



**Date** May 1, 2012

## **City Council Committee Report**

**To: Mayor & Council**

**Fr:** Heather Paterson

**Re:** Harbourfest Summer Fireworks

### **Recommendation:**

THAT Council of the City of Kenora hereby authorizes the issuance of tax receipts for any donation of \$100 or greater made to the City of Kenora between January 1, 2012 and August 31, 2012 to be used specifically towards the 2012 Harbourfest fireworks display; and

THAT the City will pay the invoice(s) for the actual purchase of fireworks, including any specifically related expenditures, direct to the appropriate supplier(s) for the 2012 fireworks display to a maximum of the actual donation amounts received; and

THAT the issuance of tax receipts for donations for fireworks be restricted specifically to the 2012 fireworks display in recognition of the tourism impact the event has to the City of Kenora; and further

THAT the Harbourfest Committee be advised of Council's decision, including all related restrictions.

### **Background:**

In 2010, Council approved the Tax receipt agreement for Harbourfest Fireworks.

Harbourfest is Kenora's biggest event and has, in its own right, become an attraction for visitors. Many visitors to our community plan their vacation specifically to coincide with the festival. Harbourfest is one of the busiest weekends of the year as a result of the number of visitors it attracts. This event is a key example of an event that aligns with the Tourism strategy of using Events to increase the number of visitors to the community.

A major component of the Harbourfest Festival is the spectacular fireworks display which takes place on the Saturday night on the Harbourfront. In order for this component to take place, Harbourfest relies on monetary donations

from private citizens and corporations. It is the belief of the Harbourfest committee that businesses owners, members of the community and summer residents would be more apt to contribute if they could receive a tax receipt.

In the past, the City has received requests from organizations looking for the issuance of donation receipts to aid them in their fundraising efforts. In 2004, the City did some further investigations into its ability to issue donation receipts, particularly where the organization was outside of the control of the City, and was not considered to be part of the City. Specifically, we were advised that "a municipality would not be entitled to issue a receipt for the donation where it was merely acting as a conduit for the organization receiving the gift". Further, under the guidelines for official donation receipts, "a charity ... must not issue receipts for funds that it will not itself be responsible for spending".

The City has on occasion, however, worked with external non-registered organizations to provide this type of assistance, including the partnership between the Kenora Golf and Country Club and the City to issue donation receipts for donations received for course improvements authorized by Council, ultimately enhancing summer tourism to the Kenora area. It is important that the City be able to justify the collection of donations and therefore the issuance of receipts through showing sufficient benefit to the City.

An argument can be made that this event is directly correlated to the City's Tourism Strategy and the role the City's tourism department will play in attracting visitors to Kenora and the Lake of the Woods region. As has been done in the past under these circumstances, the City would not release any donation funds received until expenditures are substantiated through invoices.

Some background information on Harbourfest and its impact to the local economy and tourism is as follows:

In 2012:

201 Volunteers contributed 1800 Hours of volunteer time to the event

The 16 volunteer members of the Harbourfest Board Directors contributed 2000 hours of volunteer time.

Harbourfest employs approximately 64 people through Vendors, Security, policing and 2 paid Harbourfest staff member.

2011 was Harbourfests 4<sup>th</sup> year with online ticket sales. They sold 30% of their admission or 1200 of their nighttime tickets online. The breakdown of these tickets sales is:

140 Regionally in Northwestern Ontario  
491 Sold to Winnipeg (compared to 248 the previous year)  
154 Regionally to Manitoba (compared to 107 the previous year)  
4 Saskatchewan  
40 Alberta (compared to 34 the previous year)  
13 BC  
12 to the US

These numbers indicate that this event plays a significant role in attracting visitors from out of town.

**Budget:**

N/A

**Communication Plan/Notice By-law Requirements:**

Notify Harbourfest Committee