



Report to: General Committee

Date Report Authored: March 4, 2016

SUBJECT:	Markham Arts Council Celebrate Markham Grant Allocation
PREPARED BY:	Moe Hosseini-Ara, Director, Culture

RECOMMENDATIONS:

- 1) THAT the report titled, "Markham Arts Council Celebrate Markham Grant Allocation" be received;
- 2) THAT Markham Arts Council (MAC) be approved for a net amount of \$23,400 (Celebrate Markham grant of \$30,000 less 2016 loan repayment of \$6,600);
- 3) THAT in future years, should MAC receive a Celebrate Markham grant, the loan repayment of \$6,600 will be deducted from the grant amount;
- 4) THAT as a part of their annual Celebrate Markham funding request, Markham Arts Council provide an annual report to Council including audited financials, annual business plan, marketing plan and key projects and initiatives demonstrating clear alignment and connections with City of Markham's strategic initiatives, including the City's Culture Plan;
- 5) THAT approval of funding for Markham Arts Council be contingent on regular annual repayment of their loan to the City of Markham;
- 6) THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to provide Council with further information and background as to the status of Markham Arts Council's strategic plan and progress to date and seek approval for Celebrate Markham Funding for the Markham Arts Council.

BACKGROUND:

At the June 9, 2014 General Committee meeting, Markham Arts Council made a presentation to Council requesting financial assistance in the amount of \$70,000 for the remainder of 2014 along with a request for an annual operating grant in the amount of \$150,000 per year and a deferral of their \$66,000 loan repayment for 2015-2018. Council approved the advancement of the 2015 Celebrate Markham grant of \$19,000 and additional financial assistance of \$5,000. Council requested staff to review the request and report back with recommendations. Staff reported back in September 2014 recommending that the request for funding for both the \$70,000 in 2014 and \$150,000 as annual operating grant be declined and that instead MAC be requested to complete a strategic planning exercise to develop clear strategic imperatives and outcomes for the next 3-5 years. Council amended the recommendation, deleting the staff recommendation not to provide funding and instead proposed a new recommendation to provide

funding to MAC in the amount of \$15,000 per quarter beginning in 2015 and until staff report back on the outcome of MAC's strategic planning exercise.

Historically, MAC had been provided annual funding in the amount of \$19,000 as a part of the Celebrate Markham Grant Program. In early 2015, the City undertook a review of the Celebrate Markham Grant Program. Since Council had advanced the 2015 Celebrate Markham grant in 2014 and approved quarterly funding for MAC, no further Celebrate Markham funding was provided to MAC in 2015, though MAC received a total of \$60,000 in 2015 as a result of the quarterly funding.

At the June 15, 2015 General Committee meeting, Council received a presentation and report from staff entitled *"The City of Markham's Celebrate Markham Grant Program Review"*. The report provided an update on the status of the Celebrate Markham program review and contemplated the funding for the program. At that same meeting, Markham Arts Council Board Chair, Jane Milrose provided a presentation entitled *"Markham Arts Council Arts and Culture Live Here – Progress Report June 2015"* (Appendix A). The presentation provided an update on the progress of Markham Arts Council and an overview of their strategic planning exercise. At that meeting Council requested that MAC funding be determined as a part of the Celebrate Markham Grant program and that staff bring back a recommendation as a part of the final Celebrate Markham Grant Program approval. Council also requested to see a copy of the Markham Arts Council's strategic plan document. A copy has been appended to this report (Appendix B).

As a part of the approval of the Celebrate Markham Grant Program in October 2015, Council requested that *"decisions regarding funding for the Markham Arts Council be brought forward as a part of a separate report to Council"* and that a separate application process be implemented and completed by MAC as a part of their Celebrate Markham funding request. MAC has since submitted their application along with the requested background information. MAC is proposing funding in the amount of either \$60,000 or \$30,000 with reduced scope with respect to their activities and programming. Staff have reviewed MAC's application and request and is recommending funding in the amount of \$30,000, minus the annual loan repayment amount of \$6,600 for total funding in the amount of \$23,400 in 2016.

OPTIONS/ DISCUSSION:

Markham Arts Council completed their strategic planning exercise in December 2014. The outcome is a document which provides a roadmap for MAC, including a revised vision, mission and key strategic imperatives and priorities for the organization over the next 5 years.

The revised Vision for Markham Arts Council is as follows:

"Markham Arts Council is a hub for creative excellence with a stellar reputation for high quality art initiatives. All forms of art and artists are welcome and included under the MAC umbrella, which provides exceptional knowledge, expertise, opportunities and recognition for its artistic community."

Through diverse forms of community engagement and rewarding partnerships (with the City of Markham, businesses, schools, artists and art organizations) MAC's committed and engaged Board ensures a financially sustainable organization to serve the community and encourage a new generation of artists who will keep art alive, vital and prosperous in Markham."

As a result of their strategic planning exercise, and in order to achieve their vision, the Markham Arts Council has also developed a renewed approach to their operations and as such has adopted the following strategic imperatives:

- *A financial sustainability plan & action to have a broad base of annual revenues*
- *A governance plan to define board & staff roles, responsibilities, decision making process, & transparency*
- *A marketing plan to define who MAC serves specifically, what MAC does for those it serves, etc.*
- *An annual service/program work plan to inform/engage artists, arts & culture organizations, & partners*
- *A City-MAC partnership-building strategy*
- *LaVaLab Year 2 & 3 implementation plan*

Furthermore, Markham Arts Council has made some significant strides over the past year and is moving in a positive direction. Those changes are outlined below:

- **Staffing** – In April 2015 MAC made changes to its staffing structure, eliminating a costly position and substantially reducing its staffing and office costs. This has allowed MAC to reduce its funding requirements. Coverage for the office and administrative work has been covered by using co-op students from the local college.
- **Board and Board Governance** – MAC has expanded its board with the addition of numerous new board members bringing a diversity of required competencies and expanding its reach into the community. The new, more diverse board is well suited and focused to meet the outcomes as laid out in the strategic plan. The Board has also made improvements to its governance and has restructured with committees leading various initiatives to achieve outcomes and success.
- **Financial Sustainability** – MAC has been actively seeking new funding opportunities, developing new funding initiatives and re-establishing previous funding sources. MAC was successful in acquiring funding from Ontario Arts Council and launched its first fundraising gala “*An Affair with the Arts*” which took place on November 20, 2015. The gala was very well attended and hugely successful raising over \$20,000 in revenues.
- **Re-establishing Partnerships** – MAC partnered with Markham Public Library to host the International Festival of Authors in Markham. MAC also worked with the Culture Department to offer “Funder’s Forum” a program to educate community groups and organization about various government funding opportunities.
- In August 2015, MAC made the second of 10 loan payments (2015 installment) to the City in the amount of \$6,600 and following their successful gala made a third payment in order to payback the 2014 loan payment that was deferred by Council. MAC is now up to date with their loan payments and plans to continue repaying their loan on an annual basis. The balance outstanding is \$46,200.

Over the past year MAC has made substantial improvements, including rightsizing their budget, organizational re-structuring (both board and staff) and development of a new strategic direction which includes alignment with the City’s Culture plan. As a result, and after reviewing and evaluating MAC’s Celebrate Markham application (Appendix C), it has been determined that Celebrate Markham funding

in the amount of \$23,400 (\$30,000 minus \$6,600 for repayment of their interest-free loan) would help MAC to continue with their current programming while allowing them to continue to implement their strategic plan. As mentioned above, historically, MAC had been given \$19,000 in Celebrate Markham funding with little understanding of the value MAC provided the City and the community. As a result of their strategic planning activities and more coordinated efforts, there is now a focused approach in the programs and services they are offering, and a clearer understanding of the value they bring to the community. Based on the program activity report in their Celebrate Markham Application, staff feel that the \$23,400 in funding is providing good value for the investment. MAC is leveraging the funding for activities in support of the outcomes in the Culture Plan and for the Culture Department. With their renewed efforts, MAC will be able to foster additional partnerships, executing activities which will result in greater impact within the arts community which exceeds the value of the grant being provided. A detailed list of the activities, including benefits and outcomes can be found in their Celebrate Markham Application (pages 15-17 of the application (Appendix C)). In 2016 and going forward, MAC is also expanding their activities to provide outreach to schools, seniors and newcomers to ensure that artists from all generations and background are being supported.

The recommendation from staff is to approve the 2016 Celebrate Markham Grant in the amount of \$23,400 (\$30,000 minus \$6,600 for repayment of their interest-free loan). Going forward, in order for MAC to qualify for ongoing funding they must meet the following criteria:

- Continue to make annual payments in the amount of \$6,600 to pay off the loan provided to MAC by the City of Markham
- Provide an annual presentation and report to Council which includes key performance indicators, audited financial reports, an annual business plan along with updates and information on key projects and initiatives demonstrating clear alignment and connections with City of Markham's strategic initiatives and the benefits to the community

CONCLUSIONS:

Markham Arts Council has undergone a transformation following their strategic planning process. MAC has also been working hard to implement changes and improvements in many areas. The changes in staff, board and governance have all positioned MAC for success. Based on the changes to date, staff recommend approval of their Celebrate Markham funding.

FINANCIAL CONSIDERATIONS:

In 2012, Council approved a 10-year interest free loan of \$66,000 to MAC, repayable in ten equal payments of \$6,600 commencing November 1, 2013. The loan balance is currently at \$46,200.

Staff recommends providing MAC amount of \$23,400 (Celebrate Markham grant of \$30,000 less 2016 loan repayment of \$6,600).

Celebrate Markham Grant	\$30,000
Less: Loan repayment	<u>(6,600)</u>
Net payment	<u>\$23,400</u>

The outstanding loan balance will be \$39,600 (\$46,200-\$6,600) following the 2016 loan repayment.

In future years, should MAC receive a Celebrate Markham grant, the loan repayment of \$6,600 will be deducted from the grant amount. Conversely, should MAC not receive a Celebrate Markham grant, MAC will be required to provide the annual loan payment of \$6,600 in November of the calendar year until the loan is fully repaid.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

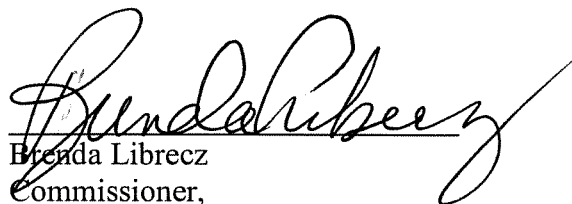
ALIGNMENT WITH STRATEGIC PRIORITIES:

Aligns with outcomes as outlined in the Culture Plan and those of the Celebrate Markham Grant Program. Also aligns with strategic focus for community engagement to promote meaningful involvement and participation of residents, businesses and organizations that result in improved citizen engagement.

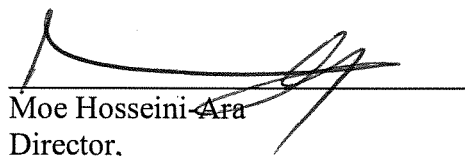
BUSINESS UNITS CONSULTED AND AFFECTED:

Corporate Communication and Community Engagement, Recreation and Finance Departments, Legal Departments and Clerks Department.

RECOMMENDED BY:



Brenda Librecz
Commissioner,
Community & Fire Services



Moe Hosseini-Ara
Director,
Culture

ATTACHMENTS:

Appendix A – Markham Arts Council Progress Report June 2015

Appendix B – Markham Arts Council Strategic Plan

Appendix C – Markham Arts Council Celebrate Markham Application