

To: Mayor and Members of Council

From: Emilie Cote, Director of Recreation, Community and Culture

Cc: Hassaan Basit, Jacqueline Johnson, Samantha Yew, Craig Millar, Blake Hurley, Robert Ryan, Michelle Moore

Date: December 10, 2024

Re: Follow up to RCC-19-24- Sound of Music Festival- 2024 Event Re-cap and Future City Support

During the Committee of the Whole Meeting on December 2, 2024, the above report was discussed. It was noted that a private foundation had expressed interest in offering financial support to Sound of Music to help ensure the success of the 2025 festival. This new information led to a deferral of the report to the December 10, 2024, Council Meeting. Since then, staff have had the opportunity to meet with the foundation and the Board Chair of Sound of Music to continue discussions.

Staff are pleased to share that the private foundation intends to make a significant donation to the festival. This contribution will be applied to Sound of Music's outstanding debt owing to the city from previous years, as well as the city's loan to Sound of Music that is not expected to be repaid when it is due on December 11, 2024. As of that date, Sound of Music's total outstanding debt to the city will be \$220,000. Any remaining balance after this donation is applied to Sound of Music's debt will be due to the city following the 2025 festival, with full repayment required no later than September 1, 2025. If the debt is not fully repaid by that time, future city grants may be impacted.

As outlined in RCC-19-24, the city will be moving forward with a detailed service level agreement with Sound of Music, incorporating elements from the recently endorsed Accountability Framework to ensure clear expectations and effective collaboration. This agreement will also depend on the Sound of Music Board's commitment to strong governance and ensuring sufficient resources for the successful execution of the 2025 festival. In addition, Sound of Music will be required to submit a comprehensive business plan for the 2026 festival, which will need to be approved by the Commissioner of Community Services, the Commissioner of Legal and Legislative Services, and the Chief Financial Officer. This plan will be due no later than June 1, 2025, to guide future funding decisions.

As a revision to the report, the following recommendations are being brought before council for their consideration:

Authorize the Director of Recreation, Community and Culture to negotiate and execute any necessary agreements with Sound of Music related to the City's 2025 grant to Sound of Music Inc., with the content satisfactory to the Director of Recreation, Community and Culture and in a form satisfactory to the Commissioner of Legal and Legislative Services.

Authorize the Director of Recreation, Community and Culture to negotiate and execute any agreements with Sound of Music related to the extension of the repayment of the Sound of Music

Inc's debts with a repayment deadline up to September 1, 2025 with the content satisfactory to the Director of Recreation, Community and Culture and in a form satisfactory to the Commissioner of Legal and Legislative Services.

In closing, it is clear that the Burlington community deeply values this important festival and wishes to see it continue. However, for the festival to remain sustainable in the long term, it is vital that the Board of Directors carefully consider the financial health of the organization and plan for both the 2025 festival and the years that follow. We appreciate the continued collaboration and commitment to this valued community event.