

Mayor's Task Force on Arts & Theatres Arts Grants Panel Recommendations

Preamble

On September 29, 2011 the Mayor's Task Force – Arts and Theatres was established. The Task Force was divided into two Panels, the Arts Grants Panel and the Theatre Panel. The recommendations herein refer only to the work of the Arts Grants Panel whose mandate is to:

"provide advice on an efficient restructuring of the arts grant program so that it meets the city's need for fiscal responsibility, and the arts community's need for concise and consistent funding structures it can leverage to support the city's economic development goals."

Within this mandate, the Panel was also asked to consider the following questions:

- **What external body can best administer the arts grant program?**
- **What, if any, additional resources may be required by the external body to administer a larger portfolio and how should those resources be funded?**
- **What criteria should the City attach to its funding?**
- **What process and timeline makes sense to transition from the current arts funding program to a new one?**

Within its overall culture mandate, The City of Toronto provides financial support to the arts sector through its funding of the Toronto Arts Council (TAC), grants to Local Arts Service Organizations (LASOs), and direct grants to major cultural organizations (the Majors).

The recent Core Service Review proposed a review of the administration of arts grants by the City. The Executive Committee further proposed that consideration be given to shifting the administration of all arts grants to an external organization such as the Toronto Arts Council.

In its deliberations, the Arts Grants Panel established the following "first principles" as a framework for discussion and decision-making:

- **We endorse the Creative Capital Gains Report (CCG)** adopted by Toronto City Council earlier this year and its goal of increasing the City's investment in arts and culture to achieve competitiveness with other major Canadian and North American cities. We recognize, however, that the City is facing a fiscal deficit and may have to defer increased investment in the arts and culture sector in the short term.
- **We strongly believe that any cuts to arts grants and arts granting operations at this time jeopardizes the achievements and long-term potential of the sector as an integral driver of economic advancement, tourism and social development for the City. We recognize that arts grants are economic investments that pay healthy dividends to the City.** Grants are cost-effective job creation tools and are employed by governments for that purpose. A 10% cut to arts grants will jeopardize related private sector investment in the City by as much as \$9 million. A 10% cut to arts grants will also jeopardize almost \$16 million in other revenues, for a total impact of approximately \$25 million.
- **We believe that it is critical to look beyond short-term savings, which are minimal, and focus on developing a sound, sustainable funding arrangement that achieves efficiencies and sustainable savings over the longer term.**
- **We are mindful of the fact that Toronto is Canada's cultural capital, an achievement that is not accidental and cannot be taken for granted.**

Process

The Panel met with representatives of the three key stakeholders: The Toronto Arts Council, the Culture Section of the Economic Development and Culture Division and the primary recipients of the arts funding under review – the four Local Art Services Organizations and ten Major Cultural Organizations. Participating organizations are listed below. Input was sought on the short term proposal to transfer all arts grants administration to the Toronto Arts Council, and more broadly on the effectiveness and efficiency of the present model of Grants administration.

Summary Findings

City of Toronto, Cultural Services

In 2011, the City provided the following financial support through the CPIP program:

- \$10.3 million to the Toronto Arts Council for distribution through its grants program
- \$6.0 million to Major Cultural Organizations
- \$1.2 million to the Toronto Arts Council for grants administration costs
- \$0.53 million to Local Arts Service Organizations

Numerous studies, including a study from the Martin Prosperity Institute (2008) shows a decline in City funding as a percentage of total revenues for Major Cultural Organizations and TAC-funded organizations since 1991. Given inflation and growth in the cultural sector, the City would need to contribute an additional \$10.4 million to reach 1991 levels of support. In 2008, the City started to replace these dollars, but there is untapped potential for the City to achieve greater leverage on its investments in culture. Meanwhile, further cutbacks to the arts and culture system raise concerns about the potential for "deleveraging." Per capita spending in Toronto (i.e. all City operating and capital spending on arts, culture, theatre and film) is \$19, which is the lowest amount spent by the top five Canadian cities, Montreal, Ottawa, Calgary and Vancouver, all of which are at \$28 per capita or substantially higher. The Hill Strategies Report on Municipal Cultural Investment, released January 10, 2012, demonstrates that other Canadian Cities have the potential to increase their competitiveness as cultural tourism destinations and centres of business excellence through higher cultural spending.

The criteria related to the ongoing support of the City arts granting programs recognizes such factors as the uniqueness of the organizations and their role in the local cultural ecology and job creation, artistic excellence, and international recognition. Every dollar spent by the City in support of these programs leverages approximately \$17.75 in additional support by other levels of government and organizations, earned revenue, corporate donations and private donors. In 2011, total revenues of approximately \$298,978,160 are leveraged from the City's grants of \$16,843,840 to Major Cultural Organizations, TAC-funded organizations and LASOs.

City Culture staff acknowledged that arts funding to the LASOs and Majors is not "arms length." It is administered on a direct relationship basis, a framework that has been put in place because these bodies are unique cultural ambassadors for culture in Toronto. The direct relationship the City maintains with the LASOs and Majors allows the City an expanded ability to leverage these close relationships to implement City policies, further City strategic directions and accomplish the

City's economic development goals. Shifting the administration of arts funding to an outside agency such as the Toronto Arts Council would weaken the City's ability to leverage a limited investment in Toronto's extended arts community to the City's benefit.

Feedback on Proposal by Cultural Services:

The **direct costs** incurred by Culture in terms of staff time related to the administration of the grants to the Majors and the LASOs are approximately \$11,000 or 0.1 FTE (full-time equivalent) staff position.

Actual engagement with the Majors and the LASOs is extensive and includes regular meetings, informal discussions and ongoing planning. These indirect costs were not quantified, nor were the associated benefits.

Culture believes that shifting grants administration to the Toronto Arts Council would result in reduced access to information and knowledge important to cultural policy development and review, and reduced accountability to the City by the grant recipients.

City Management and Council rely on Culture Staff to be informed and report on matters of importance concerning the arts sector; there is no such process in place with respect to the Toronto Arts Council.

The Major Cultural Organizations (Majors')

The Majors' include the following Toronto arts organizations, with their corresponding grants (2011 level) as follows:

Organization	Grant Amount (2011)
Art Gallery of Ontario	\$ 540,000
Canada's National Ballet School	137,332
Canadian Opera Company	1,317,015
Festival Management Committee (Scotiabank Caribbean Carnival Toronto)	494,190
George R. Gardiner Museum of Ceramic Art	135,980
National Ballet of Canada	1,148,600
Pride Toronto	123,807
Toronto International Film Festival Group	800,000
Toronto Festival of Arts, Culture and Creativity (Luminato)	200,000
Toronto Symphony Orchestra	1,134,036
Total	\$ 6,030,960

Over the course of consultations, the Majors' repeatedly referenced the importance of their interaction with the City's Culture section. The Majors' staff meet regularly with the City's Culture staff, both collectively (on a quarterly basis) and individually. This relationship has evolved over time such that it plays a significant role in the Majors' respective business models. Toronto Culture staff provide invaluable relationship support to the Majors' with regards to coordination, organizational development, and sharing and implementation of best practices. Culture staff ensure the Majors' are locally connected to with community arts and events; Culture staff are "the lubricant for working with the City."

This interrelationship among the City Culture Staff and the Majors' is particularly important. Often the success of Major events is due to the support City divisions. Culture staff play a significant role acting as an intermediary between the Majors and City divisions. In addition, Culture staff can be function as an extension of a Majors' small staff and large volunteer base.

Feedback on proposal from the Majors:

The letter forwarded by the Boards of Governors of all Majors' members to the Mayor's Task Force is attached as Appendix B.

The Majors' maintain that the current structure the City of Toronto employs to fund arts and culture in Toronto is strong and effective. The Majors' believe that it is unclear how any change to the structure would be beneficial for the City, given the potential changes would offer only a minimal cost savings, or for Toronto's broader arts community. At the same time, they are concerned that a shift in the funding relationship will result in a reduced level of support and the loss of coordinating functions supplied by other important City services.

The Majors' believe further that the TAC is not sufficiently resourced to handle the additional \$6,030,960 million in grants budget.

Local Arts Service Organizations

The City directly funds four Local Arts Service Organizations (LASOs) for a total of \$533,410 in annual grants.

Organization	Grant Amount (2011)
Arts Etobicoke	\$ 227,530
Lakeshore Arts	97,840
Scarborough Arts	113,405
UrbanArts Community Arts Council	94,635
Total	\$ 533,410

All LASO's have been in operation for at least 20 years, in each case supported by member dues and a combination of public and private funding. City of Toronto grants are critical – "first in" funding that is leveraged to build additional financial support.

The relationship between Culture Division and the LASO's extends beyond funding to include working City-wide to identify opportunities for community arts collaboration.

Arts funding distributed by the LASOs is conducted in keeping with the principles, goals and methods articulated by the City's *Community Arts Action Plan* (2008). As a result of the *Action Plan*, Toronto has benefitted from the City's ability to leverage regional arts organizations' capacities for initiatives that LASOs "wouldn't normally be able to undertake" (e.g. Milan partnership/exchange, Canon camera partnership). The *Community Arts Action Plan* continues to encourage a regional approach to community arts funding, with emerging interest in establishing new LASOs being found in North York and East York.

Feedback on proposal from the LASOs:

The current "in house" structure of the arts grants administration where LASOs receive City funding via the City's Culture section helps to ensure that both the LASOs and their work stays "top of mind" for City staff. In the event the City's arts funding were to be administered by the TAC, the LASOs are concerned that the reduced profile with Culture staff would result in a loss of priority and therefore risks to a model that is serving both the City and the communities well.

Toronto Arts Council

The Toronto Arts Council (TAC) was established in 1974 to serve as an independent, arm's length advisory body to the City of Toronto on artistic and cultural policy. Post-amalgamation in 1998, TAC became the administrator for all cultural grants funding for the City, with the exception of those that are the focus of this report – the Majors and the LASOs. TAC operates under a Grant Agreement with the City, which includes granting responsibilities, restrictions on use of funds, policies for grant evaluation, and TAC reporting requirements.

TAC distributes \$10.3 Million annually to approximately 450 arts organizations and 240 individual artists. TAC grants are aligned with the objectives of the City's Culture Plan and comply with the City of Toronto Grants Policy.

TAC currently adjudicates a very high annual volume of grants (1700) and manages grant disbursements (700) with a combination of TAC (12) staff plus volunteer adjudication committees. Operations are run at 10.0% of its total budget. Volunteers (100 plus) are recognized experts in specific artistic disciplines, who invest heavily of their own time and knowledge to ensure an effective grants adjudication process. Grants are allocated by artistic discipline, including Dance, Music, Theatre, Visual/Media Arts, Literary and Community Arts. In addition, a Large Institutions Committee was established in 2004 for organizations with operating budgets in excess of \$6.0 million. Five organizations receive total grants of \$1,420,715 through this Committee, ranging from \$111,000 to \$800,000. Committee membership is comprised of arts professionals with experience applicable to these grant clients.

Feedback on Proposal from the Toronto Arts Council:

TAC is governed by a Board of Directors which includes artists, business leaders, community leaders and City Council representatives (minority). The Board has reaffirmed to the Panel the importance of a strong Culture Division, which is required for fundamental arts policy and research services. Culture also plays a critical role in the facilitation of creative industry production and presentation across the City.

TAC's Board is a strong supporter of the arm's length funding, and believe this model has served the City and its artists well in achieving a granting system respected for its fairness and promotion of excellence.

TAC could accommodate the transfer of responsibilities for the funding of the Majors and the LASO's within its existing grants programs, specifically Large Institutions and Community Arts.

TAC estimates that the annual costs associated with handling the additional grants would be a small increase of approximately \$8,500 to cover incremental costs of assessment and adjudication.

TAC's sole focus is to engage with the arts community and is therefore aware of the many challenges artists face. TAC believes the current funding addresses many of the obstacles artists encounter such as audience development, accessibility, arts education and new technologies.

However, TAC stressed that the Culture Division serves a very important set of policy and program coordination functions that cannot be handled by an external

body. The TAC also emphasized their close, collaborative relationship with the Culture Division and cautioned against changing the current arts funding model without consulting with both areas.

Conclusions

The Arts Funding Panel has approached this review with two primary objectives. First, to determine whether or not there is an opportunity to achieve immediate financial efficiencies by transferring the administration of all arts grants from Culture Division to the Toronto Arts Council or some other body. Second, to understand what opportunity exists to improve upon the current model and achieve cost efficiencies and other benefits going forward.

At first glance, a transfer of grant administration to an external body seems operationally straightforward, given the role performed by TAC today. But both City Culture and TAC confirm that the **direct savings** (from Culture) **and increased costs** (to TAC) associated with administration of the grants are nominal (approximately \$11,000, or 0.1 FTE and \$8,500 respectively). Consequently, this change will yield no immediate financial gains, nor are there opportunities to identify and achieve long-term benefits with this approach.

The actual picture that emerges is much more complicated, as Culture Division and the direct grant recipients – the Majors and the LASO's – described productive service relationships that they feel would be jeopardized by a transfer of grant administration to TAC.

Beginning with the Majors: Culture Division has ongoing, extensive dialogue and involvement with these arts organizations, both to monitor performance, share knowledge and to help ensure financial success. Beyond the grants, Culture plays a critical role in coordinating across City departments and agencies to help facilitate the work of arts organizations. City Culture staff are viewed as an essential component of their team.

Turning to the LASO's: LASOs benefit from the working relationships that they have established over time with various City services with whom LASOs interact with on specific initiatives (e.g. Parks, Forestry & Recreation, youth engagement initiatives' staff, etc.) Culture staff are catalysts for connecting the LASOs with other City staff and often collaborate with LASOs to identify and implement best practices for LASO programs and projects. LASOs complement the work of the City's Culture staff, both assisting in the administration of community arts grants and contributing regularly to the development and implementation of the City's arts policies.

In addition, the City receives a high "return on investment" from the LASOs, which operate on a "fee for service" model with multi-year agreements governing how the City's arts funds are used. As a result, the City is assured that its arts

funding is effectively employed to advance its culture policies, while benefiting from an efficient 'fee for service' delivery model.

Toronto Arts Council has the skills, processes and experience to administer the grants. However, it operates on a very tight budget and may not be able to absorb the "indirect costs" of relationship management. The very active and valued engagement between Culture and the Majors' allows the Majors' to tap into a range of City Services. They also have the opportunity to inform the cultural policy and planning agenda and collaborate in ways that enhance arts investment. Any change in the funding arrangement must respect and preserve these important relationships and not undermine the benefits that flow to both the community arts partners and the public.

Our review of arts grants administration has revealed the extent to which Culture Division plays a key role in nurturing and supporting the Majors' and the LASO's, as well as the Toronto Arts Council. The relationships in place today are serving the City and the sector well. These relationships have evolved over time and are viewed as effective and necessary collaborations for leveraging scarce resources by all the players. Although grants made by the City to the sector leverage substantially higher private sector financial contributions, the financial health of the sector remains fragile. Administrative changes to the current grants process raise concerns that these strong and effective working relationships will suffer and no financial benefit will result.

Recommendations

1. Short-term:

We **do not** recommend transferring the administration of City of Toronto Arts Grants for the Majors and LASO's from Culture Division to the Toronto Arts Council at this time. There is no material financial benefit to be gained, and there is considerable risk of disrupting the effective granting relationships in place. On a risk/reward basis, we believe that this stand-alone change would create unnecessary challenges for the City and the sector at this time.

2. Longer-term:

The City and the arts community are both interested in developing a more efficient and sustainable system for arts funding. Adopting a more coherent and consistent funding structure would allow the City's cultural investments to yield stronger economic and social benefits.

We believe that there are opportunities to achieve these objectives by extending the scope and timeframe of this review for an additional six-month period. **This accelerated review and recommendations, if adopted, would create a more efficient system that could be adopted starting in the 2012-2013 fiscal year.**

The scope of this extended review should include, but not be limited to, the following areas highlighted in the Task Force's initial assessment of the opportunities for more efficient restructuring of the arts grants program:

- **Review the interdependencies between the arts sector and City divisions and services** to ensure that these relationships are clarified and strengthened under a new granting structure and that this structure best serves the interests of the sector, the City and the community well.
- **Review the capacity and resources of TAC** relative to other granting agencies. This includes financial resources and functional scope, and should consider the reporting relationship and accountability to the City
- **Review the LASO model** to understand its impact on arts, economic and social policy objectives. There is increased interest in the model as a potentially effective way to connect communities to programs and benefits.

Review existing and potential revenues associated with arts investment and develop recommendations for a more self-sustaining model for arts grant funding. Innovative funding models adopted in other major cities will be considered and opportunities for revenue generation will be explored. This review will take into consideration **the capital generation potential of the arts**. Most municipalities invest in the arts directly, often by leveraging revenue generation mechanisms with a strong connection to the arts. Examples that are commonplace in other cities include hotel bed tax, billboard tax, lotteries, subsidies for theatres from adjacent parking lots, etc. This should include re-engaging the Province and other partners in discussions around innovative ways to fund the arts.

This goal of the proposed review is to engage all cultural partners in developing an effective, sustainable and workable funding model for the arts in the City of Toronto. We will be looking for efficiencies, but not at the expense of quality. We will explore opportunities for restructuring funding relationships, without undermining vital relationships already in place. Most important, because arts and culture touches all of us in all walks of life, this will be a collaborative process that engages and ultimately serves all of us well. This is a conversation with many participants and many beneficiaries. They include the City and other levels of government; the arts organizations and individual artists who make up the cultural sector; the funders, supporters and patrons of the arts; and the communities and individuals that benefit from the existence of a strong, vibrant, viable cultural sector in Toronto.

Appendix A

Stakeholder Roundtable Meetings:

Toronto Arts Council

November 10, 2011

City Hall, Room A

2:30 – 4:00 pm

and

November 15, 2011

City Hall, Room C

9:00 – 10:00 am

Toronto Economic Development and Culture Division, Culture Section

November 15, 2011

City Hall, Room D

10:00 am – 12:00 pm

Local Arts Service Organizations

November 24, 2011

Metro Hall, Room 310

2:30 – 3:15 pm

'Majors' Arts Funding Recipients

November 24, 2011

Metro Hall, Room 310

3:30 – 4:30pm

Appendix B – Collective Submission from the 10 Boards of Governors and LASOs

November 17, 2011

Mayor Rob Ford
City of Toronto
100 Queen St. W., 2nd Floor
Toronto, ON M5H 2N2

Dear Mayor Ford,

We write as the Board Chairs of the ten “Major” arts organization that currently receive funding directly from the City of Toronto, through the Culture Division within the Economic Development Department.

As senior business men and women, we understand very well the serious fiscal problems facing the City of Toronto. We applaud and support your efforts and those of the current administration in your work to put the City on a financially sustainable footing. We want you to know that we are willing to help in this important effort.

However we do not believe that the recommendation under examination by the Mayor’s Task Force on Arts and Theatres respecting the transfer of our annual operating grants is in the best long term interests of the City or our organizations, nor does it create savings or efficiencies.

Some of the key economic indicators that demonstrate the unique role we play in Toronto’s economy are:

- We have combined annual operating budgets of \$221.3million.
- On average for every \$1 invested by the City we leverage almost \$9.44 in private sector revenue, \$12.55 in earned revenue, and \$7.80 from the federal and provincial governments.
- Our combined annual attendance is 6,229, 241.
- We create sustainable jobs; our combined full time employment is almost 1,000 FTE’s.
- The Toronto International Film Festival brings in \$170.4 million to the regional economy, the Scotiabank Caribbean Carnival generates an estimated \$438 million annually, and Pride generates approximately \$130 million.
- Luminato alone is responsible for attracting \$132 million in visitor expenditure every year, and there is close to a 7% increase in restaurant and transaction dollar volume during the 10 days of Luminato.

Since 2002 we have been signatories to Memoranda of Understanding with the City of Toronto that establish the rationale for our direct funding and for which we are accountable within the City’s overall economic development strategy.

- As noted, our programs have a significant impact on the local economy. We deliver unique cultural programs that strengthen the diversity and richness of Toronto's cultural sector.
- We are recognized as essential cultural ambassadors for the City of Toronto, nationally and internationally.
- We provide leadership in encouraging community participation through education, outreach and support to other community based arts organizations.
- We are significant employers and job creators.
- We play a major role in cultural diplomacy for the city, and tourism attraction through the marketing and development of Toronto as a world wide cultural destination.

We are unanimously of the view that the City of Toronto should continue to hold us directly accountable for the results expected from our grants, and should not lose the ability to directly monitor our annual performance against goals of local, national and international reach, tourism, job creation, and community wide economic impact.

There is a healthy three way synergy between the Toronto Arts Council with its wide community client list, the ten "Majors" and the strategic planning, monitoring and reporting function of the Culture Division. This partnership has served the City well over many years.

As an arms length body the TAC does a laudable job in support of the development, accessibility and excellence of community based arts and artists in the city. Appropriately to its function, its mandate does not call for consideration of scale, job creation, international reach and city wide economic impact in its allocation of funds.

The City's Culture Division provides a needed strategic planning focus with an overview of the whole arts sector. Its staff members are available to Council with essential data on the economic impact of this vital industry, and have been successful in the development, monitoring and implementation of long term planning that only the City itself can provide.

Together the TAC, the Majors and the Culture Division have collaborated to support a healthy and growing cultural sector at both the local and regional/international levels, with the guidance of the strategic plans for culture that Council has unanimously recommended and implemented.

Under the present funding model city staff devote less than one month to the annual evaluation and administration, monitoring and reporting on our ten grant applications, This represents a cost of approximately \$12,000. Moving this task would require a commensurate increase in costs to the TAC. There is therefore no efficiency to be gained. However we believe the risks to the city and to our organizations are serious:

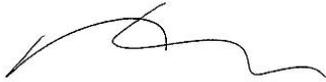
- Adoption of this recommendation will result in the City of Toronto losing the ability to hold us directly accountable for the role it wishes us to play. Council will find it difficult to take advantage of our impact on local business and employment, to be associated with our international reach, and to guide our extensive educational and outreach programming across the city and in the priority neighbourhoods.
- The synergy between the Majors, the TAC, and the strategic planning function that resides within the Culture Division will be weakened or lost. This collaboration has most recently produced the plan *Creative Capital Gains, An Action Plan for Toronto*, unanimously endorsed by Council in May 2011. This important work was directed by Mayor Ford, under the guidance of Councillor Michael Thompson.

- Among the ten Majors, 7 have built and/or operate in new or renovated buildings that have added significant new cultural infrastructure, placing Toronto on the international map as a centre for culture. Over \$1 billion in capital was raised in the last decade from the federal and provincial governments and thousands of our corporate and individual donors. We are recognized globally as a leading example of the power of public private partnership. The City's only contribution to this cultural renaissance has been through its annual operating funding. We need the City to remain in that partnership with us.

In summary we believe that it is not in the City's economic interest to lose its direct accountability relationship with our 10 organizations. This move achieves minimal or no savings, yet weakens the vital collaborative role played by our organizations working with the professional staff in the City Culture Division and the TAC in driving the City's growing cultural sector to the economic benefit of all.

We would be delighted to meet with you personally to discuss the issue in greater detail.

Yours truly,



Tony Gagliano, Chair
Art Gallery of Ontario
Co-Founder and Chair
Luminato: Toronto Festival of Art and Creativity



Troy Maxwell, Chair
Canada's National Ballet School



Paul Stafford, Chair
Canadian Opera Company



Karen Sheriff, Chair
Gardiner Museum



David Binet, Chair
The National Ballet of Canada



Francisco Alvarez, Chair
Pride Toronto



Denise Hererra Jackson, CEO
Toronto Caribbean Carnival



Paul Atkinson, Chair
Toronto International Film Festival



George Lewis, Chair
Toronto Symphony Orchestra

cc: All Members of Toronto City Council, Robert Foster, Jim Fleck, John McKellar, Chris Lorway, Helen Burstyn, Susan Crocker

AND

November 22, 2011

Dear Councillor Crawford and representatives of the Mayor's Task Force – Arts and Theatres,

As Chairs of the Boards of the four Local Arts Service Organizations (LASOs) in Toronto, we are writing in regards to the examination of a recommendation before the Mayor's Task Force – Arts and Theatres to transfer annual operating funding from Culture Division.

We appreciate your facilitation of this process and understand the challenging fiscal situation currently facing the City, however we feel it is important that you consider our distinct and important role within the Culture Division in any future decision-making. The following letter outlines our concern about this proposal which, we feel, will jeopardize our historic and well developed partnership with the City of Toronto, result in no savings or efficiencies and negatively impact our strategic goals that are aligned with the City's role in providing quality arts services and programs outside of the downtown core.

The four Local Arts Service Organizations (LASOs) – Arts Etobicoke, Scarborough Arts, UrbanArts and Lakeshore Arts – currently receive funding directly from the City of Toronto through the Community Partnership and Investment Program (CPIP). LASOs are service-based community arts organizations that work in under-served communities outside of the downtown core. We are inclusive, with free, high quality arts programs and services that offer something for all ages, skill levels and interests. Our main focus is youth – we identify their needs, help them develop a creative voice, self-esteem and lifelong and employable skills. We respond directly to the needs of our unique neighbourhoods: we build communities by replacing negative graffiti with murals and by supporting a variety of public art projects in our communities; we partner with local BIAs to support neighbourhood arts initiatives and festivals; we provide direct services to residents through networking opportunities, workshops, free resources, meeting space, storage, PR and communication connections with partner organizations including social service agencies, schools, galleries, theatres and libraries. Our long histories in our local communities dating back to 1973 and respond directly to the needs of our unique neighbourhoods. In 2009/10, our programs impacted 7,000 children and youth in 19 under-served and neighbourhoods across the city, employed 350 artists, engaged 500 volunteers, involved 110 partners and reached an audience of over 2 million through a range of activities and events.

We hope the following will persuade representatives of the Mayor's Task Force to advise against recommending transfer of annual operating funding from the Culture Division:

Valued Partnership – the LASOs have worked for many years with the Culture Division to achieve the common goals of delivering quality arts programs and services outside of the downtown core. Indeed, in 2008, the Community Arts Action Plan was developed and adopted

by City Council and made fourteen recommendations to further support our work and to grow and nurture Toronto's community arts sector as a whole.

- The relationship we have is mutually beneficial in that the City is able to deliver high-impact neighbourhood programs and is also able to leverage support for LASO activities. *Our City, Our Stories*, a city-wide digital storytelling project for youth powered by Canon Canada that involved all four LASOs, provides an example. *The Mobile City*, which involved a student exchange between the City of Toronto and the City of Milan is yet another example of programming delivered with the facilitation of the City, which otherwise would not have been possible for mid size organizations such as ours, without the leverage of a partnership with the City. In addition to providing amazing opportunities for the youth in our communities, this project built capacity within our organizations as we grow into the role as anchor community arts organizations in Toronto.
- Multi-Year Agreement – Since 2002 we have been signatories to the Memoranda of Understanding with the City of Toronto that establishes the rationale for our direct funding, the role we are expected to play and for which we are accountable to the City's community arts cultural policy. Very importantly, this provides stability for our operations.
- LASO model – City Councillors are currently working in East York and North York to establish LASOs in their communities. This demonstrates the value of the LASO model for local neighbourhoods and the City as a whole. Our organizations can serve to inform the development of these new initiatives.

Accountability – our long-standing relationship between Culture Division and the LASOs ensures accountability in terms of alignment of the City's strategic cultural goals.

History & Expertise – LASOs have a long history of working in their communities and have worked with the municipal government since the 1970s. Culture Division staff have developed and guided our work, as well as utilized our experience to inform policies that they develop. It is a very effective two-way partnership!

Lack of Savings & Efficiencies – the recommendation to transfer operating funding from Culture Division would result in no savings or efficiencies and currently involves 0.1 FTE at the City of Toronto. There would also be additional costs in implementing a transfer from Culture Division.

Criteria – over a number of years, Culture Division has developed a series of criteria and performance indicators that effectively measure the impact of LASO programs and services. These criteria have been developed in relation to the City's goals.

Connectivity & Policy - LASO activities outside of the downtown core and direct connectivity with Culture Division helps enhance the relevance of the Culture Division to the entire city. This organic connection, therefore, helps inform the City's cultural policy and strategic goals.

The following testimonials speak to the benefits of our partnership with Culture Division on the lives of Torontonians:

"...not only did the youth dialogue with us about their dreams and talents, they also talked about their love for art and how it made them feel a sense of peace to just sit quietly and let

their imaginations flow onto the paper.” – Fernelle Edmund-Davis, Second Base Youth Shelter regarding Arts Etobicoke and Lakeshore Arts mobile arts project: ART ON THE MOVE.

“I have come to learn that professionalism and respect for the craft of music production are integral to success in the industry, all of which I was able to learn in the openly creative environment that is UrbanArts.” – Frederick Brobbey, Beats.Mind.Movement participant

“The program did not just benefit the students who participated in the program; those students have become leaders by sharing what they learned with their classmates and teachers.” – Principal, Scarborough Junior Public School, regarding after-school digital arts program from Scarborough Arts

In conclusion, we would like to reiterate that this recommendation risks damaging important partnerships with little or no economic benefit for the City of Toronto. The LASOs support the City’s strategic cultural goals while bringing impact to youth and under-served communities through our programs and services. We believe that our continued partnership with the Culture Division will help us sustain our role as creative catalysts at the grassroots level, as we continue build the environment for success for all of our program participants, and provide tools and resources for local artists, youth, newcomers and residents to build their successful careers through our services.

We look forward to playing a role in supporting the work of the Mayor’s Task Force.

Please do not hesitate to contact us if you have any questions or require additional information. Thank you for your time and ongoing support.

Sincerely,

Karl Sprogis & Dominique Sanguinetti, Arts Etobicoke
Daniel Broome, Scarborough Arts
Joy Davidson, Lakeshore Arts
Laurie-Shawn Borzovoy, UrbanArts

CC: Councillor Gary Crawford, Susan Crocker, Jim Fleck, Robert Foster, Chris Lorway, Helen Burstyn, Kathleen Sharpe

CC: Louise Garfield, Tim Whalley, Marlene McKintosh, Susan Nagy