
HALDIMAND COUNTY

Report CDP-02-2020 Major Festival and Event Enhancement Grant Program – Update on Pilot Program and Proposed Changes



For Consideration by Council in Committee on March 3, 2020

OBJECTIVE:

To provide an overview of the outcomes of the Major Festival and Event Enhancement Grant Program (MFEEGP), which has been piloted for the past five years, including recommendations to amend the program.

RECOMMENDATIONS:

1. THAT Report CDP-02-2020 Major Festival and Event Enhancement Grant Program (MFEEGP) – Update on Pilot Program and Proposed Changes be received;
2. AND THAT the amendment of the Major Festival and Event Enhancement Grant Program to a Festival and Event Operating Grant, based on outcomes and evaluation of the pilot program as well as feedback from the event organizers, be approved;
3. AND THAT Policy 2015-02 Festival and Event Policy be amended as outlined in Attachment 1 to Report CDP-02-2020;
4. AND THAT the proposed criteria and process for application to the Festival and Event Operating Grant funding be approved;
5. AND THAT authority to amend, as required, the proposed Festival and Event Operating Grant and Policy 2015-02, be delegated to the General Manager of Community & Development Services;
6. AND THAT the proposed decreased budget of \$50,000 for the new Festival and Event Operating Grant, in keeping with Council-directed mitigation measures for 2020 budget planning, be included as a Council Approved Initiative in the 2020 Tax Supported Operating Budget.

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Reviewed by: Katrina Schmitz, Manager, Community Development & Partnerships

Respectfully submitted: Mike Evers, MCIP, RPP, BES, General Manager of Community & Development Services

Approved: Craig Manley, MCIP, RPP, Chief Administrative Officer

EXECUTIVE SUMMARY:

For many years, Haldimand County has supported festivals and events taking place on municipal property through a Special Event process. In 2014, Haldimand County Council provided the first financial grants to festival and event organizers/sponsor organizations, and further directed staff to create a more structured program.

The Major Festival and Event Enhancement Grant Program (MFEEGP) was presented to and approved by Council in 2015, introducing a formalized process to fund major festivals and events. Council asked

that the new program be piloted for five years, following which staff were to bring forward a report reviewing whether or not objectives were met.

Staff met with event organizers in early 2020 to review successes and challenges of the pilot program. Based on this feedback—as well as consultation with other County staff, Community Development & Partnerships (CDP) staff recommend the following amendments to the MFEEGP:

- The creation of a new Festival and Event Operating Grant to replace the MFEEGP with less focus on annual enhancements and more on capacity-building;
- In an effort to provide greater equity, accuracy and the ability to fund smaller, emerging events, change the funding model to a 10% grant based on the actual eligible operating budget of an event; and,
- Events will still be required to meet all criteria of the original MFEEGP, with the exception of the \$10,000 minimum budget to qualify for consideration.

This more modest financial grant is supported by community event organizers; as well, the County will continue providing in-kind support to all festivals and events approved through the Special Event process. If these amendments are approved by Council, staff recommend revising the current Festival & Event Policy (2015-02), Attachment 1, to reflect the changes.

BACKGROUND:

Haldimand County has long provided support to festivals and events approved through its Special Event process, including ‘in-kind’ and ‘logistical’ support such as free use of municipal property, free use of the County event trailer, special property maintenance requests, building permits and administrative approvals, street sweeping, installation of banner request, provision of picnic tables, garbage cans, road barricades and other supplies, etc.

In 2014, Haldimand County Council provided the first grants to support events, festivals and celebrations, recognizing their importance in meeting the County’s corporate objectives and creating community vibrancy and tourism opportunities. Further, staff were asked to prepare a report—using the funding principles associated with the Community Vibrancy Fund (CVF)—for a Major Festival Enhancement Grant program, incorporating program objectives and criteria, an evaluation process and program duration.

In 2015, staff presented to Council the Major Festival and Event Enhancement Grant Program (MFEEGP). The new program—proposed as a five-year pilot—recommended financial support to major festivals as a means to encourage event enhancements, the development of event and organizer capacity and to increase attendance. The MFEEGP was intended to be an investment by the County in support of the community vibrancy and economic development opportunities these events bring to the community. The program was structured to:

- Provide financial support to encourage the development of event capacity and increase attendance;
- Provide a fair and transparent application process;
- Allocate financial resources in a fair and equitable manner; and,
- Ensure accountability for funding provided to organizers.

Grant Highlights:

1. Financial assistance would only be available to event organizers who met the definition of a Major Festival or Event (as outlined in the Festival and Event policy, 2015-02) held all or in part on Haldimand County property. The purpose of the program was to assist and support festivals and events and to increase capacity and attendance.
2. In order to allocate MFEEGP funding appropriately amongst potential applicants, one annual intake and disbursement of funds would take place.
3. In order to ensure due diligence, applications had to include a festival/event budget submission related to expenditures, revenues and reserves (including details about the purpose of reserve funds) of the organizer/applicant. The budget and financial information were evaluated according to the program principles and criteria, and a report to Council was required for approval. Organizations in arrears or which had outstanding reconciliations associated with other County grants were not eligible.
4. The proposed funding parameters and conditions were as follows:
 - a. Recognizing the existing 'in-kind' and 'logistical' support provided by the County to festivals and events, grant funding would be provided at a base amount of \$5,000 for festivals with a total budget of between \$10,000 and \$50,000, and \$10,000 for festivals with a budget over \$50,000. If the dollar value of recommended grant applications exceeded the overall approved budget of \$60,000 for festival/event grants, the grants would be prorated.
 - b. Eligible uses of grant funds included:
 - i. Programming: Fees for artists, speakers and key creative or community contributors, production and exhibit costs, venue and equipment rental, design, display and decoration.
 - ii. Administration: Planning, coordination, event management, fund-raising, bookkeeping, audience feedback or other data collection and permit fees.
 - iii. Publicity and Marketing: Development and implementation of publicity and marketing strategies, advertising and promotional expenses.
 - c. Ineligible use of the grant funds included:
 - i. Ongoing Organizational Operating Costs: Rent, telephone, salaries, services, training, office supplies/equipment, etc.
 - ii. Deficit Management/Debt Repayment.
 - iii. Reserve Funds.
 - iv. Retroactive Festival/Event Costs: Expenses incurred prior to grant approval.
 - v. Capital Improvements/Expenditures: Structural costs, renovations, equipment purchases.
 - vi. Awards ceremonies, recognition events, banquets, receptions, annual general meetings.
5. Following the staff review of grant applications, a report was prepared for Council's approval of the recommended applications.
6. All organizations receiving a MFEEGP were required to complete a final report outlining how the grant funds were used, festival attendance, evidence of capacity-building, etc. Organizations which did not submit a final report were ineligible for County funding in subsequent years until the final report was provided.
7. Grant recipients had to acknowledge the support of Haldimand County in all print and publicity materials for the festival (i.e. literature, advertising, banners or on-site signs).
8. Grant recipients had to comply with applicable legislation, municipal by-laws and policies as outlined in the Festival and Event Approval Guidelines.

Eligible Festivals/Events:

To qualify for funding, the major festival or event was required to meet the following criteria:

- An organized not-for-profit event, recurring annually and incorporating an intensive level of planned activity (e.g. a multi-faceted program of arts, cultural, sports or entertainment activities) within a defined period of time that provides community benefit;
 - Accessible to and provides for broad access and participation of all residents of the County and/or tourists and has significant attendance levels (500+) relative to the size of the festival budget.
 - Have an operating budget over \$10,000.
 - Have received Council approval.
 - Take place mostly, if not entirely, on County owned-property.
 - Restrict or limit community use of County-owned facilities, properties, roads and/or amenities for a day or more.
- The festival or event aligned with the County's Corporate Strategic Priorities;
- Applicants were part of a community group or organization; individuals were not eligible;
- The group or organization had to be in existence for a minimum of one year and have a bank account in the name of the group or organization;
- An existing governance structure consisting of a volunteer Board of Directors or Executive Committee comprised primarily of Haldimand County residents;
- Demonstrated organizational capacity of volunteers, contractors and staff to deliver the festival while meeting health, safety and legislative requirements; and,
- Demonstrated financial capacity to deliver the festival while meeting financial obligations.

During the pilot program, Council approved that eligibility for the MFEEGP be extended in the following instances:

- Traditional fairs, often hosted on non-County-owned property due to the scale of the activity, could be considered for funding given their significant contribution to community vibrancy (PED-COM-06-2016);
- Large events, which may have outgrown County-owned facilities due to size, scope and infrastructure needs, could be considered. In 2017, the Caledonia Canada Day event was moved from Caledonia Kinsmen Park to the Caledonia Fairgrounds. The change in venue allowed the Canada Day Committee to save money on items such as stage and generator rentals as well as providing the opportunity for an expanded event; and,
- One-time or occasional festivals/events organized to commemorate a particular milestone. The Jarvis Board of Trade hosted the Jarvis 150 Welcome Home Festival, which was a one-time event designed to commemorate Canada's 150th birthday (PED-COM-08-2017).

Overview of Festival and Event Grants (2014-2019):

From 2014 to 2019, 16 community organizations received a total of \$469,300 in MFEEGP funding. Annual funding for the MFEEGP, recommended through the Tax Supported Operating Budget, was based on applications received for that year.

Event	2014	2015	2016	2017	2018	2019	Total
Caledonia Agricultural Fair			\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Caledonia Canada Day	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$60,000
Caledonia Victoria Day Fireworks					\$5,000	\$5,000	\$10,000
Christmas in Caledonia			\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
CayugaFest	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000		\$50,000
Cayuga Light Up Night & Parade		\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Dunnville Agricultural Fair			\$10,000	\$10,000	\$10,000	\$5,000	\$35,000
Dunnville Mudcat Festival	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000		\$50,000
Dunnville Light Up Night & Parade		\$ 5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
Fisherville Lions Fun Day	\$10,000						\$10,000
Hagersville Rocks			\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Hagersville Santa Claus Parade			\$5,000	\$5,000	\$5,000	\$5,000	\$20,000
Hagersville Summers End Festival	\$10,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$35,000
Jarvis 150 Welcome Home Festival				\$5,000			\$5,000
River Arts Festival					\$5,000	\$5,000	\$10,000
Selkirk Gas Festival	\$10,000		\$4,300	\$5,000	\$5,000	\$5,000	\$29,300
Total	\$60,000	\$45,000	\$89,300	\$95,000	\$100,000	\$75,000	\$464,300

In addition to the MFEEGP funding, the County provided 'in-kind' and 'logistical' support for events and festivals approved through the Festival and Event policy, including free use of municipal property, free use of the County's event trailer including the set up and take down, street sweeping, special property maintenance requests, building permits and assisting event organizers with administrative approvals (e.g. event approvals, AGCO and HNHU permits, installation of banners requests, provision of picnic tables, garbage cans, road barricades, etc.).

As the five-year pilot is complete, staff are bringing this report forward to provide a detailed analysis of the grant program and to make recommendations for a permanent program which would continue to support local groups in the organization and execution of successful festivals and events.

ANALYSIS:

Staff reviewed the pilot Major Festival and Event Enhancement Grant Program (MFEEGP) in the context of several factors, all of which are examined in more detail in the sections below:

- Documentation provided by festival/event organizers which received a grant during the past five years (Attachment 2);
- Anecdotal feedback from festival/event organizers through the duration of the pilot and during a meeting in early 2020 to discuss the program;

- Feedback from staff about the process; and,
- Direction from Council to consider—during 2020 budget planning processes—opportunities and measures to ensure funding relates to outcomes and maximizes resources.

Feedback – Event Organizers/Sponsor Organizations:

While quantitative data demonstrating outcomes has been challenging for the program given the nature of the majority of festivals and events (difficult to get attendance numbers unless the event has a ‘gate’), organizers were able to provide beneficial qualitative and anecdotal input, including:

Successes:

- Assisted groups in increasing event capacity (e.g. rental of lighting, provision of security, securing sound technicians, heaters, hand-washing stations, portable washrooms, etc.);
- Enhancement of activities such as fireworks, entertainers, amusements, etc. to help increase crowds;
- Helped re-energize “tired” community events;
- Opportunity to try new activities such as laser tag, paid entertainers;
- Helped groups assess how their event could grow;
- Increased ability to market to an audience beyond Haldimand County and neighbouring communities;
- Led to the development of long-term marketing tools;
- Grant parameters gave event organizers the flexibility to meet the changing needs of the event; and,
- In several cases, organizers reported a noticeable increase in attendance.

Challenges:

- The submission date for the applications. Event organizers often found it challenging to meet the deadline since it occurred early in the planning stages for many groups. The application date also varied year-to-year depending on the operating budget timeline;
- Due to changes within organizations and the associated transfer of information to new volunteers, new event organizers struggled with the planning and budgeting during the early phases of event planning as there was sometimes a lack of continuity;
- Given each MFEEGP grant was only for one year (the grant required the introduction of a *new* enhancement for eligibility), groups often found it difficult to find the funds to build on a previous year’s successes without the grant funds. (Not enough time to quantify or build the success of an enhancement before having to come up with another one in order to get funding.);
- Often difficult to quantify or measure success (e.g. number of participants at a multi-day event or year-over-year) unless the event required ticket sales/entry fee or had a ‘gate’;
- Sometimes, plans made early in the year were not feasible as the event drew nearer (e.g. north end of Village Green site in Cayuga was not available for 2019 Light-up Night fireworks due to the area being cordoned off for demolition of old library and fire hall buildings);
- Limited opportunities for some events to grow on County property based on the physical assets currently available;
- Smaller community events with smaller budgets were not eligible for grant funding; and,
- Limited opportunities for third-party funding (e.g. Celebrate Ontario, Southwest Ontario Tourism Corporation), which focus on attracting visitors for overnight or multi-day visits and require overnight accommodations (hotels), which Haldimand County does not have.

Failures/Disappointments:

- Sometimes, having the funds available to hire someone to manage a task (e.g. creation of a marketing campaign), did not mean the end product met the initial goal;

- Applicants sometimes felt information provided about the MFEEGP was unclear or conflicting. This could relate to the learning curve in understanding the parameters of a new program and ensuring communication is clear and consistent;
- The requirement for an “enhancement” each year drove event organizers to explore new or different options rather than encouraging them to build on past successes; and,
- The impact of extreme weather conditions meant some enhancements were less successful than hoped or had to be cancelled.

The event organizers and community organizations consistently recognized the importance of Haldimand County for the support it provides, including financial and in-kind. Looking forward, the groups hope the County will continue providing a grant opportunity that encourages organizers to develop and host events that are dynamic, engaging and build stronger, positive communities.

Feedback – Staff:

In addition to the feedback provided by the event organizers and community groups, staff have noted the following:

- The current funding model (base grant of \$5,000 for festivals with a total operating budget of \$10,000 to \$50,000; \$10,000 cap for festivals with a total budget greater than \$50,000) does not support the equitable distribution of funds and leaves out smaller festivals and events which have the capacity to grow;
- New event organizers often struggle to gather the information required to submit a MFEEGP depending on the business processes/resources left by their predecessors;
- Smaller communities with similar events were not eligible due to the size of their event budgets (e.g. Selkirk Christmas Celebration & Illuminated Tractor Parade);
- New events with limited budgets were not eligible and in turn struggled to grow;
- Staff are supportive of continuing to provide in-kind resources to all Special Events taking place on County property, including those groups eligible for a grant. In-kind support includes assistance with capacity-building, free use of municipal spaces and the County events trailer, installation of street banners, use of picnic tables, waste receptacles, pylons, barriers, etc.; and,
- Economic Development & Tourism (EDT) staff support the value of building capacity in the festival and event groups through financial and in-kind County resources in recognition of the tourism benefits and contribution to creating a positive image for communities and vibrancy. EDT regularly promotes festivals and events through the tourism website and Facebook page, in other publications, at consumer shows throughout the province and with its network of tourism partners. As well, EDT’s summer student attends many festivals and events to promote other County programs and activities.

Staff Recommendations:

Based on the data and feedback gathered during the MFEEGP pilot program, as well as Council’s direction to identify opportunities for savings within the program, staff are recommending the following:

- Within the Festival and Event policy, amend the MFEEGP to a Festival and Event Operating Grant to create more opportunities to support event organizers and sponsor organizations (no minimum eligible operating budget requirement);
- In order to make the grant amounts more equitable (e.g. related to the actual eligible operating budget), amend the current funding model—which provides either a \$5,000 or \$10,000 grant—to a percentage of the previous year’s actual eligible operating budget for that

applicant, to a maximum \$10,000 grant. The suggested grant value of 10% is based on the MFEEGP's \$5,000 grant for a festival budget of up to \$50,000;

- The requirement to provide the previous year's actual eligible event operating budget should reinforce the reporting and accountability of festival/event organizers.

Based on the above-noted direction, the history of applicants to date and actual eligible operating budgets for 2019 grant recipients, staff anticipate the following potential future grant costs:

Group	2019 Grant	2018 Actual Operating Budget	Proposed Grant (10% of previous year's actuals to a maximum of \$10,000)
Caledonia Agricultural Fair	\$10,000	\$100,019	\$10,000
Caledonia Canada Day	\$10,000	\$87,925	\$8,800
Christmas in Caledonia	\$5,000	\$10,000	\$1,000
Caledonia Victoria Day	\$5,000	\$21,606	\$2,200
Cayuga Light Up Night & Santa Claus Parade	\$5,000	\$13,845	\$1,400
Dunnville Agricultural Fair	\$5,000	\$36,162	\$3,600
Dunnville Light Up Night & Santa Claus Parade	\$5,000	\$10,546	\$1,100
Hagersville Rocks	\$10,000	\$173,579	\$10,000
Hagersville Santa Claus Parade	\$5,000	\$18,200	\$1,800
Hagersville Summer's End Festival	\$5,000	\$16,195	\$1,600
River Arts	\$5,000	\$13,250	\$1,300
Selkirk GasFest	\$5,000	\$11,400	\$1,100
Total	\$75,000	\$512,727	\$43,900

At this time, staff recommend an annual \$50,000 budget allocation for the new Festival and Event Operating Grant to accommodate:

- Festivals and events which received funding in the past and are likely to re-apply;
- Events which were not previously eligible to apply for funding but have expressed a desire to do so should the above-noted changes be approved. At this time, staff are aware of two groups which meet this criteria; and,
- New events with an eligible budget of less than \$10,000 (which can be approved through authority delegated to the General Manager of Community & Development Services).

Should a proposal for a large, new event come forward (anticipated attendance of more than 500 people and a budget in excess of \$10,000) a report to Council would be required, at which time any funding needs beyond what is being proposed could be addressed.

The current event organizers/sponsor organizations felt the 10% grant would be fair and consistent going forward, as long as the County's in-kind support would continue to be available to them. Using the previous year's actual eligible operating budget for the grant allocation is in keeping with other County grant processes (Fields & Parks Management grants), would ensure accuracy and would eliminate the need for application deadline extensions. (It has been especially challenging for Christmas events to have their reports and reconciliations into the County prior to having to submit the next grant application in time for the April 1 deadline.) Lastly, basing the grant amount on a percentage of eligible budget actuals will help deter dependency on the grants (e.g. previously, a \$50,000 event received a

\$5,000 grant, while an event with a \$55,000 budget received \$10,000. This calculation sometimes resulted in organizers over-estimating budgets to benefit from the higher grant amount).

The new Festival and Event Operating Grant criteria will be based on the following definition of a festival/event:

“An organized event, recurring annually, which incorporates an intensive level of planned activity, a multi-faceted program of arts and cultural, sports or entertainment activities within a defined period of time that provides community benefit”

And updated to include major and minor festivals, as outlined below (~~strikethrough~~ represents proposed deletions and *italics* represents additions):

- An organized non-profit event, recurring annually, which incorporates an intensive level of planned activity including a multi-faceted program of arts, cultural, sports or entertainment activities within a defined period of time that provides community benefit;
 - Has an *approved* operating budget; ~~over \$10,000~~
 - Has received Council approval;
 - *When feasible*, is mostly, if not entirely, held on County-owned property; and,
 - Will restrict or limit community use of County-owned facilities, properties, roads and/or amenities for a day or more.

One-time festivals or events, such as Canada 150 celebrations, would be considered eligible and the funding would be based on 10% of the projected event operating budget to a maximum of \$10,000.

FINANCIAL/LEGAL IMPLICATIONS:

Staff recommend that the proposed \$50,000 budget for the new Festival and Event Operating Budget be included as a Council Approved initiative in the 2020 Tax-Supported Operating Budget. The amount incorporates the flexibility to accommodate existing and new applications as well as reflecting the budget mitigation objectives identified by Council for 2020 planning.

STAKEHOLDER IMPACTS:

Not applicable.

REPORT IMPACTS:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: Yes

ATTACHMENTS:

1. Revised Festival and Event Policy.
2. Summary of Festival and Events Reconciliations.