

DATE OF MEETING SEPTEMBER 25, 2024

AUTHORED BY JAIME-BRETT SINE, RECREATION CO-ORDINATOR, CULTURAL SERVICES

SUBJECT CULTURE & EVENT GRANTS – PROCESSES REVIEW AND RECOMMENDATIONS

OVERVIEW

Purpose of Report

To provide Council with an update regarding the review of the Culture grant programs and processes, and recommend Council add a decision point for Council consideration to the 2025 budget deliberations.

Recommendation

That the Finance & Audit Committee recommend that Council add a decision point for Council consideration to the 2025 budget deliberations for:

- a) 10% annual increase for five years (2025 – 2029) in Project Grant funding; and
- b) \$0.25 per capita annual increase for three years (2025 – 2027) in Operating Grant funding.

BACKGROUND

At the 2014-MAR-20 Council meeting, Council approved an increase to Operating Grant funding from \$2.30 to \$3 per capita over a period of three years, and an increase to Project Grant funding by 10% annually for five (5) years from 2015 until 2019. In 2024, the Project Grant budget is \$44,407 and has remained unchanged since 2019. The Operating Grant budget in 2024 is \$322,020, an amount based on \$3 per capita. The funding per capita has remained unchanged since 2017.

At the 2020-OCT-05 Governance and Priorities Committee meeting the Committee directed Council to endorse a review of the three grant funding programs administered by Culture & Events (Operating Grants, Project Grants, and Downtown Event Revitalization Grants) supporting arts and culture organizations, including research on best practices and dialogue with community stakeholders, and return with recommendations to improve and evolve processes to continue to meet the needs of the Nanaimo cultural community.

Culture and Special Events staff began the review in 2023, expanding its scope to include additional grant streams within the department of Parks, Recreation & Culture (PRC) in an effort to more effectively streamline processes across grant programs and ensure better consistency and inter-departmental communication. The intent of the review was to bring the programs in greater alignment with the City Plan, to achieve better clarity, transparency, accountability and effectiveness of programs, to raise the capacity for impact of the programs, and to improve the ability of the City to demonstrate the impact of its support through grants programs and overall value of the City's investment to the public.

The last comprehensive review of Culture funding was undertaken in 2014, shortly after the approval of A Cultural Plan for a Creative Nanaimo 2014-2020 and in conjunction with the creation of a Culture & Heritage department. At that time, the City engaged a consultant who brought expertise on public sector arts funding to the project. The report, which included examination of municipal funding for arts and culture in other jurisdictions within British Columbia, made a number of detailed recommendations on program design and process. Many of the recommendations were adopted and implemented, including: implementing a weighted point system for assessment criteria in each funding program and using the priority ranking to determine funding decreases and increases; focusing operating support on organizations with year-long public programming; reinforcing application process requirements including the ineligibility of incomplete applications and/or applicants with unapproved or outstanding final reports.

DISCUSSION

Staff conducted a thorough review of PRC grant streams in 2023/24 including research on best practices related to municipal funding in culture, comparative analysis of municipal funding across British Columbia, and dialogue with community partners and grant recipients. The review examined but was not limited to topics such as how other public funders have shifted their models to address issues of equity, accessibility and diversity, reporting requirements, peer-assessment processes, and appropriate levels of funding. Conclusions from this analysis included identifying a trend by municipalities towards peer-to-peer assessment in the grants allocations process, observing a variety of online models and tools being employed by organizations to manage grant programs, and recognizing the inadequacy of funding allocated to our Culture Operating and Project grants when compared to similar municipalities and grant programs.

A dialogue with community partners supported by the City's Culture & Events grant programs was also sought in an effort to evolve processes in ways that continue to meet the needs of the Nanaimo cultural community. A survey (Attachment A) seeking feedback on cultural grants asked community partners if they considered funding adequate/ if it met their organizations' needs, if they felt the application and assessment process was transparent/ fair, if they had experienced challenges and/or barriers in the application process, what they felt were the strengths of the grant programs and processes, and if they had other feedback they would like to provide. 16 organizations responded, supplying valuable feedback. Respondents reported being satisfied with the grants application process and staff support, with additional comments asking to keep processes the same or suggesting minor changes. The majority of organizations receiving Culture & Events grants reported that while grateful for the support, they do not feel funding is adequate, citing rising operational costs. One such response notes, "This funding was vital to our organization, but given the significant downturn in audiences post COVID, none of our funding partners are meeting our current needs," and another, "Operating funding is not yet adequate, although our organization is very grateful to receive it."

Operating and Project grants have seen increasing annual shortfall with funding requests greatly exceeding funds available. In 2024, Operating Grants funded 21 organizations and recorded a shortfall of \$108,686 (requests vs. funds available). Project Grants funded 15 organizations and recorded a shortfall of \$34,916 (requests vs. funds available) (Attachment B). Both grant streams are oversubscribed and due to the enormity of demand, almost all applicants saw a reduction in funding, greatly impacting operational and programming functions, as reported in community partner feedback. Staff noted that as the annual demand on these

grant streams continues to increase, the allocation of funds is not an accurate representation of the strength of an application, nor the value of an organization or their services/programming, but a reflection of disproportionate demand.

Culture Operating and Project grants are essential in supporting the activities of the professional arts, culture and heritage organizations that play a significant role in contributing to the cultural profile and economic vitality of Nanaimo (Nanaimo Integrated Action Plan: C4.5.9). Financial support of these organizations aligns with strategic priorities related to a Healthy Nanaimo, an Empowered Nanaimo, and a Prosperous Nanaimo (City Plan: Nanaimo Reimagined). Each year, the demand for both the Operating and Project grant streams greatly exceeds funding available, reflecting a thriving cultural community and increasing financial need. Based on comparative analysis and research, including feedback from community partners, current funds available through Operating and Project grant streams are inadequate. Having remained unchanged for 4+ years and when comparatively reviewed within a broader scope of similar BC municipalities and grant programs, Operating and Project grant streams are underfunded, resulting in rising annual shortfalls that Nanaimo’s arts and culture organizations have reported negatively impacts programming and operations. There is desire for continued success and growth of the cultural community which is reflected through the City’s commitment to the cultural, social and economic vitality of Nanaimo.

FINANCIAL CONSIDERATIONS

The first table below shows the funding for the two grant streams in the 2025 – 2029 Draft Financial based on the current funding strategy. The second table shows the revised 2025 – 2029 Provisional Financial Plan if the recommendation is approved. The recommendation would increase the per capita operating grant from \$3.00 in 2024 to \$3.75 by 2027. Any increase in funding levels would be funded from property taxation.

2025 - 2029 Draft Financial Plan - Current

	2025	2026	2027	2028	2029
Operating Grants	\$ 336,849	\$ 343,023	\$ 349,311	\$ 355,713	\$ 362,232
Project Grants	\$ 44,407	\$ 44,407	\$ 44,407	\$ 44,407	\$ 44,407
	\$ 381,256	\$ 387,430	\$ 393,718	\$ 400,120	\$ 406,639

2025 -2029 Provisional Financial Plan - Proposed

	2025	2026	2027	2028	2029
Operating Grants	\$ 364,920	\$ 400,194	\$ 436,639	\$ 444,641	\$ 452,790
Project Grants	\$ 48,848	\$ 53,733	\$ 59,106	\$ 65,017	\$ 71,519
	\$ 413,768	\$ 453,927	\$ 495,745	\$ 509,658	\$ 524,309

Proposed Increase \$ 32,512 \$ 66,497 \$ 102,027 \$ 109,538 \$ 117,670

OPTIONS

1. That the Finance & Audit Committee recommend that Council add a decision point for Council Consideration to the 2025 budget deliberations for:
 - a) 10% annual increase for five years (2025 – 2029) in Project Grant funding; and

- b) \$0.25 per capita annual increase for three years (2025 – 2027) in Operating Grant funding.
 - The advantages of this option are that an increase in Project and Operating grant funding would bring culture grants into closer alignment with municipal standards. An increase in funding aligns with the goals of *City Plan: Nanaimo Reimagined* with strategic priorities related to a Healthy Nanaimo, an Empowered Nanaimo, and a Prosperous Nanaimo.
 - The disadvantage of this option: None
 - Financial Implications: The proposed increase would be funded from property taxation.

2. That the Finance & Audit Committee recommend that Council add a decision point for Council Consideration to the 2025 budget deliberations for:
 - a) a one-time 10% increase in Project Grant funding; and
 - b) a one-time \$0.50 per capita in Operating Grant funding.
 - The advantages of this option are that an increase in Project and Operating grant funding brings culture grants into closer alignment with municipal standards. An increase in funding aligns with the goals of *City Plan: Nanaimo Reimagined* with strategic priorities related to a Healthy Nanaimo, an Empowered Nanaimo, and a Prosperous Nanaimo.
 - The disadvantages of this option are that due to annual growth in demand and increasing financial need, a one-time funding increase is a short-term solution and the same inadequacy in funding will arise in future years. A short-term funding increase does not support organizations long-term growth or sustainability.
 - Financial Implications: The proposed increase would be funded from property taxation.

3. That the Finance & Audit Committee recommend that Council not add a decision point for Council Consideration to the 2025 budget deliberations for:
 - a) 10% annual increase for five years (2025 – 2029) in Project Grant funding; and
 - b) \$0.25 per capita annual increase for three years (2025 – 2027) in Operating Grant funding
 - The advantage of this option is that there would be no increase to property taxes beyond planned increases.
 - The disadvantages of this option are that the operations and programming of organizations will be negatively impacted by inadequate funding. The current level of funding does not support cultural growth or sustainability.
 - Financial Implications are dependent on the committee's recommendation.

4. That the Finance & Audit Committee recommend that Council provide alternate funding recommendations.
 - The advantages of this option are that the Finance and Audit Committee come up with an alternate solution to support Culture Project and Operating Grant funding.
 - The disadvantages of this option is that it would result in a delay in grant allocation processes and impact organizations' operations, projects and events in 2025, as well as their ability to serve the community.
 - Financial Implications are the resulting impact on individual organizations and the services they provide to the community.

SUMMARY POINTS

- In 2024, the Project Grant budget is \$44,407 and has remained unchanged since 2019. The Operating Grant budget in 2024 is \$322,020, an amount based on \$3 per capita, which has remained unchanged since 2017.
- In 2024, Operating Grants funded 21 organizations and recorded a shortfall of \$108,686 (requests vs. funds available). Project Grants funded 15 organizations and recorded a shortfall of \$34,916 (requests vs. funds available).
- Staff conducted a thorough review of PRC grant streams in 2023/24 including research on best practices related to municipal funding in culture, comparative analysis of municipal funding across British Columbia, and dialogue with community partners and grant recipients.
- Based on comparative analysis and research, including feedback from community partners, current funds available through Operating and Project grant streams are inadequate. Having remained unchanged for 4+ years and when comparatively reviewed within a broader scope of similar BC municipalities and grant programs, Operating and Project grant streams are underfunded, resulting in rising annual shortfalls that Nanaimo's arts and culture organizations have reported negatively impacts programming and operations.

ATTACHMENTS:

- ATTACHMENT A:** Grant Review Survey Questions
ATTACHMENT B: 2024 Culture & Events Grant Recipients |

Submitted by:

Jaime-Brett Sine,
Recreation Co-ordinator, Cultural Services

Adrienne Mercer Breen
Manager, Culture & Special Events

Concurrence by:

Darcie Osborne
Director, Recreation & Culture

Wendy Fulla
Director, Finance

Laura Mercer
General Manager, Corporate Services

Richard Harding
General Manager Community Services &
Deputy CAO

Dale Lindsay
CAO

**ATTACHMENT A
CULTURE AND EVENT GRANT
PROCESSES REVIEW AND RECOMMENDATIONS**

Grant Review – Survey questions

General

1. Have you received grant funding from the City of Nanaimo?
 - Applied & received
 - Applied & denied
 - Not applied at all

(Note: You may use the space provided to indicate changes in receipt of grant funds and/ or applications based on year)

2. If you've received funding, please list the type of grant(s) received (Note: You may list grants received over the course of years applying):

3. Was the funding adequate/ did it meet your needs?
 - Please elaborate (i.e. if funding is not adequate, what have been the consequences):

Application Process

1. Do you feel the application and assessment process is transparent/ fair?
 - Please elaborate:

2. Have you experienced challenges/ barriers in the application process? (Please explain)

3. What do you like about the application process/ what would you keep the same? (Answer only if applicable)

Other Feedback (*i.e. gaps in available funding; other experiences with other municipalities; changes you'd like to see/ recommendations*)

**ATTACHMENT B
CULTURE AND EVENT GRANT PROCESSES REVIEW AND RECOMMENDATIONS**

**2024 CITY OF NANAIMO GRANT RECIPIENTS
(CULTURE OPERATING and PROJECT)**

GROUP NAME	TYPE	AMOUNT	DETAIL
8758999 Canada Society dba Artists' Collective Theatre (ACT Theatre)	Operating	\$9,000.00	Operating Funds
A Cappella Plus Choral Society	Operating – 1YR	\$2,000.00	Operating Funds
Crimson Coast Dance Society	Operating – 3YR	\$30,732.00	Operating Funds
	Project	\$4,000.00	DanceABLE
Island Bel Canto Singers Society	Operating – 1YR	\$2,538.00	Operating Funds
L'Association des francophones de Nanaimo	Operating – 1YR	\$9,500.00	Operating Funds
Literacy Central Vancouver Island	Project	\$640.66	Local Author's Evening Workshops
Loyal Nanaimo Bathtub Society	Operating – 1YR	\$5,000.00	Operating Funds
Malaspina Choir Society	Operating – 1YR	\$3,000.00	Operating Funds
Mid Island Community Bands Society	Operating – 1YR	\$1,250.00	Operating Funds
Mid Island Metis Nation Association	Operating – 1YR	\$9,500.00	Operating Funds
Nanaimo African Heritage Society	Operating – 1YR	\$8,000.00	Operating Funds
	Project	\$6,000.00	Black History Month & Children's Event
Nanaimo Arts Council	Operating – 1YR	\$15,000.00	Operating Funds
Nanaimo Ballroom Dance Society	Project	\$6,000.00	Island Fantasy Ball Showcase and Competition
Nanaimo Chamber Orchestra	Project	\$2,300.00	Orchestra Program Season
Nanaimo Chapter of the SPEBSQSA (Tidesmen)	Operating – 1YR	\$3,000.00	Operating Funds
Nanaimo Concert Band Society	Operating – 1YR	\$2,000.00	Operating Funds
Nanaimo Conservatory of Music	Operating – 3YR	\$20,000.00	Operating Funds
	Project	\$1,800.00	Island Notes Chamber Music Festival
Nanaimo Festival Heritage Theatre Society (TheatreOne)	Operating – 3YR	\$49,000.00	Operating Funds
Nanaimo Fiddle Society	Operating – 1YR	\$7,500.00	Operating Funds
	Project	\$3,000.00	West Coast Youth Fiddle Summit
Nanaimo International Jazz Festival Association	Operating – 1YR	\$8,000.00	Operating Funds
Nanaimo Sings! Choral Festival Society	Project	\$1,500.00	Singing With Your Ears
Nanaimo Ukulele Festival Society	Project	\$1,000.00	Nanaimo Ukulele Festival
One in Spirit Healing Arts Society	Project	\$1,864.34	Multicultural Festival
Pacific Coast Stage Company	Operating – 3YR	\$16,500.00	Operating Funds
	Project	\$3,000.00	The Flame Youth Storytelling Event
Reconciliation Theatre	Project	\$2,537.00	Writers Workshop
Vancouver Island Short Film Festival Society	Operating – 1YR	\$5,500.00	Operating Funds
	Project	\$1,265.00	Youth Showcase
Vancouver Island Symphony	Operating – 3YR	\$100,000.00	Operating Funds
Western Edge Theatre	Operating – 3YR	\$20,000.00	Operating Funds
	Project	\$3,000.00	New Waves Festival
Wordstorm Society of the Arts	Project	\$1,500.00	Resource Development



1



2




Culture & Events Grants

- Operating – 1 year and 3 year - **\$322,020**
- Project - **\$44,407**
- Downtown Event Revitalization Fund - **\$250,000**
(In December 2023, Council added an additional \$100,000 to the 2024 provisional budget for DERF increasing the funding available from \$150,000 to \$250,000)

Funding Requests in 2024:

- Total: **\$823,853**
- Shortfall: **\$207,426**

3

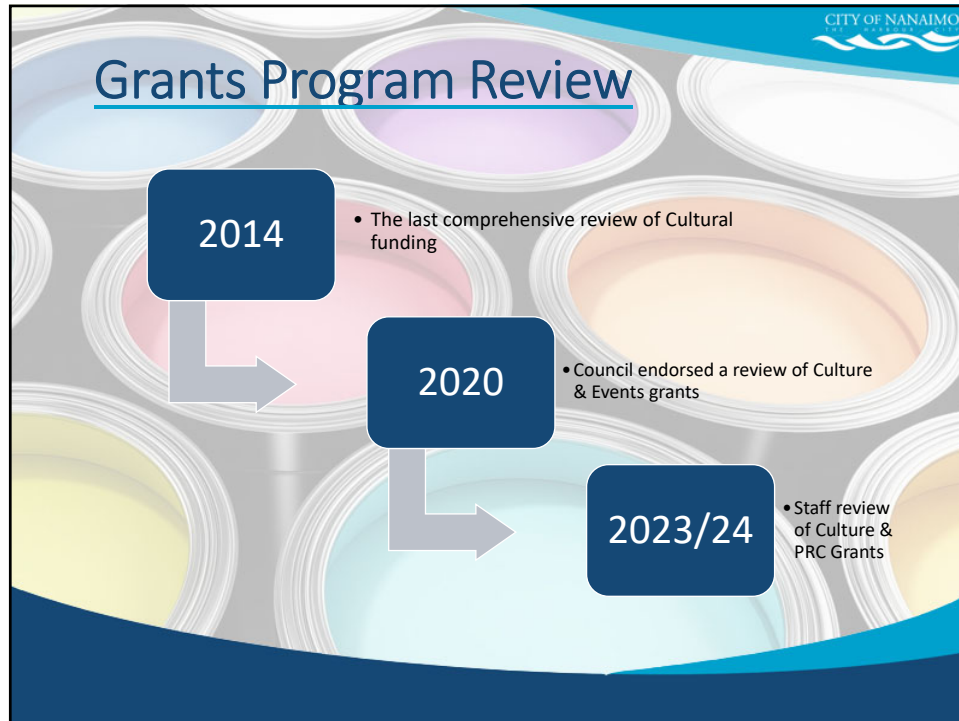


Last Funding Increase

In 2014, **Operating Grant** funding was increased from \$2.30 to \$3.00 per capita over a period of 3 years.

In 2014, **Project Grant** funding was increased by 10% annually for 5 years from 2015 – 2019.

4



5

CITY OF NANAIMO
THE HARBOR LIGHTS

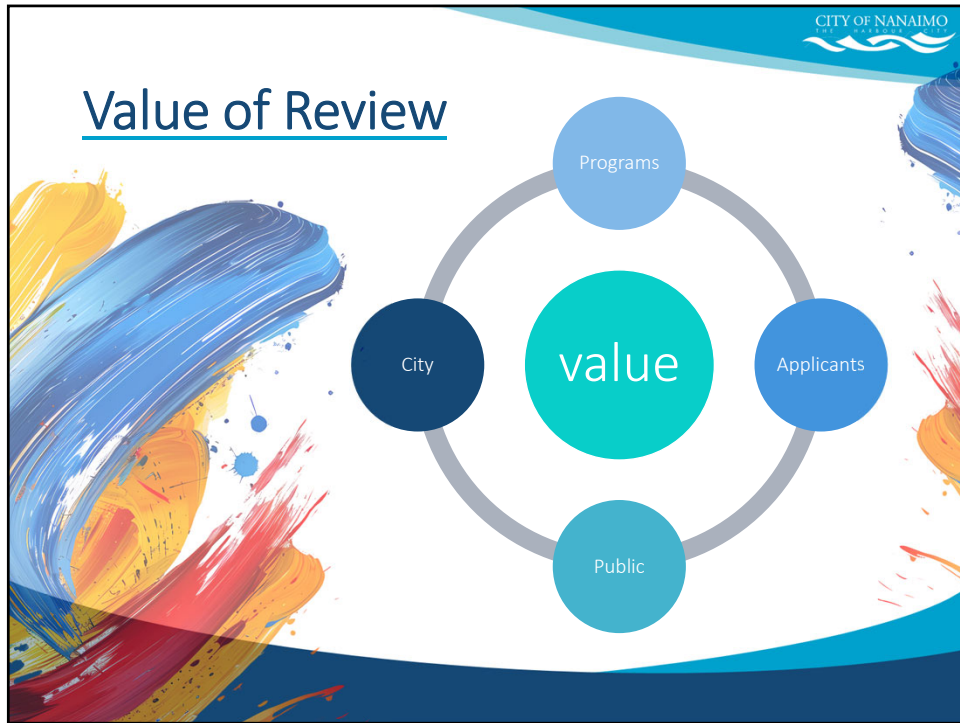
Grant Program Review

An in-depth grant program review by Staff looked closely at the following issues:

- Equity, accessibility and diversity
- Appropriate levels of funding
- Online systems for applications
- Eligibility and reporting requirements, assessment criteria and budget requirements
- Allocations involving peer-assessment
- Identifying and reducing barriers



6



7

The slide, titled "Completed", features a blue stamp with the word "COMPLETED" in white, tilted at an angle. Below the title is a bulleted list of five items. At the bottom of the slide is a row of ten hand-drawn checkmarks in various styles and orientations. The City of Nanaimo logo is in the top right corner.

Completed

- Standardization of program templates
- Formalize processes, such as: appeals process, reports process, incomplete applications, and so on
- Improve interdepartmental communication and consistency among grants
- Dialogue with community partners
- Provide an online submission option for all grants

8

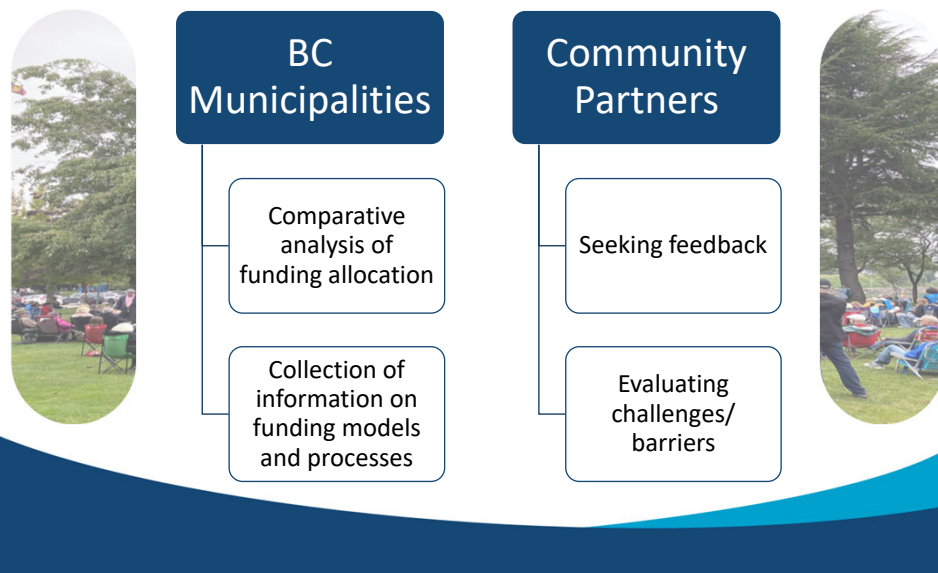
Ongoing

- Continued research into online grant platforms
- Establish a marketing/ communications strategy for PRC grants
- Transition grant assessment process to reflect feedback gathered on peer-to-peer evaluation
- Apply standardized templates to all PRC grants

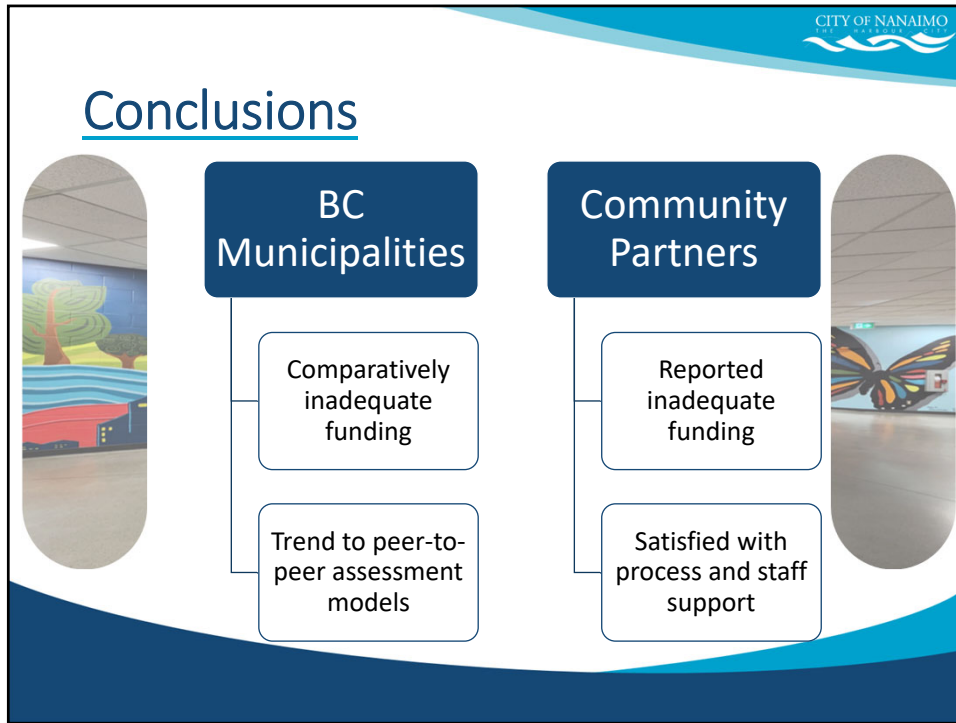


9

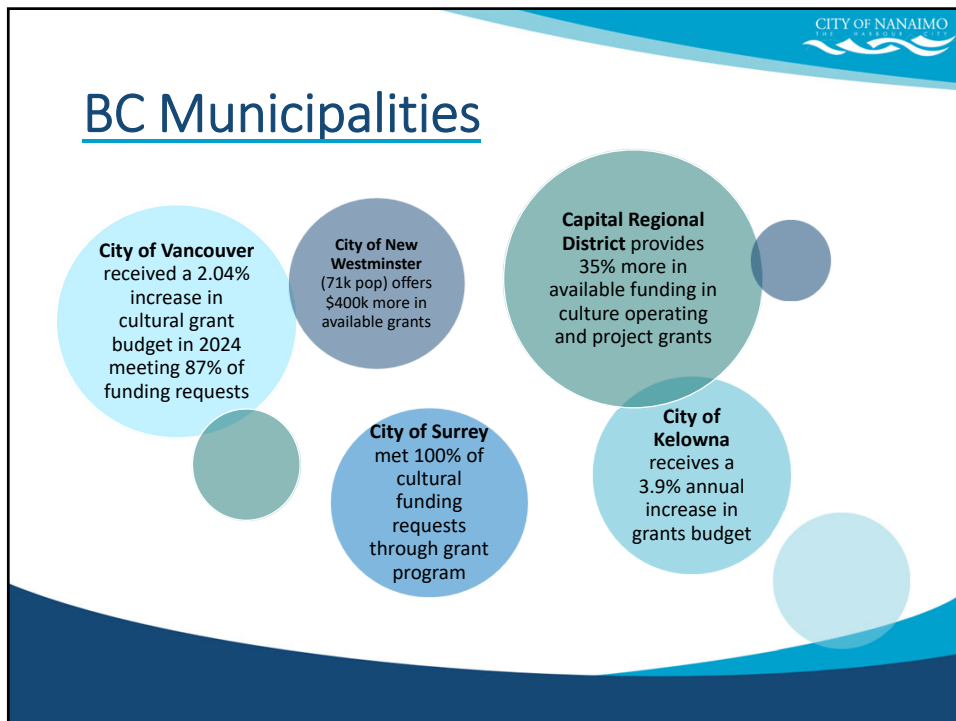
Method



10



11



12

CITY OF NANAIMO
THE GASTRO-CITY

Community Partners

*“Operating funding is **not yet adequate**, although our organization is very grateful to receive it.”*

*“It was **not adequate**, but it did help us to cover our costs. Better than a smack in the belly with a wet fish.”*

“The funds were less than our programs need to operate so the board has been considering reducing programming.”

*“...a **higher level of funding** would ease things and be appreciated.”*

“This funding was vital to our organization, but given the significant downturn in audiences post COVID, none of our funding partners are meeting our current needs.”

*“Funding for operation has seen a dramatic cut and **doesn’t meet the needs** of the Association anymore.”*

13

CITY OF NANAIMO
THE GASTRO-CITY

Understanding Impact

96% of Canadians view arts, culture, and heritage organizations as essential spaces.

Arts and culture are vital to Nanaimo’s identity, quality of life, economic prosperity, social cohesion, and sustainability. Our cultural landscape gives our city life, defining us as a community – making our city unique, distinctive, and vibrant.

Greater Investment in Arts, Culture, and Heritage Creates More Jobs

BRITISH COLUMBIA ARTS CULTURE HERITAGE COALITION

26 %

BC is the national leader in creating new culture sector jobs, growing 26% faster than the national average

Source: Hill Strategies, 2023


\$8.6 billion

BC’s cultural economy totalled \$8.6 billion in 2021. This means BC’s arts, culture, and heritage sector is bigger than the Forestry sector and also bigger than the Hotel sector.

Culture is recognized as a significant contributor to the city’s quality of life, and residents of all ages, abilities, and backgrounds can participate, express themselves, and find belonging.

City Plan C4.5

14



Cultural Ecology

The cultural sector attracts talent across all industries, and contributes to some of the fastest growing parts of the economy.


Workers in the arts, culture, and heritage compared with other industries, Canada, May 2021

Retail trade	2,149,600
Accommodation and food services	1,085,300
Transportation and warehousing	981,000
Culture	834,900
Hospitals	781,200
Wholesale trade	610,300
Farms	339,200
Real estate	304,100

- BC's cultural economy totaled \$8.6 billion in 2021.
- One in every five Canadian artists (20%) resides in B.C.
- With 154,800 culture workers, B.C. has the highest proportion of culture workers in Canada.
- There were 115,964 culture jobs in British Columbia in 2021.

Note: The statistics represent the occupations in which individuals worked the most hours in early May, 2021. Sources: Statistics Canada, Table 98-10-0449-01, Occupation unit group by labour force status, highest level of education, age and gender; and Table 98-10-0448-01, Industry groups by class of worker including job permanency, labour force status, age and gender.

15



... and Cultural Economy

The cultural sector is critical to economic prosperity. Research on art & culture's economic impact in Canada and BC revealed that cultural economic production outperforms many other industries.

Since 2017, the BC Government has made significant investments in the cultural sector and now BC is the national leader in creating new culture sector jobs, growing 26% faster than the national average.

\$5.8B	\$6.3B	\$7.9B	\$8B	\$8.2B
AGRICULTURE, FISHING, FORESTRY & HUNTING	UTILITIES	CULTURE	ACCOMODATION & FOOD	MINING, OIL & GAS

Music Industry

\$690M	7,945	6,595
DIRECT ECONOMIC IMPACT	DIRECT MUSIC JOBS	INDIRECT JOBS

Data: Hills Strategies 2019

16

Key Recommendations

Add a decision point for Council Consideration to the 2025 budget deliberations for:

- 10% annual increase for 5 years (2025 – 2029) in Project grant funding
- a \$0.25-per capita annual increase for 3 years (2025 – 2027) in Operating grant funding

Recognizes arts and culture are vital to Nanaimo’s identity, quality of life, economic prosperity, social cohesion, and sustainability.

Brings Culture grant funding into closer alignment with municipal standards

Provides arts and culture organizations with funding that better supports organizational goals

17

Questions?



18