



2021 Division Road North
Kingsville, Ontario N9Y 2Y9
(519) 733-2305
www.kingsville.ca
kingsvilleworks@kingsville.ca

Date: June 2, 2020
To: Mayor and Council
Author: Ryan McLeod, CPA, CA
RE: 2020 Folk Festival Funding Contribution – Additional Information
Report No.: FS-2020-11

AIM

To seek Council's direction on the payment of the 2020 Folk Festival funding contribution.

BACKGROUND

In February of 2019, Council entered a 5-year agreement with the Sun Parlour Folk Music Society ("Society") to support the annual Kingsville Folk Festival. This agreement outlines various terms and conditions for the use of Lakeside Park and includes certain covenants of both the Town and the Society in an effort to establish an effective partnership. The agreement also lays out the Town's annual financial commitment to the Festival in the amount of \$20,000 per year. This sponsorship, however, is subject to the event being held on the dates outlined in section 4 of the agreement.

Due to COVID-19, the Sun Parlour Folk Music Society has been forced to cancel the 2020 Folk Festival. Despite the cancelation, the Society has respectfully requested full payment of the 2020 sponsorship to offset operating expenses and non-refundable deposits which they will not be able to recover through other revenue streams.

Council considered this request at the May 11, 2020 council meeting, and carried the following motion:

312-2020

Moved By Councillor Kimberly DeYong

Seconded By Deputy Mayor Gord Queen

That Council directs Administration to provide the full funding contribution of \$20,000.00 to the Sun Parlour Folk Music Society, subject to the receipt of additional information from the Society in terms of their expenses and lost revenues and an update report to be brought back to Council for consideration.

DISCUSSION

In response to Council's request for additional financial information, the Sun Parlour Folk Music Society has provided administration with the following:

- 2019 Income Statement (Appendix A)
- 2020 Budget - Pre-COVID (Appendix B)
- 2020 Projections - based on the cancelled event and other COVID-19 financial implications (Appendix C)

It should be noted that this information has not been audited or independently verified.

Based on the 2019 Income Statement, the Society generated \$251,429 in revenue through ticket sales, grants, bingos and various other sources. Their 2019 expenses totaled \$250,789, leaving a small surplus of \$640.

With the cancellation of the 2020 Folk Festival and the impact of COVID-19 on other sources revenue, the Society anticipates it will incur a \$12,236 deficit in 2020. This projected deficit assumes no financial support from the Town, and includes a \$1,500 expense for the lease of their office space in the Carnegie Arts & Visitor Centre.

In discussion with Michele Law, Producer of the Kingsville Folk Music Festival, the lack of financial support from the Town would completely deplete any reserves the Festival has built since its inception in 2014 and would adversely affect their ability to market and promote the 2021 Festival.

If Council were to provide one half (\$10,000) of the annual sponsorship contribution and waive the Society's 2020 rental fees (\$1,500) for their use of the Carnegie Arts & Visitor Centre, it would significantly reduce their 2020 operating deficit. As a non-profit organization, this would greatly assist the Society's ability to produce a successful event in 2021.

LINK TO STRATEGIC PLAN

Improve recreational and cultural facilities and opportunities within the Town of Kingsville.

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

The full \$20,000 financial contribution for the Kingsville Folk Festival is included in the 2020 municipal budget. While the Town will not benefit from the economic spin-off that the event would have otherwise provided, Council should consider the Sun Parlour Folk Music Society's request, at least in part, to help ensure the Town will benefit from the Festival in future years.

CONSULTATIONS

None

RECOMMENDATION

That Council approve the release of one half (\$10,000) of the annual sponsorship contribution to Sun Parlour Folk Music Society and waive their 2020 rental fees (\$1,500) for the use of the Carnegie Arts & Visitor Centre.

Ryan McLeod

Ryan McLeod, CPA, CA
Director of Financial Services