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Item No. 12.4.2
Audit & Finance Standing Committee
October 17, 2018

TO: Chair and Members of Audit & Finance Standing Committee

Original Signed

SUBMITTED BY:

Jerry Blackwood, Acting Director of Finance and Asset Management/CFO

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: July 31, 2018

SUBJECT: Nova MultiFest Grant Request

ORIGIN

July 17, 2018 – Regional Council request for a staff report to the Audit & Finance Standing Committee to identify a funding source for a one-time \$25,000 grant to Nova MultiFest, upon demonstration of financial need from the group.

LEGISLATIVE AUTHORITY

Administrative Order 1 Respecting Procedures of the Council.

Schedule 2, Audit and Finance Standing Committee Terms of Reference. The Audit & Finance Standing Committee shall review and make recommendation on proposals coming to the Council outside of the annual budget or tender process...

Halifax Regional Municipality Charter ("HRM Charter"), S.N.S. 2008, c.39

79(1) The Council may expend money required by the Municipality for

...
(av) a grant or contribution to

...
(v) any charitable, nursing, medical, athletic, educational, environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province,

Administrative Order 2014-021-GOV Respecting Regional Special Events Grants.

RECOMMENDATION

It is recommended that the Audit & Finance Standing Committee recommend that Regional Council refer the Nova MultiFest Society to the 2019-20 Regional Special Events Grant Program.

BACKGROUND

The Nova MultiFest Society (“the Society”) incorporated as a non-profit society April 13, 2018, with a view to serving as a provincial umbrella organization to support local communities looking to establish a festival celebrating Nova Scotia’s cultural diversity. The Society also proposes hosting an annual *MultiFest* event.

The timing of the Society’s incorporation rendered them ineligible to apply to the 2018 *Regional Special Events Grants Program*: the application deadline was January 29, 2018. Further, Section 10 of *Administrative Order 2014-021-GOV* stipulates that an applicant shall be a registered charity or not-for-profit society and the program’s mandatory application requirements include (1) a history of the applicant organization’s programming and role in the community and (2) a financial statement from the previous fiscal year¹. The inaugural *MultiFest* event took place on Saturday, July 28, 2018, at Alderney Landing, Dartmouth.

In the absence of a formal application, the Society was asked to provide the following:

- a copy of their projected and actual budget;
- clarification as to what was understood to be a “one-time” contribution (the value of the contribution or there would be no subsequent application to the municipality for future events?); and
- confirmation if the \$25,000 requested was in addition to municipal funding received to date²

Grants for local events are administered under *Administrative Order 2014-021-GOV*. This policy establishes a consistent and equitable funding process for community and cultural events under four (4) programs:

- *Community Celebrations*: small-scale community events organized primarily for the benefit of the public and may coincide with a community gathering or civic holiday. These events are free to attend. Maximum grant: \$1,000.
- *Established Community Festivals*: supports existing community events organized primarily for the enjoyment of residents and accessible to the public with free or low-cost activities. The event must have been in existence for three (3) consecutive years and have a minimum budget of \$10,000. Maximum grant: \$25,000. Option of 3-year funding as program budget capacity permits.

This program is fully committed – no call for applications issued in 2018. Multi-year commitments conclude in 2018 and program re-opens for applications next year.

- *Significant Anniversaries*: supports events organized to celebrate or commemorate a major quarterly anniversary (eg. 25, 50, 75 or 100 years) that celebrate the region’s heritage and has a minimum budget of \$7,500.
- *Cultural Events & Showcases*: supports arts and cultural festivals that program strong cultural content, further the disciplines of literary, media, performing and visual arts, accessible to the public with free or low-cost activities. The event must have a minimum budget of \$50,000 and furthers the objectives and principles of the HRM Cultural Plan. Maximum grant: \$60,000. Option to provide 3-year funding as program budget capacity permits.

This program is fully committed – no call for applications issued in 2018. Multi-year commitments conclude in 2018 and program re-opens for applications next year.

¹ Section 9 sub-clauses (a) and (c).

² Email from Peta-Jane Temple, HRM, to Vishal Bhardwaj, President, Nova MultiFest Society dated July 31, 2018.

Because both the *Established Community Festivals* and the *Cultural Events & Showcases* programs are fully subscribed until 2019, this year's formal call for applications was limited to only the *Community Celebrations* and *Significant Anniversaries* programs. As of the deadline a total of twenty-seven (27) applications were received and Regional Council subsequently approved twenty-four (24) *Community Celebration* awards³ that ranged in value from \$250 to \$1,000.

DISCUSSION

Precedence: As per program policy, it is not HRM's practice to consider late applications, or applications for funding for events that have already occurred. Most recently, at the Grants Committee meeting of June 11, 2018, correspondence from the Africville Genealogy Society requesting funding in the amount of \$6,700 for a projected deficit in expenditures associated with the 35th *Africville Reunion/Festival* was tabled. The committee deemed the request ineligible for consideration because it was received after the *Regional Special Events Grants Program* deadline of January 29, 2018. In the alternative, the committee referred the matter to HRM events staff with a request that assistance be offered to the Society in terms of minimizing a projected deficit.

Value and Purpose of Funding: In response to HRM's request for additional information, the Society confirmed that "one-time funding" refers only to the value of funding requested in 2018 and that the Society intends to make application through the regular events grants process thereafter. The Society also acknowledged that discretionary funding in the amount of \$14,000 received under the *District Activity/Capital Fund* covered some of the purchases intended under the \$25,000 request and agreed this amount could be deducted.

The financial information provided was incomplete: the projected and actual revenues are not stated. Further, it appears that some recurring operating costs have been included that are not event-specific, for example, registration fee for the Registry of Joint Stocks Companies, website domain registration, and banking. An itemized budget is available although it does not list the funding sources. It is included as **Attachment 1** of this report.

Municipal Assistance Received: In March of 2018, the Society solicited funding from members of Council to support the development of a new multicultural festival that would, in part, replace the former *Multicultural Festival* that was last staged in 2015⁴. The request encompassed professional fees to develop a web site and strategic plan, and the purchase of flags, banners, tents, and projection equipment. To date, the Society has received a combined total of \$14,000 under the *District Activity/Capital Fund* and in-kind assistance from the Alderney Landing Association valued at an estimated \$15,600. The latter included discounted rental rates for the events plaza, outdoor stage, dressing rooms, garbage removal, an on-site manager, and marketing.

Recommendation Rationale: The recommendation not to provide additional funding upholds the intent of policy in terms of consistency and transparency in decision-making. To waive the program's eligibility requirements could pose reputational risk to the Municipality, especially as the event has already occurred. The recommendation is also consistent with the Grants Committee's decision of June 11, 2018, with respect to a funding request from the Africville Genealogy Society declined consideration based on upholding program policy⁵.

³ *Established Community Festivals:* multi-year funding commitments conclude in fiscal year 2018-19. Amounts ranged from \$250 to \$25,000 (only Halifax County Exhibition and Holiday Parade of Lights received the maximum) but most awards (82%) are in the range of \$1,000 to \$6,500.

⁴ The *Multicultural Festival* was presented by the Multicultural Association of Nova Scotia. The Registry of Joint Stock Companies indicates that as of August 2018 the Association's registration is in default but has not been revoked.

⁵ For example, late applications have been declined under the *Community Grants Program*, *BID Fund*, *Tax Relief for Non-Profit Organizations*, and *Regional Special Events Grants Program*.

Referral to staff would enable staff to offer assistance to the Society in preparing for a formal application to next year's *Regional Special Events Grants Program*, including the presentation of financial information and verification of event attendance, and confirmation as to their eligibility in relation to the different funding streams.

FINANCIAL IMPLICATIONS

If the staff recommendation to decline additional funding consideration in fiscal year 2018 is upheld there are no financial implications.

RISK CONSIDERATION

Low. A decision to decline funding in 2018 is consistent with prior decisions of the Grants Committee and Regional Council.

COMMUNITY ENGAGEMENT

Not applicable.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

1. In accordance with Section 35 and Section 36 of *Administrative Order 2014-021-GOV* the Audit & Finance Standing Committee could recommend that Regional Council provide a grant to Nova MultiFest, the amount thereof, and any terms and conditions attached thereto.

After commitments, there are no funds remaining in Operating Account C760-6933 (Festivals and Events). After commitments, there is a projected balance of \$5,000 in Operating Account M311-8004 (Community Grants Program). An award of \$25,000 would realize an over-expenditure of \$20,000 in Operating Account M311-8004.

This action is not recommended: an award would contradict the manner in which other late or ineligible applications have been considered and could undermine the integrity of the *Regional Special Events Grant Program* in terms of:

- (i) organizations that respected the application deadline/eligibility criteria and did not make application; and
- (ii) those organizations declined consideration through the consistent application of policy.

Further, the MultiFest Society has received financial and in-kind municipal assistance towards the inaugural event at an estimated value of \$29,600: any additional retroactive funding would set precedence.

ATTACHMENTS

1. "Multicultural Festival Event Budget – 2018" submitted by the MultiFest Society, August 9, 2018.
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A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Peta-Jane Temple, Team Lead Grants & Contributions, Finance & Asset Management
902.490.5469

ATTACHMENT 1

“Multicultural Festival Event Budget – 2018”					
No.	Item		Total	Nova MultiFest Society	In Kind
1	Venue	Base Rental	\$4,600.00	\$2,300.00	\$2,300.00
		Dressing Room Attendant	\$575.00	\$0.00	\$575.00
		Stage	\$3,680.00	\$1,840.00	\$1,840.00
		Security [48 hr total]	\$2,346.59	\$2,346.59	
		Site Manager [48 Hour]	\$1,495.00	\$747.50	\$747.50
		Stage Manager	\$388.13	\$388.13	
		Insurance	\$1,741.00	\$1,241.00	\$500.00
		Power	\$805.00	\$0.00	\$805.00
		Backdrops - Stage	\$575.00	\$575.00	\$0.00
		Parking Lot Closer signage	\$100.00		\$100.00
		Press conference on release	\$350.00		\$350.00
2	Equipment	Tables/Chairs/Tent/Bouncing Castle/Barricades	\$23,676.44	\$21,176.44	\$2,500.00
		Royal Flush	\$994.18	\$994.18	\$0.00
		Waste Management	\$5,750.00	\$2,875.00	\$2,875.00
		Picnic Table	\$690.00	\$115.00	\$575.00
		Walkie Talkie	\$236.81	\$236.81	\$0.00
		Cable Walkie Talkie	\$16.99	\$16.99	\$0.00
		Square Terminal	\$258.84	\$258.84	
		Long and McQuade	\$164.45	\$164.45	
		Van Rental	\$390.06	\$390.06	
		Van Gas	\$61.24	\$61.24	
		Trolley	\$145.99	\$145.99	
		Party Ice	\$300.00	\$300.00	
		Water and Pop	\$593.95	\$593.95	
3	Production	Lights/AV/Electricity/Power	\$21,446.50	\$19,446.50	\$2,000.00
		Photo/Video	\$300.00	\$300.00	
4	Municipal Fees	Fire Dept	\$1,145.40	\$1,145.40	
		Food Permit	\$417.15	\$417.15	

No.	Item		Total	Nova MultiFest Society	In Kind
		Tent Permit	\$89.70	\$89.70	
5	Marketing	Poster/Logo Design	\$540.00	\$540.00	
		Website	\$5,750.00	\$2,875.00	\$2,875.00
		Social Media	\$2,500.00		\$2,500.00
		Catering Reception at Launch	\$164.00		\$164.00
6	Advertising	Facebook	\$864.06	\$764.06	\$100.00
		Flags & Banner	\$5,315.40	\$4,252.32	\$1,063.08
		Banner Hardware	\$33.09	\$33.09	
		Herald	\$10,024.00	\$1,012.00	\$9,012.00
		C100	\$10,989.50	\$994.75	\$9,994.75
		Banner at Launch	\$500.00	\$500.00	
		Printing at Launch	\$18.77	\$18.77	
		Instagram	\$95.00	\$95.00	
7	Administrative	Domain	\$37.87	\$37.87	
		RJSC	\$43.60	\$43.60	
		Awebber - Email Data Base	\$236.85	\$236.85	
		Hosting	\$131.88	\$131.88	
		5 Email	\$482.28	\$482.28	
8	Volunteers	T-shirts	\$2,108.15	\$1,833.17	\$274.98
		Volunteer Food Coupons	\$1,428.00	\$1,428.00	
		Coupons Printing	\$45.54	\$45.54	
		Planning Committee with Pizza	\$94.73	\$94.73	
		Event Night Pizza	\$79.59	\$79.59	
		Set up Day Pizza	\$49.25	\$49.25	
		Cheque orders + Banking fee	\$281.19	\$281.19	
		E-transfer fee	\$0.00		
9	Honorariums	Performers	\$7,145.00	\$3,395.00	\$3,750.00
		Performers at Launch	\$300.00	\$300.00	
	TOTAL		\$122,291.17	\$77,689.86	\$44,901.31

Submitted by the Nova MultiFest Society August 9, 2018.