

# **REPORT**

## ***Community Services***

**To:** Mayor Johnstone and Members of Council  
**Date:** July 8, 2024

**From:** Blair Fryer, Acting Director, Community Services  
**File:** 2497875

**Item #:** 2024-413

**Subject: Grant Review**

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### **RECOMMENDATION**

THAT Council direct staff to include budget enhancements for the 2025 operating budget to continue a phased approach to refining the grant program.

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### **PURPOSE**

To provide recommendations from the Grant Program review, that has been undertaken following Council's endorsement February 26.

### **SUMMARY**

In February 2024, staff recommended a review to determine what changes would be beneficial to the grant program based on feedback from the community and changes in staffing at the City. In this report, staff are proposing a phased approach with specific changes that include enhancement requests in 2025 and beyond. The proposed approach addresses community's needs while making City administrative processes more efficient.

### **BACKGROUND**

The City has offered a granting program for many years, with minor refinements along the way. Larger scale program revisions occurred in 2018. Changing community needs and City staffing resources have prompted the need for another review.

With Council's adoption of the Council Strategic Priorities Plan, emphasis has been placed on the Strategic Priority area of "Community Belonging and Connecting"; however, the grant program and the grants that are funded through it are also

connected to the “People Centered Economy” strategic priority, and to a degree, “Safe Movement of People”, “Homes and Housing Options”, and “Asset Management and Infrastructure” strategic priorities.

In February 2024, staff provided Council with recommendations for a process to conduct this review and since then have been working to implement the recommendations, which are as follows:

1. *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. *Investigate the development of a reserve fund for grants to support the sustainability of the program;*
3. *Provide a more comprehensive analysis of the grant program and provide recommendations for improvements at a future Council meeting.*

Note, the #2 resolution stated \$13,000 which was in error. The correct budget amount is \$23,000.

## **ANALYSIS**

### **Consultation Process and Summary**

After the recommendations were moved and Council’s input was gathered, staff worked with the Public Engagement division to develop an engagement plan that included: discussion with the Arts, Culture, and Economic Development Advisory Committee (ACEDAC), a community survey, a municipal scan, a focus group, and personal interviews. This work took place from March to June 2024.

### **What We Heard**

The Civic Grants Program Engagement process started in April 2024 with an online survey launched on [Be Heard New West](#), followed by a focus group conversation with representatives from community groups that have applied for and/or received grants from the City. City staff also connected one-on-one with other representatives from grant-receiving organizations.

### **Opportunities to Engage**

- Be Heard New West Project Webpage
  - Launched April 15
  - 587 unique visitors as of May 31, 2024
- Online Survey
  - April 15 through May 6, 2024
  - 153 responses
- Virtual Focus Group
  - May 22, 2024

- 6 participants (includes 2 one-on-one discussions)

The opportunities to engage were communicated through the following methods:

- Email outreach to all City grant applicants from last three years
- Email outreach to all City committee members
- Email notification to various City email databases:
  - Be Heard New West subscribers
  - *Invest New West* newsletter subscribers
  - Citypage newsletter subscribers
- Social media posts (Facebook, Instagram, Twitter)

#### Key Themes from Focus Group and Discussion with ACEDAC Members

- Idea to evaluate grant applications using a values-based matrix, rather than Council priorities, to remove any potential political component
- Desire for City grants staff to take more time to learn about grant applicants' projects / programs, and build relationships
- Build in flexibility to meet the unique needs of service partners, with different approach for festivals / events / one-off programs
- Preference for unrestricted funding: grant recipient should be able to direct funds where they are most needed rather than only certain items for their program or event
- Preference for a single point of contact / City staff member to work with on grants
- Support for longer grant terms for partnerships (i.e. multi-year funding)
- Explore an idea of working with community partners to manage a micro granting program on the City's behalf

#### Survey Results

*Themes from the survey results are noted in the following section. The full What We Heard report, that includes a breakdown of answers by question and information related to the demographics of the survey participants, is included as Attachment 1.*

A survey was available on Be Heard New West from April 15 – May 6, 2024. The survey included questions for New Westminster residents, as well as those who represent community groups that may be eligible to apply for City grants.

Questions for community members focused on how they think the City should prioritize grant requests, and the overall grants budget. Questions for those who represent a community group covered topics related to the application process, grant criteria, and reporting requirements.

In general, survey participants supported the City continuing to offer a civic grant program, though there was no clear agreement for an increase in funding that might impact property tax rates – survey takers were divided on this issue with a nearly equal amount in support as against. The survey's key themes were similar to those heard at the focus group, and mentioned:

- Strong support for continuing to de-politicize the grant program

- An interest in enhancing program fairness, inclusivity, and impact with clear adjudication criteria, beyond Council's strategic priorities
- Support for longer term funding awards
- Balanced support for established and emerging organizations
- A simplified process for application and reporting
- Better communication and information sharing

There was limited or mixed support for a few of the ideas the survey introduced, such as a single adjudication committee or limiting the number of years in a row an organization could receive funding. Survey takers who represented community groups noted that they needed clearer communication from the City on opportunities as well as feedback from applications. An idea introduced in the survey was that there should be more than one tier of reporting requirements and this idea was supported. Overall, the feedback received has been incorporated into the recommendations that follow in later sections of this report.

### Municipal Scan

Across the region and amongst the municipalities staff selected to review, there is a wide variety in the methodology and priorities of civic grants programs. While New Westminster does rank high in the published dollar value of grants supported, it should be noted that many communities offer both a stream of grants that community groups compete for, and a stream of funding for community groups engaged in service delivery that is not accounted for in their stated grant budget. For example, one city in the region has contracted the operation of an Arts Centre, Theatre, and Gallery to the local Arts Council through a procurement process, and provides approximately \$800K in funding that is awarded outside of their granting program that supports this operations and their programming within it, but the community's published grant budget is significantly smaller.

In New Westminster, all applicants, even for those who are providing community services the City is unable to provide, must apply for and compete for funding. Across the communities scanned, there was also a wide variety in how grant programs operate; some only pay for program supplies and do not fund operational costs, some will only pay up to 25% of the stated cost to deliver, etc. Each community has a variety of processes and no one "best practice" was apparent from the scan.

Note, Vancouver was not selected as a comparator given the difference in size and scope of the granting programs.

<b>Community</b>	<b>Stated dollar value of community grants via publicly available information, not including any service delivery partnerships outside of a granting program</b>
New Westminster	\$975,000
City of North Vancouver	\$311,000
Metro Vancouver	\$300,000

Port Coquitlam	\$150,000
Coquitlam	\$293,261
Port Moody	\$43,342
Maple Ridge	\$25,000
Surrey	\$691,356
Richmond	\$880,000
Kelowna	\$800,000
Victoria	\$512,161

## **DISCUSSION**

### **Reserve Fund**

Addressing the second recommendation that was moved in February 2024, staff from Community Partnerships collaborated with staff from Finance and investigated several possible options that might capture unused funds within a fiscal year. While a reserve fund is a possibility, what remains is to identify a funding source and at this time staff do not recommend that a reserve fund be established. Analysis has identified that this reserve fund would be valuable for use when opportunities come up within a calendar year that the Community Partnerships division can take advantage of to plan and implement events or programs that support community belonging and connecting. For example, if a federal government grant were to be announced that the City could apply for that requires matching funds, the reserve fund could be drawn from. However, Finance staff indicated that the existing established financial process is sufficient to meet the needs should senior government funding opportunity arise. The Community Partnership division can submit a budget request to draw from the General Fund Provisions Reserve (which is currently the funding source for the Grant Program); therefore a separate Grant program reserve is not required.

### **Micro-granting**

A possible promising practice is to refine the Grants Policy that frames the administration of the grant program so that mid-year, backed with a sense of what funds may not be used in the fiscal year through communication with community groups whose plans may have changed, staff can pivot to maximize the grant budget and support additional community projects. Staff recommend that starting in 2025, funds identified as unused in Q1 and Q2 be allocated to a small grant program that opens and is adjudicated in Q3, and features grants of \$500 or less. In the analysis for this report, it was noted that the existing Neighbourhood Small Grant program, offered through New West Families will lose funding at the end of 2025. While it is not the City's role to replace this community grant program, staff anticipate a number of small grant applicants seeking alternative funding and a low barrier grant program would facilitate ensuring these hyperlocal events/activities can continue within the community. This grant stream would operate by prioritizing low-barrier access to modest amounts of funds. Payment would be upfront in Q3 or Q4 within the year, and funded projects would have minimal reporting requirements. Adopting this approach is also an effective way to incubate new and emerging ideas, and to ensure equitable access opportunities

to fledgling organizations or community members who wish to receive funding but lack capacity.

Staff have also given consideration to the City working with a community partner to support a micro-granting program, however more analysis is required as early research indicates this would require an administrative budget and at this time, the program would not be dealing with a significant amount of funds to rationalize the expenditure. In a future iteration with additional resources, a small grant program administered by community partners(s) could be considered. The community partner(s) would be pre-selected through a call for expressions of interest that responds to a priority identified by Council.

Staff recommend the small grant program begin in 2025. The City's Retail Strategy also recommended exploration of a provision of micro grants to encourage public space activation and beautification ideas in commercial areas, however this requires further analysis to be implemented effectively.

#### Changes to the Granting Program

Staff recommend several changes to the granting program that would take place in a phased approach over the next three years. Feedback received through all engagement expressed concern with negative impacts to grant recipients as a result of many changes being implemented quickly, with a particular impact on smaller community organizations that already struggle with low capacity in administration and grant writing. As a result, staff have developed a phased approach over three years commencing summer 2024 with full implementation anticipated by summer 2027.

What follows is the recommended changes, arranged chronologically. Overall, the changes work toward: continued de-politicizing the grant program, using a values and equity-based approach to adjudication, building relationships with grant applicants and recipients, improving the process including both reporting and reimbursement, and ensuring financial growth for the overall program.

Action	Timeline
<b>Phase 1</b>	
<b>Online Platform</b> Staff have identified and selected a replacement platform that allows for in-house configuration, advanced customization, embedded reporting and with a cost savings of approximately \$20,000 annually. This platform is being configured now and will be operational for the next grant intake.	Q3 2024
<b>Improved Reporting</b> The grant review feedback showed that the community has an interest in better understanding what types of initiatives have been funded, and that grant recipients have a desire for less onerous and rigid reporting. As such, staff recommend multiple levels of reporting requirements based on the dollar value of the grant awarded divided	Q3 2024

<p>into four categories based on the value of the grant awarded: \$500 and less, \$501-\$5,000, \$5001-\$15,000, and grants of \$15,001 and up. Receipts and supporting documentation will be required for expense reimbursement. However, storytelling, relationship-building, and community impact will also be considered when assessing the amount of detail necessary.</p>	
<p><b>Funding Terms</b> Staff recommend the allowance of five year funding arrangements to commence in the Fall 2024 intake.</p>	Q3/Q4 2024
<p><b>Partial Payment up Front</b> In the consultation, participants noted the challenge in carrying the financial burden of their single year grant award until after their event or program concludes. Staff recommend 100% payment for cash grants of \$500 or less, and 50% payment up front for recipients who have previously demonstrated the ability to carry out their proposal. While this does introduce additional administrative responsibility for the City, it does support community partners in their planning.</p>	Beginning 2025 fiscal year, impacting grants awarded in fall 2024
<p><b>Budget Enhancements for Staffing and Communication</b> Staff recommend including budget enhancements in 2025 budget deliberations to build capacity in the grant function of Community Services. This includes a permanent, full-time grants coordinator whose role will include not only overseeing the grant program, but in continuing to build relationships with grant applicants and moving the phased recommendations forward. This cost is identified at approximately \$70-\$80K plus benefits annually, but would be refined during the budgeting process based on the job specifications.</p> <p>Currently, staff capacity is limited and the grants program is administered by several staff working in other roles who contribute to the work despite it not being identified in their work plans. This results in community organizations reporting that they are not sure who to connect with for questions. The Grants Coordinator would be tasked with developing and implementing a more detailed work plan for the remaining phases, including identifying future budget requests or modifications based on the recommendations in this report.</p> <p>Additionally, staff recommend the addition of a budget for marketing and promotion of both the calls for applications and the reporting back to the community. Feedback from the engagement indicated that the City's communication in both areas would benefit from improvement. \$5K is identified for design, production, implementation, and paid advertising costs.</p>	Budget development for 2025 budget
<p style="text-align: center;"><b>Phase 2</b></p>	

<p><b>Improvements to Adjudication Model and Grant Process</b> Community consultation indicated support to move to a values-based model that does not rely on changing Council strategic priorities and instead reflects the values of the community. Specifically, the feedback received expressed concern with relying on strategic plans that may change as a new Council is elected, making it challenging for community organizations to pivot operations to match well enough to be awarded a grant. Feedback also found no apparent support for a single adjudication committee, however it was noted that the current three committee structure was not preferred either.</p> <p>An exercise that included community consultation to determine the adjustments would need to be conducted, however this would require more time than what is currently available and should occur after a Grants Coordinator is hired. To facilitate the fall 2024 intake, the current structure should be maintained.</p>	Q1/Q2 2025
<p><b>Calculation of City Services</b> Feedback received indicates that how City Services are calculated also requires adjustment to make the process more transparent and easier to understand. However, this is recommended as an adjustment for the fall 2025 intake rather than the fall 2024, as it will require interdepartmental analysis to understand where the challenges lie. Some of the concerns raised were related to the cost of policing, waste removal, and rental of facilities and suggestions were received to post a list of fees and charges that community organizations could use to calculate their grant proposals before the application window opens. It is important that staff can quantify the true costs of supporting events and programs through the granting program.</p>	Q2 2025
<p><b>Microgranting</b> Development of a microgrant program using unused funds from Q1 and Q2, administered in Q3. This program would feature grants of \$500 or less, and would prioritizing low-barrier access with payment upfront. Very little reporting or receipt reimbursement will be required as it will be designed as an incubating and capacity building program.</p>	Q3 2025
<p><b>Mentorship for Incubating or Emerging Community Initiatives</b> During all phases of consultation, staff heard that incubating and emerging community initiatives require additional support to have equitable and inclusive access to grant funding. An early task for the Grants Coordinator is the development of a mentorship program that might include peer or staff support to increase capacity for community members or groups with emerging initiatives.</p>	Q3 / Q4 2025 (in time for the fall intake of grants)
<p><b>Total Funding Envelope Budget Increases</b> Staff heard in the consultation for this review that the costs of</p>	Budget 2026 and beyond



producing events or in providing services has increased in every aspect, and continues to do so. Community groups are tasked with doing more with less. Staff recommend that Council consider increases to the granting budget as the financial planning allows.	
<b>Phase 3</b>	
<b>Development of a Service Delivery Partnership Model</b> Staff recommend consideration of a service delivery partnership model to address community needs by leveraging expertise in the non-profit sector in New Westminster to deliver critical services to serve the community based on the values determined in Phase 2. This would be separate from, but related to, the granting process and require a budget allocation. Unlike a Fee for Service model which is entirely defined by a contract that specifies activities and is located within the business unit that oversees the area requiring service (such as the operating agreement in place for Anvil Theatre), a “Service Delivery Partnership” model would leverage niche non-profit expertise to deliver services that align with the City’s service delivery goals and values. Examples may be organizations that provide services to vulnerable or marginalized populations, or promote and develop arts & culture in the community. These would be long-term, highly-engaged relationships. Informally, these partnerships already exist, however the challenge is that they are currently only able to apply for and secure three year funding for specified activities, and despite being uniquely positioned, are required to compete for funds to deliver services the City relies on.	Analysis and Planning 2026, Budget considerations and Implementation 2027

### **NEXT STEPS**

Staff continue to work on the configuration of the new online platform, and it will be operational for the fall 2024 intake. If the recommendations in this report are adopted, staff from Community Services will work with Finance and Human Resources to implement the Phase 1 recommendations: include a 2025 budget enhancement request for a permanent, full time Grants Coordinator and a communications and promotion budget, implement tiered reporting requirements for grant recipients, and introduce up to five year funding arrangements. No increase in staff resources attached to this portfolio would restrict changes to the grants program to Phase 1 only. Currently, staff capacity in Community Services does not enable implementation of Phases 2 and 3 without additional staffing resources. Other recommendations as outlined in Phase 2 and Phase 3 of the grants refinement process would be led by the Grants Coordinator and additional reporting would come to Council as work progressed.

### **FINANCIAL IMPLICATIONS**

At this time, staff have identified cost savings of approximately \$20,000 annually by moving to a new grant software provider. Enhancement requests have been identified for the 2025 budget that will be required in order to make the recommendations in this report achievable: a permanent, full time grants coordinator (\$70,000 to \$80,000 plus

benefits annually based on job specification) and a communications and promotions budget of \$5,000 annually. Future financial implications may be required to implement future changes. Staff will bring those recommendations to Council at a later date.

### **INTERDEPARTMENTAL LIAISON**

Staff from Economic Development (Community Partnerships) and Public Engagement divisions, as well as staff from the Finance Department have contributed to this report.

### **OPTIONS**

There are two options for Council's consideration.

1. THAT Council direct staff to include budget enhancements for the 2025 operating budget to continue a phased approach to refining the grant program.
2. THAT Council provide staff with other direction.

Staff recommend option 1.

### **CONCLUSION**

Community feedback has prompted a need for the civic grant program to undergo refinements that address concerns and limited staff capacity. Using a phased approach is realistic and achievable, and acknowledges concern in the community of many changes happening quickly while also making planned improvements.

### **ATTACHMENTS**

What We Heard Report – Attachment 1

### **APPROVALS**

This report was prepared by:

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