municipality and only limited breakdowns by type of spending.

projects or programs, revenues from ticket sales for city-owned or operated cultural spaces, rental revenues for city-owned cultural spaces, and sponsorships of city-managed cultural programs and events.

Net investment represents what is spent on cultural programs and services from the municipal tax base. Net investment, which excludes other sources of funding or revenue, is the main focus of this report.

### *Data limitations*

Per capita figures, although a widely used basis for comparison, are not a perfect comparator between cities, especially in cases where there is a large population disparity.<sup>7</sup>

Furthermore, municipal cultural investments tend to fluctuate from year to year. For example, a city that has made a major (but short-term) capital investment in a cultural facility may rank very highly for a short period of time but may not have the largest ongoing support for the cultural sector.

In addition to overall cultural investments per capita, two other key measurements are provided in this report to attempt to address these concerns: 1) operating and grant expenditures per capita (eliminating the effects of large capital spending); and 2) average annual investment per capita over the whole period (2009/10 to 2012/13).

In theory, another key indicator might be operating and grant expenditures on culture as a percentage of total municipal operating spending. However, cities in different provinces have significantly different financial responsibilities and therefore significantly different spending levels.<sup>8</sup> As such, comparisons on this basis between cities in different provinces are not appropriate.

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<sup>7</sup> For example, a very small city that has a city-owned museum or performing arts centre might have much higher per capita cultural spending than a very large city with a broad range of cultural programs and services.

<sup>8</sup> For example, take the cities of Saskatoon, Saskatchewan (population 222,200) and Windsor, Ontario (population 210,900). Despite their similar population levels, Saskatoon's total spending in 2012 was approximately one-half of that of Windsor. The majority of this difference is due to the absence of spending on social and family services in Saskatoon. This is the largest line item in Windsor's budget.

### *Nearly \$7 million – over \$17 per resident – invested in Halifax's cultural sector in 2012/13*

Halifax Regional Municipality invested a net amount of \$6.7 million in the cultural sector in 2012/13, including \$5.2 million in operating expenditures, \$1.3 million in grants, and \$229,000 in capital expenditures.

Halifax Regional Municipality's investment represents \$17.25 per resident in 2012/13 (based on the 2011 census population of 390,100).<sup>9</sup> This includes \$13.24 in operating expenditures, \$3.42 in grants, and \$0.59 in capital expenditures.

### *Overall cultural investment decreased by 5% between 2009/10 and 2012/13*

Halifax Regional Municipality's net investment in culture decreased from \$7.0 million in 2009/10 to \$6.7 million in 2012/13, a 5% decrease. The decrease is due to the lack of any capital grants after a relatively large capital grant was issued in 2009/10 (the first year of this study). Excluding the large capital grant in 2009/10, HRM's net cultural investment would have increased by 3%.

In per capita terms, Figure 2 shows that Halifax's net cultural investment decreased from \$18.07 per local resident in 2009/10 to \$17.25 in 2012/13.

While none of the figures in this report have been adjusted for inflation or population growth, the Consumer Price Index increased by 6% in Canada between 2009 and 2012, and population growth in Halifax was approximately 3% during this timeframe.<sup>10</sup>

### *Operating investments increased; Grants and capital investments decreased*

As shown in Figure 2, Halifax's operating expenditures for culture increased from \$12.39 per capita in 2009/10 to \$13.24 in 2012/13, a 7% increase. While operating expenditures include administrative and staff costs, the most important component relates to supplementary funding for arts education in local schools. Research has shown that arts education can help improve students' performance in school and generate lifelong arts appreciation. The supplemental funding by Halifax is therefore a strength of the city's cultural support and a unique element that is not provided by any of the six other cities participating in this study.

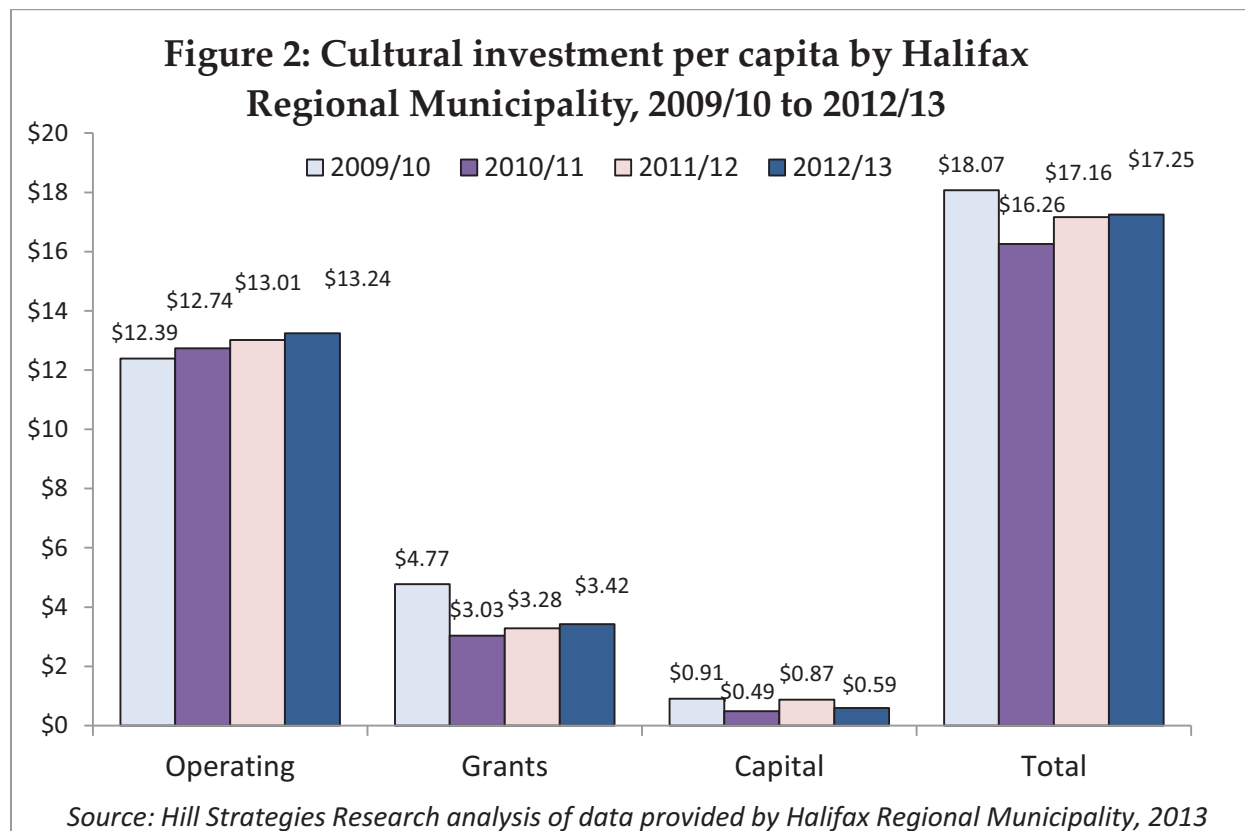
While project grants from Halifax Regional Municipality to arts, culture, and heritage organizations remained relatively stable between 2009/10 and 2012/13, a large one-time capital grant was issued in 2009/10. Since that time, Halifax has not had another large capital grant and, in fact, the capital granting program is currently under review. Because of the large capital grant in 2009/10 (the first year of this study), total grant funding by Halifax Regional Municipality decreased by 28% between 2009/10 and 2012/13. A large decrease in 2010/11 was followed by small increases in 2011/12 and 2012/13. Grants amounted to \$4.77 per resident in 2009/10, \$3.03 in 2010/11, \$3.28 in 2011/12, and \$3.42 in 2012/13.

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<sup>9</sup> All per capita calculations are based on specific population estimates from the 2011 census, but the population estimates are presented as rounded figures in the report for simplicity.

<sup>10</sup> This rough estimate was calculated as three-fifths of the population increase between the 2006 and 2011 census years.

Halifax's direct capital expenditures for culture were very limited throughout the period of this study: \$0.91 per capita in 2009/10; \$0.49 in 2010/11, \$0.87 in 2011/12; and \$0.59 in 2012/13.<sup>11</sup>

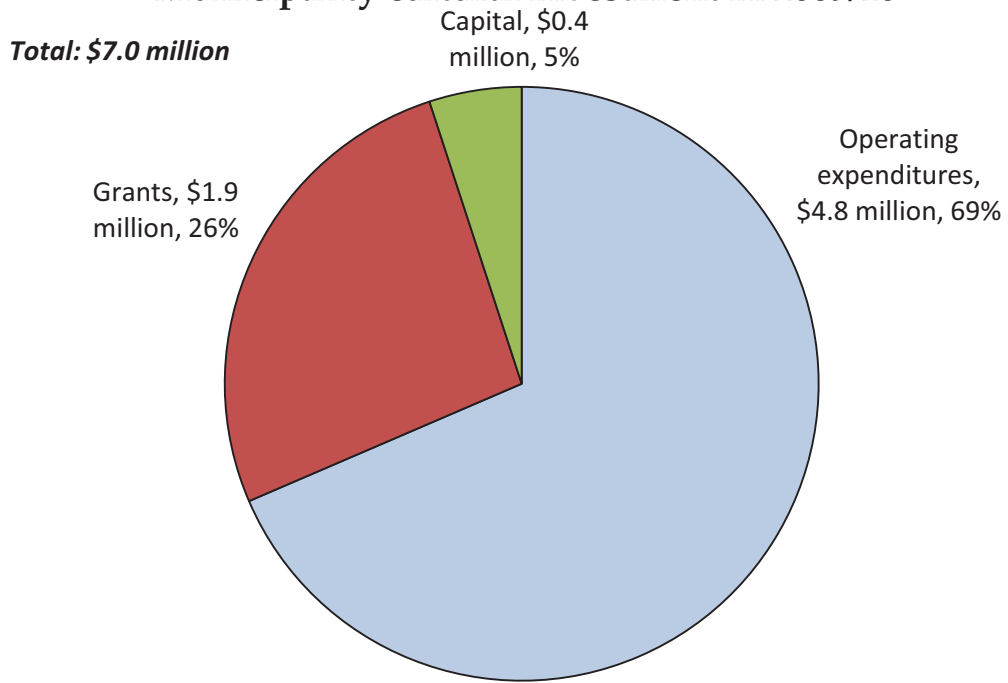


Figures 3 and 4 provide a breakdown of the City's net investment in culture in 2009/10 and 2012/13. In both years, operating expenditures accounted for the lion's share of total cultural investment. As shown in Figure 3, operating expenditures represented 69% of Halifax's \$7.0 million net investment in 2009/10. Grants and capital expenditures accounted for the same percentage of total cultural expenditures in 2012/13 (26% each).

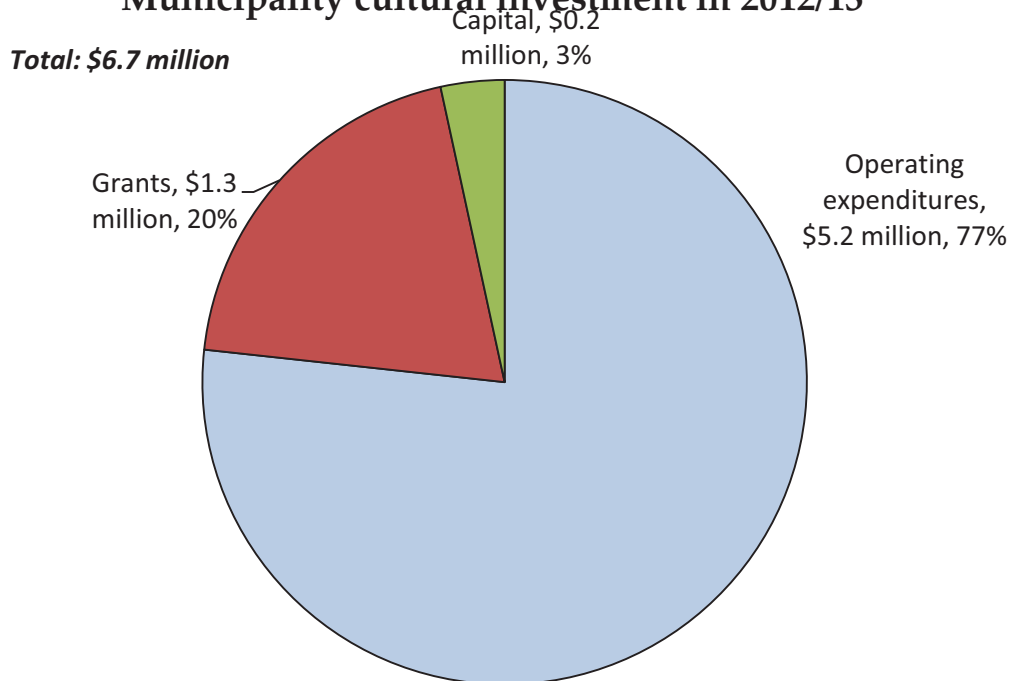
Figure 4 shows that operating expenditures represented 77% of the \$6.7 million total in 2012/13, followed by grants (20%) and capital expenditures (3%).

<sup>11</sup> A growing need for capital refurbishment in the cultural sector has been identified in reports such as *Under Construction: The State of Cultural Infrastructure in Canada*. Nancy Duxbury (Ed.). Vancouver: Centre of Expertise on Culture and Communities, Simon Fraser University (2008).

**Figure 3: Breakdown of Halifax Regional Municipality cultural investment in 2009/10**



**Figure 4: Breakdown of Halifax Regional Municipality cultural investment in 2012/13**



Source: Hill Strategies Research analysis of data provided by Halifax RM, 2013

*Halifax ranks fifth among seven participating cities*



Only a limited number of cities have conducted this type of measurement of their municipal cultural investments. As such, the pool of comparison cities is somewhat limited. Seven cities participated in the measurement of their cultural investments between 2009 and 2012:

- Edmonton (2011 census population of 812,200)
- Hamilton (519,900)
- Halifax (390,100)
- Saskatoon (222,200)
- Windsor (210,900)
- Richmond, B.C. (190,500)
- Oakville (182,500)

Halifax Regional Municipality's net investment in culture ranks fifth among the seven cities participating in this study, ahead of Oakville (\$16.69) and Windsor (\$15.30) but behind Saskatoon (\$47.05), Edmonton (\$38.68), and Richmond (\$31.85), and Hamilton (\$24.10).

If all seven cities' capital investments are removed from the calculations, Halifax invested \$16.63 via operating expenditures and grants in 2012/13. By this revised measure, Halifax still ranks fifth, behind Saskatoon (\$27.21), Edmonton (\$23.90), Hamilton (\$19.50), and Richmond (\$19.32) but ahead of Oakville (\$14.20) and Windsor (\$9.52).

Halifax's per capita investments via operating expenditures (\$13.24) are in the middle of the seven cities, essentially tied with Richmond and Oakville (both \$13.22) but behind Saskatoon (\$23.43) and Hamilton (\$14.89). Operating investments in Halifax were larger than in Edmonton (\$11.83) and Windsor (\$5.87).

HRM's cultural grants in 2012/13 (\$3.42 per capita) rank sixth among the seven cities, ahead of only Oakville (\$0.98). In 2012, grants represented \$12.07 per capita in Edmonton, \$6.09 in Richmond, \$4.61 in Hamilton, \$3.78 in Saskatoon, and \$3.65 in Windsor.

Halifax's capital expenditures (\$0.59 per capita) rank last among the cities. The capital investments in the other cities were: \$19.84 in Saskatoon, \$14.77 in Edmonton, \$12.53 in Richmond, \$5.79 in Windsor, \$4.59 in Hamilton, and \$2.48 in Oakville.

Among the seven participating cities, Halifax was the only city to see a decrease in its net investment in culture between 2009/10 and 2012/13. Even if the large capital investment in Halifax in 2009/10 were excluded from the calculations, the 3% increase would still rank last among the cities. The growth in cultural investment in the other cities was 76% in Saskatoon, 53% in Oakville, 39% in Richmond, 33% in Windsor\*, 23% in Edmonton, and 17% in Hamilton. None of these figures were adjusted for inflation or population growth. (*\*Windsor's investments in 2009 were somewhat lower than normal because of a strike by municipal staff in that year. This would inflate the rate of change in Windsor between 2009 and 2012.*)

In all seven cities, the average increase between 2009 and 2012 was 34%. Operating expenditures increased by 16%, and grants increased by a similar amount (15%). Because of major investments in some cities, capital expenditures doubled in the seven cities between 2009 and 2012.



The amounts invested by each of the cities fluctuated from year to year between 2009/10 and 2012/13. For this reason, the average annual investment per capita was also calculated. By this measure, Halifax ranks sixth, with an average cultural investment of \$17.19 over the four-year period, compared with \$34.39 in Edmonton, \$32.36 in Saskatoon, \$23.52 in Richmond, \$23.51 in Hamilton, \$19.28 in Oakville, and \$12.49 in Windsor.

*Full details: Halifax cultural investment*

Table 2 provides full details about the gross and net cultural investment by Halifax Regional Municipality between 2009/10 and 2012/13, as well as the corresponding per capita amounts. Gross cultural investment in Halifax decreased very slightly, from \$8.1 million in 2009/10 to \$7.9 million in 2012/13 (not adjusted for inflation or population growth). Gross expenditures include investment from the municipal tax base as well as all other sources of funds that are used for cultural investment, including transfers from other levels of government for cultural projects or programs, revenues from ticket sales for city-owned or operated cultural spaces, rental revenues for city-owned cultural spaces, and sponsorships of city-managed cultural programs and events. Net investment – the main focus of this report – represents what is spent on cultural programs and services from the municipal tax base.

**Table 2: Cultural investment by Halifax Regional Municipality, 2009/10 to 2012/13**

(2011 Census population: 390,100)

Type of investment	<b>Expenditures (\$ millions)</b>							
	Gross				Net			
	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2009/ 10	2010/ 11	2011/ 12	2012/ 13
Operating expenditures	\$5.9	\$6.0	\$6.1	\$6.4	\$4.8	\$5.0	\$5.1	\$5.2
Grants	\$1.9	\$1.2	\$1.3	\$1.3	\$1.9	\$1.2	\$1.3	\$1.3
<i>Subtotal: Operating + grants</i>	\$7.7	\$7.2	\$7.4	\$7.7	\$6.7	\$6.2	\$6.4	\$6.5
Capital expenditures	\$0.4	\$0.2	\$0.3	\$0.2	\$0.4	\$0.2	\$0.3	\$0.2
<b>Total (operating + grants + capital)</b>	<b>\$8.1</b>	<b>\$7.4</b>	<b>\$7.7</b>	<b>\$7.9</b>	<b>\$7.0</b>	<b>\$6.3</b>	<b>\$6.7</b>	<b>\$6.7</b>
Type of investment	<b>Per capita expenditures</b>							
	Gross				Net			
	2009/ 10	2010/ 11	2011/ 12	2012/ 13	2009/ 10	2010/ 11	2011/ 12	2012/ 13
Operating expenditures	\$15.00	\$15.37	\$15.57	\$16.33	\$12.39	\$12.74	\$13.01	\$13.24
Grants	\$4.77	\$3.03	\$3.28	\$3.42	\$4.77	\$3.03	\$3.28	\$3.42
<i>Subtotal: Operating + grants</i>	\$19.77	\$18.41	\$18.85	\$19.75	\$17.16	\$15.77	\$16.29	\$16.66
Capital expenditures	\$0.91	\$0.49	\$0.87	\$0.59	\$0.91	\$0.49	\$0.87	\$0.59
<b>Total (operating + grants + capital)</b>	<b>\$20.67</b>	<b>\$18.89</b>	<b>\$19.72</b>	<b>\$20.34</b>	<b>\$18.07</b>	<b>\$16.26</b>	<b>\$17.16</b>	<b>\$17.25</b>
<i>Source: Hill Strategies Research analysis of data provided by Halifax Regional Municipality, 2013</i>								

## **Appendix: Definition of municipal cultural investment**

### Division of cultural investments into gross and net expenditures

The data in this report captures both “gross” and “net” investments for operating, grant and capital expenditures on culture. The text of the report focuses on the net cultural investments, while detailed tables in the report also contain the gross investment figures.

### **Gross expenditures**

Gross expenditures include investments from the municipal tax base as well as all other sources of funds that are used for cultural investments, including transfers from other levels of government for cultural projects or programs, revenues from ticket sales for city-owned or operated cultural spaces, rental revenues for city-owned cultural spaces, and sponsorships of city-managed cultural programs and events.

### **Net expenditures**

In general, net investments represent what is spent on cultural programs and services from the municipal tax base. For the most part, net investments exclude all other sources of funding or revenue.

Local cultural funding does not have to come from property taxes to be included in the data. For example, proceeds from a hotel levy should be included, provided that there is municipal discretion involved in applying the levy and/or distributing the proceeds. These amounts could be included in performing arts, heritage, or other areas that are funded by the proceeds.

Net expenditures might also include some exceptional items related to discretionary municipal cultural investments. Because the decision-making process for investing the funds is at the discretion of the local city council (or individual local politicians) and is similar to the process of directing municipal tax revenues, these exceptional items are included in the net investment figures even though they do not come from regular tax revenues.

An example of discretionary municipal cultural investments relates to funds received in Ontario via “Section 37” negotiations with developers. These private funds, negotiated between the developer, the local councillor and city staff, are directed toward community benefits in return for higher density. In cases where these community benefits are allocated to cultural spaces and activities, these funds would be included in net municipal investments in culture.

Non-monetary (indirect) investments, such as property tax relief for not-for-profit cultural organizations, are excluded from the data.

## Specific items included in the definition of cultural investments

### *Operating*

Expenditures from the municipal operating budget on:

#### *Live performing arts*

- City-owned and/or city-operated theatres

#### *Visual and media arts, crafts, and design*

- Art purchases paid through the operating budget
- Public art development (Public art purchases should be included in the capital section.)
- Urban planning involvement in cultural programs such as public art or design
- Awards for urban design
- Most urban design expenditures are excluded from the study.

#### *Museums and heritage*

- Museum and heritage services
- Science-related museums
- Historic sites and heritage buildings that are used for cultural purposes (if city-owned or city-funded)
- Heritage planners or other similar staffers (who may work outside of the cultural services department but are dedicated to culture/heritage work).
- Heritage or historical archives (excluding archives related solely to city decision-making)

#### *Cultural development, special events and multidisciplinary activities*

- Cultural development
- Community arts / “Cultural mediation”
- Culture-dedicated centres
- Special projects (time-limited)
- Cultural festivals and special events (If these include cultural and non-cultural elements, only the cultural portion of these expenditures was included.)
- Cultural awards
- Parks board arts and culture program (only if a specific budget line identifies arts and cultural program expenditures within the Parks and Recreation budget, a parks agency or board of the municipality, or a parks arm's-length organization)

- Supplementary funding to schools for arts and music programming: Halifax, by Council decision-making, allocates amounts directly for school arts and music programs. This amount is included in operating expenditures.

### *Creative and cultural industries*

- Film and TV development and support / film or screen-based media office (including arm's length organizations)
- Support to creative and cultural industries (animation, publishing, music, etc.)

### *General administration related to municipal cultural service delivery*

- Management and administrative expenses related to the cultural services department's programs and services (such as wages, salaries, benefits and purchases of goods and services)
- Utility expenses for city-owned cultural facilities paid through the operating budget
- Consultants' fees for cultural projects

## Grants

Expenditures from the municipal operating and/or capital budget on:

### *Live performing arts*

- Funding of individuals and organizations in circus, dance, music, opera, and theatre. Includes grants administered by the municipal government and those administered by an arm's length organization.

### *Visual and media arts, crafts, and design*

- Funding of individuals and organizations in visual and media arts, crafts, and design. Includes grants administered by the municipal government and those administered by an arm's length organization.

### *Museums and heritage*

- Funding of individuals and organizations involved in museums, archives and built heritage. Includes grants administered by the municipal government and those administered by an arm's length organization.

### *Cultural development, special events and multidisciplinary activities*

- Funding of individuals and organizations involved in multidisciplinary arts activities, cultural festivals and events, community arts (cultural mediation), arts education and leisure-time non-professional arts activities. Includes grants administered by the municipal government and those administered by an arm's length organization.

### *Creative and cultural industries*

- Funding for interactive digital media was included by those municipalities that fund this type of activity through their cultural services department, typically via a screen-based media office.
- Funding of individuals and organizations involved in writing, publishing, radio, TV, broadcasting and sound recording. Includes grants administered by the municipal government and those administered by an arm's length organization.

### *Capital improvement grants*

- Grants for capital improvements by cultural organizations in all disciplines. Includes grants administered by the municipal government and those administered by an arm's length organization.

### *General administration related to arm's length delivery of cultural grants*

- Funding for the administrative expenses related to the arm's length delivery of cultural grants (such as arts councils).

## *Capital*

Expenditures from the municipal capital budget on:

### *City-owned cultural facilities*

- Annual maintenance and repair of city-owned cultural facilities
- Major renovations of city-owned cultural facilities
- One-time or emergency capital expenditures on city-owned cultural facilities
- Capital expenditures related to historic / heritage buildings that have a cultural use

### *Cultural districts*

- Development and revitalization of cultural districts. Excluded are any costs for revitalization of historic neighbourhoods or squares.

### *Public art, other art purchases, and maintenance costs*

- Purchase or development of public art that resides on public spaces
- Other art purchases
- Plaques and statues maintained by the city's cultural services department

## Specific items excluded from the definition of cultural investments

All other city expenditures are excluded from the study. In particular, expenditures on the following items are excluded.

### *Exclusions from operating and grant expenditures*

#### *Inter-departmental costs such as finance, human resources and corporate marketing*

- Operating 'overhead' or costs associated to the running of the office that are paid by other departments such as Finance, Human Resources, Corporate Marketing, etc.
- Operating expenditures from other city-run departments, boards, agencies or commissions such as economic development, social services, planning, transportation, water, fire, police, public transit, etc., unless there is a line item for arts and cultural expenditures (as may be the case with public art or heritage planning).
- Expenses for culture-related tourism marketing initiatives are only included if the initiatives are managed by cultural staff members, not a tourism or economic development office.

#### *Zoos and aquariums*

- Zoos and aquariums were excluded from the study frame because they are typically managed by a separate entity that does not have a close link with the cities' cultural services departments.

#### *Recreation, sports, nature parks, horticulture and agriculture*

- Community or recreational centres offering cultural leisure / sports programs (other than the culture-dedicated centres noted above in the inclusions)
- Non-professional arts training in community centres are excluded (as per the above bullet point). Often, these expenditures are quite small and difficult to separate from non-cultural expenses in the same locations.
- Cultural events in municipally-owned sports venues (hockey arenas, etc.): Because arenas are most commonly used for large sporting events, expenses on concerts and other performances held in municipally-owned arenas are excluded from the data.
- Major events that are predominantly sports-related in nature. An example is the Calgary Stampede, which is largely a sporting event and was not included in the large cities study (based on the narrower definition of "culture" used in the report).
- Nature parks
- Horticultural societies
- Agricultural exhibitions, centres and fairs

#### *Other exclusions*

- Tax exemptions and in-kind services
- Religious organizations
- Language training
- Development and promotion of languages
- Non-cultural Aboriginal activities

### *Exclusions from capital expenditures*

### *Exceptional capital investments*

- Large capital investments for which a full accounting of the net costs was not available during the timeframe of the study.
- Exceptional capital investments meet the following criteria: 1) The net expenditure for the cultural capital project is at least as large as the city's other net capital expenditures for cultural purposes within the same fiscal year; 2) Financing for the capital project is complex and occurs over more than one fiscal year; and, most importantly, 3) Financing for the capital project was not finalized within the timeframe of the fiscal years analyzed in the study.

### *Certain expenditures on historic or heritage buildings, facilities, neighbourhoods, or squares*

- Capital expenditures related to historic or heritage buildings with a non-cultural use
- Restoration costs for heritage buildings for which the future use is unknown (i.e., may or may not have a cultural use).
- Costs for revitalization of historic neighbourhoods or squares
- *Note: While these items could certainly be considered cultural expenditures, there were significant disparities in the original study between Montreal and the four other cities in terms of expenditures on these items, partly because Montreal is a much older city than the four others.*

### *Public art on privately-owned spaces*

- Capital expenditures related to public art that resides on private spaces (typically purchased by private developers through a municipal requirement or incentive policy). However, the gross spending figures include some rare cases where privately-commissioned public art works reside on public spaces.

### *Plaques and statues maintained by other city departments*

- Capital expenditures related to plaques and statues maintained by other city departments



### **Attachment 3: Staff Commentary on SACAC Recommendations**

The detailed recommendations outlined by SACAC are outlined below in bold text with specific staff commentary following each recommendation in plain text:

#### **SACAC Recommendation #1: Structure (Establish a Municipal Arts Council)**

##### **Detailed Recommendations:**

**The initial structure of Arts HRM will be a committee, including representation from the professional arts community, structured in a similar manner to the Special Advisory Committee on Arts and Culture. Members will be engaged on a longer basis to work in collaboration with the Arts HRM program officer. By 2017/18, Arts HRM should evolve into a non-profit arms-length arts council.**

HRM is currently reviewing the governance structure for committees of council, undertaking work on a new grant policy and is expected to initiate work on the Culture & Heritage Priorities Plan shortly. Due to the related mandate of these corporate initiatives, they will impact and be impacted by a future Arts HRM committee and therefore it is critical that they all be aligned. With the corporate initiatives expected to be presented to Council in the near future and the steps required to initiate an Arts HRM advisory committee, creation of the committee should be implemented for the 2015/16 fiscal year.

**The Committee strongly recommends a dedicated program officer (employed by HRM) be assigned to manage funding programs, peer juries and support Arts HRM.**

All committees of Council are supported by various HRM staff. Specific duties would be consistent with existing roles and responsibilities within the HRM operational structure. An assessment of the viability of this support model would be an ongoing component of the work of Arts HRM.

**Arts HRM should be supported by Cultural Initiatives and Events staff.**

Events and Cultural Initiatives staff would be one department that would support this type of a committee of council. Others include Clerk's Office, Finance and Legal Services.

**Arts HRM will recommend core funding and project funding programs for eligible arts organizations. It will:**

- **establish criteria for eligibility, peer assessment review and application processes;**
- **review legal requirements for multiyear funding;**
- **determine deadlines based on internal workflow, resources, processes and other related considerations; and,**
- **make refinements and changes to the following proposed program guidelines based on ongoing operations and experience.**

Upon creation of a future committee, these processes would be included in the terms of reference. Analysis is required to determine the financial implications and to be able to harmonize the committee's role with other corporate initiatives.

**HRM Finance and the Program Officer will ensure that applicants are eligible for grant funding. This “checklist” approach will confirm technical eligibility only; merit will be determined by peer jury.**

The current grant process does not include a process for peer juries, but is expected to be included in the upcoming grant policy. The Interim Professional Art Organization Grant Program includes peer consideration by HRM staff as part of the application review process until creation of the advisory committee with a peer jury process.

**Arts HRM will approve the design of recommendation of peer juries. Jurors will be recruited by the Program Officer. A large pool of jurors is recommended to ensure juries are different throughout the year.**

HRM’s current process for recruitment of committee members would be used to invite volunteers to participate in both the advisory committee and peer jury. The size of the pool would depend on the number of interested parties so specific communication to potential parties could undertaken.

**The decisions of the peer jury will be presented by staff to the CAO for authorization and disbursement. Neither Regional Council nor Arts HRM will have final approval of funding decisions.**

The *HRM Charter* requires that decisions related to recommendations from a committee of council fall under the authority of Regional Council. Therefore, any recommendations of an advisory committee or related peer juries would be directed to the HRM Grants Committee before ultimately being considered by Regional Council for approval.

**Program Transition:**

- **The existing tax exemption for non-profit organizations arts facilities should be brought under the umbrella of Arts HRM, working in conjunction with HRM Finance;**
- **The existing Community Grants program will continue to allocate funds to professional arts projects until the initiation of the Arts HRM Project Grants Program in 2016/17; and**
- **The existing Public Arts Program should be brought under the umbrella of Arts HRM, managed by the current program officer, with peer assessment as part of the process.**

Currently, the HRM Grants Committee is reviewing the tax exemption bylaw. The program should remain consistent while that work is being completed. Further, any potential changes to the program would need to be consistent with the overall context of provision of the tax exemption program.

The Interim Professional Arts Organization Grant Program provides a mechanism for the provision of grants until the initiation of a potential Arts HRM Project Grants Program in 2016/17.

Review of all arts and cultural programming options would be coordinated with work on the Culture & Heritage Priorities Plan to ensure the most effective provision of programs and services.

As a result, analysis is required to determine the financial implications and to be able to harmonize the role of the committee with other corporate initiatives.

**The Committee recommends that Regional Council direct staff and Arts HRM to continue to explore options to enable funding for individual artists, for implementation in 2017/18.**

Currently, under the *HRM Charter*, support to individual artists is not permitted.

**SACAC Recommendation #2: Funding (Increase Funding to National Averages)**

**Detailed Recommendations:**

● **The Committee recommends the following grant programs be established:**

**1. Grants for Arts Organizations Operating Grant Program, Anchor Organizations:**

- **Operate on large budgets, in excess of \$3 million per year (e.g. Neptune Theatre, Symphony Nova Scotia);**
- **Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit;**
- **Demonstrate strong public impact in terms of number of events, attendance and employment figures;**
- **Will be eligible to access a maximum of \$30,000 per year in 2014/15, rising to \$50,000 in 2015/16, and \$75,000 in 2016/17; and**
- **Will be subject to review and adjudication by a peer jury.**

**Other Non-profit Organizations:**

- **Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.**
- **Will be eligible to access a maximum of \$15,000 per year in 2014/15, rising to \$25,000 in 2015/16, and \$35,000 in 2016/17, or 10% of the applicant's budget, whichever is lower.**
- **Will be subject to review and adjudication by a peer jury.**

**2. Grants for Arts Organizations Project Grant Program**

- **Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.**
- **Will be eligible to access a maximum of \$5,000 per year for a specific arts project as defined by Arts HRM.**
- **Will be subject to review and adjudication by a peer jury.**

**3. Grants for Individual Artists (as per the Public Arts program and additional project funding when available)**

The recommended Interim Professional Art Organization Grant Program generally includes the criteria recommended by SACAC. The interim program recommends a maximum higher level of funding in each category to reflect the variations in the size and scope of potential applicants. Funding in the amount of \$300,000 has been recommended for the 2014/15 fiscal year for the interim program. Upon creation of the future advisory committee, administration of a new program could fall under that committee.

Grant funding is able to be provided to arts organizations but currently the HRM Charter does not permit grants for individual artists.

**Capital expenses should be considered eligible operating expenses, to help transition out of structure of Community Grants Program**

If approved, in order to be able to be implemented within the 2014/15 year, the timing of the Interim Professional Art Organization Grant Program would not be able to be consistent with the Community Grants Program. Therefore, as part of the transition, the interim program includes the ability for the Grants Committee to consider any capital or operating funding received from Community Grants Program in their consideration of applications from professional arts organizations. If Regional Council approves the interim program HRM staff would review the applications received by the Community Grants Program and consult with the applicants regarding the transfer operating requests to this new program.

**HRM is currently participating in a new benchmarking study with Hill Strategies that should provide an accurate comparison of municipal funding for similar sized cities across Canada by summer 2015. The Committee recommends that Regional Council commit to raise program funding for Arts HRM incrementally to the national average by 2017/18.**

If approved, the recommended funding of \$300,000 will increase HRM's standing in terms of level of funding compared to similar sized cities. Staff will continue to explore further funding in future budget cycles with a goal of striving to achieve the Kelly Hill Strategies study averages by 2017. Mandate to undertake future review of funding levels and subsequent recommendations to be included in terms of reference for the committee.

**SACAC Recommendation #3: Creative City (Recognize and Support HRM as a Creative City)**

**Detailed Recommendations:**

**Arts HRM will work closely with Arts Nova Scotia to ensure efficient and comprehensive service to the arts community.**

This could be included in the terms of reference as part of the mandate of a potential committee.

**Council will task staff and Arts HRM to develop a gap analysis that identifies priorities for facilities upgrades, replacements and construction of new facilities, either owned by the municipality or in partnership with other stakeholders. A facilities master plan should also include opportunities to partner with other business units of HRM and external partners. It is important, however, that all facilities be built to nationally accepted best practice standards for professional arts facilities.**

This is similar to work included in the scope of the forthcoming Culture and Heritage Priorities Plan. As a result, analysis is required to coordinate the work and determine the financial implications.

**HRM will establish a new easy to navigate Arts HRM website that will include:**

- **the long term vision of Arts HRM**
- **information about funding programs**
- **links to application forms and program guidelines**
- **information about opportunities for artists within HRM**
- **comprehensive, centralized online events calendar**
- **gallery of the city's public art collection, including location information**

HRM is currently undertaking a branding exercise along with work on the HRM website. This recommendation would need to be aligned to the overall strategy for the updating of HRM website. Analysis is required to determine the financial implications of the proposed changes and to be able to harmonize them with other corporate initiatives.

**Council will actively promote the work of HRM artists by:**

- **ensuring all official gifts from HRM are made by local artists/companies**
- **using local music as “hold music” on phones and online applications**
- **naming streets/places after artists or culturally important events/people**
- **incorporating the spirit of the “I Love Local” movement in operations**

Currently, official gifts make use of local wares and one aspects of the Commemorative Naming Policy is culturally sensitive events and people. The terms of reference for the committee could include responsibility to explore new opportunities to supplement existing promotion. However, analysis is required to determine the financial implications.

**HRM will establish formal communication links and further its engagement activities with current and emerging youth networks (school programs in music, art, drama etc.) to cultivate audiences with younger citizens.**

HRM provides supplementary education funding which supports the provision of arts, music and culture within the education system. HRM staff also work closely with youth networks and agencies to improvement on the engagement of our youth. The terms of reference for the committee could include responsibility to explore new opportunities to supplement existing relationships. However, analysis is required to determine the financial implications.

**HRM will look for opportunities to incorporate the diversity of our city's arts and culture into marketing and promotional activities to help support tourism, business, and recreation.**

HRM along with its partner, Destination Halifax, explore opportunities to present the work of local artists and to reflect local culture within those initiatives meant to engage the public. The Define Your Halifax Region re-branding campaign also provides an opportunity to reinforce local arts and culture as a fundamental component of Halifax's identity. The terms of reference for the committee could include responsibility to review and recommend other opportunities. However, analysis is required to determine the financial implications.

**Council will develop formal recognition through the Office of the Mayor of the contribution of the arts to the quality of life in HRM. This will be incorporated into the mission and vision of Arts HRM.**

HRM formally recognizes the arts and culture sector through an award program. The terms of reference for the committee could include responsibility to explore new opportunities to supplement existing awards program. However, analysis is required to determine the financial implications.

**HRM will explore the possibility of a Sister City program to develop working relationships and share ideas and insight with other cities across the globe.**

HRM has a Sister City program which is currently being reviewed. An updated program is expected to be presented to Regional Council in the coming months.

**Council will submit a municipal application to the Department of Canadian Heritage's "Cultural Capitals of Canada" program to receive a designation as the 2024 "Cultural Capital of Canada", in celebration of the 275th anniversary of Halifax.**

The Cultural Capitals of Canada Program was cancelled in the 2012 Federal budget. HRM will, however, continue to work with federal partners in the Department of Canadian Heritage to identify opportunities within the Building Communities through Arts and Culture program to celebrate anniversaries of significance to Halifax, on an ongoing basis. In addition, the terms of reference of committee can include the mandate to review future opportunities.

## **Attachment 4**

# **INTERIM PROFESSIONAL ARTS ORGANIZATION GRANT PROGRAM**

## **1. PROGRAM PURPOSE**

The purpose of the HRM Interim Professional Arts Organization Grant Program is to support the stability of professional arts organizations in HRM, to support and promote the work of local artists and to foster broad public access to, and appreciation of, the arts.

## **2. APPLICATION PROCESS**

- The program will open in September with an application deadline of October 31<sup>st</sup>, 2014;
- Applications will be administered by Community & Recreation Services;
- Community & Recreation Services with the assistance of HRM's Grants staff will review the applications against an evaluation form based on the criteria set out in this document;
- Selected proposals will then be sent to the HRM Grants Committee for final review before being presented to Regional Council for approval ; and
- All applicants of selected proposals will be notified as to the final outcome.

## **3. FUNDING**

- Funding will be provided on an annual basis, and is subject to budget availability. Applicants must re-apply for funding annually; and
- Any application recommended for funding must be approved by Regional Council before funding is awarded.

The Interim Professional Arts Organization Grant Program offers two funding streams as follows:

### **1. Operating Grant Program for Arts Organizations**

Supports the general and ongoing operational capacity of professional arts organizations in HRM as follows:

#### *a. Anchor Organizations:*



- Operate on large budgets, in excess of \$3 million per year (e.g. Neptune Theatre, Symphony Nova Scotia).
- Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.
- Demonstrate strong public impact in terms of number of events, attendance and employment figures.
- Will be eligible to access a maximum of \$50,000 per year in 2014/15.

*b. Other Non-profit Organizations:*

- Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.
- Will be eligible to access a maximum of \$25,000 per year in 2014/15, or 10% of the applicant's budget, whichever is lower.

Under this program HRM will contribute no less than 5% and no more than 60% of revenues required to cover annual administrative and core program costs. Regional Council can consider variations on this criteria in extenuating circumstances.

Combined municipal, provincial and federal funding normally will not exceed 90% of total revenues for annual administrative and core program costs.

2. Project Grant Program for Arts Organizations

Supports public access to professional arts activities on a project-specific basis as follows:

- Registered non-profits that have operated continuously for a minimum of three years with strong administrative management and a track record of success and artistic merit.
- Will be eligible to access a maximum of \$10,000 per year for a specific arts project

**4. ELIGIBILITY**

Funding in this category is available to those presenting and/or producing organizations which meet the following definition:



- **A Professional Arts Organizations** Professional arts and culture organizations support, present, or produce work by professional or established artists, and/or employ qualified paid staff to administer on-going arts and culture programs and services. (From the Arts Nova Scotia, Operating Assistance to Arts Organizations, Program Guidelines)
- **A Professional Artist** is a person who is critically recognized as an artist: he or she possesses skill, training and/or experience in an artistic discipline, is active in and committed to his or her art practice and has a history of public presentation and is recognized by his or her peers as a professional. (From HRM 2008 Public Art Policy)

An applicant under this program must be a registered not-for-profit society or not-for-profit cooperative in good standing with the Provincial Registrar of Joint Stock Companies or federally registered under the Corporations Act as a not-for-profit society or cooperative based and operating in Nova Scotia and meet the following criteria:

- has been operating for at least one year prior to the date of application
- does not receive operating assistance from any other municipal government agency or department
- maintains an active membership or shows a form of community support that includes residents of the Halifax Regional Municipality and persons other than those who serve on the board of directors
- operates programs year round, except for presenting organizations which may have seasonal programs
- secures additional sources of revenue such as corporate contributions, donations, sales, and membership fees and must pursue other sources of public or private funding.

## 5. APPLICATIONS

Applications should include at a minimum, and will be evaluated based on:

- Confirmation that the applicant has sought other funding sources that are applicable;
- A description of the applicant, including history of the programming and role in the community.
- A detailed budget outlining projected revenues, operating and capital costs;

- Detailed financial statements for the previous year or 3 years of operation (where applicable); and
- Details on any other HRM funding received within the current and previous fiscal years.

## 6. GENERAL TERMS

Should funding be approved, HRM will enter into an agreement with the applicant based on the following terms:

- Successful grant recipients must complete a final report form describing the impact of the funding received by HRM. Final report forms will be sent with the confirmation of the award and will be available from Community and Recreation staff. The criteria for reporting includes at a minimum:
  - Name of organization, amount of grant, terms and conditions (as described in the letter notifying you of an award which is sent with payment).
  - Total project costs: a grant is a contribution towards the project and not 100% of funding.
  - How the grant money was spent including proof of payment: copies of invoices and payment (cancelled cheque, receipt etc).
  - A description of the project: Including information on the completeness of the project
  - 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 HRM through this grant process.
- Should the operations of the applicant organization cease or be diminished a project, in part or in whole cannot be completed as described in the application, applicants must notify Community and Recreation Services staff. In some cases, an extension may be permitted. If an extension is needed, a written request to Community and Recreation Services staff is required and a written response will be provided. This correspondence will be filed with the application.
- **Refund of grant balance:** In some cases it is necessary to refund all or some portion of a grant. In this case a cheque should be forwarded c/o HRM Grants Program and made payable to Halifax Regional Municipality.

- HRM's support must be recognized as outlined in the "Requirements for Acknowledging Funding" which will accompany the Terms and Conditions letter.
- All funding applications are subject to the Freedom of Information and Protection of Privacy Act:  
<http://nslegislature.ca/legc/statutes/freedom%20of%20information%20and%20protection%20of%20privacy.pdf>

## 7. PROGRAM VALUES

In making recommendations to the HRM Grants Committee and further to Regional Council, staff evaluators will consider four key areas of organizational effectiveness, adapted from the Arts Nova Scotia *Operating Assistance to Arts Organizations* Program Guidelines:

- *Program planning and evaluation:* HRM believes that setting goals or objectives and undertaking formal quantitative and qualitative evaluation of program results contribute to an organization's success in pursuing its vision and mission. Thus, an applicant organization's program goals and evaluation should be clearly stated in their application.
- *Community relationships:* HRM believes that organizations benefit from having strong and effective relationships with others in the community, such as with other organizations, sponsors, volunteers and donors. Applications should clearly reflect principals of community engagement and the impact of the organization's programming or support to the community.
- *Board governance:* Boards of directors play a central role in the operation of non-profit societies or cooperatives. Applications should clearly describe the role played by the board.
- *Financial management:* HRM relies upon the completeness of financial statements and the effective organization of financial information to determine the financial health of an organization. It is important that the required financial information be presented as complete and accurate, and in the format requested to allow for a comparison of revenues and expenses (preferably over a three-year period). Notes to financial information are required to explain significant changes in numbers from one year to the next.

Evaluation Form

<b>Name of Organization:</b>	
<b>Address of Organization:</b>	<b>Date:</b>

<b>Level 1 – Basic Eligibility</b>	
The applicant must meet all of the following criteria to be considered eligible for funding:	
<ul style="list-style-type: none"> <li>▪ The applicant is a non- profit society incorporated under the Societies Act and registered with the N.S. Registry of Joint Stocks; or a non- profit co-operative incorporated under the Co-operative Associations Act and registered with the N.S. Registry of Joint Stocks.</li> <li>▪ The applicant has provided a description of their organization’s role and mandate.</li> <li>▪ The applicant has provided a copy of financial statements for the most recently completed fiscal year, including a balance sheet (assets, liabilities, equity/debt) and income statement. Financial statements must be signed by an authorized representative of the organization.</li> <li>▪ The applicant has included a list of active board members including executive roles.</li> <li>▪ The applicant has provided a list of current staff, indicating which are permanent and which are project-specific or part-time.</li> </ul>	
<input type="checkbox"/> <b>Proceed to Section 2 of Review</b>	<input type="checkbox"/> <b>Ineligible</b>

<b>Section 2a - Organizational Merit/Value of Service</b>
<ul style="list-style-type: none"> <li>• <i>Program planning and evaluation:</i> What are the stated goals and objectives of the organization for the upcoming fiscal year? Are their new programs proposed? How does the organization propose to evaluate the success of their programming? Has the organization provided quantitative and qualitative assessment of their programming from past programming years? What is the impact of the organization’s programming and service delivery? Has the organization provided a strategic plan? /30</li> </ul>
<ul style="list-style-type: none"> <li>• <i>Community relationships:</i> Does the application show clear partnerships with</li> </ul>

<p>other organizations, sponsors, volunteers and donors. Has the organization’s programming and the impact of that programming benefitted from partnerships with other organizations from within and without the professional arts sector? /20</p>
<p>• <i>Board governance:</i> Boards of directors play a central role in the operation of the applicant organization. Health of board is strong, meeting are regular and overall board involvement is active. /10</p>
<p><b>Organizational Merit Total Score</b> ___ /60</p>

<p align="center"><b>Section 2b - Project Merit</b></p>
<p><b>Expertise of applicant(s)</b> Is the applicant experienced in their field? Do they have experience working with the specific materials/method or in the discipline set out in the proposal? ‘Expertise’ in this sense need not speak exclusively to record of exhibition or length of career but may also be applied to broad professional capacity and an expressed ability to be innovative. (/20</p>
<p><b>Project Merit</b> The quality of the idea proposed, including innovativeness, conceptual strength, technical/material/formal, and methodology. /20</p>
<p><b>Public Access and Engagement</b> The overall impact of the proposed project on the public. Does it encourage and/or engage new audiences? Does it have broad public appeal? Is the experience of the project innovative and interesting? /20</p>
<p><b>Project Merit Total Score</b> ___ /60</p>

<p align="center"><b>Section 3 – Financial Stewardship</b></p>
<p>Do existing/previous financial statements appear to be complete, and accurate; do they show revenues and expenses, assets and liabilities, cash savings and investments? Does the projected budget appear to be accurate and reasonable? Is it supported by financial reports, financial records, estimates, quotes etc? (20pts)</p>
<p>Is the proposed project budget developed to be efficient, without unnecessary costs or inappropriate sources of revenue? / Has the applicant sought other funding sources that may be applicable? (20pts)</p>
<p><b>Financial Stewardship Total Score</b> ___ /40</p>

<b>Section 4 – Scoring Summary</b>	
<b>Project Merit /Organizational Merit</b> – Requires a minimum of 45 points	/60pts
<b>Financial Stewardship</b> – Requires a minimum of 30 points	/40pts
<b>Total Score</b> – Requires a minimum of 75 points	/100pts
<b>Reviewer’s Name:</b>	(902) 490 -