

Standing Committee Report

REPORT NUMBER 388-2025-Community Services-Recreation & Culture

DATE

PREPARED

November 21, 2025

FILE

STANDING

COMMITTEE

December 9, 2025

MEETING DATE

SUBJECT

2026 Community, Youth & Cultural Funding Program

PURPOSE – Requesting endorsement of the Standing Committee on Finance & Administration.

WITH RESPECT to Report 388-2025-Community Services-Recreation & Culture, we request endorsement of the Standing Committee to forward the following recommendations to City Council:

WE RECOMMEND THAT Operating Grant requests be capped at 22% of an organization's total budget, up to a maximum of \$40,000;

AND THAT the total cap for the Operating Grant category remain at \$220,000 for the 2027 intake;

AND THAT seed funding requests in the Project Grant category be capped at \$3,000;

AND THAT the revised Community, Youth & Cultural Funding Program Model be approved as attached to reflect changes to the Operating Grant cap and new program governance structure;

AND THAT final Review Team recommendations, including funding appeal outcomes, be reflected in the 2026 budget submission for Council's consideration;

AND THAT any necessary by-laws be presented to City Council for ratification.

EXECUTIVE SUMMARY

This report provides information on the recommended Community, Youth & Cultural Funding Program (CYCFP) allocations for the 2026 fiscal year, which will be included in the 2026 budget submission for Council's consideration. This program is the City Council-approved mechanism by which the City of Thunder Bay invests in and supports

the operation and sustainability of non-profit community, youth and cultural organizations.

The total recommended funding for 2026 is \$3,169,300. This includes nineteen (19) sustaining/operating grants and \$55,000 to be allocated in-year for project grants. The CYCFP review process, as approved by Council, has been followed in making the recommendations.

Administration received two (2) appeals. They are the Thunder Bay Art Gallery and the Thunder Bay Community Auditorium. As per the new governance structure for this program, the Finance and Administration Standing Committee fulfills the role of the previously established Community Youth and Cultural Funding Appeals Committee. The Standing Committee will be responsible for reviewing and making recommendations on Appeals prior to the final funding recommendations being presented to Council through the 2026 budget process.

Administration is also seeking endorsement on setting a cap for individual funding requests in the operating grant category, and for accepting the revised CYCFP Model that reflects the new appeal process due to the governance structure changes.

KEY CONSIDERATIONS

The CYCFP generates significant economic impact. It is a major source of revenue for the 19 organizations that receive operating or sustaining funding through this program, with many relying on the program as core operating funding (Attachment A - 2024-2026 CYCFP Recommendation and Allocation Summary). For every \$1.00 invested through CYCFP, funded organizations leverage \$5.64 in other funding or earned revenue. Organizations receiving funding through this program employ over 558 staff (Attachment B – Funding Impact Infographic).

Each funding recommendation is based on criteria related to community need/impact, financial need, organizational and Board capacity, sustainability, and evidence of other sources of revenue. Applications are evaluated by grant review teams comprised of Administration and community members. Any appeals are reviewed by the Finance and Administration Standing Committee (formerly by the CYCFP Appeals Committee) prior to final recommendations being included in the annual operating budget submission for Council's consideration (Attachment C – Funding Program Model).

Operating Grant Request Cap

The existing funding model includes an annual cap for all recommendations within the operating grant category. This is currently \$220,000. There is currently no cap on the request that an applicant can make in this category.

The recommendation to introduce a cap on each organization's requests within this category will provide a clearer guideline for applicants as they develop their requests. It will also help mitigate the potential for receiving large or unforeseen requests that exceed the total cap for the Operating program. This practice is common in funding programs.

Administration is recommending a cap on individual requests of 22% of an organization's budget (to a maximum of \$40,000). This cap accommodates the funding level of all current recipients in this category.

The Operating Grant category provides operating funding for 1-3 year terms. This category differs from the Sustaining Grant category, which provides core funding to organizations that are deemed as integral to the community, have a proven track record of delivering high quality programs and services, and have been funded for a minimum of 5 consecutive years.

Project Grant Request Cap (Seed Funding)

Currently, all Project Grant requests have a cap of \$10,000, with a total budget of \$55,000. Organizations, collectives and/or individual artists may apply for a special one-time activity or seed funding for a new organization to help cover costs associated with incorporation. The costs of seed funding is typically lower than the cost of larger scale special activities in this category. Introducing a cap will provide more guidance to applicants when determining their request amounts, while providing an opportunity to support a higher number of projects. The number of requests have increased significantly in recent years with increased program awareness efforts. The Project Grant Review Team recommends a cap of \$3,000, which is informed by the budget details submitted within seed funding applications in recent years.

Recommendations and Appeals

Organizations have been notified of Administration's initial recommendations for budget planning and leveraging purposes. For the Sustaining Grant category, the Review Team's recommendations followed budget directives per the Council-approved funding model. One expansion above the budget direction is highlighted for Council's consideration as allowed by the funding model - Regional Food Distribution Association. This recommended expansion is related to increased need to address food insecurity in the community, and increased operating costs related to the organization's recent facility expansion.

Operating and Sustaining organizations may appeal the Review Team's decision if they feel they can provide new or clarifying information. Appeals are now reviewed and considered by the Finance and Administration Standing Committee, based on the approval of Procedural By-law 217-2025.

Two organizations have appealed the Review Team's recommendation: Thunder Bay Art Gallery and Thunder Bay Community Auditorium.

While there were only two appeals, other applicants have expressed concern that funding increases in recent years have not aligned with costs of inflation and in some cases, may represent a decrease in the City's portion of the organization's overall budget. Feedback from recipients included a request for Sustaining funding to be indexed to CPI in future years.

FINANCIAL IMPLICATION

The total recommended funding for 2026 is \$3,169,300. This includes nineteen (19) sustaining/operating grants and \$55,000 to be allocated in-year for project grants. All funding recommendations, including those that may require adjustment following the appeal process, will be included in the 2026 operating budget submission for Council's consideration.

BACKGROUND

Funding Program

The Funding Model for the City of Thunder Bay's support of Community, Youth & Cultural service organizations and projects has been adopted by City Council (Report No. 2007.195 (Office of the City Clerk) – F.A.R.G. and Cultural Funding Program Review – Ad Hoc Committee No. 2). It establishes three funding categories, Sustaining, Operating and Project Grants, and allows for multi-year funding terms for Sustaining and Operating Grants.

The program has been expanded and clarified over time, including the addition of the Youth Stream to the former Community & Cultural Streams (Report No. 2009.178 (Recreation & Culture); (Report No. 2013.175 Youth Services Plan – Youth Services Advisory Committee Recommendations, Recreation & Culture and Municipal Child Care).

A three-year funding history of applicant organizations is provided in Attachment A.

On June 16, 2025 Council approved a new governance structure through Procedural By-law 217-2025 and dissolved several Advisory Committees of Council, including the Community, Youth & Cultural Funding Program Appeals Committee. This resulted in a change of process, whereby appeals are now reviewed by the Finance and Administration Standing Committee.

On January 6, 2025, City Council approved the adoption of the pilot categories of Anti-Racism, Truth & Reconciliation and Sport Development on an ongoing basis in the Project Grant category.

On April 27, 2020 City Council approved a \$235,000 COVID-19 Emergency Fund for Sustaining and Operating Grant recipients in the Community, Youth & Cultural Funding Program. COVID-19 Emergency funds were also included in the 2021 and 2022 program budget.

On January 14, 2019, Council approved a pilot expansion of eligibility of the Project Grant Category in 2019-2020 to include community non-profit sport (R1/2019 – 2019 Community Youth & Cultural Funding Program. Community Services - Recreation & Culture). On March 3, 2020 Council also approved another pilot expansion of the same category to include Anti-Racism & Reconciliation projects with the first intake being October 2020.

On January 16, 2017, Council approved changes to the Project Grant application process and budget, implementation of a recommendation cap on Operating Grants, adoption of budget directives for Sustaining Grants, and creation of a centralized Grant Review Team for all three streams of the Program (R11/2017 – 2017 Community, Youth & Cultural Funding Program and Proposed 2018 Program Changes (Recreation & Culture)).

REFERENCE MATERIAL ATTACHED

List all reference material, in order, that will be attached to the item in escribe.

Attachment A – 2024-2026 CYCFP Recommendation and Allocation Summary

Attachment B – Funding Impact Infographic

Attachment C – Funding Program Model

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REPORT SIGNED AND VERIFIED BY

Kelly Robertson, Commissioner, Community Services

Date (12/02/2025)