

REPORT

Office of the Chief Administrative Officer

To: Mayor Johnstone and Members of Council **Date:** February 26, 2024

From: Lisa Spitale, Chief Administrative Officer **File:**

Item #: 2024-76

Subject: Grant Program Refinements

RECOMMENDATION

THAT Council direct staff to discontinue the one-time small grants program and re-allocate the funding envelope of \$13,000 to the City Services budget for the fall intake;

THAT Council direct staff to investigate the development of a reserve fund for grants to support the sustainability of the program;

THAT Council direct staff to provide a more comprehensive analysis of the grant program and provide recommendations for improvements at a future Council meeting.

PURPOSE

This report provides a summary of the grant program and recommends refinements that align with best practices in grants administration and improve benefit to the community.

SUMMARY

The City of New Westminster has historically offered a comprehensive grant program to support non-profit groups to provide services and host events that promote community belonging and connectedness. Over the years, the program has been refined to respond to community need and best practices. The current amount awarded annually in cash or in-kind services is \$968,450. As a result of staffing changes/capacity, organizational changes, and the inclusion of *Community Belonging and Connecting* in the Strategic Priorities Plan, minor refinements to the City's current practice in advance of the next large intake of grants are being recommended. A more fulsome review is

anticipated in Q3/Q4 2024, and is anticipated to include broad analysis and recommendations for larger scale changes for Council's consideration.

BACKGROUND

In 2019, after a full review of the grants program that included public engagement, Council reorganized the City's eight grant streams into three grant portfolios. The new framework outlined the current grant administrative structure which Council delegated to the Chief Administrative Officer to improve transparency and ensure community grants were awarded under the direction of appointed community members using a consensus-based decision-making process, and not elected officials. The allocations of the three portfolio budgets was based on the historical grant awards. The framework of the current grant structure is summarized below.

Grant Portfolios

There are three grant portfolios:

- **Portfolio 1: Community Livability and Social Equity** -The City of New Westminster strives to create a livable community that: is safe and secure; enhances personal independence and dignity; is environmentally sustainable; supports the ability to live a meaningful life; facilitates reconciliation with Indigenous Peoples; and, fosters engagement in civic, economic, and social life for all residents at any stage of life. Grants in this portfolio will fund organizations, projects, programs, or services that: decrease the vulnerability of people in our community; enhance community safety and quality of life; ensure children receive quality child care; increase economic wellbeing; and, improve the urban and natural environment.
- **Portfolio 2: Social and Cultural Vibrancy** - A socially and culturally vibrant community is one where culture is integrated with our environment, our economic and our social lives, offering the opportunity for fulfillment and expression through access to sports, recreation, arts, culture, heritage, and community celebrations. Grants in this portfolio will fund organizations, projects, programs, services, events, or opportunities in the arts, culture, heritage, sport and recreation that: enable participation and increase access; enrich the vibrancy, expression, and creativity of our community; honour our unique heritage; and, create and recognize opportunities for achievement and innovation.
- **Portfolio 3: Community Economic Activators** - Enhancing the economic opportunities in our community increases the wellbeing of our residents. Grants in this portfolio are provided to initiatives that play a significant role in enhancing tourism and the economic development of New Westminster. The following types of organizations are eligible to apply for Community Economic Activator grants: New Westminster-based Business Improvement Associations, New Westminster-

based Chambers of Commerce, New Westminster-based associations that promote tourism within New Westminster.

Grant Types and Opportunities

There are three types of grants awarded. The majority of grants are awarded in the fall for the following year, with the application period in September and October and applicants being notified of their award before the end of December.

- Project and event grants - community projects, events, including festivals. These grants support the delivery and development of projects and events, new equipment, and staff development.
- Multi-year funding - supports and sustains the work of mature, registered not-for-profits that deliver consistent and meaningful local programming and services. This grant type includes support for administrative and staffing costs.
- One Time Small Grants - small grants with a maximum of \$3,500, designed to help organizations with emergent needs during the year; this includes support for athletes traveling to sporting events, administered with a spring intake only. City Services are not included.

Process

The grant program is administered through a collaborative and interdepartmental staff working group which use the [Grants Policy](#) (see Attachment 1) and the [Grants Criteria](#) (see Attachment 2) as guidance. Staff work with organizations in their specialized areas to support community organizations engagement and their areas of focus. A significant aspect of the criteria involves alignment with Council's strategic goals; the fall 2024 intake will be adjusted to reflect the 2023-2026 Strategic Priorities Plan.

Interdepartmental Collaboration

Historically, staff from the Office of the CAO and Parks and Recreation jointly oversee the overall grants program. The following divisions support the grants program through participation in the staff working group: Legislative Services, Art Services, Museum and Heritage Services, Parks Operations, Special Events, Social Planning, Finance, and Engineering Services. This team maintains the grant criteria, supports organizations in both developing applications and implementing projects, reviews applications for completeness and compliance, and supports the grant committees in their review work. There have been some recent changes to staffing capacity that has contributed to staff re-evaluating program administration, detailed further in the "Discussion" section of this report.

Technological Support

The City uses a web-based software tool called Benevity to both accept and review grant applications. This greatly simplifies the review process for grants and reduces the environmental footprint by removing paper from the process.

Grant Committees

There are three grant committees composed of community members, one staff member and individuals appointed due to their special area of focus, such as heritage or the environment. These committees are renewed annually through a public recruitment process with overlapping terms to ensure continuity. The committee chair is appointed by its members, and they lead through consensus-based decision-making. Votes are taken only to approve the final awards or if a member is in conflict. The bar for conflict is set high and members and staff are not present for decisions where there could be a perception of bias.

Grant Awards

The decisions of the committee are presented to the CAO for final approval and letters for those who have been awarded or declined are sent to the applicants. Grant award recipients must provide a post-event report before future grant applications will be considered.

FINANCIAL IMPLICATIONS

The City of New Westminster makes a significant financial commitment to the community through the grants program, which aligns with the Council Strategic Priority of *Community Belonging and Connecting*. The Grants budget is approved as part of the City's overall budget annually. There are two funding mechanisms the city granting program can provide to organizations:

- Cash Grant: This is paid in advance for multi-year grants. All other grants are paid upon receipt of invoices that match the budget presented by the organization at the time of their application.
- City Services: This is the provision of in-kind city services to projects, events and festivals. Services include: road closures, garbage pickup, policing support; and rental of facilities. By awarding City services through the grants process, the City is able to track the equivalent dollar amount provided to each activity and respective organization. City services are only available to applications made in the fall.

There is always pressure on grant requests with the program being typically oversubscribed by two or three times the amount of available funding. The pressure is also significant on City services with inflationary increases, but also on event and festival costs as venue rentals, equipment rentals, entertainment and other costs have increased. These pressures have also been felt by the City for City-produced events. However, no new financial implications are identified at this time.

The grant portfolios are divided based on the historical demand when grants were arranged in more granular topics such as arts, sports, childcare, festivals, heritage, etc. Some grant applications may qualify for more than one portfolio, and staff who receive the applications may arrange interviews with the applicants for more information as required before assigning the application to one of the three portfolios for review. At this

time, staff are not seeking Council's feedback on the allocation of the various portfolios, as this is one of the anticipated components of the analysis and review. The breakdown of 2023 and 2024 Grant Program commitment is:

Granting area	2023 Budget
Portfolio 1	\$331,519
Portfolio 2	\$343,611
Portfolio 3	\$93,840
City Services	\$184,080
One Time Small Grant	\$13,000
Residents Association Grant ¹	\$2,400
Total	\$968,450

Note, there are additional grants that the City offers from other budgets, such as the Non-Profit Capacity-Building Bursary Program offered by the Economic Development division. The annual budget for that is currently set at \$8,000 and is funded through the division's annual operating budget. Future comprehensive review and analysis work on the granting program overall is anticipated to find ways to bring all grants into a single portfolio for better coordination, rather than operating separately across various business units.

DISCUSSION

Strategic Plan Alignment

With the inclusion of *Community Belonging and Connecting* as the centre of the Council Strategic Priorities Plan (2023-2026) events, festivals, and programs funded by the grant program are highlighted as key ways that the City can work toward achieving the stated objectives and outcomes of this area of the [Strategic Priority Plan](#), the goal of which states: *New Westminster is a community where everyone belongs and has the opportunity to connect and contribute.*

Staffing Changes and Comprehensive Analysis

Recently, the grants program has experienced change in administrative oversight with staff moves and retirements, and an adjustment of available clerical services. While an interim staff lead has been identified, the reduction of available support has meant there is limited capacity to oversee the grants program in its current form. As a result, staff have identified ways to adjust the program for 2024 to maintain a standard of service delivery to the community with minimal disruption, and seek Council's direction to conduct a more fulsome analysis of the program. Now that the community is seeing a resurgence in events, festivals, projects, and programs that reflect a post-pandemic reality, the grant program requires a review to ensure it continues to remain responsive, relevant, and adaptable to the community need, such as whether the portfolios are working as intended, whether there are ways to improve process and reduce red tape for the applicants.

¹ A \$200 annual resident association grant is administrated by Legislative Services.

One-Time Small Grants Program

Staff recommend discontinuing the One-Time Small Grants program and re-allocating the funds to the City Services fund. The pressure on the City Services fund is significant with inflationary cost increases. While the small amount of funds (\$13,000 in 2023) has resulted in some successful projects, the One-Time Small Grants program was launched as a pandemic recovery initiative and has not seen significant uptake or successful delivery of impactful projects. City services are not an eligible expense for a One-Time Small Grant—these grants are cash awards only whereas the expense many applicants seek to have covered is City Services.

Anecdotal community feedback indicates that the timeframe from initial application through to post-event reports doesn't allow for adequate planning and execution of meaningful projects, and failure or delay in providing a post-event report can jeopardize the larger fall grant program. As a result, while the program does not receive a high number of applications it does require a significant amount of staff time to manage the application process. Additionally, there have been a number of instances in which funds were allocated to a successful applicant, but for a variety of reasons, the project did not take place, leaving the funds unavailable to use for the significantly oversubscribed regular grant program.

Reserve Fund

Staff seek Council's approval to begin the work of developing a reserve fund as a mechanism to capture funds that are allocated but go unused, so that they can be allocated to grant applicants in subsequent grant cycles. Because grant funds are allocated from operating budgets, when they are allocated to a community organization but go unused (i.e. the event doesn't go forward, the expenses are lower than estimated, etc.) there is currently no way to capture those funds that could be put to other uses in the community. Initial discussion with the City Solicitor and Finance Department staff indicate a Reserve Fund may be a valuable way for the City to retain the existing/allocated funding for future grant cycles and capitalize on other opportunities. However, because the in-kind City services come from operating budgets, more analysis is required by staff to determine feasibility. This idea was proposed to Council in the past, but staff believe it appropriate to revisit now given the many factors that contribute to the grant program's current success, and framework it operates within. Staff are recommending that Council direct staff to take the necessary next steps to conduct research - such as a best practice scan of other municipalities' - and bring back recommendations to Council later in the year for a financial structure that maximizes available funding to support the grant program.

NEXT STEPS

If the recommendations in this report are approved, the adjustments to the One-Time Small Grants will take place immediately and no spring 2024 intake will take place. Work will begin to conduct analysis of a financial structure and of the broader grant program and develop recommended refinements, which would be brought forward in late spring / early summer 2024 so that the 2025 grant intake (which begins in September) can be refined.

SUSTAINABILITY IMPLICATIONS

The recommendations in this report are designed to support the sustainability of the grant program. When considering the outputs of the program, there are sustainability implications for the organizations that are awarded grants both on the application end, where they are asked about their commitment to the Seven Bold Steps, and on the implementation of the event or project in ensuring it is carried out as sustainably as possible.

INTERDEPARTMENTAL LIAISON

Departments and divisions across the organization are represented through the grant program and participate in the interdepartmental working group. Staff from Finance, Parks and Recreation, Economic Development, and Corporate Services have provided input into this report.

OPTIONS

There are four options for Council's consideration:

1. THAT Council direct staff to discontinue the one-time small grants program and re-allocate the funding envelope of \$13,000 to the City Services budget for the fall intake;
2. THAT Council direct staff to investigate the development of a reserve fund for grants to support the sustainability of the program;
3. THAT Council direct staff to provide a more comprehensive analysis of the grant program and provide recommendations for improvements at a future Council meeting;
4. THAT Council provide staff with other direction.

Staff recommend options 1, 2, and 3.

CONCLUSION

Minor adjustments to the grant program are proposed at this time to ensure maximum efficiencies and minimal disruption to the community. As grants are an integral component of how organizations in the community are able to contribute to Council's strategic priority of *Community Belonging and Connecting*, it is important to minimize the disruptions they may experience participating in the grants program. As well, a more comprehensive review is required to ensure the program is adaptable, nimble, and representative of the organizations it helps support while at the same time maximizing the budget allocated to the program.

ATTACHMENTS

Attachment #1 – Grants Policy
Attachment #2 – Grants Criteria

APPROVALS

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