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Item No. 9.1.1
Grants Committee
January 22, 2025

TO: Chair and Members of Grants Committee

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: January 8, 2025

SUBJECT: **Regional Special Events Grants Program Review**

ORIGIN

May 22, 2024 meeting of the Grants Committee 9.1.1 Regional Special Events Grants Report 2024. The following was indicated in the discussion section of the report: "As the Regional Special Events Grants program has not been recently reviewed, staff intend to conduct a review of the program and return to the Grants Committee with findings and recommendations."

EXECUTIVE SUMMARY

Since the inception of the Regional Special Events Grants funding program in 2015, \$215,000 was allocated from the Operating Budget (C760) to fund Community Celebrations, Established Community Events and Significant Anniversaries programs. \$200,000 was allocated from the Community and Events Reserve (Q621) budget; previously known as the Culture Development Reserve (Q312), to fund the Cultural Events & Showcases program. This report summarizes the review of the Regional Special Events Grants Program.

Each year the Regional Special Events Grants program receives applications to fund not-for-profit organizations to host 65-80 events in the municipality for residents to attend. The grant requests exceed the C760 and Q621 budget capacity of the programs. Nine years have passed, and the program budgets have not changed, while the events themselves are growing in size, experiencing increased labour costs, and rental costs.

RECOMMENDATION

It is recommended that the Grants Committee forward the staff report dated January 8, 2025 to Halifax Regional Council for information.

BACKGROUND

History

Annually, there are hundreds of events residents can attend throughout the Halifax Regional Municipality (HRM). Some events are delivered directly by staff and funded through the municipality's operating budget, while the majority are delivered by external event organizers and community groups. The municipality supports these non-profit organizations by providing funding through municipal programs that have evolved over the years.

June 15, 2010, Regional Council approved and adopted an Event Strategy which outlines the vision for the delivery of events within HRM. The strategy enables the provision of funding grants to event organizers to assist in the support of both community and major events. As per the direction outlined in the Event Strategy as well as recommendations outlined by the Auditor General in the report entitled "Corporate Grants, Donations and Contributions", staff reviewed the administrative processes through which event grants are provided. As a result, administrative changes, program redesigns and funding allocations were implemented to improve the ability of HRM to provide event grant funding in a clear, transparent, and reliable manner.

May 26, 2015, Regional Council approved the adoption of:

1. Administrative Order Number 2014-020-GOV Respecting Marketing Levy Special Event Reserve Grants that provide grants to direct financial support to large scale special events that support and promote tourism and business development; and
2. Regional Special Events Grants Administrative Order #2014-021-GOV (AO) that provides grants to support community and cultural events that celebrates heritage, builds bridges between diverse populations, enriches quality of life for residents and improves civic pride.

This report focuses on Regional Special Events.

Regional Special Events Grants Administrative Order #2014-021-GOV

The first intake administered under the new AO was during the 2016-2017 fiscal year. As per the AO, funding recommendations are reviewed and approved through the Grants Committee prior to Regional Council's final approval. There are four established funding programs governed by the Regional Special Events Grants AO:

- 1) **Community Celebrations:** provides support for small scale community events that are organized primarily for the benefit and enjoyment of residents, coincides with a community gathering or civic holiday, and are free to the public to attend.
- 2) **Established Community Events:** provides support for existing community events that are organized primarily for the benefit and enjoyment of residents, are accessible to the public with free or low-cost activities, have been in existence for a minimum of three consecutive years, and have a minimum budget of \$10,000.
- 3) **Significant Anniversaries:** provides support for community events organized around major quarterly anniversaries (25th, 50th, 75th, etc.) that celebrate HRM's heritage and community and have a minimum budget of \$7,500.
- 4) **Cultural Events & Showcases:** provides support for arts and culture festivals that program strong cultural content, further the disciplines of literary, media, performing and visual arts, are accessible to the public with free or low-cost activities, have a minimum budget of \$50,000, and further the principles and objectives of the HRM Cultural Plan.

Budgets

Since 2016-2017, \$215,000 was allocated from the Operating Budget (C760) to fund Community Celebrations, Established Community Events and Significant Anniversaries programs. \$200,000 was allocated from the Community and Events Reserve (Q621) budget; previously known as the Culture Development Reserve (Q312), to fund the Cultural Events & Showcases program. There has been no additional funding for these programs since its inception, while events themselves are growing in size and facing increased costs.

The maximum grant amounts, total allocation and budget associated for each of the four programs are outlined below in Table 1.

Table 1: Regional Special Events Grants Program Maximum Grants and Allocation			
Program	Maximum Grant*	Total Allocation	Budget
Community Celebrations	\$1,000	\$215,000	C760
Established Community Events	\$25,000		
Significant Anniversaries	\$10,000		
Cultural Events & Showcases	\$60,000	\$200,000	Q621

*The maximum grant for each program is outlined in AO #2014-021-GOV.

Three-year Sustainable Funding

The Regional Special Events Grants AO provides the ability to award up to three-year sustainable funding to organizations under the Established Community Events, and Cultural Events & Showcases. Regional Council approves funding for these two programs during the intake year (year one of the three-year cycle), awarding the full allocated budget and precluding any public calls for applications until the next three-year funding cycle. The full \$200,000 for Cultural Events & Showcases is awarded, while the Established Community Events budget is also shared with the annual applications for Community Celebrations and Significant Anniversaries, therefore reserves a portion of the \$215,000 annual budget for the following two fiscal year intakes for these programs.

Events that receive multiyear funding are dependent on the approval of HRM's annual Operating Budget (C760) and Community and Events Reserve (Q621).

DISCUSSION

On May 26, 2015, the Regional Special Events Grants AO was approved by Regional Council. Since the programs inception, the Community Celebrations, Established Community Events and Significant Anniversaries programs have a total annual budget of \$215,000 funded from the Operating Budget (C760). The Cultural Events & Showcases program has an annual budget of \$200,000 funded from the Community and Events Reserve (Q621). Of this combined \$415,000, the municipality receives applications to fund on average 70 community and cultural events annually. The funding requests greatly exceed budget capacity each year. In 2023-2024, the combined \$415,000 budget allocated to the Regional Special Events Grants program supported 67 community and cultural events that 483,227 residents attended throughout the fiscal year.

Funding Requests Annually (C760)

The previous six years of funding requests and approvals for events grants funded from Operating Budget C760 are included in Attachment 1. This includes two, three-year funding cycles for Established Community Events, while Community Celebrations and Significant Anniversaries programs are required to apply annually.

Budget Constraints (C760)

On average over the past six years, HRM receives annual grant requests in the amount of \$379,331 for Community Celebrations, Established Community Events & Significant Anniversaries programs. With an allocated Operating Budget (C760) of \$215,000, this allows the municipality to fund on average 53% of the asks. To note, the majority of Established Community Events grant applications (the largest C760 program category) do not request the maximum grant available.

Of the three programs included in the Operating Budget (C760) of \$215,000, two programs (Community Celebrations and Significant Anniversaries) have an annual intake, while the Established Community Events program has a once every three years intake. Thus, during year one of three-year sustainable funding (e.g.: 2022-2023 for Established Community Events) the \$215,000 budget must be allocated to those applications that applied that intake year, but budget allocation must also anticipate year two and year three of future Community Celebrations, and Significant Anniversaries. Staff receive approximately the same number of Community Celebrations applications annually, and a large percentage of applications reapply year after year.

Significant Anniversaries applications are reviewed as a special priority and a portion of the \$215,000 budget is set aside for the known applications. The Significant Anniversaries has a maximum grant amount of \$10,000 to celebrate major quarterly anniversaries. There are times when Significant Anniversary applications are received after budgets have been allocated creating a budget pressure (e.g. SS Atlantic, and Alderney Landing’s 25th Anniversary). Earmarking an additional budget amount allocated to significant events would allow for unanticipated applications without reducing allocations in other program areas. Staff have begun contacting all currently funded organizations to build a database of Significant Anniversaries. This will help staff plan for known Significant Anniversaries, however there will remain unexpected external events that staff are unaware of until the submission year.

Funding Requests Annually (Q621)

Attachment 2 summarizes the previous six years of funding requests and approvals for the Cultural Events & Showcases program funded through the Community and Events Reserve (Q621). This includes two, three-year funding cycles for the Cultural Events & Showcases.

Budget Constraints (Q621)

On average over the past six years, HRM receives annual grants requests in the amount of \$386,489 for Cultural Events & Showcases program. With an allocated Community and Events Reserve Budget (Q621) of \$200,000, this allows the municipality to fund on average 50% of the asks. To note, the majority of Cultural Events & Showcases grant applications do not request the maximum grant available. Cultural Events & Showcases program offers three-year sustainable funding, therefore during the year one intake, the funding is awarded in full and does not open for intake until the following three-year cycle.

Regional Special Events Grants Program Requests

The average event grant requests received per Regional Special Events Grants program are broken down over the past six years and compared to the program maximum grants as outlined in the AO. This includes the past two, three-year sustainable funding cycles and is shown below in Table 2.

Table 2: Regional Special Events Grants Maximum Grants vs Average Grants Approved Previous Six Years							
Program	Grant Maximum	2024-2025	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Community Celebrations	\$1,000	\$622	\$580	\$761	\$1,000	\$833	\$580
Established Community Events	\$25,000	\$5,611*	\$5,410	\$5,410	\$5,087**	\$3,485**	\$4,448
Significant Anniversary	\$10,000	\$5,500	\$5,000	n/a	\$5,000	n/a	\$5,000
Cultural Events & Showcases	\$60,000	\$15,384	\$15,384	\$15,384	\$13,333	\$13,333	\$13,333

*Three events were removed from the Established Community Events program in 2024-2025. \$33,000 combined grants requests were therefore deducted which increased average.

**COVID cancelled events after approved Council report.

Using the average grant awarded per program in Table 2, the combined average grant awarded over the past six years per program are 20-73% of the maximum grant award outlined in the AO. Established

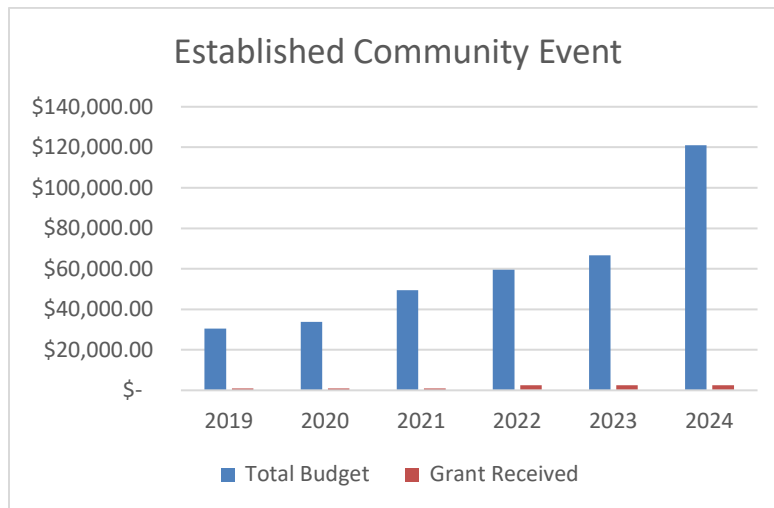
Community Events and Cultural Events & Showcases are the two programs that are experiencing the highest level of budgetary constraints (on average, 20% and 24% respectively).

Increase in Event Hosting Costs Externally

Attending events supports the health and wellness of residents by providing an opportunity to have fun, learn and experience new things, meet new people and make connections at free or low costs. Events within the community are important for the benefit and enjoyment of residents. As HRM's population is growing and becoming increasingly diverse there is an increasing demand for cultural celebrations.

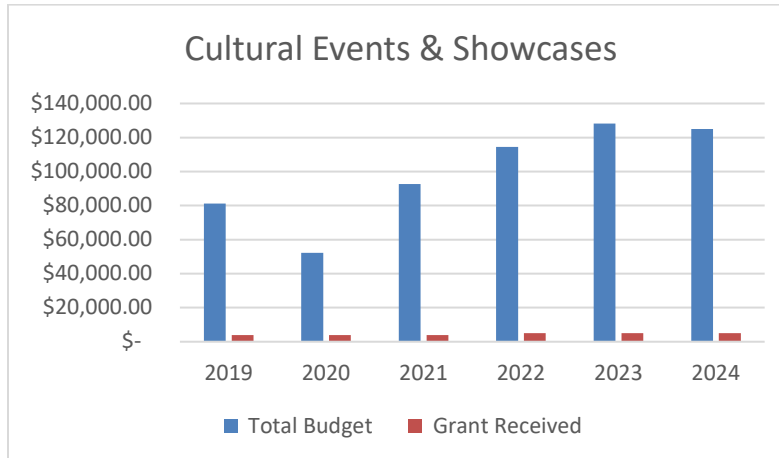
Additionally cultural celebrations that have hosted events in the municipality for many years are growing in size, in attendance, as well as the event footprint and duration. These organizations have experienced an increase in costs to host events over the past nine years (e.g.: labour costs, rental of equipment, etc.).

To highlight the increase costs external organizations are facing, staff choose one Established Community Event and one Cultural Events & Showcases event that have been a part of the Regional Special Events Grants program for a number of years and used the data provided in final reports. The below two charts visually communicate the increase in event hosting costs external organizers have experienced over the past six years, compared to the municipal funding received via the Regional Special Events Grants program.



The Established Community Event example above has experienced a 296% increase in event hosting costs from 2019 to 2024, while the municipal funding amount increased from \$1,000 to \$2,500; a 150% increase.

The Cultural Event & Showcases example below has experienced a 53% increase in event hosting costs from 2019 to 2024, while the municipal funding amount increased from \$4,000 to \$5,000; a 25% increase.



Increase in Event Hosting Costs Internally

Events staff that organize and host HRM Civic Events (e.g.: Canada Day, Natal Day, Bedford Days, etc.) are also experiencing an increase in event hosting costs. To show the increase in event hosting costs over the past six years, internal invoices have been pulled from 2019 Civic Events files and compared to recent 2024 invoices using three costs that the majority of events require: security, policing and portable toilet rentals. Civic Event hosting costs examples are shown below in Table 3.

Event Expense	2019	2024	% Increase
Security	\$16.49/hr	\$37.36/hr	126%
HRP Officer	\$75.00/hr	\$110.40/hr	47%
Accessible Toilet Rental	\$82.75/day	\$125.00/day	51%

Both labour costs and rental fees have increased significantly in the event industry. In the last six years, using only three event hosting expenses, the percent increase varies between 47% and 126%, while the Regional Special Events Grants budgets have stayed the same since the program’s inception. With a new three-year funding cycle approaching for the Established Community Events and Cultural Events & Showcases program during the next three fiscal years, staff will review the maximum amount of funds allocated to the Community Celebrations, Established Community Events and Significant Anniversaries (C760), and Cultural Showcases programs (Q621).

Proposed Increase in Regional Special Events Grants Budgets

As staff receive new requests from community and cultural groups, the allocated program budgets are at capacity. To adequately support new community and cultural events, as well as established events, staff recommends an increase to the funding capacities in the Regional Special Events Grants programs during the 2025/26 budget cycle going forward.

The proposed budget increase of \$115,000 to the current \$215,000 Operating Budget (C760) will then total \$330,000. This proposed \$115,000 increase will accommodate an increase in grant awards from 60% of the asks to 80%, including the two Established Community Events that were funded through the Community & Events Reserve as the allocated \$215,000 was at capacity (\$33,000) and allow room for one Significant Anniversary application annually (\$10,000), as outlined in Attachment 1.

The proposed budget increase of \$110,000 to the current \$200,000 Community and Events Reserve budget (Q621), will then total \$310,000. This proposed \$110,000 increase will accommodate an increase in grant awards from 53% of the asks to 80%.

Both proposed budget increases are included in the 2025/2026 Parks & Recreation budget envelope.

FINANCIAL IMPLICATIONS

There are no immediate financial implications to this report as it is an information report. For the upcoming 2025/26 Proposed Budget, increasing the Events Operating Budget (C760) by \$115,000 will be reviewed for consideration as a service enhancement. Additionally, increasing the annual budgeted contribution to the Community and Events Reserve by \$110,000 will be reviewed. If included in the 2025/26 Proposed Budget, these two increases for events funding will require overall increase of \$225,000 to the overall operating budget. To fund an such an increase, this will require an overall increase to the average residential tax bill of \$0.84 (based on 2024/25 taxes).

RISK CONSIDERATIONS

There are no significant risk considerations associated with this report.

COMMUNITY ENGAGEMENT

The Grants Committee includes members of the public.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Grants Committee could choose not to forward this report to Regional Council for information.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39 as amended

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if
(a)the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
(b)the expenditure is in respect of an emergency under the Emergency Management Act; or
(c)the expenditure is legally required to be paid.

Administrative Order Number 2014-021-GOV; Respecting Regional Special Events Grants

Administrative Order Number One, The Procedure of The Council Administrative Order

Schedule 2 Audit and Finance Standing Committee Terms Of Reference

14. The following Committees shall be advisory committee to the Audit and Finance Standing Committee: Grants

ATTACHMENTS

Attachment 1: Previous Six Years Funding Requests and Approvals C760

Attachment 2: Previous Six Years Funding Requests and Approvals Q621

Report Prepared by: Shari Dillman, Events Grants Administrator, Events, 902.497.3729

Community Celebrations, Established Community Events & Significant Anniversaries Grant Requests, Approvals Previous Six Years (C760)				
Year	Budget (C760)	Requests	Approved	% of Requests
2024-2025	\$215,000	\$339,395*	\$215,000	63%
2023-2024	\$215,000	\$372,075	\$215,000**	58%
2022-2023	\$215,000	\$364,125	\$217,875***	60%
2021-2022	\$215,000	\$389,025	\$198,225	51%
2020-2021	\$215,000	\$397,925	\$129,650****	33%
2019-2020	\$215,000	\$413,445	\$211,750	51%

*Three events were removed from the Established Community Events program in 2024-2025. \$33,000 combined grants requests were therefore deducted. Received a Significant Anniversary request for \$10,000.

**2023-2024 fiscal programs were over budget. Received a Significant Anniversary request in the amount of \$10,000. An additional \$8,575 was accommodated from the Community & Events Reserve (Q621).

*** Received a late application which was added to Operating Budget (C760) after Regional Council approved 2022-2023 Regional Special Events Grants report. 2022-2023 fiscal program was over budget. The \$2,875 balance was absorbed in Operating Budget (C760).

****COVID cancellations.

Established Community Events Supplemental Grants (Q621)

Additionally, two events historically funded through Established Community Events, Regional Council accepted late applications in 2022 and awarded a total of \$33,000 for the combined event grants from Q621. The table above does not include the \$33,000 combined supplemental grants for these events for the previous three years as the funding did not come from the Operating Budget (C760). The two events were funded through the Community and Events Reserve (Q621).

Applications were received during the 2025-2026 intake for the following three-year funding cycle (2025/26, 2026/27, 2027/28) from the referenced events and will be included in C760's total budget of \$215,000 exceeding the budget capacity.

Cultural Events & Showcases Grant Requests, Approvals Previous Six Years (Q621)				
Year	Budget (Q621)	Requests	Approved	% of Requests
2024-2025	\$200,000	\$376,000	\$200,000	53%
2023-2024	\$200,000	\$376,000	\$200,000	53%
2022-2023	\$200,000	\$376,000	\$200,000	53%
2021-2022	\$200,000	\$396,978	\$200,000	50%
2020-2021	\$200,000	\$396,978	\$150,750*	38%
2019-2020	\$200,000	\$396,978	\$200,000	50%

*COVID cancellations.