

SPECIAL GENERAL COMMITTEE MEETING
COMMUNITY SERVICES DEPARTMENT
RECREATION, SPORT AND CULTURE DIVISION

REPORT CS-2024-19
July 30, 2024

SUBJECT: Community Grant Program – Core Principles

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RECOMMENDATION:

THAT THE COUNCIL OF THE CITY OF WELLAND provide direction to staff to create a Community Grant program that will require organizations to be self-sustainable providing a maximum of three years of funding; and further

THAT Welland City Council provide direction to staff to create a Community Grant program that is focused solely on the jurisdiction of a lower tier government and aligned with the Welland tax levy.

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 Policy and Process for the Welland Community Grant Program will be presented for Council approval in August 2024. This policy has undergone extensive review and consultation, including a report on the current grant policy and research into municipal best practices.

Staff require a decision by Council on two core principles that will form the final policy report:

- **Self-Sustainable:** Organizations will receive grant funding for a maximum of three years, encouraging financial independence and reducing reliance on municipal funds.

- Spheres of Jurisdiction: Grant funding should be aligned with the City's areas of responsibility, ensuring property tax revenues support local needs and priorities.

Council's direction on these principles will shape the final Community Grant Policy to be presented in August 2024.

BACKGROUND:

A Policy and Process for the Welland Community Grant Program is scheduled to come before Council for final approval in August 2024. Prior to this final report, staff have brought several reports to general committee and have completed a review on municipal best practices.

The City's existing Grants and Special Assistance Policy was most recently updated in July 2020. On March 26, 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. On May 21, 2024, staff returned to have a fulsome conversation regarding granting. Unfortunately, this meeting timed out and the next available General Committee meeting was filled with another timely topic (Draft Official Plan), leaving this report to be finalized later in today's agenda.

This report seeks Council's direction on two distinct core principles as related to the Welland Community Granting Program, as shown in each of the recommendations of this report:

- **SELF-SUSTAINABLE:** The expectation for each organization to become self-sustainable, by providing a maximum of three years of funding. Grant funding awarded by the City would be viewed as seed money with the expectation the organization would seek other funding sources and not be reliant on the City. This approach would eliminate any legacy funding category.
- **SPHERES OF JURISDICTION:** As a lower-tier municipality, we have designated areas of responsibility known as a sphere of jurisdiction. The funding for these municipal services within the City's sphere of jurisdiction primarily comes from property taxes, commonly referred to as the tax levy. This financial model ensures that the necessary resources are available to manage and maintain these local services effectively, addressing the needs of our community. The recommendation in this report is to align the funding collected through property taxation to provide grant funding to the areas within the jurisdiction of the City as a lower-tier government. (ref. S. 11 Municipal Act, SO 2001, c25)

DISCUSSION:

Self-Sustainable:

It was evident from the majority of feedback received by Council and from the research conducted from other municipalities that working towards a self-sustainable model is preferred. It is also understood that this has not been our approach in Welland and changing this expectation will be met with challenges.

A self-sustainable model when providing community grant funding involves offering financial support to organizations for a limited period, typically up to three years. This funding acts as seed money to help the organizations establish themselves and develop their operations. The goal is to encourage these groups to become financially independent and sustainable, reducing their reliance on ongoing municipal funding. By the end of the grant period, the organizations should be able to stand on their own financially, using the initial support to build a foundation for long-term success.

Staff are seeking Council's direction on this matter (Recommendation #1). Should self-sustainability be approved, this core principle will be embedded into the forthcoming Community Grant Policy. Should this core principle not be approved, community organizations would have open access to applying annually with no cap on duration.

Spheres of Jurisdiction:

In the Municipal Act of Ontario, "spheres of jurisdiction" refer to the specific areas of responsibility allocated to different levels of municipalities. For lower-tier municipalities, these include local concerns such as arts and culture, parking management, economic development, and recreation. Upper-tier municipalities handle broader regional issues like public transportation, health services, and social services. These jurisdictions allow each level of municipal government to enact by-laws and manage services within their defined areas of authority, ensuring efficient governance and service delivery, which draw from a specific tax levy (e.g. property taxes). The provincial government holds jurisdiction over matters including areas such as health care, education, housing, social assistance, and major infrastructure. Traditionally, lower-tier municipalities play a role in advocating other levels of government to address local needs for matters of regional or provincial jurisdiction. Council can put forward a motion for consideration requesting action from other levels of government.

If a lower-tier government provides grant funding (sourced from property taxes) to an organization operating outside its jurisdiction (e.g. Regional or Provincial government), several issues may arise. Firstly, it could lead to the misallocation of taxpayer funds, diverting resources away from local needs and priorities under the scope of the City. This can result in reduced service levels and dissatisfaction among residents who expect their taxes to benefit their community directly. Additionally, there may be legal and accountability concerns, as the municipality

might lack the authority or mechanisms to oversee and ensure the effective use of these funds outside its jurisdiction.

Staff are seeking Council's direction on this matter (Recommendation #2). Should focusing grant funding (funded by property taxes) for organizations that fit within the designated areas of responsibility for City jurisdiction as a lower-tier municipality be approved, this core principle will be embedded into the forthcoming Community Grant Policy. Should this core principle not be approved, additional funding and resourcing should be accounted for as part of the budget process (e.g. new Tax Levy).

FINANCIAL:

There are no financial impacts to this report. Staff are seeking direction on core principles only at this time.

CONCLUSION:

This report outlines two key principles for the Welland Community Grant Program: implementing a self-sustainable model that limits grant funding to a maximum of three years AND the alignment of grant funding with the City's sphere of jurisdiction. These principles aim to encourage financial independence for organizations and ensure taxpayer funds are used effectively within the City's areas of responsibility. Council's direction on these recommendations will be crucial in finalizing the Community Grant Policy and ensuring it aligns with Welland's strategic priorities for economic growth and sustainable community development.

ATTACHMENT:

N/A