

Report to Council



Date: February 5, 2018
File: 0710-20
To: City Manager
From: Christine McWillis, Cultural Services Manager
Subject: 2018 Professional Operating Grants

Recommendation:

THAT Council receives, for information, the report dated February 5, 2018 from the Cultural Services Manager regarding the 2018 Professional Operating Grants;

AND THAT Council approves the 2018 Professional Operating Grants as recommended in the report dated February 5, 2018 from the Cultural Services Manager, for the following organizations:

- \$62,000 to the Okanagan Symphony Society;
- \$36,000 to the Kelowna Ballet Society; and
- \$26,000 to the Okanagan Artists Alternative Association (operating as Alternator Centre for Contemporary Art); and

AND FURTHER THAT Council directs staff to report back with information and recommendations regarding 2018 funding for the Bumbershoot Children's Theatre Society.

Purpose:

To seek Council's approval of the annual grants-in-aid to professional arts organizations.

Background:

On October 2, 2017 Council approved guidelines for the 2018 Professional Operating Grants.

The purpose of professional operating grants is to provide consistent and reliable annual support to professional, established non-profit arts and cultural organizations which provide impactful, quality programs and services, demonstrate sustainable operations and contribute to the realization of the City's cultural vision, principals and goals as outlined in the Cultural Plan.

New guidelines were introduced in 2016 and only changes to dates were made for the 2018 guidelines.

Eligible organizations in this program are active for at least five years with professional artistic and administrative staff leadership, a proven record of delivering quality artistic programs in the community, an annual cash budget of at least \$200,000, and an active Board of Directors with a clear governance role. Professional artistic contributors must be compensated at standard rates.

In 2017, four organizations participated in this program, at the following funding levels:

- Okanagan Symphony - \$62,000
- Ballet Kelowna - \$36,000
- Alternator Centre for Contemporary Art - \$26,000
- Bumbershoot Children's Theatre - \$16,000

No changes to funding for the Okanagan Symphony, Ballet Kelowna or Alternator Centre for Contemporary Art are proposed for 2018. Due to an organization transition staff will continue to work with Bumbershoot Children's Theatre and report back to Council with additional information and recommendations in the coming months.

Representatives of all four organizations included in this report will deliver Public-in-Attendance reports directly to Council in the coming months.

Evaluation process:

Pursuant to the program guidelines, the evaluation process began with staff review of materials provided by organizations and a meeting with organization representatives to discuss findings.

In preparation of the recommendations in this report, staff have considered the following factors:

- The organization's previous funding history with the City of Kelowna, including how it has responded to previous feedback or suggestions for improvement
- The review findings and subsequent interview
- The assessment criteria published in the program guidelines

Background information to support the funding recommendation for each organization is contained in Schedules A through C. The following is an overview.

Okanagan Symphony Orchestra – recommended funding of \$62,000.

- Okanagan Symphony Orchestra continues to look for ways to expand its community engagement including the expansion of its "Your Symphony at the Library" which was originally piloted in 2015.
- For 2018, the Okanagan Symphony Orchestra will continue to draw from the European traditions of the symphony orchestra's heritage however also integrate cultural diversity with an Inuit Guest Artist and music reflecting Asian heritage.
- The Okanagan Symphony Orchestra is approaching their 60th Anniversary and will be building up for a number of anniversary celebrations to happen in 2019-2020.

Ballet Kelowna – recommended funding of \$36,000

- Ballet Kelowna continues to encourage, promote, teach and develop Canadian dancers and choreographers by providing a nurturing and creative environment in which they can learn and refine their skills.
- In 2017, Ballet Kelowna was presented the 2017 Okanagan Arts Award of Excellence in Dance as well as being a finalist for the Chamber of Commerce Business Excellence Award.
- Ballet Kelowna has increased their employment of dancers from 6 to 9 by including trainees and apprentices to the dance company.
- In celebration of Ballet Kelowna's 15th anniversary season, the Company presents its first full-length ballet – *A Streetcar Named Desire*, by renowned Canadian choreographer John Alleyne.

Alternator Centre – recommended funding of \$26,000

- The Alternator Centre has maintained focus on activating its 2016 strategic plan top priorities. This has included enhancing contact points with the public to expand their circle of supporters.
- A pilot program has been initiated in partnership with Kettle River Brewing and will act as an expansion of the Member's Gallery (5 remote exhibitions per year).
- Key themes for the 2018 programming at the Alternator Centre include: professional programming (excellence in artistic programming including experimentation, colonialism and settler reconciliation and memory and identity), enhanced community programming and fundraising events that supplement core programming.

Upon approval of the funding recommendation by Council, staff will provide each organization with a funding confirmation letter which sets out the conditions for the release of funding and may contain feedback or suggestions for improvement from the funder's perspective.

Internal Circulation:

Division Director, Active Living & Culture
 Communications Supervisor
 Financial Services – Payroll & Internal Controls Manager

Existing Policy:

Council Policy 274 – Cultural Policy

Considerations not applicable to this report:

Legal/Statutory Authority
 Legal/Statutory Procedural Requirements
 Financial/Budgetary Considerations:
 Personnel Implications:
 External Agency/Public Comments:
 Communications Comments:
 Alternate Recommendation:

Submitted by: C. McWillis, Cultural Services Manager

Approved for inclusion: J. Gabriel, Divisional Director, Active Living & Culture

Attachments:

Schedule A: Okanagan Symphony Orchestra

Schedule B: Ballet Kelowna

Schedule C: Alternator Centre for Contemporary Art

Cc: Communications Supervisor
 General Manager, Okanagan Symphony Society
 Artistic Director & CEO Ballet Kelowna
 Artistic and Administrative Director, Alternator Centre for Contemporary Art
 Artistic Director, Bumbershoot Children's Theatre

Schedule A: Okanagan Symphony Orchestra
Report from the Cultural Services Manager Feb. 5, 2018

Planning, Leadership & Administration:

In October 2016, the Executive Director was unfortunately required to take medical leave. The organization was left quite vulnerable. However, with the support of a very dedicated board and staff the orchestra continued with business as usual. Roger Tilstra has since become the new General Manager of the OSO and continues to move the organization forward.

In March 2017, a 0.7 FTE position was hired for administration and this has greatly reduced the workload of the full-time administrator.

Grant writing continues to be a challenge for the orchestra including time to research potential funders, make the appropriate connections and complete the required applications. Support in this area continues to be worked on and the orchestra has engaged a professional grant writer on a contract basis.

Artistic Programs and Services:

The Okanagan Symphony Orchestra will be celebrating its 60th Anniversary season in 2019-2020. This coming year will be used as an opportunity to plan for this significant milestone.

The Okanagan Symphony Orchestra has introduced several new community programs over the past three seasons. This coming year they will seek to strengthen and enhance the existing programs from the perspective of funding and resources in order to ensure maximum impact of the community.

For the coming season the Okanagan Symphony Orchestra highlights three major themes:

- Presentation of the Vancouver Symphony Orchestra as part of the BC interior tour,
- Expansion of the library series, and
- Expansion of OSO "Specials."

The OSO had the opportunity to work with Ballet Kelowna for the celebration of Canada's Sesquicentennial. The work titled *Canadiana Suite* was very successful. Unfortunately funding for this partnership was not fully realized and the organizations were committed to the performances causing a slightly larger deficit than anticipated. The organization reports that partnership with Ballet Kelowna was very gratifying. The audiences were ecstatic and they reached new patrons.

Participation and Impact:

The Okanagan Symphony Orchestra will be working to add a new category of sponsorship to offer free tickets to prospective patrons who might not otherwise be able to afford to attend. The program is being developed and they are optimistic about the support it will receive from the business community.

Bottega Inn has contributed their 9 foot Steinway grand piano on permanent loan to the Kelowna Community Theatre, which is now available for use by the symphony. This is a vast improvement over the previous piano which is no longer being fundraised for.

A 6-program Masterworks Series sponsored by The Chase Wines is in effect as of the 2017-18 season. This is a 3-year commitment. The series highlights many special guests including the Vancouver Symphony Orchestra. In March of 2018, Kevin Chen, a 12-year old piano prodigy, will perform with the symphony. Promotion for this event is ongoing.

Almost 8000 elementary students saw the orchestra in celebration of "How Canada Came to Be". New relationships were created with the Indigenous community through script revision and the performance of the Okanagan Song. Also a new relationship with UBCO was developed was realized during the project.

Financial Management:

Although the Okanagan Symphony Orchestra has experienced some financial challenges in recent years they have managed to switch from a reactive position to a proactive position. Budgeting and forecasting have become a primary focus for reducing the deficit and they are now able to accurately forecast costs for upcoming seasons.

Ticket revenue constitutes 56% of annual revenue. In the coming season, the organization will aim to increase its donations and sponsorship which currently sit at 17% of revenue. Work in this has already started through engagement of a fund development manager. Key elements of this plan include a target of increasing donations and sponsorship and fundraising events to achieve a goal of \$100,000 of increased support.

The Symphony has launched a new raffle fundraiser for a circumnavigation cruise of Newfoundland. A trip valued at \$30,000. Tickets are \$50 each and there are only 1500 tickets to be sold.

Orchestras Canada latest statistics (as of Dec 1, 2017) compares what each orchestra spends in order to attract a patron. The OSO spends approximately \$58 and by comparison the VSO spends approximately \$140.00 for the same patron. This places the OSO among the lowest cost per patron in Canada (stats from 71 orchestras reporting to Orchestras Canada). This is a good indicator of strong programming, sound fiscal management and a committed staff.

The ultimate objective of all of these initiatives is to put the Okanagan Symphony Orchestra into a cash forward position.

The OSO has engaged an accounting firm to prepare financial statements and perform necessary reporting.

Board and Governance:

In recent months, the Okanagan Symphony Orchestra has added significant depth to their board, a goal which they have been pursuing for several years. The organization reports that they are confident they have the core skill sets required for strong organization governance. The inclusion of a human resources specialist, a lawyer and an accountant at the last AGM will prove valuable for organization.

The OSO struggles with regional representation across all communities however will continue to recruit board members outside of Kelowna in the coming year.

City feedback appears to be considered and actioned where necessary.

On the immediate horizon is the planning of the 60th Anniversary season including partnerships with other arts organizations in Kelowna. The Okanagan Symphony Orchestra will be seeking out unique ways to celebrate.

Okanagan Symphony Orchestra is recommended for Professional Operating funding

Schedule B: Ballet Kelowna
Report from the Cultural Services Manager Feb. 5, 2018

Planning, Leadership & Administration:

The organization mandate of Ballet Kelowna has remained unchanged. "Ballet Kelowna continues to encourage, promote, teach and develop Canadian dancers and choreographers by providing a nurturing and creative environment in which they can learn and refine their skills."

Ballet Kelowna was proud to report that they were selected as a finalist for the Chamber of Commerce Business Excellence Award. In addition, the CEO/ Artistic Director, Simone Orlando, was invited to represent the Okanagan region in a consultation meeting with the Province's Minister of Tourism, Arts and Culture to discuss BC Arts Council programs and infrastructure planning.

The new studio space is still being developed and continues to provide Ballet Kelowna with many growth opportunities.

Ballet Kelowna has proven to be a great career starter for young dancers. The inclusion of trainees and apprentices to the dance company (move from 6 to 9 dancers) provides more opportunity for future professionals.

The recent turnover of the Development Manager is an ongoing challenge however the Board of Directors has developed a Fund Development Committee with clear priorities to deal with this staffing vacancy for the interim.

Artistic Programs and Services:

The organization continues to the work on strengthening its programs, increasing organization capacity and increasing its support base as part of their commitment to the Virtuous Cycle as a model to good business performance.

The 2017/18 marks Ballet Kelowna's 15th Anniversary. In celebration, Ballet Kelowna will produce three programs instead of 2:

- *Acts of Remembrance* (Nov 10 & 11)
- *Elles: Extraordinary Dance Created by Women* (Feb 2)
- *A Streetcar Named Desire* (May 1 & 2) – First full length story ballet presented by Ballet Kelowna.

The staging of "*A Streetcar Named Desire*" is a major milestone for the company.

Ballet Kelowna is working on a strengthened partnership with Victoria Academy of Ballet to ensure possibilities past the next season and in hopes to enhance the long term goals of the organization.

Participation and Impact:

Although 2017 membership in the organization is 94, total memberships seem to be on a steady decline from reports over the last 2 years (160 – 2015 and 114 – 2016). This has been recognized by the Board of Directors and will be followed up on in 2018.

The number of season subscriptions sold has increased by 82% over the last few years. Attendance at Kelowna performances has also risen. In the 2016/17 season, Ballet Kelowna reached over 12,196 audience members through programs and performances in Kelowna and on tour. New goals for 2017/18 season see additional anticipated audience growth.

A new partnership in the 2017/18 season with the Living Things Festival will help build and expand audiences for the performing arts in Kelowna. During the 2018 festival, Ballet Kelowna presents *Elles: Extraordinary Dance Created by Women*, a show being regarded as one of the hottest entertainment tickets across the country.

To reduce barriers to attendance at performances the seating is tiered to offer three price levels. There is pricing for students, seniors and children. The price variation for students versus adult tickets is significant and would certainly entice a younger generation with means to participate more often.

Marketing materials continue to be very well prepared and very professional.

Plans to engage past attendees to act as ambassadors and invite friends to the Ballet event are moving forward in the new program year.

Financial Management:

Tangible capital assets increased significantly this year with new touring equipment (\$28K) and leasehold improvements (\$9K).

Internally restricted assets consist of the Hyde Fund and Youth Engagement Fund.

Ballet Kelowna's operating budget continues to grow with revenue expected to reach \$580K in the coming year. Earned revenue continues to increase particularly from ticket sales in Kelowna and the IN MOTION Adult Ballet program. Success was also found in the securing donations from individuals with an increase from \$58,300 in 2016 to \$84,800 in 2017.

Expenses are also on the rise including marketing and production costs.

The organization identifies numerous funding challenges with changes to different programs and being declined touring funding just prior to departing on an eight-city tour. However, the organization was very resilient and was able to amend and bounce back showing only a minimal deficit in 2016-2017.

Board and Governance:

The maximum number of board members has been amended in the current year from 11 to 9. The board has experienced turnover in the past year with four board members departing and four new board members recruited based on skill.

Transition to the new Societies Act occurred in January 2018. A new constitution and bylaws have been approved.

Ballet Kelowna has grown significantly over the last three years. The organization has relied heavily on volunteer support including “volunteer work” by the CEO/AD. An increase in administrative support will continue to support growth.

In summary, Ballet Kelowna continues to enhance Kelowna’s cultural landscape through producing and presenting high quality, professional dance. During the 2016/17 season, they have commissioned four new works and introduced two other new works into the Company’s repertoire. Through audience surveys and feedback, they continue to hear about the quality of their dancers and performances.

Ballet Kelowna (board, staff, dancers) sincerely thank the City of Kelowna for their operating support.

Ballet Kelowna is recommended for Professional Operating funding.

Schedule C: Alternator Centre for Contemporary Art
Report from the Cultural Services Manager Feb. 5, 2018

Planning, Leadership & Administration:

The Alternator Centre for Contemporary Art (Okanagan Artists Alternative Association or OAAA) has had no change to their mandate over the last year. Upcoming projects will continue in line with the strategic plan and include improved communications and visitor experience

They have maintained focus on activating aspects of their 2016 strategic plan top priorities. This has included enhancing contact points with the public to expand the circle of supporters through:

- Redevelopment of their website,
- Adjustments made to the window gallery programming (resulting in 3 professional Window Gallery exhibitions planned in 2018),
- Enhanced catering at events to increase audience engagement and attendance,
- Pilot program with Kettle River Brewing. This will be an opportunity for Kettle River Brewing to act as an extension to the Member's Gallery, and
- Improved internal and external communications, including new approaches to the creation and circulation of media releases.

The organization is aiming to execute these activities with a focus on the long term success of the organization and positive impact on earned revenue.

With the permanent appointment of a new Assistant Director, the OAAA is looking forward to increased capacity in 2018.

Artistic Programs and Services:

Three key highlights have been identified with regards to programming by the organization including:

- Continued professional programming including key topics such as experimentation, colonialism & settler reconciliation and memory & identity.
- Community programming and community engagement including community exhibitions, exhibition opportunities for local member artists, public events and artist workshops.
- Incorporating fundraising events as part of the core programming instead of a supplement. There is acknowledgement that these can not be exclusive of each other.

Marketing materials are well produced and reflective of the professional work displayed at the galleries.

The Studio 111 Artist Co-op is being relaunched in January 2017 and will create more stable earned revenue through programming fees.

Participation and Impact:

13,560 attendees have been recorded as participating in Alternator Centre programs, special events or viewing exhibits in 2017. This is up from 11,726 in 2016. The central demographic for the Alternator Centre is 18-35 years of age.

Entry to exhibitions are by donation and most events are free. For those exceptional events that do have an admission, it is rarely above \$10 and is accompanied by a reduced fee for members. Memberships are priced at \$35-50 annually. The Alternator also provides an opportunity to have your membership fee waived through volunteer hours.

The OAAA has reasserted their dedication to expanding their circle. Their interpretation of this objective is closely tied to engaging more of the population with experimental contemporary art by evaluating the work they present (interpretive essays) and enhancing the associated outreach components that welcome a variety of visitors to the Centre.

Financial Management:

The Alternator Centre has received three-year operating funding from Canada Council – Assistance to Artist-Run Centres. Provincially they have operating funding from the BC Arts Council. The Centre received BC Gaming Funding in the amount of \$35,000 in 2017. Locally, the Alternator Centre is in year 3 of a three year grant from the Central Okanagan Foundation to support the Member's Gallery.

The Alternator Centre has alternatives for reduced scope of programs if funding for any year is not realized. OAAA closed 2016-17 with a deficit of \$2149. Moving forward OAAA is working to refine their budget process to ensure project budgets are realistic and modified if necessary.

Board and Governance:

In 2017 the organization welcomed 4 new board members including local artists. Canada Council for the Arts requires a minimum of 51% of practicing artists be on the Board of Directors. As such the organization has been working hard to fill roles with professional artists that also have business skills and to create development opportunities for existing artist board members to acquire new skills.

Although the Alternator Centre has tried to recruit board members with fundraising experience they have not been successful to date.

The organization has transitioned to the new Societies Act.

OAAA is grateful to the City of Kelowna for its continued financial support. They would also like to acknowledge the importance of the non-monetary assistance received from Cultural Services staff and through feedback acquired from Council at the yearly presentation.

The Alternator Centre for Contemporary Art is recommended for Professional Operating funding.