



**The Corporation of the City of St. Catharines  
GENERAL COMMITTEE AGENDA  
Regular, Monday, January 27, 2020  
Council Chambers, City Hall**

*His Worship Mayor Walter Sendzik takes the Chair and opens the meeting following  
Items Number 5 and 8 on the Council Agenda*

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**1. Motion to Move Reports on Consent**

**2. Consent Reports**

*Following Consent Reports, Council will proceed to Council Agenda Item 6  
(Public Meetings Pursuant to Planning Act)*

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2.1 Legal and Clerks Services, Office of the City Clerk  
Council Correspondence

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2.2 Financial Management Services, Director  
2020 Water and Wastewater Budget and Associated Rates  
**(Report being tabled only.** Report will be discussed at the meeting  
of February 10, 2020)

**3. Discussion Reports**

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3.1 Financial Management Services, Accounting and Payroll  
Niagara Symphony Association Line of Credit Guarantee Request

- A delegation by Brent Harsaym (Niagara Symphony Orchestra Board Chair) and David Steiner (Niagara Symphony Orchestra Treasurer) will precede discussion of the report

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3.2 Economic Development and Government Relations  
Youth Forum Task Force Event at Meridian Centre  
*(Report contains links; copies available upon request)*

- A delegation by Alex Mitchell will precede discussion of the report

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3.3 Community, Recreation and Culture Services, Programs and Cultural Services

Niagara Folk Arts Festival 2019 Report and 2020 Funding Request  
(*Report contains links; copies available upon request*)

- A delegation by Emily Kovacs, Executive Director / CEO, Niagara Folk Arts Multicultural Centre will precede discussion of report

**4. In-Camera Session (General Committee)**

Council will meet In-Camera for the following purposes:

- Confidential – Niagara Symphony Request (In-Camera Pursuant to By-law 2015-170, Section B20.3(i) A trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization)
- Property Matter – Lease (In-Camera Pursuant to By-law 2015-170, as Amended, Section B20.3(c), a Proposed or Pending Acquisition or Disposition of Land by the Municipality or Local Board), Realty File No. 87-35
- Niagara IceDogs - Meridian Centre License Agreement (In-Camera Pursuant to By-law 2015-170, as Amended, Section B20.3(f), Advice that is subject to Solicitor-Client privilege, including communications necessary for that purpose)
- Chief Administrative Officer 2019 Performance Evaluation (In-Camera Pursuant to By-law 2015-170, Section B20.3(b) and Section B20.3(d), Personal Matters about an Identifiable Individual, including Municipal or Local Board Employees and Labour Relations or Employee Negotiations)
- Update from Mayor Sendzik (In-Camera Pursuant to By-law 2015-170, Section B20.3(b) and Section B20.3(d), Personal Matter about an Identifiable Individual, including Municipal or Local Board Employees and Labour Relations or Employee Negotiations)

**5. Adjournment**

*Following Adjournment, Council will proceed to Council Agenda Item 9 (Motions Arising from In-Camera Session).*



## Corporate Report City Council

**Report from:** Legal and Clerks Services, Office of the City Clerk

**Report Date:** January 15, 2020      **Meeting Date:** January 27, 2020

**Report Number:** LCS-014-2020      **File:** 10.12.1

**Subject:** Council Correspondence

**Strategic Pillar:**

### Recommendation

That Council endorse the resolutions from the Township of Stone Mills regarding Support Resolution of Conservation Authorities and the Grape Growers of Ontario regarding Alcohol Modernization; and

That Council receive and file the items listed within the report; and

That Council appoint the individual, as outlined in the confidential memorandum from the Deputy City Clerk, to the Recreation Master Plan Advisory Committee; and

That Council appoint the individual, as outlined in the confidential memorandum from the Deputy City Clerk, to the Equity and Inclusion Advisory Committee; and

That Council receive and file additional correspondence distributed for the meeting held January 27, 2020, which is available upon request. FORTHWITH

### Report

The Office of the City Clerk is submitting, for the approval of Council, correspondence received during the period of January 3, 2020 to January 16, 2020.

#### Resolutions

1. Township of Stone Mills re: Support Resolution of Conservation Authorities
2. Grape Growers of Ontario re: Alcohol Modernization

#### Correspondence

3. NPCA re: Board of Directors Meeting Highlights-December 18th, 2019

#### Memoranda from Staff

4. Phil Cristi, Director of Community, Recreation and Culture Services - Community Outdoor Ice Rink Pilot Project – Update
5. Darrell Smith, Director of Municipal Works - Garbage Receptacle Removal Pilot Project
6. Anthony Martuccio, Director of Engineering, Facilities and Environmental Services - Port Dalhousie Staircase to Lakeside Park - Update

**Confidential Memoranda from Staff (see SugarSync)**

7. Kristen Sullivan, Deputy City Clerk – Vacancy Appointment to Recreation Master Plan Advisory Committee
8. Kristen Sullivan, Deputy City Clerk – Vacancy Appointment to Equity and Inclusion Advisory Committee

**Prepared by:**

Kyra Nicholson, Council and Committee Coordinator

**Submitted and Approved by:**

Bonnie Nistico-Dunk, City Clerk



## The Corporation Of The Township Of Stone Mills

4504 County Road 4, Centreville, Ontario K0K 1N0  
Tel. (613) 378-2475 Fax. (613) 378-0033  
Website: [www.stonemills.com](http://www.stonemills.com).

December 27, 2019

Honourable Jeff Yurek  
Minister of Environment, Conservation and Parks  
College Park 5<sup>th</sup> Flr, 777 Bay St.  
Toronto, Ontario  
M7A 2J3

[minister.mecp@ontario.ca](mailto:minister.mecp@ontario.ca)

Honourable Premier Doug Ford  
Premier of Ontario  
Legislative Building  
Queens Park  
Toronto On M7A 1A1

[premier@ontario.ca](mailto:premier@ontario.ca)

**Re: Support Resolution of Conservation Authorities – Township of Stone Mills**

Dear Premier Ford and Minister Yurek,

At the December 9, 2019 Stone Mills Township Council meeting, Council passed a resolution in support of the continuation of program support for Conservation Authorities in the Province of Ontario.

A copy of the resolution is attached for your consideration. We kindly request your support and endorsement for the continuance of Conservation Authority Support.

Sincerely,

Bryan Brooks  
C.A.O./Clerk  
Township of Stone Mills

Cc: MPP Daryl Kramp  
MP Derek Sloan  
Association of Municipalities on Ontario  
Quinte Conservation

All Ontario Municipalities  
Cataraqui Conservation Authority



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### RESOLUTION IN SUPPORT OF CONSERVATION AUTHORITIES

**WHEREAS** the Township of Stone Mills is committed to planning for an protecting the future sustainability of its resources and environment,

**AND WHEREAS** the Township of Stone Mills is within the Quinte and Cataraqui Conservation Authority areas,

**AND WHEREAS** the Province of Ontario is currently reviewing the mandate and operation of conservation authorities and;

**AND WHEREAS** Conservation Authorities provide essential services to municipalities in their watersheds and

**AND WHEREAS** smaller municipalities do not have capacity or the financial resource to employ staff with the technical expertise that conservation authorities provide and

**WHEREAS** development near watercourses can have significant effects both upstream and downstream

**THEREFORE BE IT RESOLVED THAT** The **Township of Stone Mills encourages the province to continue to support the principle of planning on a watershed basis in the on-going review and prioritize the allocation of adequate funding to support the core mandate of conservation authorities.**

**AND THAT** this resolution be forwarded to Minister of the Environment, Conservation and Parks, Premier Doug Ford, MPP Daryl Kramp, the Association of Municipalities of Ontario, the Cataraqui and Quinte Conservation Authorities and all Ontario Municipalities.

.....  
**Township of Stone Mills - 4504 County Road 4, Centreville ON K0K 1N0**  
**Attention: C.A.O/Clerk, 613-378-2475 Ext. 225, [bbrooks@stonemills.com](mailto:bbrooks@stonemills.com)**





January 13, 2020

Ms. Bonnie Nistico-Dunk  
City Clerk, City of St. Catharines  
P.O. Box 3012, 50 Church Street  
St. Catharines, ON L2R 7C2

Dear Ms. Nistico-Dunk:

On behalf of the Grape Growers of Ontario's Board of Directors and over 500 farm families across the province, thank you for the support letter the City of St. Catharines provided in January 2019 regarding the Government of Ontario's intention to modernize alcohol sales and the importance of any new retail model supporting the local 100% Ontario-grown industry so that we can continue to provide economic benefit to our local communities.

Over the last year the Grape Growers of Ontario have met with several Provincial Ministry's to discuss the modernization of retail alcohol sales, and make clear that a transition strategy to grow ICB into VQA/100% Ontario grown wines in conjunction with a viticulture policy that parallels and supports these categories would ensure the continued growth of domestic wines and provide sustained economic impact to the Province. Ontario's grape and wine industry continues to be a significant economic driver for the Province, generating \$4.4 billion annually, however imported wines dominate our domestic market at 55.7%.

In the 2019 Fall Economic Statement, the government announced its plan to modernize the legal framework surrounding the manufacture and sale of alcohol in the province. This omnibus bill contains changes to a number of existing acts and will give the Ontario government the Framework to move quickly on modernizing alcohol sales over the coming year. The Government's plan in modernizing the legal framework is to:

- Reorganize existing provisions to clearly separate the LCBO operational function from the AGCO regulatory function. For example: to transfer oversight authority over retailers from the LCBO to the AGCO.
- Modernize by adding, removing, or changing provisions to modernize the existing liquor framework to reflect the changing retail landscape. An Example is to update unclear or outdated provisions, update inspection and investigation provisions.
- Enable Retail expansion to ensure there is the necessary regulation-making authority to enable future decisions. As an example, setting out the broad categories of licences

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1634 South Service Road, St. Catharines, Ontario L2R 6P9  
P. 905.688.0990 F. 905.688.3211  
E. [info@grapegrowersofontario.com](mailto:info@grapegrowersofontario.com)  
[grapegrowersofontario.com](http://grapegrowersofontario.com)



while ensuring that there is authority for the Lieutenant Governor in Council to make regulations to implement any future retail expansion model.

It is important to note that following Bill 138, the government intends to develop regulations in consultation with stakeholders. The Grape Growers of Ontario have ensured our industry has a seat at the table. Our growers and wineries are focused on the growth of Ontario-grown, and with good government policy we can build a model that furthers that growth and generates government revenue.

**With the Rural Ontario Municipality Association (ROMA) annual conference coming up on January 19<sup>th</sup>, 2020, we ask the City of St. Catharines to pass the following resolution and present it at ROMA confirming your support of any new retail model supporting the local 100% Ontario-grown industry so that we can continue to provide economic benefit to your local community.**

*Whereas, the Government of Ontario plans to modernize alcohol sales by expanding the sale of beer and wine to corner stores, grocery stores and big-box stores, based on market demand and plans to modernize the legal framework through Bill 138; and*

*Whereas, this decision represents a significant opportunity for the City of St. Catharines and Ontario's wine regions to grow the Ontario grape and wine industry through increased consumer access; however, it needs to be ensured that the retail model supports the local 100% Ontario-grown industry so that the industry can continue to provide economic benefit to the local communities.*

*Now, therefore, be it resolved that the City of St. Catharines has re-affirmed its support for the Ontario grape and wine industry and will present this motion at the January 2020 Rural Ontario Municipality Association (ROMA) conference seeking support from Ontario's rural communities.*

Please contact me at 905-401-2471 or [d.zimmerman@grapegrowersofontario.com](mailto:d.zimmerman@grapegrowersofontario.com) for more information or to set up a call to discuss further.

Yours truly,



Debbie Zimmerman  
CEO, Grape Growers of Ontario

c Walter Sendzik, Mayor, City of St. Catharines  
Jennifer Stevens, MPP, St. Catharines  
Matthias Oppenlaender, Chair, Grape Growers of Ontario

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## **Board of Directors Meeting Highlights-December 18<sup>th</sup>, 2019**

### **Presentations:**

The Board recognized Honourary Board Member Dominic (Mickey) Difruscio for 25 years of service to the NPCA. Being his last meeting, Member Difruscio was presented with a plaque a framed photograph, a sign denoting his home as a stopping point on the Monarch Butterfly migration route and a Lifetime Pass to the NPCA Conservation Areas.

The Board acknowledged the hard work and dedication of Chief Administrative Officer D. Gayle Wood in efforts to rebuild and take the Conservation Authority in a new direction. Ms. Wood noted that although retiring, she would remain as a Director of the Niagara Peninsula Conservation Foundation. Ms. Wood was presented with a framed print a Comfort Maple pen respectively by the Boards of the NPCA and the Niagara Peninsula Conservation Foundation.

### **Whistleblower Policy:**

The Board adopted a Whistleblower Policy to protect and guide staff who report improprieties in the workplace. Final approval of the policy was the culmination of several months of background research and discussion.

### **New Chief Administrative Officer**

With the pending retirement of D. Gayle wood, the Board formally appointed Chandra Sharma as its new Chief Administrative Officer / Secretary – Treasurer.

### **Appointments to the PAC**

The Board also appointed citizens to the Public advisory committee as follows:

Environmental sector:	Jackie Oblak
Agriculture South sector:	Joseph Schonberger
Landowner/Public-at-Large:	Erika Furney
Tourism/Chamber of Commerce:	Harry Korosis (2 <sup>nd</sup> term)

### **Welland River Floodplain Mapping**

The final meeting of 2019 also saw final approval and conclusion of the long-awaited Welland River Floodplain mapping project.

### **Links to Minutes and Video:**

<https://npca.ca/administration/board-meetings>



## Memorandum

**To:** Mayor and Council

**Cc:** Senior Management Team

**From:** Phil Cristi, Director  
Community, Recreation and Culture Services

**Date:** January 14, 2020

**Subject:** Community Outdoor Ice Rink Pilot Project - Update

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On September 25<sup>th</sup>, 2019, the Community Outdoor Ice Rink Pilot Project application period closed. The City received two applications to build, operate and maintain an ice rink in St. Patrick's Park. On November 26<sup>th</sup>, volunteers were notified of their acceptance into the Pilot Project and were provided with the required documentation and orientation as described in the policy. The original intent of the pilot project was to engage community groups to operate and maintain the outdoor ice rinks as third party groups on City property and required each group to obtain third party insurance. Communication to groups stated that:

Before an outdoor ice rink may be built on City-owned property, insurance must be secured. On page 2 of the policy, the process to secure insurance states the following:

“...Volunteer groups may also request to purchase insurance through the ‘Corporation of The City of St. Catharines’, as per the rates set by the third party insurance provider.”

After consulting with the City's current insurance provider, it has been determined that the above noted option is too expensive for the volunteer groups. Other options were considered, including the possibility of using a different insurance provider but all were determined to be cost prohibitive for the community groups and not feasible for the corporation.

To honour the original intent of the pilot project to have an outdoor rink in place for this winter season, the City will consider the Fitzgerald Neighbours as City volunteers, provide them with the necessary training and documentation and absorb the cost of the insurance through our current policy. At the direction of BFL (The City's insurance provider), the City will develop a formal volunteer roster, and have each volunteer complete an application that forms a contract between the volunteer and the municipality. This approach will also mean that the City will assume all risks related to the operation of the outdoor ice rink at St. Patrick's Park.

The CRCS team did canvass other municipalities which provide outdoor rinks and we found that some municipalities require groups to have insurance on their own while other municipalities create agreements with volunteer groups and provide coverage under their respective corporate policies. We also found that some municipalities do not require insurance or volunteer agreements. The approach that we are taking for this first year of the pilot project will allow staff to work with the Fitzgerald Neighbours, observe processes and ultimately make recommendations for future years while mitigating risk for the corporation.

This change will be in effect for the 2019-2020 pilot year only and shall only apply to the outdoor ice rink at St. Patrick's Park and the Fitzgerald Neighbours. Staff will continue to pursue all available options related to insurance for community groups wishing to apply for the outdoor ice rink pilot project in 2020/2021 and present other options.



## Memorandum

**To:** Mayor and Council

**Cc:** Department Heads, Bonnie Nistico-Dunk, Mark Peat, John Bellehumeur

**From:** Darrell Smith, Director of Municipal Works

**Date:** January 14, 2020

**Subject:** Garbage Receptacle Removal Pilot Project

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The Region of Niagara will be changing the collection service for residential waste pickup in 2020 (tentatively scheduled for the fall when the new collection contractor is in place) to every other week pick up. Even though the bag limit will double, this is likely to be perceived as a level of service change. Historically, with every change in the level of service or an increase in dumping fees, local municipalities have seen a substantial increase in illegal dumping and staff are expecting a similar response in this instance.

Many municipalities have tried to combat this issue, and the responses fall into three basic categories:

- Add additional garbage receptacles;
- Remove garbage receptacles and replace them with recycling options; or
- Remove garbage receptacles completely.

Since the start of the last Regional garbage collection contract, the City in conjunction with the Region, has increased the number of garbage receptacles by approximately 20% where there are now over 1,000 garbage receptacles across the City. This has done very little to curb illegal dumping and littering.

With respect to replacing garbage receptacles with recycling containers, while the idea does have merit, there is a significant budget impact at both the local and regional levels. Staff are not pursuing this option at this time but may bring this forward through future budget deliberations.

While it seems counter intuitive that removing garbage receptacles may actually reduce illegal dumping, that is the experience that many private companies, national parks services and municipalities are claiming. However, there are very few studies with actual data to back this up and some studies have contradicting information.

- National Park Services in both Canada and the United States have the most success with this initiative and that may be explained by the visitors that they tend to attract.

- Private sector companies do not share their results; however, we have observed a growing trend among restaurants, malls and stores to remove outdoor garbage receptacles.
- The results for municipalities have been more varied. There has been some success with reduction in illegal dumping but in some cases nuisance littering has increased.

It is clear that the success or failure of this type of pilot program depends completely on choosing the right locations. Areas where people congregate, such as bus stops, will still require garbage receptacles. Passive parks and residential neighbourhoods have a better chance of success.

Staff will be initiating a limited area pilot project across the City and tracking the results to evaluate its effectiveness. Depending on the results, this may be rolled out to more areas in the future. Staff will not be sharing the locations of the pilot project as it may skew the results. Further, garbage receptacles that have advertising as part a contractual agreement will not be part of the pilot program.

There is a minor financial risk to the City in this pilot project. At present, if a garbage receptacle is full, the City contacts the Region and their contractor will remove the waste which is paid for by the Region. Once the garbage receptacle is removed, any illegal dumping will have to be cleaned up by City staff. By limiting the scope of the pilot area, we can manage this risk within current budget and complement.

The potential long term benefits of this project outweigh the minor financial risk at this time.

If you have any questions, please contact me at your convenience.

Darrell Smith, P. Eng.,  
Director Municipal Works



## Memorandum

**To:** Mayor and Council  
**Cc:** Shelley Chemnitz (CAO), David Oakes (Deputy CAO)  
**From:** Anthony Martuccio  
**Date:** January 14, 2020  
**Subject:** Port Dalhousie Staircase to Lakeside Park - Update

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On May 13, 2019, Council approved the partial funding for the replacement of the exiting staircase on Dalhousie Avenue between Lock Street and Lakeside Park. The Owner of 6-10 Dalhousie Avenue was to engage the services of a consultant/ contractor to design and construct an upgraded staircase and replace a portion of the damaged walkway that leads to Lakeside Park.

Since May 2019, City staff have worked with the Owner of 6-10 Dalhousie Avenue to provide guidance on the design of a staircase that meets City standards. In mid-July of 2019, finalized stamped drawing for the new staircase were received and approved by City Staff, permitting construction to proceed.

In early August 2019, the Owner's contractor provided the City with a rough schedule for the work, which indicated the stairs would be formed and poured by the end of August 2019, with an anticipated installation date of mid-September for the handrails. While a majority of the work was completed by mid-September, there were a number of deficiencies and other site works that were not completed that were preventing the stairs from being opened to the public. These outstanding works created a safety concern for the public and were a liability for the City.

City staff have also reevaluated the design for the new walkway that was proposed between the park and the new development and the decision was made to forgo the construction of the enhanced walkway as a result of the added damage to the walkways within the park from the high water levels. The Owner of 6-10 Dalhousie Avenue was required to reinstate a walkway to the Park, that would function similar to what was there prior to the development, as per site plan requirements. The reconstruction of an enhanced walkway in the park will become a future project for City staff, where walkways more resilient to climate change/ flooding will be designed and constructed.

Recent correspondence with the contractor engaged by the Owner of 6-10 Dalhousie Avenue indicates that they will be backfilling the reinstated walkway on Wednesday, January 15, 2020 which should rectify all outstanding safety concerns. This will allow



the City reopen the staircase and walkway between Locke Street and Lakeside park as soon as Thursday, January 16, 2020.

Requests for the inclusion of bike gutters as part of the work being carried out on the staircase were made to City Staff. On multiple occasions staff have approached the Owner of 6-10 Dalhousie Avenue with these requests however to date the Owner has not made a commitment to having this work included as part of the agreement for the construction of the new staircase. City Staff will look at future funding opportunities to install bike gutters on the stair case, independent of the current construction activities.

Anthony Martuccio, P.Eng.  
Director of EFES



## Corporate Report City Council

**Report from:** Financial Management Services, Director

**Report Date:** January 23, 2020      **Meeting Date:** January 27, 2020

**Report Number:** FMS-018-2020      **File:** 18.45.258

**Subject:** 2020 Water and Wastewater Budget and Associated Rates

**Strategic Pillar:**

### Recommendation

That Report FMS-018-2020, regarding the 2020 Water and Wastewater Budget and Associated Rates, be referred to City Council for consideration of the Budget Standing Committee Recommendation after the public meeting on February 10, 2020, for which notice will be duly given. FORTHWITH

### Budget Standing Committee Recommendation

That Council approve the 2020 Water and Wastewater Budget and Associated Rates, as outlined in Appendix 1; and

That the City Solicitor be directed to prepare the necessary by-laws. FORTHWITH

### Background

At its meeting of January 22, 2020, the Budget Standing Committee received Report FMS-B002-2020 (Appendix A), and approved the following motion:

That the Budget Standing Committee approve the 2020 Water and Wastewater Budget and Associated Rates as outlined in Appendix 1; and

That the report be forwarded to Council for consideration after the public meeting scheduled for February 10, 2020 for which notice will be duly given.

### Appendices

- Appendix A – Report FMS-B002-2020
- Appendix 1 – 2020 Water and Wastewater Budget
- Appendix 2 – 2020 Water and Wastewater Annual Bill Change

#### Prepared by:

Evan McGinty  
Council and Committee Coordinator  
Legal and Clerks Services

#### Submitted and Approved by:

Kristine Douglas  
Director, Financial Management Services /  
City Treasurer

**Report from** Financial Management Services, Accounting

**Date of Report:** December 30, 2019

**Date of Meeting:** January 22, 2020

**Report Number:** FMS-B002-2020

**File:** 18.45.258

**Subject:** 2020 Water and Wastewater Budget and Associated Rates

## Recommendation

That the Budget Standing Committee approve the 2020 Water and Wastewater Budget and Associated Rates as outlined in Appendix 1; and

That the report be forwarded to Council for consideration after the public meeting scheduled for February 10, 2020 for which notice will be duly given.

## Report

The Water and Wastewater budget is fully funded by user rates with no reliance on property taxes. The water and wastewater rates fund both operating and capital expenditures. This report seeks approval for the 2020 Water and Wastewater Budget and associated rates. The report is organized with the following sections:

1. 2020 Water and Wastewater Proposed Rates
2. Fixed Charge – Water and Wastewater
3. Sustainable Funding of Infrastructure
  - a. Watermain replacement
  - b. Sanitary sewer replacement
4. Regional Costs
  - a. Regional water
  - b. Regional Wastewater
5. Automated Meter Reading (AMR) project
6. Forecasting Water Volumes
7. Financial Stability of the Wastewater system

## 1. 2020 Water and Wastewater Proposed Rates

### General Rate Structure

The City's current water and wastewater structure is a combination of fixed and volumetric charges. Each customer account is charged a fixed rate for water and wastewater. In addition, the customer is billed volumetric rates for water and wastewater based on the amount of water used.

## Recommended Water and Wastewater Rates

For 2020, staff is proposing an increase to both the water and wastewater fixed and volumetric rates. Staff recommend that effective April 1, 2020, the rate structure for recovering water and wastewater costs be the following:

	2020	2019
<b>Water</b>		
<b>Fixed (annual)</b>	\$177	\$162
<b>Volumetric (per cm)</b>	\$1.352	\$1.285
<b>Wastewater</b>		
<b>Fixed (annual)</b>	\$126	\$108
<b>Volumetric (per cm)</b>	\$2.005	\$1.966

The proposed rates will result in an annual increase to the average ratepayer (at annual consumption levels of 170 cubic metres) of \$51.02 – a 6.20% increase. See Appendix 2 for further details on the calculations.

Description	Amount
Water Rates	\$26.39
Wastewater Rates	\$24.63
Total Increase - \$	\$51.02
Total Increase - %	6.20%

## 2. The Fixed Charge – Water and Wastewater

In the City's current water and wastewater rate structure, the fixed charge is defined to be the cost of the City's annual replacement programs and fixed regional charges. For each of the systems these costs are calculated to be:

	Water Budget	Wastewater Budget
Improvement program	\$6,024,250	\$3,243,000
Debt Charges	427,545	779,408
Total City Fixed Charges	\$6,451,795	\$4,022,408
Regional Fixed Charges	3,042,931	21,916,001
Total Fixed Costs	\$9,494,726	\$25,938,409

Calculation of Recovery Rates:		
Based on 42,450 customers	\$224	\$611
<b>2020 Proposed Rates</b>	<b>\$177</b>	<b>\$126</b>
2019 Rates	\$162	\$108

As the chart indicates, the calculated fixed component of the City's rate structure should be \$224 for Water and \$611 for Wastewater. While staff does not propose that the 2020 rates be increased in one year to fully recover these costs, increases over time need to be considered. The increase in the fixed water and wastewater rates in 2020 will result in the recovery of a larger portion of the fixed costs to operate the water and wastewater systems. Due to the increasing cost of construction, especially related to underground services, there will be the need to increase fixed costs just to complete the same level of infrastructure work. Additionally, with the Region's commitment to increase its fees to the municipalities annually, there will be a corresponding increase to the City's fixed portion going forward.

### **3. Sustainable Funding of Infrastructure**

The 2020 budget year is the first year that the capital budget was approved by Council before the year began. As part of this approval, the 2020 Water and Wastewater funding for watermain and sanitary sewer infrastructure replacement were included. This change improves transparency and understandability of the capital component of the water and wastewater rates.

#### **A. Watermain Replacement Program**

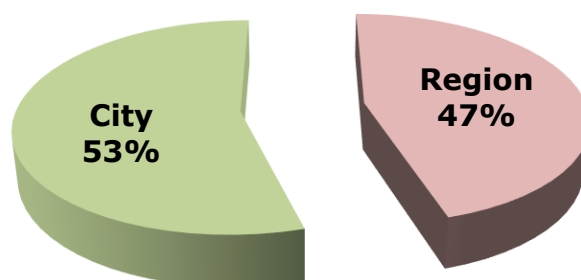
Approved with the 2020 Capital budget was \$5,599,000 for the replacement of watermains and \$425,250 for water capital investment (capital out of revenue). This infrastructure cost is funded by the water rates. Details of the watermain replacements for 2020 can be found in the 2020 Capital Budget under Tabs G and K and in summary Tab W. The 2020 Capital Budget for watermains is consistent with the 10-Year Financial Plan for Water/Wastewater (2019-2029) approved by Council in 2019.

#### **B. Sanitary Sewer Replacement Program**

Approved with the 2020 Capital budget was \$2,700,000 for sanitary sewer infrastructure replacements and \$543,000 for sanitary sewer capital investment (capital out of revenue). This infrastructure is funded by the wastewater rates. Details of the sewer replacements for 2020 can be found in the 2020 Capital Budget under Tabs E and K and in summary Tab W. The 2020 Capital Budget for sewers is consistent with the 10-Year Financial Plan for Water/Wastewater (2019-2029) approved by Council in 2019.

## 4. Regional Costs

Figure 1 – Region vs. City Water Expenditures



The City and Region are responsible for various aspects of water distribution. The Region is responsible for supply and treatment including all reservoirs and water towers. In general, watermain 16 inches (400 mm) in diameter or larger are a Regional responsibility and the City is responsible for the smaller distribution watermain. There is also a shared responsibility for collection and treatment of wastewater between the City and the Region. The Region is responsible for treatment facilities, pumping stations, sludge disposal and sewers with flows of six cubic feet per second or greater or sewers spanning a municipal boundary. The City is responsible for the remaining wastewater pipelines.

In effect, the Region is the service provider to the City, supplying potable water and treatment of wastewater. The cost to provide the service to lower tier municipalities is part of the Region's budget and each municipality is charged its respective portion. The Region has committed to increasing its water and wastewater rates annually for the next nine years to ensure program sustainability. These increases will result in annual increases to City water and wastewater rates.

### Determination of St Catharines' share of the Regional Costs

The calculation of each municipality's share is dependent upon the municipality's usage of each system (i.e. cubic metres of water purchased or cubic metres of wastewater treated). This means St Catharines' share of the total budget will change over time with our water and wastewater flows.



### A. Regional Water Rates

The Region charges the lower tier municipalities for the supply of potable water using both a fixed monthly charge and a variable rate per cubic metre. The rates for 2020 (with comparable 2019 rates) are as follows:

Water	2020	2019	% increase (decrease)
Variable rate per cm	\$0.602	\$0.580	3.79%
Fixed Monthly Charge	\$243,369	\$232,163	4.83%

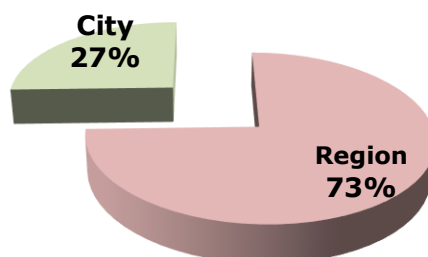
The above rates result in the City's 2020 draft Water budget including Regional costs of \$12,072,931, an increase of \$452,508 (3.89%) from 2019. As \$9,030,000 of these costs are related to the variable rate, this provides some protection to the City should the water consumption decline in 2020. The fixed annual charge of \$3,042,931 will be payable to the Region regardless of City water consumption.

### B. Regional Wastewater Rates

The Regional wastewater charges contain no variable rates. The rates for 2020 (with comparable 2019 rates) are as follows:

Wastewater	2020	2019	%increase
Fixed Monthly Charge	\$1,863,697	\$1,728,412	5.67%

Figure 3 – Region vs. City Wastewater Costs



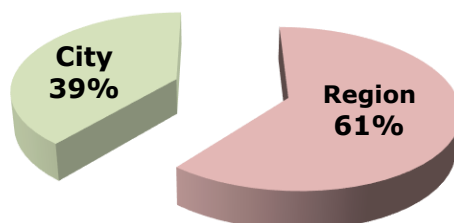
The Region has increased the wastewater bill to the Municipalities by 6% for 2020, with similar increases expected for the next nine years to approach program sustainability.

## 2020 Water and Waste Water Summary of Expenditures

Expenditure	Water		Wastewater	
City Operating Costs	\$7,103,122	27.72%	\$3,902,378	13.08%
Water/Sewer Improvement Program	5,599,000	21.85%	2,700,000	9.05%
City Debentures	427,545	1.66%	779,408	2.61%
Capital Out of Revenue	425,250	1.66%	543,000	1.82%
Region	12,072,931	47.11%	21,916,001	73.44%
<b>Total</b>	<b>\$25,627,848</b>	<b>100%</b>	<b>\$29,840,787</b>	<b>100%</b>
Region Controlled Costs	\$12,072,931	47.11%	\$21,916,001	73.44%
City Controlled Costs	13,554,917	52.89%	7,924,786	26.56%
<b>Total</b>	<b>\$25,627,848</b>	<b>100%</b>	<b>\$29,840,787</b>	<b>100%</b>

The 2020 water and wastewater budget recommends an increase above the rate of inflation to both meet the Region's annual prescribed increase and to address the City's infrastructure deficit. The City is committed to increasing its own portion of the water/wastewater program as presented in the 10-year plan, to start to minimize the funding gap.

**Figure 4 – Total Region vs. Total City Water and Wastewater Costs**



The details of the water and wastewater expenditures are available in Appendix 1.

## 5. Automated Meter Reading (AMR) Project

The City has been installing new automated water meters in residential properties since August 2014. The City's AMR program uses wireless technology to automatically collect water consumptions, diagnostic and status data from the City's water meters and automatically transfers that data to a database for billing, troubleshooting and analyzing.

The battery operated AMR transmitter is wired directly to the water meter inside the home and wirelessly communicates with mobile reading equipment installed in City owned meter reading vehicles. The AMR transmitter sends wireless signals to the mobile reading equipment three times per year currently and operates on Industry Canada licensed 900 MHz spectrum. These transmissions last for less than 1/8<sup>th</sup> of a second at power levels less than 2 watts.

The benefits associated with automated meter reading technology is the ability to monitor consumption levels on a property-by-property basis, and to use this consumption data to potentially assist property owners with leak detection.

AMR data has the ability to focus on inactive accounts to ensure there is no unauthorized usage. AMR has the ability to store 35 days of data which provides hourly data and assists staff in determining when the consumption occurred. AMR can reduce estimated reads and costs associated with re-billing accounts. Since AMR systems have very high accuracy and read percentages, the system reduces re-bill costs. An automated system will prove to be a more efficient method for obtaining these reads.

Currently, water is billed following a four-month billing cycle, which means residents will receive a water bill three times a year. Once the AMR project is complete, staff will be reviewing the options to increase the frequency of billing water accounts.

A monthly or bi-monthly billing will provide customers with more frequent and timely information about their water usage. This benefits customers in a number of ways: It allows customers to adjust their water usage habits if they feel they are using too much water; It allows customers to detect any leaks in their household plumbing sooner; It provides consistency to assist monthly home budgets for customers and residents will see less fluctuation in billing amounts especially after heavy usage periods.

An adjustment in billing frequency could result in a possible change in the collection process and collection rates. Costs associated with manual meter reading could be eventually eliminated with automation which may include vehicle costs, cellular phone expenses, labour, maintenance and some general overhead expenses. Technology may need to be upgraded which will provide additional efficiencies in billing processes. Staff will report back prior to any changes in billing frequency.

To date, 39,483 residential water meters have been upgraded to the AMR technology. There are about 850 meters left to exchange. The upgrade project is expected to be completed by Q2 of 2020.

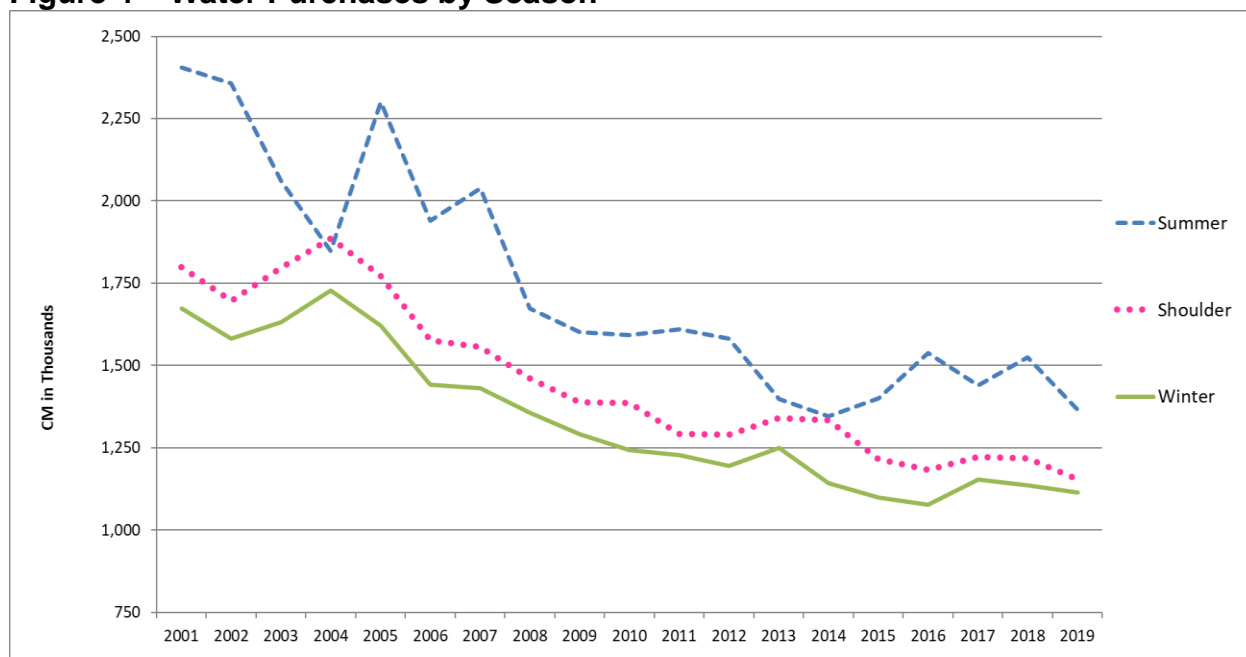
## 6. Forecasting Water Volumes

An analysis of water purchases has shown conservation efforts by St. Catharines water customers have resulted in significant reduction in cubic metres of water purchased from the Region. Since 1999, annual water purchases have decreased 47% from 27,310,000 cubic metres annually to 14,530,000 cubic metres in 2019. From 2007 to 2019 alone the decrease was 5.57 million cubic metres (27.7%). Each year staff review the history of water purchase volume and utilize that information to forecast future volumes.

Over the past years there has been concern as to the determination of how much further the volumes can decline. In effect, are we nearing the end of volume decreases, or is there a significant decline still to come? In the process of this estimation, staff analyzed the water purchase based on three separate “seasons” of the year:

- Summer – June to September;
- Winter – November to February;
- Shoulder months – March to May and October.

**Figure 4 – Water Purchases by Season**

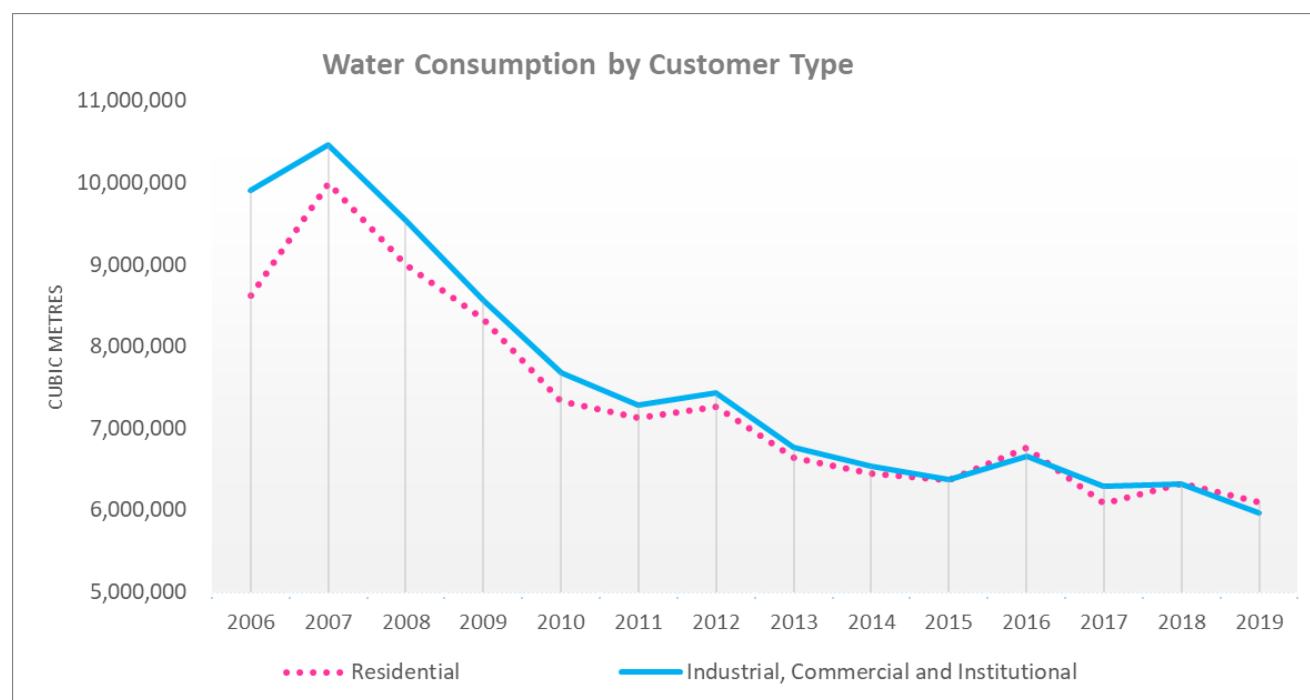


The chart clearly depicts the average monthly summer consumption (the blue or top line) as the most volatile line. It fluctuates significantly each year. While the volume rebounded in 2016, in 2017 it declined and in 2018 rebounded again. The 2019 year saw another year of decline due to the extremely wet spring. The summer monthly consumption is still higher than either of the other “seasons” which are less volatile.

Reviewing 2019 water purchases, it appears that water consumption may be levelling off. The 2019 purchases from the Region totaled 14.53 million cubic metres of water. In 2018, the City purchased 15.5 million cubic metres, in 2017 purchased 15.25 million cubic meters and in 2016 purchased 15.18 million cubic meters. Staff estimate water purchases for 2020 to be more in line with the three and five year average and slightly higher than the 2019 level of 14.53 million and 2015 levels of 14.8 million cubic metres of water. Staff estimate the 2020 purchases of 15.0 million cubic metres of water from the Region. With the changes to our climate, adaptation planning will be needed to manage the risks.

Climate related impacts continue to be experienced by the City of St. Catharines. These events include: extreme winds / fallen trees (2011); severe rainstorms / basement flooding (2014, 2017, 2018 and 2019); extreme cold / frozen water services (2015 and 2019) and extreme dry periods / fire ban (2016). Additionally, record high water levels in Lake Ontario in the spring and summer of 2017 and again in 2019 resulted in the closure of Lakeside Park. The severity and unpredictability of these events will be a challenge in the future. The impact on the City's water consumption and potential changes required to annual forecasts will be closely monitored by staff, as there will be financial impacts on the water and wastewater rates. Focusing on the water and wastewater infrastructure replacements as identified in the 10-Year Financial Plan for Water/Wastewater (2019-2029) approved by Council in 2019 assists in ensuring the City's infrastructure can handle these severe and unpredictable events.

**Figure 5 – Water Consumption by Customer Type**



As shown in Figure 5, since 2007, the City has seen a relatively steady decline in consumption (in cubic metres) of both the Residential and Industrial, Commercial and Institutional (ICI) customers. In 2011, ICI sector consumption began to move closer to the Residential sector until 2015 and 2016 where the ICI transitioned to below the Residential sector. 2018 saw Residential and ICI sectors equal. In 2019 are declines in both Residential and ICI consumptions from 2018 due to heavy rainfalls in spring / summer 2019, with Residential sector above the ICI sector similar to 2015 and 2016.

## 7. Financial Stability of the Wastewater System

A significant portion of the costs of the wastewater system are fixed. While the wastewater rates include a fixed portion, the majority of the revenue is collected through a variable rate based on water purchased by the customer.

When the majority of a rate structure consists of a variable rate, periods of declining consumption result in the reduction of the overall revenue. Consequently, the revenue generated does not cover the cost of the system. In the past number of years, this trend is changing. Details are shown in Table 2 below.

**Table 2 – Wastewater Annual Recovery / (Loss)**

In millions of \$	2019 (Est.)	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenue	\$27.25	\$26.45	\$26.64	\$27.38	\$25.71	\$25.80	\$24.86	\$25.32	\$23.46	\$22.50
Expenditures	\$26.96	\$25.58	\$25.66	\$26.02	\$25.18	\$25.53	\$25.07	\$25.25	\$24.00	\$23.35
Recovery/ (Loss)	<u>\$0.29</u>	<u>\$0.87</u>	<u>\$0.98</u>	<u>\$1.36</u>	<u>\$0.53</u>	<u>\$0.27</u>	<u>(\$0.21)</u>	<u>\$0.07</u>	<u>(\$0.54)</u>	<u>(\$0.85)</u>

The positive results of the last number of years have assisted in eliminating the accumulated deficit of \$1.87 million at the end of 2015. At the end of 2019 it is estimated that wastewater system will have a surplus of \$1.5 million. In effect, the water rates had been subsidizing the operations of the wastewater system. While many of the City's customers have both water and wastewater charges on their bills, there are customers who do not. As per guidelines from the Province, rates should be structured so that both systems maintain their own financial stability through separate rates.

## Financial Implications

The proposed 2020 water and wastewater rates result in an increase for both water and wastewater rates. For the average ratepayer (at annual consumption levels of 170 cubic metres) they will pay \$873.69. This is an increase of \$51.02 or 6.20% over the amount they paid in 2019 of \$822.67. This increase is less than \$1.00 per week.

In addition, based on the 2019-2029 Water and Wastewater Financial Plan, the 2020 estimated rates were an annual bill of \$874.67 or an increase of \$52.00 or 6.3%. The proposed 2020 rates are slightly less than this forecasted amount.



## **Relationship to Strategic Plan**

Economic Prosperity will be enhanced through:

- Optimizing capital infrastructure through effective asset management and sustainable investment.

Environmental Stewardship will be enhanced through:

- Review and update all municipal operations to minimize the impacts and ensure preparation for climate change. All sanitary sewer and storm sewer designs are undertaken using updated design criteria.

## **Conclusion**

Staff recommend that Council approve the 2020 water and wastewater rate increase, which for the average customer, annual consumption of 170 cubic metres is 6.20% or \$51.02.

### **Prepared by:**

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### **Submitted and Approved by:**

Anthony Martuccio

Director, Engineering, Facilities and Environmental Services / City Engineer

Kristine Douglas

Director, Financial Management Services / City Treasurer

## **Appendices**

1. Appendix 1 – 2020 Water and Wastewater Budgets
2. Appendix 2 – 2020 Water and Wastewater Annual Bill Change

## 2020 Water/Wastewater Budget

**City of St Catharines**  
**Water / Wastewater Budget Summary**

	<b>Estimate</b>		<b>Actuals</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Reserve at Beginning of Year	2,696,607	5,449,486	3,824,317	3,844,722	3,319,840
Revenues	54,942,018	52,244,811	49,419,991	49,275,913	50,881,713
Less: Region expenditures	33,988,932	32,361,372	30,893,197	30,660,277	30,655,488
Net Revenue	20,953,086	19,883,439	18,526,793	18,615,637	20,226,224
City Expenditures					
Water Operating costs	7,103,122	6,980,947	6,049,674	6,500,390	6,687,392
Water Debenture debt	427,545	526,248	587,026	878,619	957,099
Water Infrastructure costs	6,024,250	5,786,000	4,014,732	5,038,678	5,430,659
Sewer Operating costs	3,902,378	3,711,799	3,274,065	3,518,601	3,472,586
Sewer Debenture debt	779,408	624,257	640,958	870,027	923,547
Sewer Infrastructure costs	3,243,000	2,620,000	2,335,169	1,829,727	2,230,059
	21,479,703	20,249,251	16,901,624	18,636,042	19,701,342
Annual Surplus/(Deficit)	-526,617	-365,813	1,625,170	-20,406	524,882
Reserve at End of Year	2,169,990	5,083,674	5,449,486	3,824,317	3,844,722
City total	21,479,703	20,249,251	16,901,624	18,636,042	19,701,342
Region total	33,988,932	32,361,372	30,893,197	30,660,277	30,655,488
	55,468,635	52,610,623	47,794,821	49,296,319	50,356,831
cm - purchased	15,000,000	15,000,000	15,507,748	15,258,218	15,189,384

**WATER SYSTEM (515.XXX)**

**2020 Water/Wastewater Budget**

**2020 Water Budget Summary**

			Estimate		Actual		
	Dept.	Acct.	2020	2019	2018	2017	2016
<b><u>Operating Expenditures:</u></b>							
General Administration	FMS	105	1,282,153	1,363,886	1,044,900	1,156,934	1,206,063
Engineering Overhead	EFES	110	1,882,604	1,766,162	1,578,150	1,948,351	1,756,771
Mains, Valves, Hydrants	EFES	115	2,289,062	2,217,207	1,899,743	2,014,559	2,221,978
Water service lines	EFES	120	580,087	551,981	549,494	489,406	511,026
Meters	EFES	125	909,146	912,208	801,809	785,795	815,943
New Mains, Valves, Hydrants	EFES	135	160,070	169,503	138,263	113,235	134,413
Services Rendered	EFES	145	0	0	37,315	-7,890	41,198
Cost Allocations			-				
Total Operating Expenditures:			7,103,122	6,980,947	6,049,674	6,500,390	6,687,392
<b><u>Capital Expenditures:</u></b>							
Water Capital/Revenue	FMS	190	425,250	86,000	0	124,000	
Debenture Debt	FMS	195	427,545	526,248	587,026	878,619	957,099
Water Improvement Program	* EFES	520	5,599,000	5,700,000	4,014,732	4,914,678	5,430,659
Total Capital Expenditures:			6,451,795	6,312,248	4,601,758	5,917,297	6,387,758
<b>Total Water Expenditures</b>			13,554,917	13,293,195	10,651,432	12,417,687	13,075,149

Note: FMS - Financial Management Services

EFES - Engineering, Facilities and Environmental Services

\* - Details of the water improvement program for 2020 are provided in the 2020 Capital budget which was approved by Council on October 7, 2019. For details see under tab G and K in the 2020 Capital Budget.

CITY OF ST. CATHARINES - WATER/WASTEWATER BUDGET  
ESTIMATE 2020

EXPENDITURE ACCOUNT	2020 BUDGET
310.112 <u>WATER/WASTEWATER EQUIPMENT RESERVE:</u>	
OPENING BALANCE	\$1,256,537
ANNUAL RESERVE PROVISION	330,000
EXPENDITURES, 2020	-585,000
EXPENDITURES, PRIOR YEAR COMMITMENTS	-355,000
CLOSING BALANCE	<u>\$646,537</u>
<u>EXPENDITURE DETAILS</u>	
ONE (1) TRIAXLE DUMP TRUCK (REPLACE UNIT#84)	\$300,000
ONE (1) TANDEM DUMP TRUCK SPECIFIC FOR UTILITIES OPERATIONS (NEW)	<u>285,000</u>
	<u>\$585,000</u>
<u>PRIOR YEAR COMMITMENTS</u>	
THREE (3) CUBE VANS EQUIPPED FOR UTILITY OPERATIONS (REPLACE UNIT#55,63,64)	240,000
ONE (1) VALVE TURNING MACHINE (REPLACE UNIT#296)	100,000
ONE (1) GPS DATA COLLECTION UNIT	<u>15,000</u>
	<u>355,000</u>

**WASTEWATER SYSTEM**

**2020 Wastewater Budget Summary**

			Estimate		Actual		
	Dept.	Acct.	2020	2019	2018	2017	2016
<b><u>Operating Expenditures:</u></b>							
Sewers - General	EFES	730.100	699,057	697,188	619,953	636,856	658,138
Sewers - Insurance	FMS	730.105	0	0	28,485	54,743	95,043
FLAP Program	EFES	732.115	315,389	311,555	258,087	267,211	267,992
Lateral Replacement	EFES	732.100	706,647	705,535	665,805	588,634	576,765
New Laterals	EFES	732.105	0	0	32,917	25,636	-4,053
Drain Clearing	EFES	732.110	321,099	321,546	179,176	140,281	195,018
Overhead	EFES	732.190	764,414	669,068	635,658	810,478	760,206
Pollution Control	EFES	735.300	844,743	782,204	526,949	676,317	625,274
Overhead	EFES	735.305	251,029	224,703	327,035	318,446	298,204
Cost Allocations	EFES	731.920/925	0				
Total Operating Expenditures:			3,902,378	3,711,799	3,274,065	3,518,601	3,472,586
Debenture Debt	EFES	731.195	779,408	624,257	640,958	870,027	923,547
Sewer Improvement Program	* EFES	731.100	2,700,000	2,500,000	2,185,169	1,769,727	2,173,059
Capital Out of Revenue	* FMS	735.304	543,000	120,000	150,000	60,000	57,000
Total Capital Expenditures:			4,022,408	3,244,257	2,976,127	2,699,754	3,153,607
<b>Total City Wastewater Expenditures</b>			7,924,786	6,956,056	6,250,192	6,218,355	6,626,193

Note: FMS - Financial Management Services  
EFES - Engineering, Facilities and Environmental Services

\* - Details of the sewer improvement program for 2020 are provided in the 2020 Capital budget which was approved by Council on October 7, 2019.  
For details see under tab E and K in the 2020 Capital Budget.

**WATER, WASTEWATER AND RELATED SERVICE RATES**

1. The following rates shall be paid to The Corporation of the City of St. Catharines for the use of water supplied by The Corporation of the City of St. Catharines:

(a) <u>Consumption - Cubic Metres</u> (For each four month billing period)	<u>Current</u>	<u>Proposed</u>
Customer Charge	\$54.00	<b>\$59.00</b>
Consumption Charge - per cubic metre	1.285	<b>1.352</b>
*Note: Large Industrial Users are billed monthly		
Water meter size of 1" or greater will be subject to a water meter equivalency charge when calculating the Customer Charge.		
Exemption: Single Family Residential classification. See (b) below.		
(b) <u>Meter Equivalency</u>		
Water meter size of 1" or greater will be subject to a water meter equivalency charge when calculating the Customer Charge.		
Exemption: Single Family Residential classification.		
1" meter = 1.4 meter equivalency units		
1 1/2" meter = 1.8 meter equivalency units		
2" meter = 2.9 meter equivalency units		
3" meter = 11 meter equivalency units		
4" meter = 14 meter equivalency units		
* 6" meter = 21 meter equivalency units		
* >6" meter = 21 meter equivalency units		
* Note: Where a single 6" meter or greater is installed for the purpose of additional fire protection, the multiplier equivalency shall be discounted to 50%.		
(c) <u>Flat Rates</u> (For each four month billing period)		
Per Dwelling unit	\$175.00	
Note: Where more than 20 units are being constructed, the maximum number of units charged is 20.		
(d) <u>Estimated Billing</u>		
Where consumption and/or Flat Rate does not apply, estimates are based on previous actual readings. In the absence of previous actual readings, amount to be determined at the discretion of the Treasurer.		
(e) <u>Rates for Services Outside City</u> (For each four month billing period)		
Multiple of Regular Rate	2X	2X
Customer Charge	\$108.00	<b>\$118.00</b>
Consumption Charge - per cubic metre	2.57	<b>2.704</b>
(f) <u>Bulk Water</u> (Key Pad Operated)		
Multiple of Regular Rate	2X	2X
Per cubic metre	\$2.570	<b>\$2.704</b>
(g) <u>Water Under Construction</u>		
First four month period Per sq. ft. Water Increase 2017 1.22 %, 2018 1.64%, + 2019 4.50% increase	\$0.028	<b>\$0.030</b>
Per sq. m.	0.303	<b>0.326</b>



	<u>Current</u>	<u>Proposed</u>
Next Flat Rate per dwelling unit for each four month period until meter is installed		\$175.00

If there are extenuating circumstances or if large Industrial/Commercial building, "Next Flat Rate" to be determined at the discretion of the Treasurer.

2. The following rates shall be paid to The Corporation of the City of St. Catharines for the use of water related services supplied by The Corporation of the City of St. Catharines:

(a) METER RENTALS (Annually)

Meter Size

*16mm (5/8") Displacement	\$19.00
*16mm (5/8")SR II Displacement with ECR	\$35.00
*16mm (5/8") Accustream/Transmitter	\$40.00
*16mm (5/8") IPERL/Transmitter	\$45.00
19mm (3/4") Displacement	\$25.00
19mm (3/4")SR II Displacement with ECR	\$41.00
19mm (3/4") Accustream/Transmitter	\$46.00
19mm (3/4") IPERL/Transmitter	\$50.00
25mm (1") Displacement	\$29.00
25mm (1") SR II Displacement with ECR	\$46.00
25mm (1") Accustream Transmitter	\$51.00
25mm (1") IPERL/Transmitter	\$55.00
38mm (1-1/2") Displacement	\$82.00
38mm (1-1/2") Displacement with ECR	\$115.00
38mm (1-1/2") Displacement /ECR/ Transmitter	\$120.00
38mm(1-1/2") Turbine	\$111.00
38mm(1-1/2") Turbine/Transmitter	\$116.00
38mm (1 1/2") OMNI C2 Compound	\$122.00
38mm (1 1/2") OMNI R2 Residential	\$75.00
38mm (1-1/2") OMNI T2 Turbine	\$96.00
50mm(2") Displacement	\$92.00
50mm(2") Displacement with ECR	\$128.00
50mm(2") Displacement-ECR/Transmitter	\$133.00

	<u>Current</u>	<u>Proposed</u>
50mm (2") Compound	\$96.00	
50mm (2") Compound/Transmitter	\$101.00	
50mm (2") Turbine	\$114.00	
50mm (2") Turbine/Transmitter	\$119.00	
50mm (2") OMNI C2 Compound	\$150.00	
50mm (2") OMNI R2 Residential	\$80.00	
50mm (2") OMNI T2 Turbine	\$115.00	
75mm (3") Compound	\$418.00	
75mm (3") Compound/Transmitter	\$423.00	
75mm (3") Turbine	\$375.00	
75mm (3") Turbine/Transmitter	\$380.00	
75mm (3") OMNI C2 Compound	\$402.00	
75mm (3") OMNI T2 Turbine	\$375.00	
100mm (4") Compound	\$498.00	
100mm (4") Compound/Transmitter	\$503.00	
100mm (4") Turbine	\$475.00	
100mm (4") Turbine/Transmitter	\$480.00	
100mm (4") OMNI C2 Compound	\$488.00	
100mm (4") OMNI F2 Fire Assembly	\$798.00	
100mm (4") OMNI T2 Turbine	\$475.00	
150mm (6") Compound	\$671.00	
150mm (6") Compound/Transmitter	\$676.00	
150mm (6") Turbine	\$587.00	
150mm (6") Turbine/Transmitter	\$592.00	
150mm (6") Fire Assembly	\$900.00	
150mm (6") Fire Assembly /Transmitter	\$905.00	
150mm (6") OMNI C2 Compound	\$671.00	
150mm (6") OMNI F2 Fire Assembly	\$980.00	

	<u>Current</u>	<u>Proposed</u>
150mm (6") OMNI T2 Turbine	\$587.00	
200mm (8") Fire Assembly	\$1,340.00	
200mm (8") Fire Assembly /Transmitter	\$1,345.00	
200mm (8") Turbine	\$665.00	
200mm (8") Turbine/Transmitter	\$670.00	
200mm (8") OMNI C2 Compound	\$930.00	
200mm (8") OMNI F2 Fire Assembly	\$1,350.00	
200mm (8") OMNI T2 Turbine	\$830.00	
250mm (10") Fire Assembly	\$1,510.00	
250mm (10") Fire Assembly/Transmitter	\$1,515.00	
250mm (10")Turbine	\$900.00	
250mm (10")Turbine/Transmitter	\$905.00	
250mm (10") OMNI C2 Compound	\$1,125.00	
250mm (10")OMNI F2 Fire Assembly	\$1,810.00	
250mm (10") T2 OMNI Turbine	\$1,000.00	

\* NOTE: No charge for 16mm (5/8") meter unless installed outside the City.

Where meter type consists of two meters combined, one rental rate is applicable, based on the predominant use of the meter.

(a)(i) METER PITS (CHAMBER) RENTALS (Annually)

Meter Size

16mm (5/8")	\$69.00	<b>\$72.00</b>
19mm (3/4")	\$71.00	<b>\$74.00</b>
25mm (1")	\$78.00	<b>\$81.00</b>
38mm (1-1/2")	\$199.00	<b>\$208.00</b>
50mm (2")	\$213.00	<b>\$223.00</b>
75mm (3")	Actual Cost	
100mm (4")	Actual Cost	
150mm (6")	Actual Cost	
200mm (8")	Actual Cost	
250mm (10")	Actual Cost	

	<u>Current</u>	<u>Proposed</u>
3. The following rates shall be paid to the Corporation of the City of St. Catharines for the wastewater system and services as outlined herein:		
(a) <u>Wastewater Fees (for each four month period)</u>		
Sewer Replacement Program	\$36.00	<b>\$42.00</b>
Wastewater charges – per cubic metre	1.966	<b>2.005</b>
Water meter size of 1" or greater will be subject to a water meter equivalency charge when calculating the Customer Charge. Exemption: Single Family Residential classification. See (b) below.		
(b) <u>Meter Equivalency</u>		
Water meter size of 1" or greater will be subject to a water meter equivalency charge when calculating the Customer Charge. Exemption: Single Family Residential classification.		
1" meter = 1.4 meter equivalency units		
1 1/2" meter = 1.8 meter equivalency units		
2" meter = 2.9 meter equivalency units		
3" meter = 11 meter equivalency units		
4" meter = 14 meter equivalency units		
6" meter = 21 meter equivalency units		
>6" meter = 21 meter equivalency units		
Note: Where a single 6" meter or greater is installed for the purpose of additional fire protection, the multiplier equivalency shall be discounted to 50%.		
(c) <u>Flat Rates</u> (For each four month billing period)		
Per Dwelling unit	\$225.00	
(d) <u>Wastewater Under Construction</u>		
First four month period	0.00	
Next Flat Rate per dwelling unit for each four month period until meter is installed	\$225.00	
Note: Where more than 20 units are under construction, the maximum number of units charged is 20.		
If there are extenuating circumstances or if large Industrial/Commercial building, "Next Flat Rate" to be determined at the discretion of the Treasurer.		
4. <u>Unauthorized Use of Water</u>		
(a) Rate when bypass valve is opened without Authorization or any other unauthorized use of water or determination that water provided has not passed through the meter:		
Two (2) times the average of last three representative bills.	2X	
If not applicable, estimate to be determined at the discretion of the Treasurer. (For each four month billing period)		
(b) Where property has operated a grow-op, amount is three (3) times the total Flat Rate per dwelling unit as outlined in Sections 1 and 3 (For each four month billing period)	<b>\$1,200.00</b>	

	<u>Current</u>	<u>Proposed</u>
<b>5.      <u>Miscellaneous</u></b>		
(a) <u>Meter Relocation</u> to a more appropriate position to facilitate reading and/or maintenance:		
When requested by homeowner, equivalent to applicable Water Service Call as defined in Rates and Fees.		
When determined by City Engineer, amount charged at the discretion of the Treasurer		
(b)      Installation of Automated Meter Reading (AMR) apparatus when performed not in accordance with scheduled deployment :		
When requested by homeowner		\$375.00
When determined by City Engineer, amount charged at the discretion of the Treasurer		
Customer non compliance with AMR installation		\$500.00
(c) <u>Late Payment Penalty</u>		
A penalty for late payment of 1.5% per month is added the day following the due date and the first day of each month thereafter.		
(d)      The rates set out above shall be deemed to have become effective on all accounts with Billing periods ending on or after <b>April 1, 2019</b> .		

\* NOTE: METRIC CONVERSION: 1 cubic metre (CM) equals 220 gallons or 1,000 litres

**\*bolded script = proposed changes for 2020**

## 2020 Water/Wastewater Budget

City St. Catharines  
Water / Wastewater Budget  
Annual Bill Change Comparison

	<u>2020 New Rates</u>	<u>2019 Old Rates</u>	<u>Change</u>	
			<u>\$</u>	<u>%</u>
<b><u>Consumption</u></b>				
Normal Consumption	170	170		
	<u>170</u>	<u>170</u>	<u>0</u>	0.00%
<b><u>Water - Retail Rate</u></b>				
Rate per billing period (4 months)	\$59.00	\$54.00		
Fixed Fee	\$177.00	\$162.00	15.00	9.26%
Consumption Rate per CM	\$1.352	\$1.285		
Consumption Fee	\$229.84	\$218.45	11.39	5.21%
Total Water	<u>\$406.84</u>	<u>\$380.45</u>	<u>\$26.39</u>	6.94%
<b><u>Wastewater - Retail Rate</u></b>				
Rate per billing period (4 months)	\$42.00	\$36.00		
Fixed Fee	\$126.00	\$108.00	18.00	16.67%
Consumption Rate per CM	\$2.005	\$1.966		
Consumption Fee	\$340.85	\$334.22	6.63	1.98%
Total Wastewater	<u>\$466.85</u>	<u>\$442.22</u>	<u>\$24.63</u>	5.57%
<b><u>Total Water and Wastewater Bill</u></b>	<u><b>\$873.69</b></u>	<u><b>\$822.67</b></u>	<u><b>\$51.02</b></u>	<b>6.20%</b>
Fixed Component	\$303.00	\$270.00		
Variable Component	<u>\$570.69</u>	<u>\$552.67</u>		
	<u><b>\$873.69</b></u>	<u><b>\$822.67</b></u>		
Fixed Percentage	34.68%	32.82%		
Variable Percentage	<u>65.32%</u>	<u>67.18%</u>		
	<u>100.00%</u>	<u>100.00%</u>		

**History of "Analysis of Average Increase" - per annual budget presentations**

	<u>City</u>	<u>Region</u>	<u>Cons</u>	<u>Remove Tax Sup</u>	<u>Total</u>	<u>Stated % Increase</u>
July 1, 2009	(10.70)	26.75	69.55	21.40	107.00	16%
April 1, 2010	4.00	24.01	26.44		54.45	7%
April 1, 2011	2.71	6.13	28.96		37.80	5.32%
April 1, 2012	4.44	16.53	19.23		40.20	5.38%
April 1, 2013					20.40	2.59%
April 1, 2014					20.00	2.47%
April 1, 2015					12.22	1.63%
April 1, 2016					0.00	0.00%
April 1, 2017					15.09	1.98%
April 1, 2018					15.18	1.98%
April 1, 2019					41.29	5.28%
April 1, 2020					51.02	6.20%



## Corporate Report City Council

**Report from:** Financial Management Services, Accounting and Payroll

**Report Date:** December 23, 2019      **Meeting Date:** January 27, 2020

**Report Number:** FMS-008-2020      **File:** 65.45.99, 10.57.11

**Subject:** Niagara Symphony Association Line of Credit Guarantee Request

**Strategic Pillar:** 

### Recommendation

That the City increase the guarantee on the Line of Credit (LOC) for the Niagara Symphony Association (NSO) to \$120,000 until January 31, 2022, subject to the following conditions:

- A member of City Council remains appointed to the NSO's Board of Directors for the term of the guarantee;
- Monthly cash flow forecast updates prepared internally by the NSO and including analysis on variances from prior versions be provided to City staff by the 15<sup>th</sup> day of the month;
- Monthly reports from the applicable financial institution on the amounts advances against all LOC accounts;
- The LOC that is secured by the NSO's Board of Directors must be used to its maximum before using the LOC that is guaranteed by the City;
- In the case of default, the LOC that is guaranteed by the City be given first priority for settlement over the LOC that is guaranteed by the Directors of the NSO;
- The NSO's Treasurer and Executive Director attend a quarterly financial update meeting with City staff; and

That upon the hiring of a new Executive Director, the NSO develop a new business plan, which shall be presented to Council, and include the following:

- Budgets and forecasts for the Income Statement, Cash Flows and Balance Sheet for at least five years;
- Consideration given to developing partnerships and / or sharing resources with other arts and cultural organizations, including the FirstOntario Performing Arts Centre;
- Identification of Goals and Targets that need to be achieved in order to reduce the level of the City's guarantee;
- Timelines around future extension requests and forecasted City guarantee levels; and

That the policy regarding Line of Credit guarantees attached as Appendix 1, be approved; and



Further, that the City Solicitor be directed to prepare the necessary by-laws authorizing the execution of any agreements and other related documents. FORTHWITH

## Summary

The NSO has requested an increase in the City's guarantee on its LOC (Appendix 2). While the NSO's audited financial statements indicate small improvements in their financial position, they continue to rely on LOC's and deferred revenues to cash flow current year operations. In order to support the strategic goal of celebrating the City's rich history, diversity, arts and cultural assets through leadership, promotion and investments that support measurable, sustainable creative growth, approval of the increase to the guarantee is recommended, subject to conditions, which include reporting requirements and development of a business plan to improve the financial position of the NSO. In order to limit these situations in the future, a policy on LOC guarantees have been prepared and is recommended for Council approval.

## Relationship to Strategic Plan

The recommendations of this report support the strategic goal of celebrating the city's rich history, diversity, arts and cultural assets through leadership, promotion and investments that support measurable, sustainable creative growth.

## Background

Founded in 1948 as the St. Catharines Civic Orchestra, the NSO is incorporated as a corporation without share capital and is a registered charitable organization. The NSO employs over 50 musicians as a professional orchestra with the goal to "serve the residents of Niagara, by providing concerts and educational programs."

At the February 22, 2010 City Council meeting, Council provided the NSO with a guarantee for a working LOC obtained from the Royal Bank of Canada in the amount of \$60,000 for a period not to exceed 30 months. The following extensions were granted by Council at the NSO's request:

- One-year extension – approved at July 23, 2012 Council meeting
- One-year extension – approved at July 22, 2013 Council meeting
- 16-month extension – approved at August 11, 2014 Council Meeting
- One-year extension – approved at January 25, 2016 Council Meeting
- Two-year extension – approved at January 16, 2017 Council Meeting
- Two-year extension – approved at January 28, 2019 Council Meeting

At the January 28, 2019 Council meeting, the maximum amount guaranteed was set at \$60,000 and the NSO was directed to provide a comprehensive business plan outlining a plan to reduce the level of the City's guarantee on the LOC, including timelines and goals and targets that would need to be achieved, and timelines around future extension requests. Council requested that this information be presented once a new executive director is in place.

## Report

The NSO has submitted a request to the City of St. Catharines seeking an increase to the City's guarantee on the Line of Credit to \$120,000 for the next several years. The request is included as Appendix 2 to this report.

## Financial Results

After achieving a deficiency of revenue over expenses for the year (Net Loss) of \$16,598 in 2017, an excess of revenue over expenses (Net Income) of \$2,210 was experienced in 2018, and a Net Income of \$4,438 was experienced in 2019.

## Liquidity

Liquidity continues to be an area of significant concern for the NSO. A generally accepted financial ratio used to assess a company's ability to pay back liabilities due within the year is the Current Ratio which compares the amount of near cash type assets (Current Assets) to the amount of liabilities due within the year (Current Liabilities). Below is a table which outlines the NSO's liquidity situation.

Year	Current Assets	Current Liabilities	Current Ratio
2014	\$73,278	\$400,611	5.47
2015	\$91,984	\$419,605	4.56
2016	\$168,701	\$517,861	3.07
2017	\$117,570	\$486,665	4.14
2018	\$139,132	\$501,931	3.61
2019	\$152,312	\$517,727	3.40

The current ratio has continued to improve since 2017, however it is higher than it was in 2016.

The Notes to the Audited Financial Statements (Appendix 3) state that the "ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and / or borrowings from third parties sufficient to meet current and future obligations."

## Reliance on Lines of Credit

The NSO has two operating LOCs for short-term borrowing. One with \$60,000 guaranteed by the City and the other with a current \$82,500 limit is secured by members of the NSO's Board of Directors. The City guaranteed LOC had a balance of \$0 at July 31, 2019, (balance was \$0 as of December 16, 2019). In prior years, the NSO also had Director's loans that were non-interest bearing and with no specific repayment terms. Those loans were repaid as part of the NSO balance sheet improvement initiative to eliminate long-term debt from directors in 2019. Coincidentally, the NSO director secured LOC has roughly doubled since July 2018, when it was \$45,000.

Deferred revenue represents amounts collected for the subsequent performance season. At the end of July 2019, the NSO has collected \$320,016 in deferred revenue with a cash balance of \$15,827. As has been the case in prior years, this indicates that

the NSO is continuing to fund current year operations with money collected for future year performances.

The Treasurer of the NSO has acknowledged that the organization cannot continue to operate in this manner. Part of the reason for requesting the increase in the Line of Credit is a commitment to reducing the reliance on funding current year operations with future year performances, and to provide a more stable financial base given the inherent unpredictability of revenue sources. The NSO has also prioritized getting their accounts payable current in order to establish a more solid financial base for future operations, and as of the end of December 2019, has successfully reduced its outstanding accounts payable by more than 50% (more than \$50,000).

## **Improving Cash Flows**

The NSO has identified an approximately \$170,000 increase in revenues in the next five years. This is an increase of almost 3% per year on average. As a not-for-profit organization, the NSO believes it will be able to contain cost increases to less than 3% through efficiency and other measures, thus realizing additional net revenues to further strengthen its future financial position. The NSO has also indicated that they expect to develop future initiatives to further increase revenues through the potential use of external marketing staff and fundraisers. These initiatives will be further progressed after the hiring of a new Executive Director within the next few months.

Staff have obtained a comparator report from Orchestras Canada for the 2017 / 18 fiscal year (Appendix 5). The charts in Appendix 6 identify how the NSO compares to other orchestras with budgets between \$1 million and \$5 million.

## **Sponsorship and Fundraising Revenues**

The NSO has plans to implement a formal fundraising plan focused on growing donors and sponsorships, with a goal of increasing fundraising totals by \$47,000 in the next five years. Compared to the Orchestras Canada industry standards, the NSO should have some room for growth in corporate, foundation and special event revenue.

## **Ticket Sales Revenue**

The NSO is forecasting growth of \$23,000 or 8% in five years from ticket sales as a result of patron growth and marginal ticket price increases. The NSO is roughly in line with the Orchestras Canada industry average for revenue, but that means that box office revenue should be expected to be increasing at an inflationary rate at a minimum.

## **Other Revenue Sources**

The NSO is looking to increase other revenue by \$50,000 over the next five years through increases in sold services, education and other events. The NSO's other earned income exceed Orchestras Canada industry averages, which may result in this target being more challenging to meet.

## **Grant Funding**

The City was the second largest grant provider to the NSO in 2019 and historically had been the largest grant provider to the NSO. The NSO receives more St. Catharines

Cultural Investment Program (SCCIP) funding that any other organization. The NSO plans to continue to apply for multiple government grants with an emphasis on the need for additional support to support their ability to further artistic programming, increase community outreach and continue supporting education through school and other outreach programs. The NSO has identified a goal of increasing grant funding by \$50,000 in the next five years. Analysis of the comparative information from Orchestras Canada identifies that there should be opportunity for increasing funding, particularly from senior levels of government – although it should be noted that the Province has been freezing and cutting some of these funding sources. The following chart identifies the total grant funding received since 2016 as well as the forecasted grant funding for the next two years.

Year	2016	2017	2018	2019	2020	2021
	Audited	Audited	Audited	Audited	Forecast	Forecast
Grants	\$166,274	\$154,675	\$141,849	\$172,569	\$181,000	\$211,500

## Municipal Support

### Direct - Grants

As part of the NSO's request to increase the City's guarantee on the LOC, they've identified the municipal grant funding received by several other symphony's across the country. Review of this information by City staff indicates that the other symphony's noted have larger operations and budgets, and Kitchener-Waterloo, the closest in proximity regional symphony listed, with over \$800,000 in direct municipal support have received grant support from the City of Kitchener, City of Waterloo, Region of Waterloo, City of Cambridge and City of Guelph. This would appear to indicate that if the NSO views itself as a regional symphony there may be opportunity to seek funding from other municipalities in Niagara.

### Indirect

What is not indicated in the request is how the indirect support provided by the City of St. Catharines compares to that of other host municipalities. The City of St. Catharines provides indirect support through the guarantee on the Line of Credit which creates flexibility with cash flows. Further indirect support is provided by the FOPAC through reduced rates.

## Future Outlook

The NSO has provided a cash flow projection (Appendix 4) indicating the need to double the level of the City's guarantee to the Level of Credit. The NSO has also indicated in Appendix 2 that it expects to reduce the City guaranteed LOC to \$60,000 by their 2023 / 24 fiscal year.

There are many arts and cultural organizations within Niagara, including the PAC, that seek funding from government organizations, corporate sponsors and donors. Staff is also recommending that the NSO give consideration to partnerships and / or shared resources with those other arts and cultural organizations in development of its business plan.

## **Potential Impacts of Not Increasing the Guarantee**

If the City does not increase the guarantee, the NSO would be at risk of being unable to meet its obligations. A default would have significant implications for the NSO, the PAC and the city in general. If the NSO were to default and be unable to pay its bills, it would result in job losses and cease NSO performances. For the PAC, the impact would be that performances that the PAC has sold tickets for would no longer occur, resulting in the PAC being responsible to issue refunds to patrons and create vacancies in the PAC's schedules which may be difficult to fill in the short term.

## **Line of Credit Guarantee Policy**

The line of credit policy, attached as Appendix 1 to this report, would provide staff and Council with an official position on any future line of credit guarantee requests. Line of Credit guarantees create an additional administrative burden on staff, result in an increased risk to the Corporation, and while they provide organizations with increased flexibility to assist with maintaining operations, they can have the impact of worsening the cash flow situation of the organization. The proposed Line of Credit Guarantee Policy would make it clear that this is not a business that the City should be in.

## **Financial Implications**

A loan or line of credit does not have an immediate financial impact for the City; however, it does create risk for a potential automatic grant in the future should the NSO encounter financial difficulties and default on their Line of Credit. The financial exposure to the City would be the lesser of the amount guaranteed by the City, or the amount actually advanced against the Line of Credit.

## **Conclusion**

The NSO has requested the City double its guarantee on the Line of Credit to \$120,000 in order to sustain its operations. Given the relationship with the PAC and the City's strategic goal of celebrating the City's rich history, diversity, arts and cultural assets through leadership, promotion and investments that support measurable, sustainable creative growth, staff have recommended providing an increase to the City's guarantee on the Line of Credit. In order to limit such exposure in the future, a policy that would cease the City providing such guarantees to organizations in the future has also been recommended.

## **Notifications**

It is ordered that Mr. Brent Harsaym, Chair of the Board of Directors, Niagara Symphony Association, 11 Bond Street, Suite 207, St. Catharines, ON L2R 4Z4, be advised.

It is ordered that Mr. David Steiner, Treasurer, Niagara Symphony Association, 11 Bond Street, Suite 207, St. Catharines, ON L2R 4Z4, be advised.

It is ordered that Ms. Danielle Garner, Commercial Account Manager, RBC Royal Bank – Commercial Financial Services, 80 King Street, St. Catharines, ON L2R 7G1, be advised.

**Prepared and Submitted by**

Adam Smith, Manager of Accounting & Payroll / Deputy Treasurer

**Approved by**

Kristine Douglas, Director of Financial Management Services / City Treasurer

## **Appendices**

1. Non-Profit Line of Credit Guarantee Policy
2. Request from Niagara Symphony Association
3. Niagara Symphony 2018-19 Audited Financial Statements
4. Niagara Symphony Cash Flow Projection
5. Orchestras Canada 2017-18 Comparative Report
6. Comparison of Orchestras Canada to NSO

**Subject:** Line of Credit Guarantees

**Prepared by:** Financial Management Services

**Approved by:**

**Issue Date:** January 27, 2020

**Policy #:**

**Review Date:**

**Revision Date:**

### **Policy:**

The City of St. Catharines shall not provide guarantees for letters of credit. Any existing Council approved letters of credit shall be reduced between the years 2020 and 2024 such that no guarantees remain effective 2025.

### **Purpose:**

The purpose of this policy is to ensure that the City of St. Catharines is aligned to the direction of the City Council, and to return to being a funding partner of these organizations only.

### **Scope:**

This policy shall apply to all not-for-profit and charitable organizations, including those to which the City of St. Catharines provides funding. This policy shall not apply to Agencies, Boards and Commissions of the City of St. Catharines, nor shall it apply to business holdings.

## **Procedures**

### **Introduction:**

The City of St. Catharines has, at times in the past, provided guarantees on Line of Credit to partnering organization's that organize festivals and arts performances in the City of St. Catharines. The purpose of the guarantee's have been to secure the Line of Credit for the organization to assist with managing cash flows. When approved in the past, these guarantees were intended to be temporary in nature.

It is the direction of Council that the City of St. Catharines should not be in the business of providing guarantees to lines of credit, and therefore this policy supports no new guarantees being provided. Existing guarantees must continue to be monitored and shall be phased out over a period of 5 years.

### **Application:**

While Council may provide a deadline or expiration on a letter of credit guarantee, it is up to staff to ensure that notice and revised guarantees are provided to banks to reflect and changes to amounts guaranteed. These notices will be required to be provided as reductions are made to the amount guaranteed as the City moves towards elimination of the guarantees in the future.

### **Compliance:**

It is the responsibility of the City to make every effort to ensure all employees are aware of the policy through internal communication methods. Implementation and ensuring staff comply with this policy is the responsibility of supervisors under the direction of the Chief Administrative Officer. Any violation of this policy may result in disciplinary action up to and including termination.

### **Questions:**

Questions concerning the interpretation of this policy will be addressed by the Financial Management Services department.



January 6, 2020

**Adam Smith CPA, CMA**  
Manager of Accounting and Payroll  
City of St. Catharines  
P.O. Box 3012, 50 Church St, St. Catharines, ON L2R 7C2  
**Sent via email to:** [asmith@stcatharines.ca](mailto:asmith@stcatharines.ca)

**Re: Niagara Symphony Orchestra (NSO) Request for Increase in City Loan Guarantee**

Dear Adam:

Thank you for the City's continuing support of the NSO through the loan guarantee/line of credit secured with the Royal Bank of Canada. This letter formally documents our request to have the loan guarantee amount increased from \$60,000 to \$120,000 for the next several years.

Please refer to the enclosed handout that was recently reviewed with Shelley Chemnitz, City Chief Administrative Officer, and Kristine Douglas, Director of Financial Management Services/City Treasurer which detailed the rationale for why this request is critical to the financial stability of the NSO over the next few years. A summary of the key reasons for the requested increase are as follows:

- The NSO operations more than doubled in size (operating budget is now \$1.2 million) since its move from Brock University to the new Performing Arts Center (PAC) in 2015. As a result, the NSO needs to increase its borrowing capacity to sustain its operations when operating cashflow is negative due to the mismatched timing of revenues and expenses. The NSO Board of Directors doubled its personal GIC backed line of credit security since 2015 to \$97,500 (as at yearend July 31, 2019), while the City loan guarantee has remained constant at \$60,000.
- Major corporate sponsorships to the NSO dropped significantly in the past year (down about \$100,000). The NSO needs additional borrowing capacity until revenues are sufficiently increased to make up the projected cash shortfall.
- We would also like to thank the City for its direct support of the NSO through the annual SCCIP grant. In the last fiscal year, the NSO received \$50,000 from the City. As a comparison, other symphonies similar in size to the NSO received considerably more direct municipal support (ranging from \$125,000 for Windsor to \$814,182 for Kitchener-Waterloo). Details on the comparative data, provided by Orchestras Canada, can be found in the enclosed handout.

- The NSO is developing a 5 year business plan that focuses on increasing all revenue sources (ticket sales, fundraising, government grants, and sold services/special events). A copy of the key plan financial data has been provided to the City. Increasing our borrowing capacity is a critical element in our plan as it will provide the needed financial flexibility and stability while we progress these revenue enhancement initiatives.

We look forward to reviewing this request with City Council on January 27, 2020. Please let us know if you require any further information.

Thank you.

Yours truly,



Brent Harasym, NSO Board Chair

[bkharasym@gmail.com](mailto:bkharasym@gmail.com)



David Steiner, CPA-CA, Treasurer, NSO Board

[daveleasteiner@yahoo.com](mailto:daveleasteiner@yahoo.com)

attach

Niagara Symphony Orchestra (NSO)Request for City Loan Guarantee Increase from \$60,000 to \$120,000

The Niagara Symphony Orchestra has shown significant improvement in its audited financial results for the past 5 years. With the support of a committed Board of Directors (all volunteers), experienced staff, and a new business plan that focuses on maintaining the highest standard of orchestral music and on continuing to improve financial stability, the NSO is well positioned for the next 5 years.

The NSO currently has a borrowing limit of \$157,500, made up of two lines of credit:

1. NSO Board of Directors personal GIC's pledged as collateral for \$97,500. This line of credit has grown from \$0 to \$97,500 over the past 5 years.
2. City of St. Catharines loan guarantee of \$60,000. This amount has not increased since its inception prior to 2013.

The NSO needs to increase its borrowing capacity to sustain its operations when operating cashflow is negative due to the timing of its revenues and expenses. With the NSO operations more than doubling since its move from Brock to the PAC in 2015, the loan guarantee provided by the city was not increased.

In the past year, the NSO has seen a significant decline (down about \$100,000) in corporate sponsorships, as many local business pulled their support for the symphony. This sharp decline in corporate funding has made the current cashflow deficiency at historically high levels. The NSO needs additional borrowing capacity until revenues are sufficiently increased to make up the cash shortfall.

The City of St. Catharines provides direct support to the NSO through the SCCIP grant. In the last fiscal year, the NSO received \$50,000 from the City. This amount is significantly less than the municipal support orchestras of similar size have received from their cities. The table below shows the comparative data for the past year, as provided by Orchestras Canada.

<u>City/Region* Symphony</u>	<u>City Pop'n</u>	<u>Region Pop'n</u>	<u>Direct Support</u>
St. Catharines/Niagara Region	133,000	448,000	\$50,000
Laval	434,000	434,000	\$150,000
Kitchener-Waterloo/Region	338,000	600,000	\$814,182
Windsor/Region	217,000	350,000	\$125,000
Victoria/Region	86,000	350,000	\$393,430

*\*Region population as  
submitted to Orchestras  
Canada*

## Page 2

The NSO has developed a 5 year business plan that focuses on the following key initiatives:

- Increase ticket sales by about \$23,000 or 8% in 5 years through focused artistic programming that appeals to a growing audience. Will use latest attendance trends and surveys to assist in considering future programming.
- Implement a formal fundraising plan that includes key staff and volunteers focusing on growing individual donor campaigns, major donors, planned giving, corporate sponsorships, and corporate philanthropic donors. Our goal is to raise total fundraising by about \$47,000 or 8% in the next 5 years. We are also assessing our fundraising staff needs, and anticipate potentially hiring a senior fundraiser within the next few years.
- Continue to apply for multiple government grants, emphasizing the need for additional funding to support our ability to further artistic programming, increase our community outreach, and to continue supporting education through active school and other outreach programs. We plan to increase our grant revenue by about \$50,000 or 34% in the next 5 years.
- Grow other revenue by about \$50,000 made up of higher sold services, education, and other events over the next 5 years.
- The above initiatives will contribute to an increase in total revenues of over \$170,000 or 14% in the next 5 years.
- Continue to focus on effective cost management while investing in our future revenue growth initiatives noted above. The NSO's 5 year Master Agreement with our musicians will be reopened within the next 2 years, as the musician's fees and travel allowances will be subject to renegotiation. We anticipate that some of these costs will increase, further supporting the need for additional grant funding and higher fundraising targets.
- Implement a monthly stewardship process whereby the NSO reviews progress against these key initiatives with the City CAO and staff.

A summary of the key financial metrics for the 5 year plan is shown on page 3. Comparative amounts from the prior 5 years (2013/2014) are also shown.

Page 3

Niagara Symphony Orchestra  
5 Year Financial Plan 2019 to 2024

In \$	<u>2013/2014</u>	<u>2018/2019</u>	<u>2023/2024</u>	<u>Change 2024 vs 2019</u>
	Actual	Actual	Plan	
Unrestricted net deficiency	(327,333)	(77,538)	(51,423)	+ 26,115
Total revenues	759,667	1,236,105	1,406,150	+ 170,045
Ticket sales	134,858	301,975	325,000	+ 23,025
Fundraising revenues	336,077	584,660	632,000	+47,340
Grants	123,196	172,569	223,000	+50,431
Board of Directors GIC LC	0	97,500	97,500	-
City Loan Guarantee	60,000	60,000	60,000	0*

\*Requesting increase in city loan guarantee from \$60,000 to \$120,000 in November 2019 to increase financial flexibility for next 3 years. Plan to reduce it back to \$60,000 by 2023/2024.



## Financial Statements

### The Niagara Symphony Association

July 31, 2019

The Niagara Symphony Association

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## Independent Auditor's Report

**Grant Thornton LLP**  
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To the Members of  
**The Niagara Symphony Association**

### Qualified opinion

We have audited the financial statements of The Niagara Symphony Association, which comprise the statement of financial position as at July 31, 2019, and the statements of revenues and expenses, changes in net assets (deficiency), and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, the financial statements present fairly, in all material respects, the financial position of the entity as at July 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for qualified opinion

In common with many not-for-profit organizations, the entity derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended July 31, 2019 and 2018, current assets as at July 31, 2019 and 2018, and net assets as at August 1 and July 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended July 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Emphasis of matter

We draw attention to Note 14 in the financial statements. The conditions, along with other matters as set forth in Note 14, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.



## Independent Auditor's Report (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Independent Auditor's Report (continued)

## Report on other legal and regulatory requirements

As required by section 96(2) of the Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

*Grant Thornton LLP*

St. Catharines, Canada  
September 25, 2019

Chartered Professional Accountants  
Licensed Public Accountants

# The Niagara Symphony Association

## Statement of Financial Position

July 31

2019

2018

**Assets****Current**

Cash	\$ 15,827	\$ 1,853
Accounts receivable	126,267	91,217
Government remittances receivable	4,697	2,896
Prepaid expenses	<u>5,521</u>	<u>43,167</u>
	<u>152,312</u>	<u>139,133</u>

**Long-term**

Restricted cash (Note 3)	3,320	3,346
Property and equipment (Note 4)	11,628	16,602
Music library (Note 5)	264,952	264,543
Musical instruments (Note 6)	<u>12,501</u>	<u>12,501</u>
	<u>292,401</u>	<u>296,992</u>
	<u>\$ 444,713</u>	<u>\$ 436,125</u>

**Liabilities****Current**

Bank indebtedness (Note 7)	\$ -	\$ 36,831
Credit facilities (Note 7)	97,500	78,500
Directors' loans (Note 8)	-	31,990
Accounts payable and accrued liabilities	100,211	82,755
Deferred revenue (Note 9)	<u>320,016</u>	<u>283,751</u>
	<u>517,727</u>	<u>513,827</u>

**Net assets (deficiency)**

Women's committee instrument endowment fund (Note 3)	4,524	4,274
Unrestricted net deficiency	<u>(77,538)</u>	<u>(81,976)</u>
	<u>(73,014)</u>	<u>(77,702)</u>
	<u>\$ 444,713</u>	<u>\$ 436,125</u>

On behalf of the board

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

## The Niagara Symphony Association Statement of Revenues and Expenses

Year ended July 31

2019

2018

Earned revenues		
Ticket sales	\$ 301,975	\$ 286,390
Sold services	31,972	27,000
Education and outreach	117,401	121,734
Endowments, interest and other	14,158	13,064
HST rebate	13,370	15,856
	<u>478,876</u>	<u>464,044</u>
Fundraising revenues		
Individual and other	446,209	392,698
Sponsorship	138,451	163,648
	<u>584,660</u>	<u>556,346</u>
Grants		
Ontario Arts Council	69,338	45,721
City of St. Catharines	50,000	47,000
Canada Council for the Arts	30,500	30,500
Human Resources Development Canada	13,455	9,861
Niagara Investment In Culture Program	5,109	5,109
Summer Experience Program	-	3,658
New Horizons	4,167	-
	<u>172,569</u>	<u>141,849</u>
Total revenues	<u>1,236,105</u>	<u>1,162,239</u>
Expenses		
Production, artistic and production	493,161	480,253
Sold services	21,986	22,422
Production, technical	170,787	166,403
Education	124,549	143,642
Marketing	58,516	54,845
Fundraising	128,915	76,310
HST expense	24,833	17,613
Administration	203,945	191,427
Amortization	4,975	7,114
Total expenses	<u>1,231,667</u>	<u>1,160,029</u>
Excess (deficiency) of revenue over expenses for the year	<u>\$ 4,438</u>	<u>\$ 2,210</u>

See accompanying notes to the financial statements.

## The Niagara Symphony Association Statement of Changes in Net Assets (Deficiency)

Year ended July 31	Endowment Fund	Unrestricted Net Deficiency	Total
<b>2019</b>			
Net assets (deficiency), beginning of year	\$ 4,274	\$ (81,976)	\$ (77,702)
Excess of revenue over expenses for the year	-	4,438	4,438
Donations	250	-	250
Net assets (deficiency), end of year	<u>\$ 4,524</u>	<u>\$ (77,538)</u>	<u>\$ (73,014)</u>
<b>2018</b>			
Net assets (deficiency), beginning of year	\$ 4,274	(84,186)	\$ (79,912)
Deficiency of revenue over expenses for the year	-	2,210	2,210
Net assets (deficiency), end of year	<u>\$ 4,274</u>	<u>\$ (81,976)</u>	<u>\$ (77,702)</u>

## The Niagara Symphony Association

### Statement of Cash Flows

Year ended July 31

2019

2018

Increase (decrease) in cash

**Operating**

Excess (deficiency) of revenues over expenses for the year	\$ 4,438	\$ 2,210
Amortization	4,975	7,114
Endowment fund donations	<u>250</u>	<u>-</u>
	9,663	9,324
Change in non-cash working capital items		
Accounts receivable	(35,050)	(33,602)
Prepaid expenses	37,645	14,786
Accounts payable and accrued liabilities	17,456	(6,263)
Government remittances receivable / payable	(1,801)	(6,243)
Deferred revenue	<u>36,265</u>	<u>10,971</u>
	<u>64,178</u>	<u>(11,027)</u>

**Financing**

Bank indebtedness (repayments) advances	(36,831)	21,654
Credit facilities advances (repayments)	19,000	(1,500)
Directors' loan repayments	<u>(31,990)</u>	<u>(6,248)</u>
	<u>(49,821)</u>	<u>13,906</u>

**Investing**

Music library purchases	<u>(409)</u>	<u>(3,054)</u>
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Increase (decrease) in cash

13,948 (175)

**Cash**

Beginning of year	<u>5,199</u>	<u>5,374</u>
End of year	<u>\$ 19,147</u>	<u>\$ 5,199</u>

**Cash consists of:**

Operating cash	\$ 15,827	\$ 1,853
Restricted cash	<u>3,320</u>	<u>3,346</u>
	<u>\$ 19,147</u>	<u>\$ 5,199</u>

See accompanying notes to the financial statements.



# The Niagara Symphony Association

## Notes to the Financial Statements

July 31, 2019

### 1. Nature of operations

The Association was established in 1948 to make music accessible and cultivate its appreciation and enjoyment in the Niagara Region. Its activities include providing professional live entertainment, encouraging local professional musicians to perform and teach as well as providing musical education and training for youth in the community. It is incorporated by Letters Patent as a corporation without share capital under the laws of Ontario, and is a registered charity under the Income Tax Act.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

#### Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on a declining balance basis over the estimated useful life of the asset.

The amortization rates used for each class of property and equipment are:

Computer hardware	30%
Furniture and equipment	30%

#### Music library

The music is initially measured at cost. The music library has an indefinite life and therefore is not amortized.

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of an item may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

#### Revenue recognition

The Association follows the deferral method of accounting for contributions which include donations and grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

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## The Niagara Symphony Association

### Notes to the Financial Statements

July 31, 2019

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#### 2. Significant accounting policies (continued)

##### Contributed services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements unless the fair value is readily determinable.

##### Cash and cash equivalents

The Association's policy is to present bank balances under cash, not including overdrawn bank accounts. Overdrawn account balances are included in bank indebtedness.

##### Endowments

Contributions restricted for endowments consist of restricted donations received by the Association. The endowment principal is required to be maintained intact. The investment income generated from the endowment must be used in accordance with purposes established by the donors. Investment income earned by the endowment and the expenses made are charged directly to the endowment fund.

##### Financial instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and government remittances receivable.

Financial liabilities measured at amortized cost include bank indebtedness, credit facilities, directors' loans and accounts payable and accrued liabilities.

##### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess of revenues over expenses.



## The Niagara Symphony Association

### Notes to the Financial Statements

July 31, 2019

#### 2. Significant accounting policies (continued)

##### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known.

Items subject to significant management estimates include the useful lives of property and equipment and the indefinite life of the music library.

#### 3. Restricted cash

In 2003, the Association received a cash contribution along with five troubador harps from the Women's Committee Instrument Endowment Fund. The Association has ensured that this significant assistance to young musicians in the Niagara Region is continued by establishing an endowment fund. The endowment fund represents the original cash contribution of \$6,752 plus any income earned from the rental of instruments. Costs to maintain these instruments are charged to this fund.

#### 4. Property and equipment

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer hardware	\$ 50,188	\$ 42,937	\$ 7,251	\$ 10,358
Furniture and equipment	<u>16,396</u>	<u>12,019</u>	<u>4,377</u>	<u>6,244</u>
	<u>\$ 66,584</u>	<u>\$ 54,956</u>	<u>\$ 11,628</u>	<u>\$ 16,602</u>

#### 5. Music library

	<u>2019</u>	<u>2018</u>
Opening balance	\$ 264,543	\$ 261,489
Additions	<u>409</u>	<u>3,054</u>
Closing balance	<u>\$ 264,952</u>	<u>\$ 264,543</u>

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## The Niagara Symphony Association

### Notes to the Financial Statements

July 31, 2019

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#### 6. Musical instruments

Periodically, the Association acquires additional instruments using a combination of restricted and unrestricted cash. During the year these acquisitions amounted to \$nil (2018 - \$nil). In prior years the Association had acquired and received donations of musical instruments that were recorded in the financial statements at a nominal \$1. The instruments include harps, timpani and other percussion instruments. Management estimates the replacement cost of the instruments to be approximately \$60,000.

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#### 7. Bank indebtedness and credit facilities

The Association has a bank indebtedness of \$nil (2018 - \$36,831) in the operating account at year end.

The Association has two operating lines of credit for purposes of short-term borrowing and financing its working capital. Both lines of credit are secured by a general security agreement and guaranteed investment certificates held by current and past members of the board of directors, plus additional security for the individual lines of credit described below.

The first line of credit has a limit of \$60,000 of which \$nil (2018 - \$33,500) was outstanding at year end. It bears interest at prime plus 2%, is due on demand and is secured by a guarantee and postponement of claim in the amount of \$60,000 signed by the City of St. Catharines.

The second line of credit has a limit of \$97,500 of which \$97,500 (2018 - \$45,000) was outstanding at year end. It bears interest at prime plus 2%, is due on demand and is secured by additional guaranteed investment certificates held by current and past members of the board of directors.

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#### 8. Directors' loans

Loans payable to current and past directors of \$nil (2018 - \$31,990) are non-interest bearing with no specific terms of repayment.

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## The Niagara Symphony Association Notes to the Financial Statements

July 31, 2019

### 9. Deferred revenue

The deferred revenue reported represents ticket sales, sponsorship and advertising revenues received for subsequent performance seasons, restricted contributions and grant revenues received that are related to subsequent periods. Changes in the deferred revenue balance are as follows:

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	<u>\$ 283,751</u>	<u>\$ 272,780</u>
Received in year		
Ticket sales	199,185	195,709
Grant revenue	72,894	-
Sold services	6,000	-
Sponsorship received	41,000	131,000
Advertising revenue	937	3,932
Restricted contribution received	-	150,000
Total received in year	<u>320,016</u>	<u>480,641</u>
Amounts recognized as revenue in year	<u>(283,751)</u>	<u>(469,670)</u>
Balance, end of year	<u>\$ 320,016</u>	<u>\$ 283,751</u>

### 10. Contributed services

During the year the Association recognized the following amounts in revenue and expenses to reflect the value of in-kind contributions where the fair value is readily determinable.

	<u>2019</u>	<u>2018</u>
Revenue		
Sponsorship	<u>\$ 79,951</u>	<u>\$ 50,648</u>
Expenses		
Education	15,500	14,000
Sponsorship	<u>64,451</u>	<u>36,648</u>
	<u>\$ 79,951</u>	<u>\$ 50,648</u>

Contributions were for summer camp rent and fundraising costs that would have otherwise been purchased.

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## The Niagara Symphony Association Notes to the Financial Statements

July 31, 2019

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### 11. Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at July 31, 2019:

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's accounts receivable are due mainly from donors.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its credit facilities and accounts payable and accrued liabilities.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

#### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Given that the current composition of bank debt is all at floating interest rates, the instruments subject the Association to cash flow risk.

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### 12. Arts Endowment Fund Program

The Association together with the Ontario Arts Council Foundation have established an Arts Endowment Fund to contribute to the future financial viability of the Association. The Ontario Arts Council Foundation previously contributed a total of \$165,861 to the Niagara Symphony Association Arts Endowment Fund. The Ontario Arts Council Foundation is completely responsible for investing and administering this separate trust fund. As the Niagara Symphony Association has no element of control or administration of this trust fund, this amount has not been reported on these financial statements.

The market value of the Niagara Symphony Association Arts Endowment Fund at July 31, 2019 is \$228,484 (2018 - \$227,071). The Association is entitled to investment income from this fund at March 31 annually as allocated by the Ontario Arts Council Foundation. This investment income is recognized when it is received. During fiscal 2019, the Association received \$10,106 (2018 - \$10,154) in investment income from the fund.

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## The Niagara Symphony Association Notes to the Financial Statements

July 31, 2019

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### 13. Niagara Symphony Organization Legacy Society

The Niagara Symphony Association together with the Niagara Community Foundation established an endowment fund to contribute to the future financial viability of the organization. The Niagara Symphony Association is entitled to investment income from this endowment fund at December 31 annually as allocated by Niagara Community Foundation. This investment income is recognized when it is received.

During fiscal 2019, the Association received \$3,898 (2018 - \$2,640) in investment income. At the end of the year, the fund had a market value of \$136,225 (2018 - \$97,712).

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### 14. Going concern considerations

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Association be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they come due.

As at July 31, 2019, the Association had an unrestricted net deficiency of \$77,538 (2018 - \$81,976) and a working capital deficit of \$365,415 (2018 - \$374,694).

Included in liabilities in calculating the working capital deficiency is deferred revenue in the amount of \$320,016. Under a going concern assumption, these funds will be earned by the Association by presenting a 2019-2020 performance season, and will not result in a settlement in cash. Excluding this amount from working capital liabilities results in a working capital deficiency of \$45,399.

The Association's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or borrowings from third parties sufficient to meet current and future obligations.

These financial statements have been prepared in accordance with Canadian accounting standards applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Association be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying financial statements.

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### 15. Correction of prior year error

The comparative figures have been changed to adjust for accounting errors in prior periods. The opening 2018 unrestricted net deficiency has been restated from \$72,290 to \$84,186 and the opening 2019 unrestricted net deficiency has been restated from \$70,080 to \$81,976. The change resulted from an understatement of accruals in 2017 of \$11,896. The 2018 accounts payable and accrued liabilities and administration expense have been restated to include these items.

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## Cash Flow Projection Niagara Symphony Orchestra

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Updated by DMS Jan 3, 2020	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
Cash on hand (beginning of month) - General Operating Account	17,650	-5,168	-12,437	-11,207	-79,613	-38,885	-112,708	-90,432

<b>CASH IN</b>	<b>Dec-19</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>	<b>Apr-20</b>	<b>May-20</b>	<b>Jun-20</b>	<b>Jul-20</b>
PAC - Withdrawal	16,950	16,950	16,950	16,950	16,950	25,000	25,000	25,000
Sold Services, camp fees, other events					15,000	20,000		
OAC, SCIIP, CC Contributions								
Project Grants								
Corporate Sponsorships				15,000	15,000	15,000		
Major Gifts + Foundations			75,000		20,000	10,000	10,000	50,000
Donations - Individual	15,000	15,000	10,000	5,000	5,000	1,000	12,500	12,500
Donations - Corporate		5,000	5,000	5,000	5,000	5,000		
Other inc - adv, found rev, others		1,000	1,000	1,000	1,000	1,000	12,000	
Interest Income & HST								
<b>TOTAL CASH RECEIPTS</b>	<b>31,950</b>	<b>37,950</b>	<b>107,950</b>	<b>42,950</b>	<b>77,950</b>	<b>77,000</b>	<b>59,500</b>	<b>87,500</b>
<b>Total cash available</b>	<b>49,600</b>	<b>32,782</b>	<b>95,513</b>	<b>31,743</b>	<b>-1,663</b>	<b>38,115</b>	<b>-53,208</b>	<b>-2,932</b>

<b>CASH PAID OUT</b>	<b>Dec-19</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>	<b>Apr-20</b>	<b>May-20</b>	<b>Jun-20</b>	<b>Jul-20</b>
Musicians + Artists	26,000	-	69,500	74,135	0	113,600	0	
Payroll and Contractors - 15th	8,855	11,185	11,185	11,185	11,185	11,185	11,185	11,185
Payroll and Contractors - 30th	9,645	11,765	11,765	11,765	11,765	11,765	11,765	11,765
Storage - Instrument	240	240	240	240	240	240	240	240
Auditing fees	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725
Bank fees and interest	975	975	975	975	975	975	975	975
Bell - phone and internet	576	576	576	576	576	576	576	576
Bell Media (radio advertising)	755	755	755	755	755	755	755	755
Membership fees	463	463	463	463	463	463	463	463
Payroll taxes and wsib	2,295	2,295	2,295	2,295	2,295	2,295	2,295	2,295
Liability insurance	524	524	524	524	524	524	524	524
Computers and photocopier lease	765	765	765	765	765	765	765	765
Office rent	1,950	1,951	1,952	1,953	1,954	1,955	1,956	1,957
Other expenses	0	0	0	0	0	0	0	0
<b>SUBTOTAL</b>	<b>54,768</b>	<b>33,219</b>	<b>102,720</b>	<b>107,356</b>	<b>33,222</b>	<b>146,823</b>	<b>33,224</b>	<b>33,225</b>
Accounts Payable Payments	0	12,000	4,000	4,000	4,000	4,000	4,000	
<b>TOTAL CASH PAID OUT</b>	<b>54,768</b>	<b>45,219</b>	<b>106,720</b>	<b>111,356</b>	<b>37,222</b>	<b>150,823</b>	<b>37,224</b>	<b>33,225</b>
<b>Cash on hand (end of month)</b>	<b>-5,168</b>	<b>-12,437</b>	<b>-11,207</b>	<b>-79,613</b>	<b>-38,885</b>	<b>-112,708</b>	<b>-90,432</b>	<b>-36,157</b>

<b>OTHER OPERATING DATA</b>	<b>Dec-19</b>	<b>Jan-20</b>	<b>Feb-20</b>	<b>Mar-20</b>	<b>Apr-20</b>	<b>May-20</b>	<b>Jun-20</b>	<b>Jul-20</b>
Board GIC line of credit - max	82,500	82,500	97,500	97,500	97,500	97,500	97,500	97,500
City Loan Guarantee line of cr- max	60,000	60,000	120,000	120,000	120,000	120,000	120,000	120,000
<b>Total borrowing capacity</b>	<b>142,500</b>	<b>142,500</b>	<b>217,500</b>	<b>217,500</b>	<b>217,500</b>	<b>217,500</b>	<b>217,500</b>	<b>217,500</b>
Board GIC line of credit - available	0	0	0	0	0	0	0	0
City Loan Guarantee line of cr- avail	54,832	47,563	108,793	40,387	81,115	7,292	29,568	83,843
PAC Account Balance	84,000	81,000	78,000	75,000	72,000	61,000	93,000	125,000



## Orchestras Canada COMPARATIVE REPORT: 2017 - 18 Season

## SUMMARY - by BUDGET SIZE

Page 1

Orchestras with:

REVENUE

	Budgets over \$5 million (12 orchestras)		Budgets between \$1 million and \$5 million (15 orchestras)		Budgets between \$500,000 and \$1 million (15 orchestras)	
	(Totals)	Average	(Totals)	Average	(Totals)	Average
		of %s		of %s		of %s
Box office income	47,986,906		7,512,182		2,884,218	
Other earned income	14,465,826		2,562,900		761,935	
<b>Total Earned Income</b>	<b>62,452,732</b>		<b>10,075,082</b>		<b>3,646,153</b>	
% of Total Revenue	37.6%	37.9%	34.6%	32.6%	30.7%	31.2%
Individual donations	22,024,303		3,923,114		1,271,499	
Sponsors/Corporate/Foundations	22,999,532		4,874,201		2,368,320	
Special events/Funding projects	5,173,501		1,610,080		1,156,910	
<b>Total Donated Income</b>	<b>50,197,336</b>		<b>10,407,395</b>		<b>4,796,729</b>	
% of Total Revenue	30.2%	31.0%	35.8%	37.6%	40.4%	39.4%
Canada Council - operating	9,797,201		2,262,770		490,515	
Provincial - operating	19,362,035		3,349,126		1,436,882	
Municipal/Regional - operating	7,323,544		1,775,559		1,121,698	
Project & other/special funding	17,139,652		1,208,892		389,382	
<b>Total Governmental Support</b>	<b>53,622,432</b>		<b>8,596,347</b>		<b>3,438,477</b>	
% of Total Revenue	32.2%	31.1%	29.6%	29.8%	28.9%	29.3%
<b>GRAND TOTAL REVENUE</b>	<b>166,272,500</b>		<b>29,078,824</b>		<b>11,881,359</b>	

EXPENSES

Orchestra	65,022,221		9,649,666		3,476,142	
Conductors (incl. MD) / Soloists	21,429,346		3,910,819		1,498,295	
Other Artistic Expenses	8,227,009		1,812,495		867,756	
<b>Total ARTISTIC Expenses</b>	<b>94,678,576</b>		<b>15,372,980</b>		<b>5,842,193</b>	
% of Total Expenses	58.1%		53.0%	51.9%	50.4%	50.2%
Production/Orchestra operations	23,169,991		4,144,072		1,427,576	
Fundraising and Development	9,858,652		1,486,192		488,052	
Marketing	15,844,801		2,636,376		1,241,020	
Box office	2,528,039		496,261		60,334	
Administration	16,976,469		4,862,180		2,523,939	
<b>Total NON-Artistic Expenses</b>	<b>68,377,952</b>		<b>13,625,081</b>		<b>5,740,921</b>	
% of Total Expenses	41.9%		47.0%	48.1%	49.6%	49.8%
<b>GRAND TOTAL EXPENSES</b>	<b>163,056,528</b>		<b>28,998,061</b>		<b>11,583,114</b>	
<b>SEASON SURPLUS (DEFICIT)</b>	<b>3,215,972</b>	<b>2.0% of</b>	<b>80,763</b>	<b>0.3% of</b>	<b>298,245</b>	<b>2.6% of</b>
as a % of total expenses		<b>expenses</b>		<b>expenses</b>		<b>expenses</b>

**ACCUMULATED POSITION**

Opening Accum. Surplus (*Deficit*)

Season Surplus (*Deficit*)

Net additional/special activity

**ACCOM. Position at Season End**

as a % of total expenses

Amount of restricted funds:

**Externally controlled**

**endowment funds**

Present (total) balance is:

Contribution to 2017-18 operations

**PERFORMANCES / AUDIENCES**

**(Orchestra concerts only)**

**Regular** performances (total)

**Regular** concert audience (total)

**Other/special** performances (total)

**Other/special** audience (total)

**Tour/runout** performances (total)

**Tour/runout** audience (total)

**School/other** performances (total)

**School/other** audience (total)

**TOTAL Orchestra** performances

**TOTAL Orchestra** audience

**(Chamber/ensemble activity)**

Total **chamber/ensemble** perfs.

Total **chamber/ensemble** aud.

Total **chamber** perf. for **schools**

Total **chamber** aud. for **schools**

**GRAND TOTAL - Performances**

**GRAND TOTAL - Audience**

**Budgets over \$5 million**

**(12 orchestras)**

**(Totals)**

(7,967,189)

**3,215,972**

237,388

**(4,513,829)**

**-2.8% of**

**expenses**

221,344,920

10,802,535

796

1,042,023

307

570,460

110

203,114

253

261,022

**1,466**

**2,076,619**

**Cost per**

**audience**

**contact:**

(total

expenses

divided by

total

audience)

**1,851**

**2,130,682**

**\$ 76.53**

**Budgets between \$1 million**

**and \$5 million (15 orchestras)**

**(Totals)**

(840,431)

**80,763**

**(759,668)**

**-2.6 of**

**expenses**

26,072,458

964,342

297

213,689

105

76,718

103

49,233

111

39,383

**616**

**379,023**

**Cost per**

**audience**

**contact:**

(total

expenses

divided by

total

audience)

**1,069**

**435,789**

**\$ 66.54**

**Budgets between \$500,000**

**and \$1 million (15 orchestras)**

**(Totals)**

667,326

**298,245**

195,560

**1,161,131**

**10.0% of**

**expenses**

10,884,541

499,863

165

106,903

18

22,973

18

6,590

30

18,721

**231**

**155,187**

**Cost per**

**audience**

**contact:**

(total

expenses

divided by

total

audience)

**412**

**176,371**

**\$ 65.67**





<b>OC 2017/18 Comparative Report</b> <b>Summary by Budget Size -</b> <b>- continued Page 2a</b>						
	<b>Budgets between \$200,000</b>		<b>Budgets under \$200,000</b>		<b>ALL ORCHESTRAS</b>	
	<b>and \$500,000 (16 orchestras)</b>		<b>(15 orchestras)</b>		<b>(73 orchestras)</b>	
	<b>(Totals)</b>		<b>(Totals)</b>		<b>(Grand totals)</b>	
<b>ACCUMULATED POSITION</b>						
Opening Accum. Surplus ( <i>Deficit</i> )	1,061,550		874,576		(6,204,168)	
Season Surplus ( <i>Deficit</i> )	<b>328,029</b>		<b>(80,641)</b>		<b>3,842,368</b>	
Net additional/special activity	967		350		434,265	
<b>ACCOM. Position at Season End</b>	<b>1,390,546</b>	<b>27.9% of</b>	<b>794,285</b>	<b>44.5 % of</b>	<b>(1,927,535)</b>	<b>-0.9% of</b>
as a % of total expenses		<b>expenses</b>		<b>expenses</b>		<b>expenses</b>
Amount of restricted funds:						
Externally controlled						
endowment funds						
Present (total) balance is:	1,186,600		191,146		259,680,665	
Contribution to 2017-18 operations	34,170		8,238		12,309,148	
<b>PERFORMANCES / AUDIENCES</b>						
<b>(Orchestra concerts only)</b>						
<b>Regular</b> performances (total)	104		79		1,441	
<b>Regular</b> concert audience (total)	51,700		26,713		1,441,028	
<b>Other/special</b> performances (total)	22		17		469	
<b>Other/special</b> audience (total)	31,036		3,457		704,644	
<b>Tour/runout</b> performances (total)	10		3		244	
<b>Tour/runout</b> audience (total)	5,410		995		265,342	
<b>School/other</b> performances (total)	42		3		439	
<b>School/other</b> audience (total)	11,214		700		331,040	
<b>TOTAL Orchestra</b> performances	<b>178</b>		<b>102</b>		<b>2,593</b>	
<b>TOTAL Orchestra</b> audience	<b>99,360</b>		<b>31,865</b>		<b>2,742,054</b>	
		<b>Cost per</b>		<b>Cost per</b>		<b>Cost per</b>
<b>(Chamber/ensemble activity)</b>		<b>audience</b>		<b>audience</b>		<b>audience</b>
Total <b>chamber/ensemble</b> perfs.	33	<b>contact:</b>	9	<b>contact:</b>	439	<b>contact:</b>
Total <b>chamber/ensemble</b> aud.	3,449	(total	517	(total	53,666	(total
Total <b>chamber</b> perf. for <b>schools</b>	64	expenses	-	expenses	686	expenses
Total <b>chamber</b> aud. for <b>schools</b>	16,825	divided by	-	divided by	99,138	divided by
		total		total	-	total
<b>GRAND TOTAL - Performances</b>	<b>275</b>	audience)	<b>111</b>	audience)	<b>3,718</b>	audience)
<b>GRAND TOTAL - Audience</b>	<b>119,634</b>	<b>\$ 41.65</b>	<b>32,382</b>	<b>\$ 55.45</b>	<b>2,894,858</b>	<b>\$ 72.69</b>

# Comparison of Orchestras Canada to NSO

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	Orchestra's with Budgets between \$1M and \$5M (15)		Niagara Symphony Orchestra 2018-19 Audited Financial Statements	
<b>Revenue</b>	\$	% of Total Revenue	\$	% of Total Revenue
Box Office	7,512,182	25.8%	301,975	24.4%
Other Earned Income	2,562,900	8.8%	162,743	13.2%
<b>Total Earned Income</b>	<b>10,075,082</b>	<b>34.6%</b>	<b>464,718</b>	<b>37.6%</b>
Individual Donations	3,923,114	13.5%	393,959	31.9%
Sponsors/Corporate/Foundations	4,874,201	16.8%	153,329	12.4%
Special Events/Funding Projects	1,610,080	5.5%	37,372	3.0%
<b>Total Donated Revenue</b>	<b>10,407,395</b>	<b>35.8%</b>	<b>584,660</b>	<b>47.3%</b>
Canada Council - Operating	2,262,770	7.8%	30,500	2.5%
Provincial - Operating	3,349,126	11.5%	69,338	5.6%
Municipal/Regional - Operating	1,775,559	6.1%	55,109	4.5%
Projects and other/special funding	1,208,892	4.2%	31,780	2.6%
<b>Total Government Support</b>	<b>8,596,347</b>	<b>29.6%</b>	<b>186,727</b>	<b>15.1%</b>
<b>Grand Total Revenue</b>	<b>29,078,824</b>	<b>100.0%</b>	<b>1,236,105</b>	<b>100.0%</b>

	Orchestra's with Budgets between \$1M and \$5M (15)		Niagara Symphony Orchestra 2018-19 Audited Financial Statements	
<b>Expenses</b>	\$	% of Total Revenue	\$	% of Total Revenue
Artistic Expenses	15,372,980	53.0%	639,696	51.9%
Production	4,144,072	14.3%	150,867	12.2%
Fundraising & Development	1,486,192	5.1%	128,915	10.5%
Marketing	2,636,376	9.1%	58,516	4.8%
Box Office	496,261	1.7%	19,920	1.6%
Administration	4,862,180	16.8%	233,753	19.0%
<b>Grand Total Expenses</b>	<b>28,998,061</b>	<b>100%</b>	<b>1,231,667</b>	<b>100%</b>




## Corporate Report City Council

**Report from:** Economic Development and Government Relations

**Report Date:** January 14, 2020      **Meeting Date:** January 27, 2020

**Report Number:** EDTS-012-2020      **File:** 68.45.99

**Subject:** Youth Forum Task Force Event at Meridian Centre

**Strategic Pillar:** 

### Recommendation

That Council approve the waiving of the rental fee in the amount of \$12,000 related to the hosting of a signature Youth Forum Task Force event at the Meridian Centre; and

That the balance of Meridian Centre related house operating costs be covered under the already approved 2020 Youth Forum Task Force budget (\$25,000); and

That any additional Meridian Centre house operating related costs be covered by funds raised through sponsorships and fundraising efforts; and

That the municipality agrees to assume all risk and financial responsibility associated with the hosting of a signature Youth Forum Task Force; and

That the Director of Economic Development and Government Relations and the Director of Community, Recreation and Cultural Services be authorized to execute any necessary agreements and contracts, subject to the review and approval of the terms by the City Solicitor; and

Further, that budgetary approvals be subject to the Youth Forum Task Force reporting back to Council by March 9, 2020 with confirmation of fundraising and sponsorship budget amounts to cover the remainder of the cost of the event.

FORTHWITH

### Relationship to Strategic Plan

This report relates to the Social Well-Being strategic goal, which is to build and support strong, inclusive neighbourhoods that provide high quality of life for residents of all ages.

## Background

The Youth Forum Task Force (YFTF) is responsible for planning and implementing an annual youth forum. The 2019 Operating Budget included \$3,000 for a youth forum which will be carried forward for 2020. At its meeting of [December 16, 2019](#), Council moved to increase the budget for the YFTF to \$25,000 from \$3,000 for the purposes of hosting a signature event in 2020. The YFTF intends to host a spring youth forum at the Meridian Centre and is to be modeled on the annual youth empowerment events hosted by the WE Movement founded by social activist brothers Marc and Craig Kielburger. WE Day events typically hosts tens of thousands of youth to celebrate their impact on local and global issues and promote the empowerment of youth. Although the event is free, it is funded through corporate sponsorships and tickets are earned by students participating in WE programs held in schools.

The WE Movement organizers have developed a WE DayX branding which supports independent organizers and communities – like the Youth Forum Task Force that want to launch their own WE Day-style event. In the true spirit of celebrating and inspiring local change-makers, the YFTF are planning to co-organize and host WE DayX St. Catharines on May 6, 2020.

## Report

WE DayX St. Catharines intends to bring together 5500+ students from across Niagara to celebrate engagement and empowerment and learn more about what it means to serve both community and country. The YFTF has proposed to base the format of the event on that of the annual WE Day event held by the WE Charity Foundation. The day-long event will include a lineup of speakers involved in social issues and youth-related causes, as well as musical performances. A draft schedule for the day is attached as Appendix 1. Staff, along with the Chair of the Youth Forum Task Force (Councillor Townsend) have been working with the WE Movement team on a partnership hosting agreement for WE DayX St. Catharines.

The purpose of this report is to seek Council's approval to waive rental fees for the Meridian Centre in the amount of \$12,000 and to provide an update on the discussions with the WE organization and plans for the event. The fee waiver will help to offset costs related to the overall event including speaker fees, production cost, rider requirements. ASM Global (SMG) have reviewed the preliminary information provided for hosting WE DayX St. Catharines at the Meridian Centre and have estimated the following hosting costs:

<b>Draft Meridian Centre Event Operating Expenses</b>	
May 4, 2020 venue rental fee	\$6000
May 5, 2020 venue rental fee	\$6000
*House operating costs, Meridian Centre contracted services and additional expenses	\$23,242
Estimated total Meridian Centre expenses	\$35,242 +HST

Staff are recommending that Council waive the venue rental fee of \$12,000 and the balance of Meridian Centre house operating related costs be covered under the already approved 2020 Youth Forum Task Force budget (\$25,000); and any additional Meridian Centre house operating related costs be covered by funds raised through sponsorships and fundraising.

It should be noted that this is only a portion of the expenses of hosting the event. Additional expenses are noted in the draft budget below. The Youth Forum Task Force has provided the budget outlined below for additional items:

<b>Draft Youth Forum Task Force Event Budget</b>	
<b>Item</b>	<b>Cost</b>
Production –digital, sound, lighting	\$20,000
Speaker/Performer Fees	\$30,000
Sponsor breakfast	\$2,500
Ticket printing	\$2,500
Lanyards, sponsor suite refreshments, décor, social	\$5,000
<b>Total</b>	60,000
<b>Total + Meridian Centre expenses</b>	\$95,242 (+ HST)

## Financial Implications and associated risks

There are sufficient funds in the 2020 approved operating budget to accommodate the request to waive the venue rental fee of \$12,000 and cover the remainder of the Meridian Centre event operating expenses with the \$25,000 already allocated to the YFTF.

However, there exist potential associated risks and financial liabilities that could be incurred by the municipality as it serves as the promoter, host, and organizer of the event. They include the following:

- City and SMG staff originally estimated that an event of this magnitude could cost between \$150,000-200,000. This amount is significantly higher than the provided estimate from the YFTF which could result in insufficient funds to host the entire event. If items in the budget provided by the YFTF exceed the estimated amounts, the additional costs will be borne by the municipality.
- All risk and liability related to this event are being assumed by the municipality.
- Entering into agreements such as those for speakers may result in a cost to the municipality even if the event is cancelled.
- Discussions with the local school boards have been positive to date, but given the current “work to rule” status of school boards in Ontario, local schools may not be in a position to support this student centric event. This could potentially have an effect on student attendance at the event.
- Currently there is minimal capacity in the municipality’s staff complement to dedicate staff members to organize and host such a large-scale function. Prioritizing this work for existing staff members in CRCS, Legal and EDTS will impact existing 2020 work-plans.
- Organization, administration and hosting of this type of event is not typically the municipality’s role. As such, no formal policies, responsible funding plans, and guidelines exist to direct staff in event planning, fundraising and sponsorship initiatives, speaker agreements, risk management and other applicable factors. In the absence of such procedures there is always a higher risk for errors, omissions and additional cost to the municipality.

In an effort to minimize financial exposure and mitigate potential associated risks staff recommend that the YFTF be required to report back to Council by March 9<sup>th</sup> 2020 with confirmation of fundraising and sponsorship funding amounts to cover the remainder of the cost of the event. If sufficient fundraising and sponsorship amounts cannot be demonstrated by this time, staff recommend cancellation of the event. There is the opportunity of organizing a similar event in 2021.

## Conclusion

WE DayX St. Catharines is an event that can unite youth across Niagara communities and promote the empowerment of young people in the region striving to make a difference. The staff recommendation aims to ensure adequacy and effectiveness of the controls, processes and procedures are in place to mitigate the risks associated with the management and execution of this event.

## Notifications

It is in order to notify Councillor Kevin Townsend, Chair, Youth Forum Task Force [ktownsend@stcatharines.ca](mailto:ktownsend@stcatharines.ca)

**Prepared and Approved by**

Brian York,

Director of Economic Development and Government Relations



### We DayX St. Catharines – Draft Schedule

7:30am – 8:30am	Sponsor/delegate breakfast
8:15am – 8:30am	Bus arrival
8:30am – 8:50am	Doors open/red carpet welcome
9:00am	Hype crew crowd warm-up
9:10am	Mayor Sendzik welcome speech
9:15am	Introduction video
9:20am	Host welcome speech
9:30am – 10:00am	Mission 1 “WE are Mindful” – speakers/performers
10:00am – 10:30am	Mission 2 “WE are Community” – speakers/performers
10:30am – 11:00am	Mission 3 “WE are Innovators” – speakers/performers
11:00am – 11:30am	Mission 4 “WE are One Planet” – speakers/performers
11:30 – 11:55am	Lunch Break
12:00pm – 12:40pm	Mission 5 “WE are Leaders” – speakers/performers
12:40pm – 1:30pm	Mission 6 “WE are Global” – speakers/performers
1:30pm	Event conclusion, bus arrival



## Corporate Report City Council

**Report from:** Community, Recreation and Culture Services, Programs and Cultural Services

**Report Date:** December 31, 2019      **Meeting Date:** January 27, 2020

**Report Number:** CRCS-007-2020      **File:** 35.60.28

**Subject:** Niagara Folk Arts Festival 2019 Report and 2020 Funding Request

**Strategic Pillar:**



### Recommendation

That Council authorize the disbursement of \$41,000 to the Folk Arts Council of St. Catharines as indicated in the 2020 Fee-for-Service agreement; and

That Council receive the report as submitted by the Folk Arts Council of St. Catharines for the 2019 Niagara Folk Arts Festival, attached as Appendix 2. FORTHWITH

### Summary

Since 1998, the City of St. Catharines has negotiated and implemented a series of Fee-for-Service agreements related to the Niagara Folk Arts Festival (NFAF). Prior to that year, the City provided annual grants for the NFAF. The most recent agreement for 2019 and 2020 was approved by Council at its meeting on April 15, 2019 through report [PRCS-073-2019](#).

These agreements have sought to increase the overall economic impact of the NFAF by requiring the Folk Arts Council of St. Catharines to pursue specific organizational, marketing and event goals in order to receive partnership funding from the City. In past years, the City has provided \$26,000 in annual funding with an increase to \$41,000 in 2015.

### Relationship to Strategic Plan

The NFAF supports three of the four Strategic Goals of the City's 2019-2028 Strategic Plan – Economic Prosperity, Social Well-Being and Cultural Renaissance.

The Fee-for-Service agreement is a collaborative partnership which allows for the hiring of a full-time Festival Producer annually. The Festival itself is an economic driver of tourism and promotes local visitor spending. The NFAF supports both social and cultural sustainability goals through Festival programming which embraces our diversity, creates a welcoming and inclusive community, celebrates our unique heritage and

showcases a variety of ethnic cultures while welcoming newcomers. The NFAF provides events which build civic pride, encourage local engagement and attract people to the community.

## Background

The Folk Arts Council of St. Catharines is the governing body for the NFAF, Canada's oldest continually running heritage festival. Since 1968, with its grass roots beginnings of an afternoon in Montebello Park, the festival has grown in its programming and celebrates the diverse culture, arts and heritage of all Canadians. In 2018, the NFAF celebrated its 50th anniversary. A historical summary of event metrics pertaining to the NFAF for the past four years (2016 to 2019) is provided in Appendix 1.

## Report

The current 2019-2020 Fee-for-Service agreement provides an annual allocation of \$41,000 which has been included in the Community, Recreation and Culture Services (CRCS) 2020 operating budget. However, at its [April 15, 2019](#) meeting, Council approved the following motion:

That Council direct staff to enter into a Fee-for-Service agreement with the Folk Arts Council of St. Catharines for the provision of services associated with the annual Niagara Folk Arts Festival at a rate of \$41,000 per annum, plus in-kind fees as indicated in the Fee-for-Service agreement to the maximum amount shown therein with the understanding that the Folk Arts Council of St. Catharines is responsible for costs over and above, for a period covering the 2019 and 2020 Festivals; and

That Parks, Recreation and Culture Services be authorized to disburse \$41,000 to the Folk Arts Council of St. Catharines for the 2019 festival after the said agreement has been executed; and

That the 2020 disbursement, subject to Budget Standing Committee review, be conditional upon satisfactory reporting back to Council; and

Further, that the City Solicitor be directed to prepare the necessary documents and by-laws. FORTHWITH

The NFAF hosted 29 events in total from May 2 to 26, 2019. A post event summary report of the 2019 NFAF provided by the Folk Arts Council of St. Catharines is provided in Appendix 2.

The Fee-for-Service agreement also provides for additional in-kind charges to an upset annual limit of \$4,639 per year to be provided by CRCS, Engineering, Facilities and Environmental Services and Municipal Works staff. These in-kind services may include the costs for park rental (if applicable), park restoration (if applicable), road closure fees, the provision of street closure barricades, garbage cans, traffic barrels, street banner and other City services.

## **Fee-for-Service Agreement Obligations:**

The City has required that the Folk Arts Council of St. Catharines meet certain obligations in order to receive the City's funding. These include:

1. Operating the NFAF in St. Catharines as a distinct event from other Folk Arts community programming during each year of the term of the contract;
2. Developing the Niagara Folk Arts Festival as a fully professional arts event and a major cultural attraction for the city of St. Catharines;
3. Contracting a Niagara Folk Arts Festival Producer who will organize, coordinate and promote the Niagara Folk Arts Festival in a timely and professional manner;
4. Reporting back to the Council of the City on past festivals and contractual obligations, and also outlining future festival plans; inclusive of programming, marketing and other relevant initiatives relating to the Festival
5. The Niagara Folk Arts Festival will be required to annually prepare and submit an annual year in review for all events relating to the Festival.
6. The Niagara Folk Arts Festival shall document visitor data through event surveying, web and related marketing analytics and data collected from the cultural open houses.
7. Preparing and delivering a formal written report on services performed by the Niagara Folk Arts Festival, including a full financial accounting, visitor and attendance metrics, volunteers and community involvement;
8. Niagara Folk Arts Festival shall advertise and promote its events throughout the city, the region and in other relevant markets. Wherever possible, opportunities for coordinated and cooperative advertising and marketing with Tourism Services and industry partners will be pursued.
9. Any other such other services as may be required for the successful operation of the Niagara Folk Arts Festival in St. Catharines.

The NFAF has requested a delegation before Council to report on these items.

## **Financial Implications**

Staff recommend the disbursement of \$41,000 to the NFAF, as outlined in the current 2019-2020 Fee-for-Service agreement. The Fee-for-Service agreement yearly allocation of \$41,000 has already been included in the CRCS operating budget for 2020.

## **Conclusion**

The NFAF has contracted a professional festival manager and has been working diligently to improve the festival offerings year after year, including better coordinated marketing efforts with the City of St. Catharines and their community partners.

Staff believes that the NFAF continues to have a significant value to city residents. As a result, staff recommends the disbursement of \$41,000 to the NFAF for 2020.

## **Notifications**

It is in order to advise Ms. Emily Kovacs, Executive Director/CEO, Niagara Folk Arts Multicultural Centre, 85 Church St., St. Catharines, ON, L2R 3C7.

### **Prepared and Submitted by**

Lori Mambella, Manager, Programs and Culture Services

### **Approved by**

Phil Cristi

Director, Community, Recreation and Culture Services

## **Appendices**

1. Appendix 1 – NFAF Historical Summary, Years 2016-2019
2. Appendix 2 – 2019 NFAF Post Event Summary for the City of St. Catharines

**Niagara Folk Arts Festival (NFAF)**  
**Historical Summary**  
**Years 2016-2019**

NOTE: Information contained within this report provided by the NFAF.

	2019	2018	2017	2016
<b>City Support</b>				
Fee For Service - Cash Amount	\$41,000	\$41,000	\$41,000	\$41,000
Fee For Service - Value in Kind Amount	\$4,639	\$4,639	\$4,639	\$4,639
<b>Grant Funding</b>				
NOTE: Number of 2018 Grants - three grants one time due to 50th anniversary; one grant only eligible every 2 years				
Total Number of Grant Applications Submitted	4	5	6	5
Total Grant Funding	\$11,000	\$29,367	\$16,900	\$33,250
<b>Event Metrics</b>				
Total Number of Cultural Open Houses	22	26	28	22
Total Number of Other NFAF Events	6	13	6	6
Total Visitor Attendance-see Open House & Attendee Calculations chart-Grants & Funding file, 2019	17,112	21,450	19,756	21,000
Total Number of Community Partners	13	10	8	7
Total Number of Volunteers	1,977	1841	1552	1263
Total hours donated by Volunteers	19,747	19,271	17,895	14,554
Total Number of Local Cultural Artists	699	856	888	976
Total Number of Local Artists	88	50	32	29
Total Number of Local Artisans	24	86	23	58
Total Number of Local Heritage Performers	587	720	833	889
Total Number of Presentation Opportunities	52	79	65	68
<b>Digital Advertising Impact</b>				
NOTE: This data captured starting in 2018				
Impressions	142,977.00	291,513.00		
Reach	74,535.00	207,102.00		
Clicks	294.00	1,030.00		
cost per click	\$ 2.26	\$ 2.25		
<b>Economic Impact -TREIM Report (only when visitor numbers are known)</b>				
Total Visitors' Spending	\$ 3,663,903.00	\$ 4,583,024	\$ 4,175,160	\$4,046,053
Total Direct Impact of Visitor Spending in Niagara (GDP)	\$ 1,886,437.00	\$ 2,363,570	\$ 1,884,694	\$2,084,619
Total Overall Impact of Visitor Spending in Niagara(GDP)*	\$ 2,654,187.00	\$ 3,320,983	\$ 2,844,447	\$2,929,935
	*Breakdown of Total Overall Impact of Visitor Spending in Niagara(GDP) Direct-\$1,886,437 Indirect-\$302,823 Induced-\$464,927	*Breakdown of Total Overall Impact of Visitor Spending in Niagara(GDP) Direct-\$2,363,570 Indirect-\$379,032 Induced-\$578,381	*Breakdown of Total Overall Impact of Visitor Spending in Niagara(GDP) Direct-\$1,884,694 Indirect-\$482,044 Induced-\$477,709	*Breakdown of Total Overall Impact of Visitor Spending in Niagara(GDP) Direct-\$2,084,619 Indirect-\$334,700 Induced-\$510,616
<b>General Comments</b>				
	The number of Open Houses was down to 22 from 26. Digital advertising spend was less when compared to 2018-more grant funding in 2018 due to 50th anniversary year. Cost per click was comparable: \$2.25 in 2018 \$2.26 in 2019	The number of Open Houses was 26 down from 28. More programming added due to 50th anniversary year.	These 2017 reported attendance numbers are based on survey numbers from 2016 and include the increase in 2017 programmed events, new event locations, and the bad weather (rain) the first weekend of May-rained out all weekend events with attendee numbers quite low.	The Festival moved to a new site for the final weekend of the event programming, from a park to a street festival. The site was significantly troublesome to work within, as the City had scheduled major construction at the site. Added to this was extreme heat over the two days and a rescheduling of 2 other major events happening in the city the same days-never happened before. Therefore the May 28 and May 29 days of programming had significantly reduced audience turnouts. This did contrast deeply the increase of visitors to the previous 30 events held earlier

## 2019 Niagara Folk Arts Festival Post Event Summary for the City of St. Catharines

2

29 events were held in the month of May

### Media Launch-April 27 & 28, 2019

This year we had the opportunity to engage ticket holders attending events at the PAC. These were a great demographic to connect with: ticket purchasers, elder ages, and people interested/engaged in the arts. Cultural Ambassadors and volunteers were on hand to engage, hand out brochures and pass information along to the attendees-almost 600 people. This was a great targeted approach, utilizing the Performing Arts Center partnership, with no costs involved.

### Ambassador's Ball-May 2, Armenian Community Centre

The annual formal event was held at the Armenian Community Centre in St. Catharines. This site was pursued as it was the last Club to host the event in our cycle of moving locations each year. An exploration of having this event outside of our Club Members would give those clubs that do not have a large hall facility, an opportunity to be featured. i.e.-Club LaSalle could be featured at a winery or commercial site that does not have a cultural identity already. Multiple cultural groups could be presented in one event. The cost of having the event at an outside venue would be the driving factor of feasibility. Once again, Festival partner FirstOntario Performing Arts Centre Box Office successfully facilitated ticket sales on line, on the phone or in person. Cost was \$444.41 for those services. The Thursday date did work well again in our efforts to remove barriers for attendance. 7 meal types were again offered. 202 attendees were at this event-the average number since 2014, but with an increase of attendees from the Muslim Community.

### Festival Launch Weekend-May 3, 4 & 5, 2019

Festival Launch activities were held at 85 Church Street, on the first weekend of May. This event was moved in 2017 to this date and location to address the many problems of having an event in competition with as many as 5 other major events throughout Niagara on the last weekend of May, with regards to vendors, advertising and attendee time, plus it gave us an opportunity to advertize our own month long activities for free. It will not be until 2020/2021 that we will see if this new date and location has caught on with the general public, as it usually takes three years for any new initiative to begin to reap rewards.

On Friday, May 3, Welland Centennial Secondary School presented their dramatic presentation of the graphic novel "Escape from Syria". This performance has since received top awards at the provincial competitions for Secondary School productions. This performance was bundled and advertised as the "Syrian Experience"-the play, the movie "Inside My Heart" and the Syrian Open House on May 10, 2019. These three items presented as a highlight within the Festival, created a thematic journey attendees could experience, highlighting the past and present of the Syrian newcomers as well as have direct Q&A with members from the Syrians in Niagara group. All events had free entrance. The play and the day-showing of the movie had high attendance numbers-full house for the play, 75% full for the movie. The nighttime showing of the movie had low turnout, but there were no costs to holding this showing.

Due to the cold and damp weather throughout the week prior to May 4, resulting in a muddy and soggy City Hall lawn, the flag raising ceremony was cancelled, with the flag being raised on Monday

May 6 by city staff. As in previous years the Opening Ceremonies were held on the main stage at The Robby.

Building on the 2018 programming, this event had a great increase in Folk Arts Multicultural Center department led programming, as well as a healthy involvement from our community partners-the largest participation yet-6—Carousel Players, Catholic School Board, Positive Living, Niagara Falls Library, YWCA Niagara Region, OPRIG Brock's Free Store Nurturing our contact with other like minded community groups and agencies will continue into 2020. Experiential, hands-on programs were the focus once again, as well as a community art project, though on a smaller scale than 2018. A 10 month training program for Newcomers through FAMC led to 3 clients having merchandise and sales at the event, as well as gain valuable practical retail and event experience. The overall student involvement was considerably up this year as many were involved with running the FAMC directed programming and then they stayed for the rest of the day. Student numbers may be down in 2020, as Ramadan will be April 23 to May 23, 2020. With regards to the vendors on site, the relationships begun in 2019 have a more direct contact with FAMC. This model will be pursued for 2020.

The Community Art Project programming was continued in 2019, this time with a textile collage lead by artist Azra Momin. This project was inspired by the enthusiasm for 2018 and had moderate success. A new artist will be engaged for 2020 to continue this program. Places for future displaying/owning/storage of the art pieces are now a consideration, going forward.

The deadline call to have the event inside or outside was Wednesday May 1 and the choice was to move programming inside the Robby. This was a good call as the day started as very cool, 2C with a wind chill and the Opening Ceremonies were held at the Robby due to heavy rains all week resulting in muddy conditions on the City Hall front lawn. This resulted in a cost savings of \$8,000 Outdoor sport activities went ahead as planned.

### Taste Oh Canada

This event was created to replace other revenue streams for the Folk Arts Council Festival portion of the Festival. This year's theme was East Coast Canadian foods, with Old Plank Road-a band with an East Coast theme playing updated versions of classic cultural songs, and Tara's School of Highland Dancing with a nod to Cape Briton Island. This event was moved from a standalone time in 2018, but again the attendee numbers were low. Festival Staff will focus on this style of event and consider if it's feasible or not.

### Youth Day and Day of the Dead program-May 17

Building on the success of 2018, once again we had programming on the PA Day leading into the long weekend. A day in the park was scheduled, but due to the cool, wet weather and the high water levels of Lake Ontario, the program was moved to The Robby. A second program was created for Friday night-a showing of the movie Coco and Day of the Dead themed activities. The day program did well in sales-30+ children, but the night time program was not selling. The night activities were then folded into the day and happened. For 2020, it has been suggested that a higher price for the day activities-\$25 should be asked for, and not have a night program. This was the main feedback from the parents registering.



### Underground Railroad Experience-May 25, 5th annual

Held in partnership with Niagara Bound Tours, this event sold 22 tickets-the most ever sold in the past was 6. Five persons missed the bus on the day of the tour, due to confusion at the pick-up site. With the returns the net profit is \$200 to be split between the Festival and the operator. It is thought that the direct handing out of the programs at the Symphony event in April got this program into the right audience resulting in a full bus tour. We plan to continue this program in 2020.

### Open Houses-May 5 to May 26

Twenty-four Open Houses were held in 2019, with LINCA, Sudan House in Niagara, Chinese Cultural Association and the Romanian Cultural Association of Niagara not having an event in 2019. A Festival Staff person was present at each Open House and all were recorded as having solid attendee numbers. No complaints have been received.

No attendance surveys were conducted due to costs and with new persons both at the City and with the new ED at FAMC. Once the FAMC Strategic Plan comes out late in 2019, decisions will be made with regards to the Festival.

A post event questionnaire regarding Volunteer investment by the Club Members will take place and the Clubs need to recognize the importance of completing the surveys. No personal data will be collected and all information will be used as statistics for grant and funding reporting.

### **Volunteer Information Survey**

1. When does your Group/Club start planning your Festival Activities : \_\_\_\_\_  
i.e. 12 months before, 6 weeks before
2. Approximately how many total hours do your volunteers need for planning? : \_\_\_\_  
i.e. 4 people meet for 3 hours each month for 6 months is  $4 \times 3 \times 6 = 72$  hours total
3. How did you come up with this number? Please show your formula. \_\_\_\_\_
4. How many volunteers in your Group/Club are in charge of managing your Festival Activities: \_\_\_\_  
i.e. Managers decide what duties are needed to be completed and make up needs list
5. How many volunteers in your Group/Club are needed on the day(s) of your event to help execute the event?: \_\_\_\_  
I.e. total number of volunteers to make your event happen on event day
6. How many volunteers in your Group/Club are involved with post event evaluation: \_\_\_\_\_

## Advertising/Marketing

Usual advertising and marketing activities happened in 2019:

- 17,500 printed pieces were created for 2019, with a focus of distribution of the full colour booklets to the general public and a newsletter format to the Open Houses. A lesser amount of brochures will be printed in 2020 as more attendees have moved to paperless-a goal of the Festival started 5 years ago.
- Purchase of advertising in City of St. Catharines Visitors Guide-half page
- Newsprint advertising each week, twice a week in the month of May, all three Niagara dailies
- Social Media purchased boosting-similar spend to 2018, not including one-time grant funding for 2018. Final media report will accompany this report.
- The Festival Street banner did not go up-again the City of St. Catharines did not have a space/time for our banner.

## Volunteer Program

New this year was the implantation of the FAMC in-house Co-ordinator of Volunteers. Volunteers from throughout the year (not just from Festival recruitment), clients and students were given opportunities to improve their language and social skills. The Festival gave honourariums to recommended candidates to fulfill key roles-stage tech, kitchen co-ordinator, Ambassador Co-ordinator. 2019 was a major step in improving the program administration overall, and tweaks for 2020 are planned-no major changes.

## New Items for 2019:

Late confirmation of funding happened April 17, with the Festival a successful recipient of the Niagara Regional Niagara Investment in Culture grant. The grant had a focus of youth performers. Grant spends included:

- The student play presentation “Escape from Syria”
- Ambassador Johnny Kedzierski played piano at the Ambassador Ball
- A travelling art show created by students from Sir Winston Churchill Secondary School was displayed throughout the month at all Festival Office organized events and the St. Catharines Public Library, main branch. The museum also offered but couldn’t accommodate our timeline.
- Youth Program members performed spoken word presentations of original poems and poems from their own countries on May 4
- A mentorship presentation occurred for young persons considering a career making the arts their chosen field, May 15

## Growing Forward

- Exploring the idea of creating an event which highlights Newcomers to Niagara not only at the Festival but at other public locations throughout the Region.
  - Newcomer Day will focus on success stories, background histories, current trends etc of the Newcomer to the Region,
  - Further to inform/educate the public on the fastest growing segment of the populations

- to humanize media coverage-both positive and negative. To put a local face on national coverage
- As we continue to look for ways to expand our Youth Programming-ages 14-24, we will build on our success of using basketball as our universal language.
  - The use of sport to transcend language & cultural barriers (as well as many others), worked very well at our Basketball and Mentorship event held in March 2019.
  - We are looking to move the date of this event to be included in May 2020 and expand the participant invitations to local high schools as well.
  - The final decisions will be based on costs and availability of support from our main partner, Brock University.
- Having re-engaged the Niagara Regional Native Centre, we are looking forward to having this group involved in 2020.
  - Specific activities to highlight their culture and their local programming will be supplemental to their planned Open House and Ambassador participation.
- 2020 will be our third year to offer a community art project.
  - Dependant on funding, we will use this project as a main highlight to the Opening Weekend in May.
  - Main points of the program:
    - a) to keep the activity cost free to participants
    - b) to offer an artistic expression avenue for local artists-established or not-as well as the general public
    - c) to have final placement of the finished project outside of the Folk Arts Multicultural Centre property.
- With being mindful to keep the cohesion of the Festival over a month long period, we think adding a thematic presentation at all events will help unite the programming and foster new ideas.