

Memo



Date: February 2, 2011
File: 0710-20
To: City Manager
From: Sandra Kochan, Cultural Services Manager
Subject: 2011 Professional Arts Grants

Recommendation:

THAT Council receives, for information, the report dated February 2, 2011 from the Cultural Services Manager;

AND THAT Council approves 2011 Professional Arts Grants as recommended in the report dated February 2, 2011 from the Cultural Services Manager, for the following organizations:

- \$20,000 to the Okanagan Artists Alternative Association (operating as Alternator Centre for Contemporary Art);
- \$25,000 to Kelowna Ballet Society (operating as Ballet Kelowna); and
- \$50,000 to the Okanagan Symphony Society.

Purpose:

To approve distribution of annual grants-in-aid to professional arts organizations.

Background:

Professional Arts Grants are available for:

'Organizations that have ongoing paid professional artistic leadership and administration and that pay principle artistic contributors for their services in accordance with generally accepted professional standards. Eligible activities include creative collaboration between professional artists and community members.'

For the last several years, only three Kelowna-based organizations have received annual Professional Arts Grants:

- Okanagan Artists Alternative Association (operating as Alternator Centre for Contemporary Art);
- Kelowna Ballet Society (operating as Ballet Kelowna); and
- Okanagan Symphony Society.

Staff is not aware of any additional non-profit arts organizations which currently meet the eligibility requirements for professional arts funding. However, this may change in the future.

The grants recommended in this report are the same as those approved for 2008, 2009 and 2010. The amount of total funding available for Professional Arts Grants (\$95,000) has not changed since 2008.

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Additionally, through a transition plan which commenced in fall, 2009 and continued through 2010, Festivals Kelowna is now included the annual professional arts grant review process, and its arms length operating model and programming mandate are contained in a 3 year Service Agreement. This fulfills the Council resolution from the May 17, 2010 P.M. regular meeting (partial): '...AND THAT Council directs the Cultural Services Branch to oversee the same annual review and reporting processes for Festivals Kelowna as are required from other professional arts grants recipients.' Festivals Kelowna funding is a stand-alone item in base budget and is governed by the terms of the Service Agreement, and therefore approval of the funding is not requested in this report.

Professional Arts Grant process:

The process for 2011 was the same as that used in 2010 and consisted of:

- a written request to each organization in early November, 2010 for various financial, programming and organizational information, including a critical self-assessment of their operations, financial management, revenue development, programming, strengths and weaknesses. The deadline for submission of these materials was December 17, 2010.
- a staff review in early January, 2011 of submitted materials and previous years' evaluations and reports. The review focused on three key areas: finances, programming and governance. Each of these areas had multiple levels of analysis and investigation.
- an in person meeting between Cultural Services staff and a senior staff person and Board representative from each organization during the week of January 17, 2010 to discuss review findings, exchange information and obtain feedback from each organization about their plans, challenges and relationship with the City and other stakeholders.
- pending approval of grants by Council, preparation of review notes with a follow up letter to each organization. In some cases more information has been requested and recommendations for improvement in particular areas have been provided.

All of the organizations have indicated that this review process has been helpful to them because it provides direct and clear feedback from a funder. From a staff perspective, the knowledge gained will assist in ensuring that grant funding continues to generate meaningful impact and benefit for the organizations and the community.

Lastly, each organization has been provided with an opportunity to make a direct presentation to Council, as Public in Attendance. These presentations are scheduled as follows:

March 7 - Okanagan Symphony
March 14 - Festivals Kelowna
March 21 - Ballet Kelowna
March 28 - Alternator Centre for Contemporary Art

The highlights from the staff review of each organization are provided in the attached Appendix A.

Internal Circulation: Director, Recreation & Cultural Services

Existing Policy:

Council Policy 274 - Cultural Policy:

'The City of Kelowna Cultural Services Branch funds and administers annual grants for professional arts organizations. Professional Arts Grants include an annual grant to Festivals Kelowna in support of Parks Alive!, Arts Alive!, the Buskers Program and Canada Day/Folk Fest activities.'

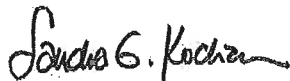
Financial/Budgetary Considerations:

Recreation & Cultural Services base budget, administered through Cultural Services, for grants-in-aid to professional arts organizations is a total of \$95,000 to be distributed among eligible organizations in accordance with the annual review/approval process. The existing base budget for Festivals Kelowna is \$245,100.

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements
Personnel Implications
External Agency/Public Comments
Community & Media Relations Comments
Alternate Recommendation

Submitted by:



S. Kochan, Cultural Services Manager

Approved for inclusion:



J. Gabriel, Director, Recreation & Cultural Services

cc: General Manager, Community Services
Director, Recreation & Cultural Services
General Manager, Okanagan Symphony Society
General Manager, Kelowna Ballet Society
Executive Director, Okanagan Artists Alternative Association
Executive Director, Festivals Kelowna

2011 PROFESSIONAL ARTS GRANTS - APPENDIX A
FEBRUARY 2, 2011 REPORT FROM S. KOCHAN, CULTURAL SERVICES MANAGER

HIGHLIGHTS FROM STAFF REVIEW:

Okanagan Symphony (presenting to Council on March 7):

Programming:

The quality of the Symphony's programming and performance continues to thrive under the artistic leadership of Maestra Rosemary Thomson. The 2009/10 50th anniversary season featured world premieres of new works by local and Canadian composers. The current series of 8 performances for 2010/11 offers a diversity of repertoire including jazz and pops, operetta, children's music, Celtic fiddling, traditional classics and contemporary Canadian compositions.

The Orchestra continues its education and outreach in the community, including special concerts for students, pre- and post-concert talks, curriculum support for teachers and music specialists in four separate school districts, classes and performance opportunities for young musicians, and partnering with other organizations for unique events such as the 2010 Arts Picnic which brought the National Youth Orchestra to Kelowna for the first time. A variety of ticket and pricing options are available to make performances accessible for children, youth, seniors, and music teachers and students.

Total audience attendance for the 2009/2010 season at 21 performances in Penticton, Kelowna and Vernon was 15,774. Attendance at Kelowna performances was 8,186 and is consistently approaching 100% capacity in the Kelowna Community Theatre.

Financial:

The organization ended its 2008/2009 season in a very positive financial position. In the following year, cuts to provincial gaming funds and BC Arts Council grants resulted in a loss of approximately \$147,000 from the Symphony's operating budget. Additional budget impact resulted from the implementation of the HST. The organization responded quickly and effectively and has restored a balanced budget forecast for the 2010/11 and 2011/12 fiscal years.

It is unlikely that the Symphony will be eligible for provincial Community Gaming Grants in the future. Most arts organizations which do not specialize in programming for children and youth are no longer eligible. Funding through Bingo centres in Penticton, Kelowna and Vernon has ended. Direct Access funding through Kelowna and Penticton ends in 2011/12, representing a further reduction of \$90,000 in operating funding.

The Symphony continues to receive operational support through the Canada Council for the Arts and the British Columbia Arts Council. No increase in funding from either of these sources is anticipated.

The organization is actively engaged in strategic planning and has undertaken several initiatives to enhance its sustainability including:

- A significant annual fundraising event;
- Requests for funding support from other communities in their performance area, including the North Okanagan Regional District, Coldstream, Penticton and the District of West Kelowna;
- Seeking grant funding to retain the services of a Marketing & Customer Service Coordinator who will work to increase ticket sales and generate more earned revenue;
- A campaign to increase corporate subscriptions and sponsorships; and
- Outreach to younger audiences in the 15-29 age range, including performances at the UBC Okanagan campus.

Organizational:

Scott Wilson, who has over 35 years of performance and administrative experience with the Toronto Symphony Orchestra, is the new General Manager, leading a compact team of 3 full time staff: office administrator (Laurie Henderson), Artistic/Music Director (Rosemary Thomson), and personnel/stage manager (Tim Watson). The orchestra consists of 18 core player positions with additional musicians brought in as needed for particular performances. The collective agreement for the core musicians is due for renegotiation in 2011.

The Board of Directors includes members from Penticton, Kelowna and Vernon, and has refreshed its vision and priorities through strategic planning and attracting new members with specific skills and experience.

Professional systems and support are in place for financial oversight, personnel and office administration.

Festivals Kelowna (presenting to Council on March 14)

Programming:

Parks Alive! outdoor concerts, Canada Day celebrations, the Arts Alive! vendors program and the Buskers Program continue to provide high quality entertainment in many of Kelowna's key outdoor public spaces. The animation and vibrancy contributed by this programming is valuable for both residents and visitors, and functions as a significant attractant particularly in the downtown and waterfront areas.

In 2010, estimated attendance at Canada Day and Parks Alive! programming is 75,000 people. More than 400 artists (in groups or as individuals) participated. All artists, with the exception of buskers and artisan vendors who generate their own revenues, are paid. Approximately 85% of participating artists are local. Festivals Kelowna often provides new or emerging local performers their first opportunity to benefit from professional staging and play for a large audience. Programming was provided through over 45 shows/events in 29 different locations throughout the City and has effectively linked with the Recreation & Cultural Services 'Park 'N Play' program in various neighbourhoods. Over 250 volunteers work with Festivals Kelowna each year.

Through its Service Agreement with the City of Kelowna, the organization has created an annual business plan to improve performance and programming in 2011, including:

- Streamlining administration processes and making it easier for artists to participate;
- Diversifying content by adding new concerts, genres, themes and artists;
- Improving connections with the multicultural community and younger audiences to enhance programming and attendance;
- Exploring use of new technology to increase spontaneous donations during events; and
- Identification of additional opportunities for the vendors and buskers programs.

Financial:

Due to careful management by staff and increasing levels of community support and sponsorship, the organization's financial position has significantly improved since the losses incurred in 2009, and repayment of funds owing to the City of Kelowna is proceeding as planned.

While the City of Kelowna remains as Festivals Kelowna's largest funder, the organization has been successful in accessing additional funding through a diversity of sources including earned revenues (primarily vendor fees), grants from senior levels of government, donations, and sponsorships from local businesses and media who are strong supporters of Parks Alive! and Canada Day programming.

Staff also continue to develop partnership and fee-for-service opportunities with organizers of other festivals and events including the Okanagan Pride Festival, French Cultural Centre, Streaming Café, Country Music Television, Break Out West and other civic initiatives such as the opening celebrations at Stuart Park.

Organizational:

2010 was a transitional year for Festivals Kelowna as it moved to an arms length relationship with the City of Kelowna and finalized the terms of a 3 year Service Agreement. These changes have assisted the organization in focusing its mandate and operations on the delivery of high quality, proven programs.

The organization has two full time staff: Executive Director Renata Mills and Program Coordinator Morgan Cleveland. Subject to budgets and the availability of student employment grants, the organization hires 1-2 summer students each year.

The 11-member Board of Directors represents a diversity of skills and interests, including specialists in marketing, accounting, event development and delivery, music industry and performance, technical services and community development. The Board is engaging in retreats and strategic planning to enhance its knowledge and effectiveness.

Professional financial reporting systems for the organization are in place and maintained through a contracted bookkeeper and oversight by the organization's Treasurer who is a Certified Management Accountant. External review engagements and audits are provided by a professional accountancy firm. The Board receives, reviews and approves monthly financial reports. Pursuant to the Service Agreement, quarterly financial reports will be provided to the City's Finance Department.

Ballet Kelowna (presenting to Council on March 21):

Programming:

Ballet Kelowna is in its 8th season. The company of 6 young dancers under the artistic direction of David LaHay continues to perform both new works by Canadian choreographers (including LaHay), and new stagings of masterworks to favourable reviews and enthusiastic audiences.

The company holds annual auditions in Vancouver in its search for new talent, and engages hundreds of young dance students in Kelowna and Kamloops for its annual production of 'The Nutcracker.' Ballet Kelowna has also partnered with musicians and composers to bring original, live music into its performances. Enhanced lighting, costumes and sets have contributed to professional production values. In 2011 the company will tour to 25 British Columbia and Alberta communities for 50 evening and student performances to a total audience of approximately 15,000 people.

Community and audience outreach also includes:

- School programs, including ArtStarts in Schools;
- Open studio days and rehearsals;
- Free performances in locations such as Orchard Park Shopping Centre;
- Ticket price discounts for seniors and youth;
- Tour ambassadors and volunteers in host communities; and
- Performances in remote or small communities which might not otherwise be visited by major touring companies.

The organization is successfully attracting younger audiences, volunteers and Board members through its repertoire, marketing and fundraising events.

Financial:

Ballet Kelowna's 2010/11 budget was reduced by approximately 32% due to the loss of \$20,000 in Gaming funding and the sunset of long-term sponsorship arrangements. The organization has responded admirably to these changes and continues to operate with a balanced budget. However, with no operating support yet secured from senior funders such as the Canada Council for the Arts and the British Columbia Arts Council, the organization is heavily reliant on project grants, sponsorships and fundraising, which constitute more than 65% of its budget, along with approximately 22% earned revenues.

More than 70% of the organization's budget is devoted to production, programming and touring.

The organization has pursued other innovative financial avenues including:

- Annual fundraising events which provide a significant return;
- Seeking guaranteed presenting fees and other support from communities which host the company on tour;
- Auctions and raffles;
- A planned giving program;
- Applications for large foundation grants; and
- New long term corporate sponsorship commitments.

The organization will complete work on a new marketing and audience development model in Spring, 2011, in support of its objective to increase earned income through ticket sales by 15% annually. According to their research, they will be one of only two Canadian dance companies to have this kind of planning in place.

Organizational:

Ballet Kelowna has two full time staff: Artistic Director David LaHay, and Executive Director Alison Moore. A part-time Marketing Intern (Mya Brewis), funded through a provincial grant until March 31, 2011, has been able to significantly improve website, social media and other communications and marketing tools. The organization is also supported by a part-time office administrator, contracted production, bookkeeping and fundraising personnel and a growing core of volunteers. Dancers are also retained on contract.

The Board of Directors is active through a number of committees and represents a good cross-section of skills and experience including the arts, accountancy, law, marketing, media, public relations, event and project management, and business. As the organization matures, the Board will be shifting its focus away from organizational development and more toward strategies to manage growth, develop more capacity at the staff level, and increase audiences and revenues.

Financial reports are produced and reviewed monthly by both staff and the board's Finance Committee, with consistent improvements in monitoring and tracking cashflow and various cost centres.

Alternator Centre for Contemporary Art (presenting to Council on March 28):**Programming:**

Since its beginnings in 1988, The Alternator Centre has supported the careers of over 300 artists, and has hosted over 25 artists-in-residence at its Media Centre. Programming is consistent with its mandate to provide an alternative forum and venue for a range of contemporary art practices including performance, video, installation, visual art and interventions in the public realm. Many of their programs and projects engage with social issues.

Of particular note is the Centre's ongoing commitment to featuring the work of established and emerging aboriginal artists, many of them from the Okanagan region.

All artists who exhibit or participate in programming at the Centre are paid in accordance with CARFAC (Canadian Artists Representation) standard fee schedules.

The Centre's membership and audience is predominantly in the 18-35 age range. There are approximately 200 members at the current time. Membership has grown appreciably in the last couple of years. Membership is provided at reasonable cost. Membership benefits include participation in an on-line gallery, the Wearable Art Gala and the annual members' show, opportunity to use the Media Arts Centre space and equipment, and getting involved in other initiatives such as commissioning projects, committees and artist exchanges.

In 2011, programming will include:

- 2 solo exhibitions;
- 2 group exhibitions;
- The 8th annual Wearable Art Gala;
- The annual members' exhibition; and
- New works commissioned from local, Canadian and US artists for two separate projects.

Community and audience outreach includes:

- Rotating exhibitions in the front window space of the Centre which is highly visible to all passersby in the Rotary Centre for the Arts;
- All artists exhibiting at the Centre are asked to provide a programming component in the community outside the walls of the Centre;
- Use of new technologies allows the public to access programming in unique ways;
- The Centre provides a casual and welcoming environment and offers frequent opportunities for its members and the public to interact with artists and presenters;
- Partnerships with a range of community organizations build new connections between contemporary art and social issues; and
- Events such as the Wearable Art Gala encourage participation from residents who may not otherwise be connected to the Centre or other arts organizations.

Financial:

The organization is significantly reliant on public sector operational funding through the Canada Council for the Arts, the British Columbia Arts Council and the City of Kelowna, with an additional amount provided through provincial Gaming. 2011 is the final year of a multi-year Direct Access agreement, and it is uncertain whether this funding of \$34,000 annually will be available to the organization in the future due to changes in eligibility guidelines.

The organization has a good record of success in obtaining project funding through foundations and all levels of government.

The organization is working on strategies to deal with the loss of gaming funding, including:

- Working with advisors to enhance marketing;
- Seeking provincial funding to support a renewed fundraising plan and donor campaign;
- Building membership, partnerships and increasing volunteer support;
- Reducing the number of exhibitions with more focus on high quality programming and artist support; and
- With grant support from the Central Okanagan Foundation, the organization has retained the consultancy services of Ashok Mathur, Canada Research Chair in Cultural and Artistic Inquiry, to work with the staff, Board and members to develop a new and sustainable operating model. The outcomes of this project will be of significant interest to other artist run centres and arts organizations when completed later this year.

Organizational:

The organization employs Chris Bose as the new full-time Executive Director, and Heather Martin as the part-time Gallery Assistant and Media Centre Coordinator. Funding for the part-time position is supported through a Canada Council Media Arts grant.

The 10-member Board of Directors includes practicing artists, students, activists and academic faculty. The Treasurer is a Certified General Accountant. Annual financial statements are professionally prepared.

2011 will be a transitional year for the organization as the new Executive Director takes the helm. Ongoing support will be provided by the former Executive Director Jennifer Pickering.

In 2010, the organization updated its mandate and vision and re-affirmed its support for emerging and alternative artists, art which is engaged in its social context and a collaborative and connected approach.