REPORT CS-2024-13
May 21, 2024

SUBJECT: **Community Grant Policy Options & Framework**

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RECOMMENDATION:

THAT THE COUNCIL OF THE CITY OF WELLAND receives for information report CS-2024-13 Community Grant Policy Options; and further

THAT Welland City Council approve Option #1 as the recommended approach for the Community Grant Policy.

RELATIONSHIP TO STRATEGIC PLAN:

This recommendation is aligned to Council's strategic priority of ensuring "**Liveability**" by creating a sense of belonging while enhancing mobility by improving access to recreation and community events, ensuring adequate housing options, encouraging job growth, and improving ways to efficiently move people throughout the city.

EXECUTIVE SUMMARY:

The City of Welland has a long history of supporting community through taxpayer funded permissive grants and legacy funding for events, programs, and various other needs in the community. Community grant programs are highly valued by the community. Staff recognized the policy needs to be updated to reflect good governance practices and reduce risk to the organization.

Based on municipal research and feedback from Councillors, staff are recommending policy option #1 which includes:

- Three distinct funding streams: Start Up Funding, Event Funding, and Arts & Culture Funding
- Each funding stream will have a maximum funding amount
- Applicants will only be eligible for funding for a maximum of three years with annual review, regardless of funding stream applied for in an effort for

applicants to become self-sustaining. Applicants must only apply for one funding stream per year.
- Legacy funding will be eliminated. Applicants must apply for community grant funds annually.

BACKGROUND:

The City's existing Grants & Special Assistance Policy was most recently updated in July 2020 – Appendix 1. After a recent review of the policy, staff determined that the policy is unclear in some areas and no longer aligns with industry best practices for good governance.

In late March 2024, staff brought forward report CS-2024-05 to provide an overview of the City's current permissive grant policy and legacy funding. The report outlined the pros and cons of the City's current approach, provided examples from other municipalities, set out requirements for an updated policy, and posed some questions to each member of Council to gather feedback. Responses received by staff from Council are detailed in Appendix 2.

This report provides an overview and framework, with options for Council's review and consideration. Following this report, and based on the direction provided, staff will return in June 2024 with a final policy report for Council to approve.

DISCUSSION:

Staff developed and conducted a survey of municipalities across Canada to gather feedback on their current practices and processes relating to community grants and legacy event funding. This municipal survey is meant to ensure that we are learning from others and considering all options for this important community support focused policy. Municipal survey responses are provided in Appendix 3.

In total, eight municipalities responded to the survey: seven from Ontario and one from outside of Ontario. Below is a summary of our findings:
- Municipalities offer a variety of community grant programs. The most popular grant programs include event support, arts & culture support, and start-up support. 75% of municipal respondents offer all three types of grant funding streams.
- Five of eight municipalities do not offer legacy program of event funding. For the purpose of the survey, a legacy program of event was defined as one of municipal significance who receives ongoing funding indefinitely, unless the program or event ceases to exist.
- Six of eight municipalities use a set of principles to guide community grant programs. The most common principles being addressing community need, alignment to the municipal strategic plan, and transparency in the program and approval process.
- All municipalities who responded have eligibility criteria for applicants to their community grant programs. The most common criteria being that the

applicant has registered non-profit status. All municipalities who require a non-profit status, require documented proof with Canada Revenue Agency (CRA).

- All municipalities who responded have evaluation criteria for applicants to their community grant programs. The most common criteria being that the applicant will support event, programs and/or activities that are open to the public and publicized broadly, that the applicant is active in the municipality, and that the event, programs and/or activities have a diverse revenue base.
- All municipalities who responded have minimum criteria for applications to community grant programs. All municipalities require a fully completed/signed application form and an anticipated budget including revenue and expenses. Seven of eight municipal respondents require signed terms & conditions.
- All municipalities who responded have requirements for successful applicants to meet to ensure all awarded funds are provided. All municipalities require post-event reporting and 75% of respondents require recognition of funding support through all marketing channels for the event.
- Seven of eight municipalities have repercussions for successful applicants not completing post award requirements. The most common repercussion being disqualifying the event, programs and/or activities for future funding until all requirements are met.
- All municipalities who responded receive community grant program applications through an online submission. 25% accept paper application forms.
- All municipalities who responded have the amount of funding allocated to community grants approved by Council annually. Note: this was confirmed through follow-up discussions with respondents.
- All municipalities who responded have staff receive, review, and analyze applications for Community grant for completeness and alignment with the goals of the grant program. Approval for the grant varies between three different approaches:
  - staff having full responsibility and accountability for approval; or
  - staff working with a third-party advisory committee with the required expertise to assess the merit of the application having full responsibility and accountability for approval, ie. Arts & Culture Advisory Committee evaluating the merit of a request from a local artist; or
  - staff and/or staff and a third-party advisory committee making recommendations for approval and Council providing final approval.
- Six of eight municipalities have a process to ensure that conflicts of interest are declared by anyone who might be reviewing the merits of a community grant application or approving the award of community grant funding.
- All municipalities who responded publicize community grant opportunities through their website and social media. Six of eight municipalities promote through their newsletter and four of eight host information sessions for interested groups to attend in order to learn

about how their needs might qualify for one or more of the funding streams.

- Municipalities who responded reported a mix of how often they review community grant applications from annually to bi-annually to ongoing. Three municipalities identified that the frequency depends on the stream of funding and the amount the applicant is eligible to receive. ie. Smaller grants have an ongoing intake process.
- Seven of eight municipalities who responded reported an annual process to gather feedback from grant recipients on how they can improve the community grant program and process.

In addition to the municipal survey, feedback was requested from each member of Council to gather feedback on each Council members level of comfort with the existing program, values for community grant evaluation, requirements for community grants, and how we might improve the current processes and tools. These responses are provided in Appendix 2.

In total, eight Councillors responded to the survey. Below is a summary of our findings:

- Councillors believed that the values of the City's strategic plan are important in the evaluation of community grant applications. In addition to strategic plan values, Councillors felt that community needs and priorities should be considered.
- Councillors felt that information regarding an applicant's fundraising efforts, board of directors and/or organizing team, budget (planned and actual including reserves), plan for the requested funds, should be provided for the application evaluation.
- Councillors felt that the community grant program should be staff lead with all decisions being transparent and aligned to the policy. If applicants are unsuccessful for any reason, staff will meet with them to review the application for way to improve in future funding cycles.
- Councillors had a number of good governance improvements for the community grant program including enforcing community grant timelines with applicants, requiring a follow-up report and the return of any unused funds, a community grant webpage on the City's website to promote opportunities, promoting and hosting an information session for potential applicants, and using an online portal for all applications.
- Councillors felt that the event, program, or initiative should occur within the Welland boundary however there was mixed feelings on if the applicant needed to be Welland based.
- Councillors who responded felt that community grant applicants should be moving towards being self sufficient and not rely on City funding. The one exception to this, for two Councillors, was legacy events.
- Some Councillors responded that there should be maximum amounts for funding and a maximum number of years that an applicant is eligible which ties into community grants applicants moving towards being self sufficient.
- Three Councillors identified issues with funding from other levels of government and paid staff. Of these three Councillors, it was suggested

that applicants with paid staff should not qualify for community grant funding. Another Councillor suggested that applicants with paid staff may contribute to the sustainability and leadership of an applicant.   Lastly, one Councillor suggested that if more than 30% of funding comes from another level of government, the applicant will not be considered for municipal funding.

It is clear that a number of good governance practices for community grant programs align between the municipal survey responses and Council responses. These good governance practices that will be in the upcoming policy include:

- well-defined principles for each community grant program including the expectation that the applicant be self-sufficient
- well-defined criteria for eligibility of applicants for community grant programs
- well-defined evaluation criteria for applications to community grant programs
- well-defined process and requirements for submitting community grant applications and post-award requirements
- well-defined roles for Council and staff; Council to approve funding envelope annually through the budget process. Once the funding envelope is approved, staff to administer community grant program and award of community grant funding in alignment with the new community grant policy (pending)
- well-defined process for conflict of interest declaration, advertising of community grant programs and information sessions, online application portal, and continuous improvement for the program through feedback sessions

Staff have reviewed all feedback and have considered a number of policy options for community grant funds. In alignment with the feedback received, community grant policy options are as follows:

Option #1

City to offer three distinct funding streams:
- Start Up Funding
  Financial assistance for any expenses related to a new program or initiative to support the community

- Event Funding
  Financial assistance towards any event expenses including City services

- Arts & Culture Funding
  Financial assistance for the creation, production, presentation and distribution of arts & culture

Each funding stream will have a maximum funding amount. Applicants will only be eligible for funding for a maximum of three years with annual review,

regardless of funding stream applied for in an effort for applicants to become self-sustaining. Applicants must only apply for one funding stream per year. Legacy funding will be eliminated. Applicants must apply for community grant funds annually.

Option #2

City to offer three distinct funding streams:
- Start Up Funding
  Financial assistance for any expenses related to a new program or initiative to support the community

- Event Funding
  Financial assistance towards any event expenses including City services

- Arts & Culture Funding
  Financial assistance for the creation, production, presentation and distribution of arts & culture

Each funding stream will have a maximum funding amount. Applicants will only be eligible for funding for a maximum of one year. Legacy funding will be eliminated. Applicants must apply for community grant funds annually.

Option #3

City to offer three distinct funding streams:
- Start Up Funding
  Financial assistance for any expenses related to a new program or initiative to support the community

- Event Funding
  Financial assistance towards any event expenses including City services

- Arts & Culture Funding
  Financial assistance for the creation, production, presentation and distribution of arts & culture

Each funding stream will have a maximum funding amount. Applicants will only be eligible for funding for a maximum of one year. Legacy funding for the Rose Festival will be maintained due to the event's historical significance, however the practice of allowing any further legacy funding to additional applicants will not be available.

Given the municipal research and Council feedback received on community grant programs, staff recommend Option #1 as the preferred policy option as this option recognizes needs in the community and promotes the expectation that applicants becoming self-sustainable.

FINANCIAL:

There is no financial impact to report CS-2024-13.

CONCLUSION:

Based on municipal research and Council feedback, staff recommend community grant program policy Option #1 in alignment with good governance practices. With the approval of a policy option, staff will present an updated community grant policy for Council approval in June to ensure continuity of community support.

ATTACHMENT:

Appendix 1 – City of Welland - Grants and Special Assistance Policy FIN-001-0007
Appendix 2 – Responses from Welland Council requested in report CS-2024-05
Appendix 3 – Municipal survey responses