



May 25.2020

On behalf of the Arts and Culture community at large, we respectfully submit this letter to the Mayor, City Council and staff to recommend a fully adjudicated financial approach all applicants in the City Enrichment Fund.

Prelude Explanation

No corner of our community has been spared the impact of COVID-19. Nearly every sector of our economy has been upended. The arts and cultural sector, which relies upon large public gatherings and which operates on slender and precarious resource streams, has been the first and hardest hit as employment for most simply vanished overnight. The lives and livelihoods of the more than 12,000 local artists and cultural workers as well as the communities they serve have been devastated. Arts spaces and nonprofits are at risk of permanent closure.

The months ahead will be just as challenging, as organizations are forced to decide how and if they can continue to exist. The effects of the pandemic and lockdown of public life will reverberate well beyond the time when quarantine orders are lifted and the economy is allowed to reopen. Ours is a moment of extreme risk and also great potential. By its nature, the arts sector specializes in creating new possibilities. We are asking for the tools to do so.

Artists are self-employed and earn incomes about half the average Canadian, often cannot go on EI or sick benefits, often do not have health insurance, or anything in the way of savings. As of the 2016 census, the median annual income for Hamilton artists was \$18,358, well below the LICO threshold. Artists support themselves through exhibitions, performances, concerts, festivals and makers fairs, all of which were halted in mid-March, and which might not be able to take place again until early 2021. Many creative industry workers reliant on supplementary work in the service and hospitality industry sector, have been doubly harmed by the lockdown as restaurants and retail have furloughed staff, cut hours, or simply closed forever.

Arts organizations are in a similar situation. Reliant on a combination of government grants, private sponsorships, and event revenue, they have been blindsided by the elimination of an event season at the same time as they are unable to avoid fixed costs. On top of this, the broader economic landscape is desolated. Following the 2008 global financial crisis, the arts sector was faced with a resource drought as memberships and season subscriptions, attendance, sponsorships and corporate giving were all negatively impacted, never returning to pre-2008 levels. That is the baseline from which the sector was starting 2020. With the country now entering the deepest recession on record, the prospects are stark.

Emergency funding and organizational support is clearly needed for artists and arts and cultural organizations to continue promoting, celebrating, and sharing our city's cultural richness. Just as this lockdown has spotlighted the role of essential workers, it has demonstrated the importance of artists and musicians, whose livestreams have created spaces for our community to gather online, to connect and share messages of hope. Austerity measures impact all government services, but historically fall hardest on arts and culture, which can be cynically stereotyped as non-essential. The opposite is true. In this time of great unknowns, when our community is feeling dislocated and alien unto itself, we turn to the arts to get our bearings and to share an experience with others.

Recommendations and Acknowledgments

The City of Hamilton acknowledged the value and importance of this sector ten years ago, when it brought the Culture under the umbrella of Economic Development. Council expressed its support again in March 2015 when it invested in the first significant arts spending increase in a decade. Five years later, we find ourselves at another pivotal moment, and the arts sector is again asking the City to demonstrate its vision and support. Our recommendations include the following:

1. Defend CEF from Budget Cuts

We urge that CEF funding not be reduced, specifically cancelled events. In the best of years, CEF represents might represent from 10% to 30% of arts' groups funding. But for many groups, it is the only operational lifeline remaining as all other revenue streams dry up for 2020 and part of 2021.

2. Put CEF Surpluses to Work

We strongly advise that any legacy CEF surplus from 2019 as well as any new 2020 surplus should be used to lift up individual artists, small organizations, and those organizations not currently in the CEF system. CEF surpluses are rainy day funds, and these are rainy days.

3. Increase Flexibility Around Spending

We recommend that program parameters be revised to allow organizations to use CEF resources for organizational capacity and operational stability. This will allow them to respond to this crisis in ways that address fixed costs (wages, rent, utilities, overhead, etc.), improve adaptive capabilities, enhance community ties, strengthen synergies within the local cultural sector, and build relational capital, will improve their odds of survival and yield the greatest benefit to the community. Organizations with the visionary bandwidth to look beyond mere existence will be best positioned to rebuild in ways that promote resilience in this brave new world. Organizations that can find their footing and draft a grounded action plan are best able to adapt to emerging challenges and develop strategies for survival and revival.

4. Follow the Example of Strong Cities and Cultural Leaders

Funding bodies and municipalities are reinforcing their commitment to arts and culture despite pressures to cut.

- March 26, 2020 / Calgary Arts Development announced \$1.1M relief fund for arts groups impacted by COVID-19. Operational funds that already allocated to arts groups in the city for 2020 will not be affected.
- March 30, 2020 / Canada Council for the Arts stepped up with \$60 million in advance funding—about 35% of annual grants—to the country's 1,100 core-funded organizations.
- Mar 30, 2020 / Writers' Trust of Canada and The Writers' Union of Canada have created a \$150,000 emergency relief fund to support the literary community, distributing \$1,500 grants to writers who have suffered financial losses because of postponements or cancellations
- March 31, 2020 / Conseil des arts de Montréal expedited \$13M in funding, or 76% of its planned grants for 2020. Regular terms of payments were cancelled and subsequently amended.
- March 31, 2020 / Vancouver city council unanimously approved 2020 cultural grants totaling \$6.27M to 208 cultural organizations, including millions in operating funds for groups.
- April 17, 2020 / Heritage Minister Steven Guilbeault unveiled early plans to grant \$500M to Canada's arts, sports and cultural sectors as they weather the COVID-19 pandemic.
- May 21, 2020 / Nova Scotia announces that it is working to finalize a funding package for artists falling through the cracks of federal emergency funding programs amid COVID-19.

5. Enable Both Operating and Project Funding

We would encourage the City to allow all CEF recipients to be able to use CEF funds more liberally, in order to allow them to develop innovative evolutionary responses to online presentation etc. Organizations may need to consider operational succession planning, develop COVID-19 Safety Plans to minimize chance of transmission, conduct thorough facility to map out things such as circulation patterns, determine the viability of physical distancing measures, and identify high-traffic points of contact.

6. Respond to the End of Normal

Business as usual is now unusual. The world that we emerge into when this crisis is finally over will inevitably look very different from that we left two months ago as the economy locked down. We will have to find ways to co-exist with COVID-19, continuing to practice increased hygiene and physical distancing while scientists work towards a vaccine. The cultural sector is grappling not only with an abrupt and massive financial shock, but also with a long-term change to its economic footings. and the urgent need to adapt to new ways of working and new approaches to engaging the public. The resulting administrative burden on the arts will be severe, and will tax the same limited pool of staff that are expected to land successful grants, develop and nurture sponsor relationships, launch fundraising initiatives and do outreach.

7. Acknowledge That the Arts Emerge Last

As the first events impacted by public health restrictions, arts and culture events and large gatherings will also be the last piece of the economy that be allowed back to work, the most challenging to plan, and the hardest to execute given the lack of clarity around operational expectations. There is also operational uncertainty around when it will officially be safe to gather again. There may also be practical considerations, as physical distancing restrictions may make larger gatherings impossible to regulate, or create economic hurdles that force deeper rethinks. And there is the matter of audiences themselves, who have reported to pollsters in large numbers that they are prepared to wait until a vaccine becomes available to resume their cultural calendar. Artists and culture workers cannot stand idle as the situation resolves itself. They must be authors of their own destiny.

8. Make Arts Funding User-Friendly, Transparent and Fair

Applying for and reporting on CEF funds should be made easier to submit, subject to flexible terms, and evaluated using clear and consistent eligibility criteria. The points-based system adopted by the CEF appears to have challenges and need to be made easier during these pandemic times.

9. Create Spaces for Cultural Healing

We recommend that the City consider creating dedicated spaces for arts and cultural recovery. Throughout this crisis, arts and creative expression have provided a critical way for isolated individuals to connect, reduce stress and enhance mental health. Many will emerge from lockdown with a newfound appreciation for isolated and marginalized populations and demographics. The crisis also revealed racial and socio-economic divides within society, as COVID-19 has had disproportionate impact on racialized and low-income demographics.

10. Fund Innovative Modes and Models

Organizations should be empowered and encouraged to build engagement through innovative online programming — performances, workshops, curated content, and classes. Many groups have limited technological capability and stand to benefit greatly from this opportunity to leverage new technologies in support of their core mission and in service of artists. New presentation methods for the arts will need to be funded, with initiatives such as teaching online, subscriptions to Zoom and other explorations of online tools potentially qualifying.

11. Support Engagement Work Critical to Recovery

Public health officials have cautioned that a second pandemic wave may arrive this fall and winter, overlapping with flu season (October-May). This Fall/Winter timing coincides with cultural seasons, so as they emerge from lockdown, artists and cultural organizations will soon face a period of intense viral anxiety from the public. Community perception of arts and culture as a non-essential risk will reduce willingness to engage, slowing recovery of the sector.

Organizations have achieved great success thanks to the contributions of volunteers, many of whom facilitate public interactions. Those commitments may be more restrained as health anxiety overshadows enjoyment. Cornerstone cultural institutions cannot function effectively without volunteer staff. Large events cannot be successfully produced without the help of a significant number of volunteers. Even the best-case scenario would be problematic in this regard, as reduced volunteer capacity is a possible side effect of former volunteers emerging from lockdown and simply wanting to enjoy events as participants, not facilitators.

Yours sincerely,



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On behalf of the Arts community

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