



# CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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## Legislation Details (With Text)

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## REQUEST FOR DIRECTION

**DATE:** October 6, 2021      Report No. FIN-21-017

**TO:** Laurie Hurst, Chief Administrative Officer

**FROM:** Ian Irvine, Director of Financial Services

**SUBJECT:**  
Local Grant Policy

### ESSENTIAL QUESTION:

What improvements would the Committee like to see in a revised Local Grant Policy?

### RECOMMENDATION:

That the Committee of the Whole receive Staff Report No. FIN-21-017 for information, provide any additional direction to staff as the COTW considers advisable, and direct staff to prepare a report for Council's consideration.

### BACKGROUND:

During recent years the Local Grant Committee has recommended the exploration of improvements to the local grant process and Council Policy No. FIN-20 Local Grants.

The current Local Grant Policy was amended in February 2016 to create an established events category and to amend the funding mechanism. With these changes in place, the Committee requested additional policy revisions to further improve the process. Later that year, further amendments were approved to adjust the grant process timing, alter the method of calculating the annual budgetary amount and limit the ability for multiple submissions during the same fiscal year.

Since that time, further changes were requested and, at the December 7, 2020 Council meeting, a revised local grant policy was presented. While Council agreed with some of the changes, there were some areas of concern and as a result, no consensus was achieved. Instead, Council directed staff to bring back a report for further discussion by the Committee of the Whole.

At the Committee of the Whole meeting on April 19, 2021, a revised draft Local Grant Policy was discussed. Some of the updates were again viewed as positive however, the Committee wanted to seek additional input prior to providing direction regarding any changes. Direction was given for the draft policy to be shared with the various community event committees to obtain their feedback. To facilitate that, a copy of the policy was provided to all Council members serving as liaisons for the various community events. As well, the draft policy was included on the agenda for discussion at the October 7, 2021 meeting of the Parks and Recreation Advisory Committee.

## **ISSUES:**

Based on recent Local Grant Committee deliberations and Council discussions, the following areas were identified with the intention of improving the local grant process and the related Council Policy.

### **Funding Level**

Council had previously wanted to explore changes to the funding levels and the initial allocation amount in addition to the remaining amount available for subsequent, ad hoc requests. The annual local grant account balance is established in the Financial Plan at a level equal to a 0.50% tax revenue increase based on the previous year. Within a revised policy, a baseline amount could be established which could be increased annually by a percentage such as the consumer price index for Victoria.

As well, the Local Grant Committee currently has the ability to recommend an allocation of up to 90% of the annual amount during the initial intake with the remaining amount available to fund new grant requests during the rest of the year. During recent years, the number of ad hoc grant requests received after this initial review has been limited to one per year on average. While any change to this allocation percentage will not affect the total dollars available, it could have an impact on the Committee's deliberations and recommendations each year.

During the most recent Committee of the Whole discussion, there appeared to be agreement that no change to the current funding level or calculation was necessary.

### **Multiple Year Grants**

While the capability for multi-year approvals exists for permissive tax exemptions, a similar application for local grants is more challenging. The ability to approve local grant funding for more than one year is often difficult due to the uncertainty about whether organizations intend to operate programs, projects, or events each year and if so, what the required financial support would be. While one potential exception could be the community events that are organized and held annually, it has been noted that amounts requested for some of these events has also fluctuated from year to year. As well, the granting over multiple years could potentially reduce the level of accountability and transparency if an application is not required as a result of a grant pre-approval.

## In-Kind Support

Within the current Local Grant Policy, in-kind support is only eligible for those community events meeting the 'established event' criteria. Since the creation of this category, in-kind support has been provided to between four and seven community events each year. In 2019, total in-kind support in the value of \$62,000 was approved and while not issued in the form of cash, this amount still represented the utilization of Township resources and was funded from the local grant account.

Recently, some established event organizers have utilized a higher value of in-kind resources than was approved by Council. These situations have occurred in part due to the timing of when Township expenditures, such as wage costs, are recorded and allocated to each of the various events. This presents a unique challenge when providing support solely through non-cash payments.

During 2019, there were five recipients of in-kind services and the total non-cash value that was provided to these organizers was nearly \$74,000 or 20% over the approved allocation. While this has been a regular occurrence since the creation of an "established events" category, the Township has not previously attempted any cost recovery of excess in-kind utilization.

Since the last review by the Committee of the Whole, staff from the Finance and Parks and Recreation departments have met to discuss potential options for addressing this scenario. It was agreed that event organizers could meet with Township staff prior to the submission of an application. During these meetings the event could be discussed and based on the identified requirements, Township staff could provide the organizer with an approximate value of in-kind services that will be utilized. Organizers would be advised to include this amount in their application along with the understanding that in-kind utilization in excess of any approved amount would require payment to the Township. This new approach has been included in the revised policy.

## Established Events

Through a previous Local Grant Policy amendment, the 'established events' designation was created for community events that satisfy certain criteria. This designation provides certain benefits including the eligibility to receive in-kind support and an exemption from having to address their application each year before the Local Grant Committee.

If the decision is made to eliminate the approval of in-kind support, the only remaining distinction between these established events and all other applicants is the annual requirement to formally address their application. When this designation was initially created, established events were excluded based on the anticipated consistency of their applications year over year however for some events this has not been the case. Additionally, this treatment for events remains inconsistent to that of all other applicants, including those who have applied to the Township for a number of years without a significant change in their operations or programs.

## Evaluation Criteria

The Local Grant Committee has indicated that evaluating applications is sometimes challenging due to inconsistent information being submitted by applicants and the limited guidance provided within the existing Council Policy. To address these concerns, an updated application form and a corresponding scoring matrix could be created to establish parameters and categories to help guide the evaluation process.

During 2019, an online, fillable application form was created and made available on the Township website for all permissive tax exemption applicants to complete. This form was developed to gather all relevant information and facilitate a more consistent evaluation by the Local Grant Committee. Similar revisions could be made to the current local grant application form to assist with gathering details about the project, event, or program as well as the applicant's organizational capacity, financial stability, and community commitment.

With consistent information being collected, the creation of a scoring matrix would improve the process by better correlating the application with the funding recommendations of the Local Grant Committee. This matrix could assist in the evaluation of each applicant in key areas such as organizational capacity, project feasibility, evidence of need and community impacts and involvement. By independently weighting each evaluation area, the Committee could then score each application based on the submitted information.

**ALTERNATIVES:**

1. That the COTW receive Staff Report No. FIN-21-017 for information, provide any additional direction to staff as the COTW considers advisable, and direct staff to prepare a report for Council's consideration.
2. That the COTW provide alternative direction to staff.
3. That the COTW request further information from staff.