



## **Governance and Priorities Committee Report**

### **For the Meeting of September 17, 2015**

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**To:** Governance and Priorities Committee      **Date:** September 4, 2015  
**From:** Susanne Thompson, Director of Finance  
Katie Hamilton, Director of Citizen Engagement and Strategic Planning  
**Subject:** Lessons Learned from Implementing the City's New Grant Process and Direction  
Regarding Potential Changes to the Policy

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#### **RECOMMENDATION**

That Council direct staff to bring forward amendments to the grant policy to implement the following changes:

1. Require that applicants demonstrate which strategic outcome their project will achieve
2. For arts applications, reduce the eligibility to only those organizations that do not fit under the CRD's Art Fund
3. Redirect all festival applications to the Festival Investment Grant application intake
4. Implement the following limits:
  - a. Only fund one-time projects; provide no ongoing operating funding
  - b. Only fund projects that primarily benefit City of Victoria residents, not Greater Victoria
  - c. Reduce the cap for project grants from 75% to 50% of total project cost
  - d. Implement a maximum award amount of \$25,000
  - e. Require that grant requests be related to "taking action" in the community and provide clear direction to staff as to what this means
  - f. Allow only one strategic plan grant application per organization
5. Redirect projects that impact public space to a separate participatory neighbourhood funding stream
6. Improve the application form and asking applicants to:
  - a. Outline who will benefit from the project
  - b. Outline how much of the project cost is being requested
  - c. Identify and provide proof whether other funding sources have been confirmed or are pending
  - d. Outline which strategic outcome the project would achieve
7. Establish a process for addressing situations where grant requests exceed available funding:
  - a. Staff will provide options for reducing the cap imposed by the policy to a percentage that will fit the available funding.

#### **EXECUTIVE SUMMARY**

The purpose of this report is to outline lessons learned implementing the City's new grant process and seek direction regarding potential changes to the policy before the 2016 intake which is scheduled to start in September 2015.

Council approved a new grant policy for 2015 following a number of staff reports and public consultation opportunities starting in December of 2014. The new policy is intended to be implemented over a two-year period with the goal of a streamlined and consistent process for all competitive grants that provides greater flexibility for Council and increases Council involvement and oversight.

In implementing the process, a number of lessons were learned. In staff's opinion, the process worked well in achieving the goals of the new policy by inviting new applicants to apply, having consistent application and evaluation criteria, having staff involved in an objective manner only, having a goal of providing earlier approvals, not having any program undersubscribed, and having more Council involvement and oversight.

However, there are areas for improvement to make decision-making easier for Council including narrowing the scope and eligibility of the currently very broad program by adding limits such as a maximum award amount, a cap on the number of applications an organization can submit, providing project funding only, and reducing the maximum request for project grants from 75% to 50%. Also, requiring that applicants outline which strategic outcome their project will achieve rather than simply showing alignment with the very broad strategic objectives would narrow the scope.

In addition, re-directing grants that impact public space to a separate neighbourhood/placemaking funding stream, potentially with a matching funding component and a participatory budgeting opportunity is a possibility for 2016. A more detailed report will be brought forward to Governance and Priorities Committee meeting for Council's consideration on October 8.

Staff received varied feedback from applicants. Earlier consideration of applications for upcoming year, is generally seen as favourable. Some applicants appreciated the opportunity to present their application to Council, and other found it onerous. Some applicants suggest that the oversubscription will encourage applicants to seek higher amounts in future to "cushion" their application from general reductions. One intake, and consistent requirements is seen as favourable and helpful.

Based on past experience this year and prior years, it is likely that the City will continue to receive requests in excess of the funding allocated by Council. Therefore, it might be helpful for Council's decision-making to determine a process for addressing such a situation.

## **PURPOSE**

The purpose of this report is to outline lessons learned implementing the City's new grant process and seek direction regarding potential changes to the policy before the 2016 intake.

## **BACKGROUND**

On December 18, 2014, Council approved realigning the existing grant programs into two categories: direct award grants, and program grants consisting of Festival Investment grants and grants aligned with the 2015-2018 Strategic Plan. The primary objective was to differentiate grants that are provided to organizations who provide a service on behalf of the City (grants are directly awarded without a competitive process), and all other project or operating grants which would go through a competitive process. For the latter, staff were directed to bring back a streamlined process and evaluation criteria for Council's consideration upon completion of the 2015-2018 Strategic Plan.

On April 23, 2015, staff outlined a new policy and process for Council's consideration (report attached as Appendix A). The goal of the proposed grant program was to implement best practices and create:

1. A consistent and streamlined process that would allow new applicants to apply, have consistent evaluation and reporting back criteria, and provide for earlier approvals than prior years;
2. A grant program that would provide Council greater flexibility to allocate funding to those organizations that best assist in achieving the City's strategic objectives and avoids the historic undersubscription of some grant programs; and
3. A process with more Council involvement and oversight as identified through the public consultation on the draft strategic and financial plans

At that time, Council directed staff to seek feedback from organizations impacted by the proposed policy change. That feedback was reported to Council on June 4, 2015 (report attached as Appendix B) and Council approved the policy changes as amended based on the input received.

The 2015 application intake closed on June 26, 2015 and the eligible applications were brought to Council on July 9, 2015 followed by a Town Hall meeting on July 15, 2015 for presentations from those organizations requesting grants of \$10,000 or more.

On August 5, 2015 Council went through the process of awarding the 2015 Strategic Plan, Micro and Community Garden Volunteer grants.

At that time councillors provided feedback regarding their observations of the new process. The following groups the feedback by the themes that emerged:

### Arts and Festivals

- Arts applications eligible under the CRD Arts Fund should not be eligible under the City's strategic plan grants
- Having a separate funding envelope for grass roots arts organization
- Having a separate funding envelope for arts
- Directing all festival/events applications to the Festival Investment Grant Policy

## Limits

- Having fewer categories with clear envelopes of funding
- Putting a cap on how many applications an organization can put in
- Having a maximum amount for grant awards
- Requiring that grant awards be limited to projects that benefit City of Victoria residents, not Greater Victoria
- Requiring grant requests to be related to “taking action” in the community
- Grants related to social and health related projects that should be funded by the senior levels of government should not be eligible under the City’s policy
- Having clearer rules around infrastructure requests
- Limiting the funding to one-time projects only; provide no ongoing funding

## Policy and Process

- Update the policy to provide staff with clear principles/criteria for staff to evaluate each application against and provide recommendations for Council’s consideration
- As part of the application form, ask the applicant to provide information on who is going to benefit
- Staff to provide more information to Council regarding each grant application, including how much of the total project cost is being asked for and whether any other funding the organization has applied for has been confirmed
- A desire to keep the politics out of the decisions
- Having a policy that is principle based
- Narrowing the scope of the policy since the strategic initiatives are much too broad
- Exploring options for handing the funding over to a third party such as the Victoria Foundation to adjudicate the grants on behalf of the City

## **ISSUES & ANALYSIS**

The current policy and process aim to achieve a streamlined and consistent process that provides greater flexibility for Council, and more oversight and involvement by Council. There were a number of lessons learned from this year’s process as outlined below.

Staff believe the following worked well:

### 1. Separating the direct-award grants from the competitive grants.

All grants for organizations that provide a service on behalf of the City (community and seniors centres, neighbourhood per capita grants, Victoria Heritage Foundation, Victoria Civic Heritage Trust, and Recreation Integration Victoria) are now directly awarded to those organizations without a competitive process. The organizations are still required to submit a report on achievements annually.

With the exception of Festival Investment grants and Fee-for-Service grants, all remaining grant programs were replaced with the new Strategic Plan grant program. The fee-for-service grants will be replaced with the Strategic Plan grants in 2016.

### 2. Inviting new applicants to apply

In the past some organizations were not able to apply since their projects did not fit within the City’s programs, and the Fee-for-Service grants did not have a competitive process. Although

the fee for service grant were directly awarded this year to provide ample notice to those organizations, next year all organizations will have to compete for funding leveling the playing field. This saw an increase in applications from \$330,072 to \$511,499.

### 3. Having consistent application and evaluation criteria

In the past, the City's grant programs had inconsistent processes. Some (sustainability and neighbourhood development, greenways and arts grants) had competitive processes with extensive evaluations whereas the fee-for-service grants only required a simply request with deliverable (Maritime Museum, Tourism Victoria, and Coalition to End Homelessness).

For 2015, the application and evaluation process was the same for the first four listed above and for 2016, Council approved discontinuing the fee-for-service grants so that all competitive grants are aligned. This alignment improves the City's ability to effectively communicate the opportunity to access City grant programs

### 4. Staff involvement

Staff's involvement in the evaluation of eligibility was objective, and Council determined the merit of each application. The subjective evaluation of the merit of applications is not staff's role and is a matter for Council to provide direction to staff as a recommended best practice.

### 5. Earlier approvals

Although the 2015 grants were awarded later than typical, going forwards the intent is to have all grants awarded in the fall in the year prior. This has two benefits: it provides certainty for grant applicants earlier; and grants will be awarded prior to setting the budget for the following year, which will eliminate any potential conflicts of interest for individual councillors when approving the financial plan.

### 6. No program was undersubscribed

In the past, some grant programs (for example, greenways and youth outreach) were undersubscribed and funding remained unallocated after the application intake. Council awarded the entire \$207,000 budget allocated in 2015 plus an additional \$36,000 from the strategic objectives account, compared to only awarding 80% of total available funding (\$144,000 of the \$181,000 budget) in 2014.

### 7. More Council involvement and oversight

The new process provided Council with all applications for review and required organizations whose grant requests were \$10,000 or more to present to Council. However, it resulted in a longer process and made decision-making more difficult for Council.

### 8. Micro-grants and Community Garden Volunteer Coordinator grants

Council initiated two new grant programs through its strategic planning process. The application and award process worked well and Council will be able to determine if the programs achieved the intended results based on the reporting back from the organizations who received funding before the 2016 grants are awarded.

Based on the feedback from the meeting of August 5, 2015, there are a number of improvements that can be made to address the concerns expressed. Staff suggest the following improvements for Council's consideration:

1. Scope and eligibility

The current policy has a very broad scope, which results in a large number of applications. In addition, having a competitive process and inviting new applicants to apply makes decision making more difficult since all applicants are competing against each other for limited funding. However, the broader scope allows Council more flexibility to award grants for applications that demonstrate more merit than others.

Should Council wish to reduce the number of eligible applications, the scope could be reduced by requiring that applicants must achieve a stated outcome of the Strategic Plan. The applications received this year fit under the strategic plan objectives, but very few clearly stated which outcome the proposed project would achieve.

The feedback provided by some councillors suggested reducing the number of categories or having separate funding envelopes. While this might not reduce the number of applications received, it may result in fewer applicants competing within a specific envelope. To avoid undersubscribed categories as in the past, should insufficient eligible applications be received for a specific funding envelope, that funding could then be allocated to the other funding envelopes for that particular year. This way Council still obtains the flexibility objective of the policy.

2. Arts grants

A number of suggestions regarding arts grants was provided including limiting the City's funding to only grass-roots arts organizations who would not be eligible under the CRD Arts Fund, creating a separate funding envelope for arts, and redirecting all festival grants to the Festival Investment Grant intake. In 2015, the total grants awarded for arts through the Strategic Plan grants was \$20,112 plus \$156,000 through the Festival Investment Grants totalling 48.5% of the total funding available (\$176,112 out of total of \$363,000). The two festival applications (Thinklandia, and Victoria International Jewish Film Festival) received under the Strategic Plan grant category were not eligible under the Festival Investment Grant Policy since they did not have a free component.

3. Limits

The current policy includes a number of limits that are intended to ensure the City is not the sole financial support, and that the Victoria citizens benefit from the programs and projects. The limits are:

- Requests to cover the applicant's administration costs are capped at 18%
- Applicants are required to be located within the Greater Victoria area
- Requests for annual operating funding are capped at 50%
- Requests for project funding are capped at 75%
- Capital equipment, such as computers and office equipment, is ineligible

To reduce eligible applications or eligible amounts, the following changes or additional limits could be considered:

**a. Limiting the funding to one-time projects only; provide no ongoing funding**

This would mean that no organization would be relying on the City for ongoing operating funding. For 2015, all Strategic Plan grant applications received were for project funding so this limit would have had no impact. However, under the Fee-for-Service grants (see list on p. 12 of 14 in Appendix A) to be aligned for 2016, many are for ongoing operating funding. At this time, it is unknown what the impact to those organizations would be and if any of them would instead apply for project funding.

**b. Requiring that grant awards be limited to projects that benefit City of Victoria residents, not Greater Victoria**

Many organizations offer their services beyond City of Victoria borders so this limit would reduce the number of eligible applications. Alternatively, a reduced amount such as a maximum 25% of project amounts could be considered.

**c. Reducing the cap for project grants to 50% and operating grants to 25% (assuming operating funding remains eligible)**

This would reduce the eligible amounts.

**d. Implementing a maximum grant award amount**

This would potentially mean that available funding will reach more organizations. However, the grant award amounts for Strategic Plan and Fee-for-Service grants in 2015 ranged from \$850 – \$100,000 so it might be difficult to determine the appropriate maximum amount. Some of the City's previous grant programs did have maximums: Greenways had a \$25,000 maximum and Neighbourhood Development had \$10,000. In researching other communities, grant maximums vary and there doesn't appear to be a common practice. A summary is attached as Appendix C.

**e. Implementing a cap on the number of applications per organization**

Based on 2015, this would have reduced the number of Strategic Plan grant applications by 3 out of 55 received (Downtown Blanshard Advisory Committee-Quadra Village Community Centre; James Bay New Horizons; and Victoria Community Micro Lending Society). Should Council wish to apply this restriction to all grants the City offers including direct-award, micro and community garden volunteer grants, this would have reduced the number of Strategic Plan grant applications by 14 (11 from community and seniors centres and neighbourhood associations, two from Fee-for-Service and one that applied for both a strategic plan and a micro grant; the list is outlined in Appendix D).

**f. Requiring grant requests to be related to "taking action" in the community**

Implementing this limit would require a clear definition of what "taking action" means.

**g. Senior government areas of responsibility**

Making grants related to social and health related projects that are the responsibility of senior levels of government ineligible would reduce the number of applications received. For example, the Coalition to End Homelessness and Aids Vancouver Island would likely be deemed ineligible. This could mean that projects related to social and health issues under the objective to "Facilitate Social Inclusion and Community Wellness" in the City's Strategic Plan would no longer be an eligible.

#### 4. Projects that impact public space

Projects in public space are eligible under the current policy. There is an opportunity to redirect these applications to a neighbourhood/placemaking funding stream, potentially with a matching fund requirement, and a participatory budgeting opportunity. A separate report will be brought to Council for consideration in October

#### 5. Application form

To provide additional information to assist in Council's decision making, the following improvements to the application form are suggested:

- Adding information on who will benefit
- Outlining how much of the total project cost is being requested
- Identifying and providing proof that any other funding the organization has applied for has been confirmed or is still pending
- Adding which strategic outcome the project would achieve, not just which strategic objective the request fits under

#### 6. Over-subscription of grant funding

As was experienced during this year's grant intake, similar to previous years, applications received far exceeded the funding available. In addition to imposing limits on eligibility, developing a process for addressing such a situation would help streamline the process in future years. There are a number of approaches that could be considered:

- Reduce all grants for all applications proportionately. This approach would be simple, but would assume that all applications have the same merit.
- Reducing the limits imposed by the policy, for example reducing the maximum amount of a project budget from 75% of total cost to 50%. This approach would be simple, but would assume that all applications have the same merit.
- Allocate the available budget equally between the strategic plan objectives that have applications and pro-rate the applications within each. This approach would be simple, but would assume that all applications have the same merit.
- Rate and prioritize grant requests and approve those that score highest first and when available budget is allocated, the remainder are declined. This is a complex process, but would allocate funding to those projects that have the most merit.

#### 7. Improving the decision-making process for Council

To assist in improving the decision-making process for Council, the following process improvements could be made:

- Staff could provide a summary outlining the following for each applications:
  - Name of organization
  - Short description of what the request is for
  - The strategic outcome the project will achieve
  - Amount requested
  - Eligible amount
  - Percentage of total project cost requested
  - Other funding sources including whether confirmed or pending
  - How many people will benefit from the project



- Staff could provide options for fitting requests within allocated grant budget
  - Reduce the cap imposed by the policy to a percentage that will fit the available funding, for example, maximum 40% of total project cost. This would mean that an organization requesting 50% of project cost would see the amount reduced to 40%, but an organization requesting 25% would not be reduced.
  - Reduce all applications proportionately
  - Reduce the cap of \$25,000 (assuming Council approves this cap) to a lower amount

## OPTIONS & IMPACTS

### Option 1: Implement further limits and process changes

1. Require that applicants demonstrate which strategic outcome their project will achieve
2. For arts applications:
  - a. Reduce the eligibility to only those organizations that do not fit under the CRD's Art Fund
  - b. Redirect all festival applications to the Festival Investment Grant application intake
3. Implement the following limits:
  - a. Only fund one-time projects; provide no ongoing operating funding
  - b. Only fund projects that benefit City of Victoria residents, not Greater Victoria
  - c. Reduce the cap for project grants from 75% to 50% of total project cost
  - d. Implementing a maximum award amount of \$25,000
  - e. Only allow one strategic plan grant application per organization
  - f. Require that grant requests be related to "taking action" in the community and provide clear direction to staff as to what this means
4. Redirect projects that impact public space to a separate participatory neighbourhood funding stream
5. Improve the application form and asking applicants to:
  - a. Outline who will benefit from the project
  - b. Outline how much of the project cost is being requested
  - c. Identify and provide proof whether other funding sources have been confirmed or are pending
  - d. Outline which strategic outcome the project would achieve
6. Establish a process for addressing situations where grant requests exceed available funding as follows:
  - a. Staff will provide options for reducing the cap imposed by the policy to a percentage that will fit the available funding, for example, maximum 40% of total project cost. This would mean that an organization requesting 50% of project cost would see the amount reduced to 40%, but an organization requesting 25% would not be reduced.
7. In addition to the process outlined in point 6 above, to assist in improving the decision-making process for Council, staff will provide a summary outlining the following for each applications:
  - a. Name of organization
  - b. Short description of what the request is for
  - c. The strategic outcome the project will achieve
  - d. Amount requested
  - e. Eligible amount
  - f. Percentage of total project cost requested

- g. Other funding sources including whether confirmed or pending
- h. How many people will benefit from the project

This option would reduce the number of eligible applications and potentially make decision-making easier for Council.

Staff are seeking Council direction on the proposed recommended changes and seek guidance on deletions and additions.

Option 2: Do not implement any changes to the current policy

This option would not reduce the number of eligible applications and Council's decision-making difficulty would remain the same as in 2015.

*2015 – 2018 Strategic Plan*

The City's grant program is aligned with the City's Strategic Plan.

*Impacts to 2015 – 2018 Financial Plan*

The intent is for Council to consider grant requests in alignment with the financial planning process. The total amount awarded would be the budget for that year in the financial plan.

*Official Community Plan Consistency Statement*

Not applicable.

**CONCLUSIONS**

Council amended the grant process for 2015, to be phased-in over 2015 and 2016. Council also directed staff to bring forward recommendations providing options for Council's consideration to improve the process.

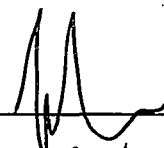
Respectfully submitted,

  
Susanne Thompson  
Director of Finance



Katie Hamilton  
Director of Citizen Engagement and Strategic Planning

**Report accepted and recommended by the City Manager:**

  
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**Date:**

\_\_\_\_\_ *Sept. 9, 2015*

**List of Attachments**

Appendix A: Proposed Alignment of Grants Program with City of Victoria 2015-2018 Strategic Plan

Appendix B: Summary of Public Input on the Proposed Grant Process and Approval of Fee-for-Service Grants

Appendix C: Summary of Maximum Grant Award Amounts in Other Communities

Appendix D: Organizations that Applied under Multiple Grant Programs

# Appendix A



## **Governance and Priorities Committee Report For the Meeting of April 23**

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**To:** Governance and Priorities Committee  
Susanne Thompson, Director, Finance  
Julie MacDougall, Acting Director, Parks and Recreation

**From:** Katie Hamilton, Director, Citizen Engagement and Strategic Planning

**Subject:** Proposed Alignment of Grants Program with City of Victoria 2015-2018 Strategic Plan

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### **Executive Summary**

The purpose of this report is to propose a new grant program, with a two-phased implementation, in alignment with the 2015-2018 Strategic Plan for Council's consideration.

As directed by Council in April of 2014, a review to streamline the grant process was initiated for implementation in 2015. On December 18, 2014 Council approved grouping existing grant funding into two categories: direct award grants and grants aligned with the 2015-2018 Strategic Plan. Although festival investment grants would fall into the strategic plan grant category, Council approved festival investment grants for 2015 in December of 2014 to enable those grant recipients to apply for Federal grant funding that had a December 31 deadline. Direct award grants (community and seniors centres, neighbourhood per capita grants, Victoria Heritage Foundation, Victoria Civic Heritage Trust, and Recreation Integration Victoria) for 2015 were approved on February 26, 2015. This report addresses the remaining grants that would align with the recently approved Strategic Plan.

In developing a new program, we researched practices in other communities and although processes vary, all grants require Council's approval. Many municipalities offer different grant programs: some with criteria for the specific funding streams and some without criteria where Council determines the merit of each application individually. Some have grant review committees including citizen members and some municipalities are focussing participatory budgeting efforts on grant programs. Typically, if staff recommendations are made for Council's consideration, staff are simply recommending that an organization applying be considered as they have been confirmed as eligible for the specific grant stream. Council determines the merit of the applications.

In the past, five grant programs had a competitive application process: festival investment, neighbourhood enhancement, greenways, community arts, and sustainability. The budget for these programs totalled approximately \$327,000, of which \$156,000 was allocated to festival investment grants. The remaining grant budget of approximately \$513,000 was for "fee-for-service" grants, for which there is no application intake or opportunity for new applicants seek funding, and grants have generally been approved for the same organizations each year.

The program for festival investment grants is proposed to remain unchanged. This program has a well-established and robust policy and guidelines. It is proposed that for 2015, the fee-for-service grant process remain the same, but that the neighbourhood enhancement, greenways, community arts, and sustainability program grants be discontinued and replaced with a single new grant program aligned with the 2015-2018 Strategic Plan. The Strategic Plan has a broad scope and organizations that applied under the previous grant programs will have an opportunity to apply under the new program.

For 2016, it is proposed that the fee-for-service grant program be discontinued and incorporated into the strategic plan grant program. This phase-in is recommended for 2016, to provide organizations with ample notice, in particular those that have not previously been required to go through a competitive process. Also, as the next phase of the financial planning process, Council has directed staff to explore options for participatory budgeting for 2016. Based on experience from other communities, using a portion of the strategic plan grants could be an opportunity.

The new proposed grant program is designed to provide City Council with greater flexibility, involvement and oversight in the award of grants. It is proposed that the application and evaluation process be consistent for all strategic plan grants, including the timing of applications and awards.

The new process will provide opportunity for new applicants to apply and will be assessed using common eligibility criteria. However, the grant program itself is proposed to be broader in scope encompassing all 13 strategic objectives so that applicants are not restricted to apply for one type of grant when their project or program achieves multiple strategic objectives. Also, it is recommended that one funding envelope be created, instead of individual funding allocations for each strategic objective. This provides Council greater ability to provide funding to applications that will help meet approved strategic objectives the best and should prevent the historical experience of having some grant programs that are undersubscribed.

As part of the Strategic Plan, Council also approved the creation of a micro-grant program for volunteer coordination of commons and community gardens and added \$36,000 to the Financial Plan to fund community garden volunteer coordinators in the six neighbourhoods that currently have community gardens. The micro-grant program has been added as a separate category in the proposed grant policy. The \$6,000 for each of the neighbourhoods with community gardens will be treated as direct-award grants to those neighbourhoods.

Staff's role in supporting the proposed grant program will be to ensure that applicants are eligible. All grants that impact public space will be further assessed to determine implications on the use and function of the public space as well as budget impacts for ongoing maintenance. Adjudication of the merit of grant applications is proposed to be done by Council. It is also proposed that all applicants make a presentation to Council, at special meetings, in support of their application and will be required to report back on achievements. This is common in other municipalities as well.

It is also proposed that for future years, grant applications be due in the fall to enable review and award for the future year in alignment with the financial planning process. This has two benefits: grant applicants will know sooner if they were successful; and Council will be able to award grants prior to setting the budget for the following year, which will eliminate any potential conflicts of interest for individual Councillors when approving the financial plan. This also provides greater administrative efficiency as well as improved ability to effectively communicate the opportunity to access City grant programs.

In 2015, due to the strategic planning process that concluded earlier this month, the grant process

for 2015 is later than desired. Staff are taking steps to ensure that applicants are well informed of the new process and will be offering assistance as applicants are putting their applications together. An information session is proposed to provide opportunity for not-for-profit organizations to learn more about the process and benefit from advice on how to prepare an effective proposal and presentation.

The above changes, along with common eligibility criteria, are reflected in the proposed *Grant Policy* found in Appendix A.

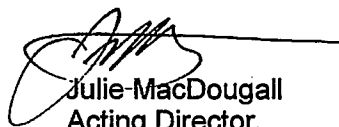
### Recommendations

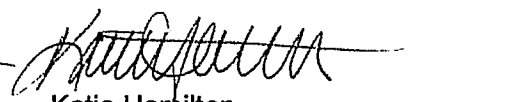
That Council:

1. Approve the proposed grant program and process incorporated into the *Grant Policy* as outlined Appendix A
2. Implement a phased-in approach as outlined in this report:
  - a. In 2015, fee-for service grant process will remain unchanged and neighbourhood enhancement, greenways, community arts and sustainability programs will be replaced with the new grant program aligned with the 2015-2018 Strategic Plan
  - b. In 2016, fee-for service grant process will be replaced with the grant program aligned with the 2015-2018 Strategic Plan
3. Direct staff to accept applications until May 24 and schedule two special Governance and Priorities Committee meetings the week of June 14 for presentation by eligible applicants
4. Direct staff to launch the intake for 2016 grants in September 2015 for approval by Council in November 2015 in alignment with the 2016 financial planning process
5. Direct staff to explore, as part of developing options for participatory budgeting, participatory budget opportunities for a portion of the strategic grant budget, prior to the 2016 grant process

Respectfully submitted,

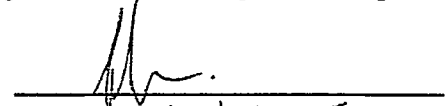
  
Susanne Thompson  
Director, Finance

  
Julie MacDougall  
Acting Director,  
Parks and Recreation

  
Katie Hamilton  
Director, Citizen  
Engagement and Strategic Planning

Report accepted and recommended by the City Manager:

Date:

  
Apr. 16, 2015

Attachments:

- Appendix A - Proposed Grant Policy
- Appendix B - 2013 and 2014 Grants Paid

## **Purpose**

The purpose of this report is to propose a new grant program, with a two-phased implementation, in alignment with the 2015-2018 Strategic Plan for Council's consideration.

## **Background**

The City of Victoria has supported the community through grants for over 40 years, contributing to the quality of life of residents, businesses and visitors. Some grants are used to fund delivery of services on behalf of the City, such as community recreation programs and heritage preservation. Other grants have supported festivals, community arts, social services, community and economic development.

The *Community Charter* prohibits the City from providing grants to businesses. Therefore, the grant policy only provides for grants to registered non-profit organizations.

The City has in the past offered several grant funding streams with different application intakes. The historical process required significant staff time to review applications and provide recommendations for Council's consideration. Some grant programs were oversubscribed, such as festival investment grants, whereas others did not receive eligible applications, such as greenways, and therefore remained unallocated (for 2014 the total unallocated amount was \$35,000 for greenways and youth outreach). In addition, in some grant categories, such as economic development, social service agencies and community development, there was no opportunity for new applicants to apply.

On April 10, 2014 Council requested that staff report back on a streamlined grant process for the 2015 budget year.

On December 18, 2014 Council approved the festival investment grants for 2015 for a cash award total of \$156,000. The remaining budget for Strategic Plan grants included in the draft 2015 Financial Plan is approximately \$710,000 (including \$25,000 unspent budget carried forward from 2014). As outlined in Appendix B, historically, the different grant program envelopes varied significantly as did the individual grant awards:

- Fee for service grants (for example outreach, compost education, Community Social Planning Council, Film Commission, Tourism Victoria, Greater Victoria Coalition to end Homelessness, and Greater Victoria Bike to Work Week) have totaled approximately \$500,000 with grant awards ranging from \$2,000 to \$100,000;
- Neighbourhood enhancement grants totaled \$30,000 with grant awards ranging from \$1,900 to \$5,000;
- Greenways grants totaled \$25,000 with grant awards ranging from \$10,000 to \$15,000;
- Community arts grants totaled \$30,000 with grant awards ranging from \$7,500 to \$10,000, and;
- Sustainability grants totaled approximately \$86,000 with grant awards ranging from \$4,600 to \$10,000.

Also on December 18, 2014 Council approved realigning grants into two categories: direct award grants and program grants based on Council's strategic plan. Direct award grants are provided to organizations that provide a service on behalf of the City, such as community and seniors centres; neighbourhood per capita base grants, heritage grants and Recreation Integration Victoria. Council approved direct award grants for 2015 on February 26, 2015.

Council also directed staff to develop the program for strategic plan grants upon approval of the Strategic Plan. The City's 2015-2018 Strategic Plan has 13 objectives:

1. Innovate and Lead

2. Engage and Empower the Community; Strive for Excellence in Land Use
3. Build Financial Capacity of the Organization
4. Create Prosperity through Economic Development
5. Make Victoria More Affordable
6. Facilitate Social Inclusion and Community Wellness
7. Enhance and Steward Public Spaces, Green Spaces and Food Systems
8. Complete a Multi-modal Active Transportation Network
9. Nurture Our Arts, Culture and Learning Capital
10. Steward Water Systems and Waste Streams Responsibly
11. Plan for Emergencies Including Climate Change Short and Long Term
12. Demonstrate Regional Leadership.

As part of the Strategic Plan, Council approved the creation of a micro-grant for volunteer coordination of commons and community gardens. This has been added as a separate category in the proposed grant policy.

Through the public consultation on the draft strategic plan and the draft financial plan, the City received feedback regarding grants as follows:

1. Do you have any general comments on the City's investment in grants?

In response, common themes included:

- Increased oversight of grants and who gets them is needed
- Support for grants that support arts and culture
- More details of these grants are needed – the public isn't aware of how these dollars are being spent
- Too much money is directed towards grants – they should go towards City services
- Increase scrutiny around the awarding of grants

2. City spending in this area should be:

more	101	
less	90	
it's just right	153	

344

Municipalities have different processes for grants, but all require Council's approval. Many offer different programs: some with specific criteria for the specific funding streams and some without criteria where Council determines the merit of each application individually. Some have grant review committees including citizen members. Typically, if staff recommendations are made for Council's consideration, staff are simply confirming that an organization applying was eligible for the specific grant stream. Council determines the merit of the applications.

### Issues & Analysis

The goal of the proposed grant program is to implement best practices and create a consistent and streamlined process where applicants outline how their project or program supports the achievement of the outcomes identified in the Strategic Plan. As outlined below, a number of considerations have been taken into account.

### Streamlined and Consistent Process

Overarching criteria would apply to all strategic grant applications and the application intake period would be aligned with the financial planning process in the fall of each year. Grant applicants would know sooner if they were successful, and applicants, such as those applying for festival investment grants, will be able to leverage other funding opportunities that have December 31 deadlines. The process would also allow for new applicants for all strategic grant objectives.

### Festival Investment Grants

It is recommended that the Festival Investment grants, including in-kind allocations, remain unchanged as outlined in the existing Festival Investment Grant Policy and Guidelines. This program has a well-established and robust process. Furthermore, the program is consistent with the Strategic Plan objective Nurture Our Arts, Culture and Learning Capital.

Due to the complexity of applications, specifically how the festivals fit within public space, and the required involvement from Police, Fire and other agencies, the detailed technical review process will also continue.

### Greater Flexibility for Council

It is proposed that the program have a broad scope encompassing all 13 strategic objectives.

Rather than establishing individual funding allocations for each strategic objective, it is proposed to pool the entire budget and allocate funding based on applications received in any given year. As a result, grant opportunities will be maximized with no program undersubscribed and Council will be able to allocate funding to those applicants that will best assist in achieving the strategic objectives.

### More Oversight and Involvement by Council

For the majority of the grants, staff's role would simply be to ensure eligibility of the applicant based on common criteria (see part 4 of Appendix A). It is proposed that applicants would make a presentation to Council and Council would determine the merit of each application.

To inform Council's decision making, grants that impact public space would be reviewed by staff to determine implications on the use and function of the public space as well as budget impacts.

### Micro-grants

As part of the Strategic Plan, Council approved the creation of a micro-grant for volunteer coordination of commons and community gardens. It is proposed that the maximum amount for a micro-grant be \$500. Since the grant amounts are small, it is recommended that applicants for micro-grants not be required to present to Council; however Council will still approve each grant.

In addition, Council added \$36,000 to fund community garden volunteer coordinators in the six neighbourhoods that currently have a community garden (\$6,000 each.)

### Reporting on Achievements

Organizations would be required to report on their achievements to demonstrate the result of the City's contribution.

### In-kind Grants

As part of the recent financial planning process, it was identified that in-kind grants are currently handled on an ad-hoc basis using a number of already established budgets within the financial



plan. It is proposed that a policy for in-kind grants be developed and that all in-kind grants be comprehensively reported on. It is proposed that this policy be developed in 2015 for implementation in 2016.

#### Participatory Budgeting

As part of the financial planning process, Council has directed staff to explore options for participatory budgeting for 2016. Based on experience from other communities, using a portion of the strategic plan grants could be such an opportunity

#### Limits on Grant Funding

It is proposed that a number of limits be included in the policy. These limits are intended to ensure the City is not the sole financial support of the applicant, and that the citizens of Victoria benefit from the programs and projects. It is suggested that:

- Requests to cover the applicant's administration costs be capped at 18%
- Applicants be required to be located within the Greater Victoria area
- Requests for annual operating funding be capped at 50%
- Requests for project funding be capped at 75%
- Capital equipment, such as computers and office equipment, be ineligible

#### Over-subscription for Grant Funding

Based on past experience, the City is likely to receive funding applications totalling more than the available budget. There are a number of different ways that Council could allocate the available funding and it is recommended that Council establish a process for addressing a situation where more funding is requested than is available. Some considerations for Council are:

1. Reduce all grants for all applications so that each application receives a proportionately smaller amount
2. Rate and prioritize grant requests and approve the applications that Council expects to contribute the most toward the strategic objectives
3. Increase the grant budget

### **Options & Impacts**

**Option 1:** Establish a single program with one funding envelope for all strategic objectives (recommended)

- Replace neighbourhood enhancement, greenways, community arts, and sustainability grant programs with the new grant program
- Festival investment grants remain unchanged
- Fee-for service grants remain unchanged for 2015; replaced by the new grant program in 2016

#### Pros:

- Provides Council with the most flexibility in that the applications with the most merit, based on the strategic objectives, could receive the most funding and not be restricted by amount in a separate funding envelope
- Provides ample notice to the organizations that have not applied under a competitive process previously

#### Cons:

- Could make decision-making more difficult since all applicants are competing against each other

**Option 2:** Establish a new program but allocate funding between all strategic objectives; festival investment grants remain unchanged; same phasing-in approach for fee-for-service grants as in option 1

Pros:

- Applicants know funding available for each category.
- Could make decision-making less difficult since applicants are only competing against other applicants in the same category.

Cons:

- Applications that have more merit than others may be declined due to limited funding for a particular strategic objective.

**Option 3:** Align existing programs with Strategic Plan objectives

Pros:

- Current programs are known by applicants

Cons:

- Does not address any of the shortcomings of the current programs (some oversubscribed, others undersubscribed; inconsistent processes between the grant programs, reporting requirement not consistent; for the majority of programs no opportunity for new applicants to apply)
- Not all strategic objectives would have a program and if funding envelopes remain the same there would be no funding available to create new ones

**Recommendations**

That Council:

1. Approve the proposed grant program and process incorporated into the *Grant Policy* as outlined Appendix A
2. Implement a phased-in approach as outlined in this report:
  - a. In 2015, fee-for service grant process will remain unchanged and neighbourhood enhancement, greenways, community arts and sustainability programs will be replaced with the new grant program aligned with the 2015-2018 Strategic Plan
  - b. In 2016, fee-for service grant process will be replaced with the grant program aligned with the 2015-2018 Strategic Plan
3. Direct staff to accept applications until May 24 and schedule two special Governance and Priorities Committee meetings the week of June 14 for presentation by eligible applicants
4. Direct staff to launch the intake for 2016 grants in September 2015 for approval by Council in November 2015 in alignment with the 2016 financial planning process
5. Direct staff to explore, as part of developing options for participatory budgeting, participatory budget opportunities for a portion of the strategic grant budget, prior to the 2016 grant process

## **Appendix A – Proposed Grant Policy and Application Form**

### **1. Purpose**

The purpose of the Grant Policy is to guide the City in managing grants with the exception of Housing and Festival Investment Grants which are guided under separate policies.

### **2. Objectives**

The objectives are:

- Support not-for-profit organizations serving the City of Victoria
- Enhance the quality of life for residents, businesses and visitors
- Deliver services on behalf of the City
- Complement or extend the reach of City service
- Provide a service the City would otherwise deliver given adequate resources
- Meet evolving strategic and community priorities
- Provide opportunity to a diverse group of applicants
- Promote sound financial management
- Provide a fair, consistent, effective and efficient evaluation process
- Promote transparency and accountability

### **3. Grant Definitions**

The City Grant Programs will consist of three grant streams: Direct Award Grants, Strategic Plan Grants and Micro Grants.

#### **Direct Award Grants:**

- For eligible organizations delivering a service or program on behalf of the City on an ongoing basis, including a service to operate City-owned facilities

Direct Award Grants are:

- a. Community and senior centre operating grants
- b. Neighbourhood base grants and insurance
- c. Heritage grants
- d. Recreation Integration Victoria
- e. Volunteer coordinators for each neighbourhood with a community garden

#### **Strategic Plan Grants:**

- For eligible organizations working on a project or program basis that supports the actions and outcomes of the City's 2015-2018 Strategic Plan Objectives

#### **Micro Grants:**

- For eligible community groups delivering a service or program for volunteer coordination of commons and community gardens

## **4. Eligibility Criteria**

### **Common Criteria**

**The organization must meet all the following criteria to apply for a grant:**

- Registered non-profit organization in good standing in the Province of BC or registered charitable organization in good standing with the Canada Revenue Agency
- Organization resides within the Capital Regional District and the services and activities benefit residents of the City of Victoria

- Complement or extend the reach of the City services
- Evidence of clear mandate and competent administration
- Evidence of ongoing, active volunteer involvement
- Not in arrears with the City of Victoria
- Not in bankruptcy or seeking creditor protection
- Demonstrate financial stability and accountability
- Evidence of diversity of funding sources and/or increasing financial self-sufficiency
- Applicants must apply for funding on an annual basis
- Projects or programs must be substantially completed within the grant time period
- Monitoring and reporting requirements

**The grant must be leveraged to create additional financial value by securing one or more of the following:**

- Funding from other governments
- Corporate sponsorships
- Matching funds
- In-kind contributions
- Waived fees and charges

**The following activities and costs are *ineligible* for grant funding:**

- Commercial activities and related costs
- Religious activities and related costs
- Land purchase and land improvements
- Activities and costs that are the responsibility of other governments
- Costs not directly associated with approved project, program or service
- Fundraising costs for the operations of the organization
- Travel costs
- Conference, workshop, training or professional development costs
- Deficit or debt repayment
- Re-investment of unused grant revenue by funded organization

### **Specific Criteria**

#### **Direct Award Grants:**

- Fund the operation of City-owned facilities and/or
- Deliver services on behalf of the City

#### **Strategic Plan Grants:**

The grant must support the outcomes of at least one of the following City Strategic Plan Objectives:

- Innovate and Lead
- Engage and Empower the Community
- Strive for Excellence in Land Use
- Build Financial Capacity of the Organization
- Create Prosperity through Economic Development
- Make Victoria More Affordable
- Facilitate Social Inclusion and Community Wellness
- Enhance and Steward Public Spaces, Green Spaces and Food Systems
- Complete a Multi-modal Active Transportation Network

- Nurture Our Arts, Culture and Learning Capital
  - Steward Water Systems and Waste Streams Responsibly
  - Plan for Emergencies Including Climate Change Short and Long Term
  - Demonstrate Regional Leadership
- and
- administrative costs are capped at a maximum of 18% of total budget
  - Organizations can be funded up to 75% of project or program costs
  - Operating funding up to 50%

**Micro Grant:**

- Must comply with all City's food policies such as the Boulevard Gardening Guidelines and Community Garden Policy
- Organizations can be funded to a maximum of \$500 per grant

**5. The Grant Review Process**

There is one intake period per year. All grants are awarded using a competitive process and/or performance based process.

The process of reviewing the grants would include the following steps:

1. Applications submitted by deadline
2. Staff review applications for eligibility
3. Applications that impact public space will be vetted through appropriate departments to assess the project or program feasibility
4. Staff report eligible applications to the Governance and Priorities Committee
5. Eligible Strategic Plan Grant applicants present to Council
6. Council assesses each application
7. Council awards and approves the grants
8. Grants distributed in July (to coincide with when the City receives its annual funding through property taxes)
9. Recipients report on grant use and deliverables

**6. Decision Making**

Staff will review all applications and evaluate based on the eligibility requirements. All eligible grant applications will be presented to Council for review. Eligible applicants applying for the Strategic Plan Grants will be required to make a presentation to Council. City Council will decide on all the grant allocations.

**7. Grant Limitations**

- Not all applicants meeting the Grant Program requirements will necessarily receive a grant
- Based on the number of applications, groups may not receive the full grant that they request
- Approval of a grant in any one year is not an automatic ongoing source of annual funding

**8. Monitoring and Reporting**

Each grant recipient will be required to submit an annual or post-program report as specified by the City.

**8. Repayment of Grant**

If the grant will not be used for the stated purpose, the full amount must be returned to the City.

## Appendix B: 2013 and 2014 Grants Paid

	2013 GRANTS PAID	2014 GRANTS PAID
<b><u>Fee-for-service</u></b>		
Greater Victoria Economic Development Agency	50,000	50,000
Greater Victoria Film Commission	45,000	45,000
SportHost	7,500	7,500
Tourism Victoria	47,500	47,500
Victoria Advanced Technology Association (VIATeC)	22,500	22,500
Community Social Planning Council	16,590	16,590
NEED2	20,103	20,200
St John Ambulance	2,221	2,250
Volunteer Victoria	11,439	11,500
Beacon Community Services (school crossing guards)	30,000	30,000
Compost Education Centre	13,530	13,530
Victoria Youth Council	20,000	20,000
Downtown Victoria Ambassadors	15,000	15,000
Greater Victoria Bike to Work Week	2,500	2,500
Greater Victoria School District-Bike to School Week (one time allocation)	0	3,600
Greater Victoria Coalition to End Homelessness	100,000	100,000
Maritime Museum	20,000	20,000
Victoria AM Society	2,000	2,000
Youth Empowerment Society Summer Opportunities	2,000	2,000
Burnside Gorge Community Association (Youth)	10,000	10,000
Fairfield Community Association (Youth)	15,000	15,000
James Bay Community Project (Youth)	10,000	10,000
Our Place Society (Adult)	25,000	25,000
Youth Empowerment Society - Downtown (Youth)	15,000	15,000
	502,883	506,670
<b><u>Program Grants</u></b>		
Sustainability *	86,500	86,542
Neighbourhood Development - Enhancement *	20,597	27,845
Neighbourhood Development - Greenways *	25,000	0
Community Arts *	10,000	30,000
	142,097	144,387
* Detailed listing on following pages		
Festival Investment	154,486	153,395
	799,466	804,452

## Appendix B: 2013 and 2014 Grants Paid

<b>Sustainability Grants</b>		
<b>Organization</b>	<b>Purpose</b>	<b>2013 Grant Paid</b>
Bipolar Disorder Society of British Columbia	Stigma Stomp Classroom	6,500
Burnside Gorge Community Association	Youth Self Sufficiency Program	10,000
Community Social Planning of Greater Victoria	Building Resilient Neighbourhoods	10,000
Greater Victoria Cycling Coalition	Bicycles Mean Business	10,000
Healing Cities Institute Society	Living the New Economy	10,000
Oaklands Community Association	Youth Leaders in Training	10,000
Our Place Society	Extend - Our Place Society Pilot Project	10,000
Synergy Sustainability Institute	Regional Green Business Certification	10,000
Together Against Poverty Society	Volunteer Disability Peer Advocacy Project	5,000
Victoria Brain Injury Society	Community Awareness Project	5,000
		<b>86,500</b>
<b>Organization</b>	<b>Purpose</b>	<b>2014 Grant Paid</b>
Bipolar Disorder Society of British Columbia	Stigma Stomp Classroom	6,500
Burnside Gorge Community Association	Youth Self Sufficiency Program	7,500
Community Social Planning of Greater Victoria	Building Resilient Neighbourhoods	7,500
Friends Uniting for Nature Society	FUN Champs	6,000
Healing Cities Institute Society	Living the New Economy	6,000
Lifecycles Project Society	From the Ground Up	8,000
Intercultural Association of Greater Victoria	Hands On: Living Puppet Traditions	5,000
Oaklands Community Association	Oakland Market Sustainability Internship	9,000
Quadra School Parent Advisory	Create Vibrant/Sustainable Landscape - Quadra School	8,292
Society of Friends of St. Ann's Academy	Bringing Leadership to Life	7,500
Victoria Brain Injury Society	Youth Supporting Youth	5,800
Victoria Cool Aid Society	Community Volunteer Training	4,675
World Fisheries Trust	Citizens under the Sea: Mobile Seaquaria	4,775
		<b>86,542</b>

<b>Neighbourhood Enhancement Grants</b>		
<b>Organization</b>	<b>Purpose</b>	<b>2013 Grant Paid</b>
Fairfield Gonzales Community Association	Fairfield Community Garden	5,000
North Park Neighbourhood Association	Beautification/Information	2,678
Victoria West Community Association	Dishwasher/Community Dinners	2,800
Fernwood Neighbourhood Resource Group	Community Orchard	4,900
Oaklands Community Association	Growing Young Farmers Garden Project	3,315
Victoria West Community Association	McCaskill Street Wall Art	1,904
		<b>20,597</b>
<b>Organization</b>	<b>Purpose</b>	<b>2014 Grant Paid</b>
Burnside Gorge Community Association	Cecelia Ravine Garden	5,000
Fairfield Gonzales Community Association	Educational Awareness - Neighbourhood Resiliency	3,525
Fernwood Neighbourhood Resource Group	Commercial Kitchen Upgrades	4,125
Learning Disabilities Association of BC	School Partnership project - Youth Literacy	5,000
James Bay New Horizons Society	Honey Bee Education Garden and Beehives	4,200
North Park Neighbourhood Association	Neighbourhood Planning and Branding Exercise	3,400
Fernwood Community Association	Shape Your Future	2,495
Fernwood Community Association	Grant Street Book Box Lending Library	100
		<b>27,845</b>

## Appendix B: 2013 and 2014 Grants Paid

<b>Greenways Grants</b>		
<b>Organization</b>	<b>Purpose</b>	<b>2013 Grant Paid</b>
Fernwood Community Association	Central Middle School Greenways Path	15,000
North Jubilee Neighbourhood Association	Fern Park Green Project	10,000
		<b>25,000</b>

<b>Community Arts Grants</b>		
<b>Organization</b>	<b>Purpose</b>	<b>2013 Grant Paid</b>
Open Space	Artist in Residence - Visual Arts	10,000
		<b>10,000</b>
<b>Organization</b>	<b>Purpose</b>	<b>2014 Grant Paid</b>
Fairfield Gonzales Community Association	Fairfield Gonzales Stories Mural Project	7,500
Theatre Inconnu	Family Interactive Puppet Art	7,500
Pandora Arts Collective Society	Collaborative Community Film Project	7,500
Suddenly Dance Theatre Society	Suddenly Dance WITS Residency	7,500
		<b>30,000</b>





## **Governance and Priorities Committee Report** **For the meeting of June 4, 2015**

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**To:** Governance and Priorities Committee      **Date:** May 26, 2015  
Susanne Thompson, Director, Finance  
**From:** Katie Hamilton, Director, Citizen Engagement and Strategic Planning  
Julie MacDougall, Assistant Director of Parks  
**Subject:** Summary of Public Input on the Proposed Grant Process and Approval of Fee-for-Service Grants

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### **Executive Summary**

The purpose of this report is to summarize the public input regarding the proposed changes to the City's grant program and recommend changes based on the feedback. This report also seeks approval of the 2015 fee-for-service grants.

At the April 23, 2015 Governance and Priorities Committee, staff outlined the proposed new process for the grant program aligned with the Strategic Plan. Subject to feedback from stakeholders, Council approved a phased approach that maintains the current process for the fee-for-service grants in 2015, and in 2016 replaces it with the grant program aligned with the 2015-2018 Strategic Plan.

Over 200 groups were invited to participate in a public information session that was held on May 12, 2015. The session included a presentation of the proposed grant process, hand-outs outlining the draft policy and previous grants paid, and a question period. Fifty people attended this session, which involved two-way conversations with questions, answers and comments; all attendees were further encouraged to submit their comments in writing. Based on early feedback received, the opportunity to submit written comments was extended to May 26 for a total of two weeks; seven written submissions were received (Appendix A).

Comments provided at the meeting included:

- Support for the proposed changes
- Desire for simple application and reporting forms
- Concern regarding reporting timeline (September is a busy time and projects may not be completed yet)
- Concern regarding the resource impact for organizations to present to Council.

The written comments favoured the implementation of the new process and also identified concerns for the City to consider when finalizing the grant process. Some organizations provided feedback that they were still not clear on exactly what was being proposed, so staff followed up with them individually to clarify. The written feedback included:

- Support for a streamlined and consistent approach and improved information about the grant program
- Support alignment to the Strategic Plan
- "Informative information session"; "questions answered fully and handouts were useful"
- Early grant cycle and award is better for organizations to budget

- One year funding commitment can be challenging
- Concern about timing of the reporting requirements since program or project might not be complete
- Support for simplified applications and reporting
- Concern that presenting to Council is time consuming and will be challenging for smaller organizations
- Concern around the timing of payment for community garden grants

Based on the feedback, there are a number of suggestions for Council's consideration:

- A simple application form with a shorter version for the micro-grants since the maximum dollar amount is small
- A streamlined reporting format
- An interim report requirement for the 2016 intake due to changing to an earlier application intake timeline
- Align the payment of the community garden volunteer coordination grants and micro grants with the growing season (March)
- Presentations to Council - possibly only requiring presentations from organizations requesting a grant above a certain amount

A terms of reference for the Community Garden Volunteer Coordinator grant has also been developed as per Council direction (Appendix C).

Council has yet to approve the individual grants in the fee-for-service category. The total 2015 fee-for-service grant request is \$503,070, which is the same amount granted in 2014.

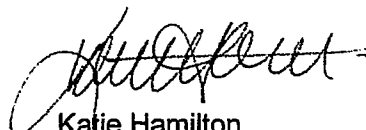
### Recommendations

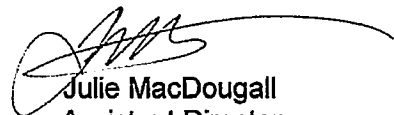
That Council:

1. Approve the Grant Policy, including amendments as a result of the feedback:
  - a. A simple application form with a shorter version for the micro-grants
  - b. A streamlined reporting form
  - c. An interim report requirement for the 2016 intake
  - d. Pay community garden volunteer coordination grants and micro-grants in March
  - e. Require presentations to Council only for grant requests over an amount determined by Council
2. Direct staff to accept applications for the 2015 Strategic Plan grants until June 26, 2015
3. Direct staff to report on eligible applications at the July 9, 2015 Council meetings (decisions on awards to be made on July 23 after presentations)
4. Direct staff to schedule two Town Hall meetings for presentations by eligible applicants the week of July 13, 2015
5. Approve the 2015 Fee-For-Service Grants as outlined in Appendix B
6. Approve the terms of reference for the Community Garden Volunteer Coordinator grant as outlined in Appendix C

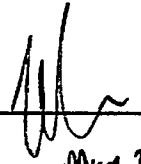
Respectfully submitted,

  
 Susanne Thompson  
 Director, Finance

  
 Katie Hamilton  
 Director, Citizen Engagement  
 and Strategic Planning

  
 Julie MacDougall  
 Assistant Director,  
 Parks

Report accepted and recommended by the City Manager: \_\_\_\_\_



Date: \_\_\_\_\_ May 28, 2015

**Attachments:**

Appendix A – Written Feedback on the New Grant Process

Appendix B – 2015 Fee-for-Service Grant Applicants

Appendix C – Community Garden Volunteer Coordinator Grant Terms of Reference

Appendix D – April 23, 2015 Governance and Priorities Committee Report

## **Purpose**

The purpose of this report is to summarize the public input regarding the proposed changes to the City's grant program and to seek approval of the 2015 fee-for-service grants.

## **Background**

On December 18, 2014, Council approved a streamlined grant process that consisted of separating grants into two categories: direct award grants and program grants aligned with the Strategic Plan. At that meeting, Council also approved the 2015 festival investment grants to enable those grant recipients to apply for Federal grant funding that had a December 31 deadline. Council approved the 2015 direct award grants on February 26, 2015.

As part of the strategic planning process, Council approved a volunteer coordinator grant of \$6,000 for each of the six neighbourhoods that have community gardens focussing on food production as well as a micro-grant for commons and community gardens.

At the April 23, 2015 Governance and Priorities Committee, staff outlined the proposed grant process for the grants to be aligned with the Strategic Plan (report attached as Appendix D) and Council approved the following motion:

"That Council:

1. Approve the proposed grant program and process incorporated into the Grant Policy as outlined in Appendix A attached to the report dated April 13, 2015.
2. Implement a phased-in approach as outlined in this report:
  - a. In 2015, fee-for service grant process will remain unchanged and neighbourhood enhancement, greenways, community arts and sustainability programs will be replaced with the new grant program aligned with the 2015-2018 Strategic Plan.
  - b. In 2016, fee-for service grant process will be replaced with the grant program aligned with the 2015-2018 Strategic Plan.
3. Direct staff to launch the intake for 2016 grants in September 2015 for approval by Council in November 2015 in alignment with the 2016 financial planning process.
4. Direct staff to explore, as part of developing options for participatory budgeting, participatory budget opportunities for a portion of the strategic grant budget, prior to the 2016 grant process.
5. Direct staff to:
  - a. Engage the public, including stakeholders, to gather their input on this proposal.
  - b. Amend the dates following the receipt of stakeholder input.
  - c. Report back to Council within four to six weeks."

The goal of the proposed grant program is to implement best practices and create a consistent and streamlined process where applicants outline how their project or program supports the achievement of the outcomes identified in the Strategic Plan. The objectives of the proposed program are:

1. Flexibility
  - a. A grant program that is broader in scope with one funding envelope to provide Council with greater ability to fund applications that meet strategic objectives the best
  - b. Avoids the historical experience of having some grant programs undersubscribed
2. Consistency and opportunity
  - a. The same application and evaluation process for all strategic plan grants, including the timing of applications and awards
  - b. Opportunity for new applicants to apply and be assessed using common eligibility criteria

- c. Timing of grant awards earlier (in the fall of the previous year) to allow Council to consider grant applications before the budget is set
3. Involvement and oversight
    - a. Council will determine the merit of each application; staff will determine eligibility
    - b. Applicants will present their requests to Council
    - c. Formal reporting back before the following year's grant awards

Subject to feedback from stakeholders, Council approved a two phased approach that consisted of maintaining the current process for the 2015 fee-for-service grants and in 2016 replacing it with the grant program aligned with the 2015-2018 Strategic Plan. The intake period for 2016 is to be launched in September 2015 for approval by Council in November 2015, in alignment with the 2016 financial planning process. The Festival Investment Grant Policy is to remain unchanged.

A public information session that included a presentation outlining the proposed changes and a question period was held on Tuesday, May 12 at City Hall, which 50 people attended. This session was open to anyone interested in the City's grant process and over 200 invitations were sent out to past applicants, both those who have received grants and those who were unsuccessful in past intakes.

## **Issues & Analysis**

### Public Input

The in person forum held at City Hall attracted 50 participants. Staff engaged in two-way conversations explaining the new grant process and answering questions from the participants.

Written feedback was encouraged over a two-week period. The City received seven submissions commenting on the new process. Some responses included questions and staff have contacted the organizations directly to provide clarity. Overall, the comments included support for various aspects of the proposed program and also outlined some concerns to consider when finalizing the process.

The feedback is summarized as follows:

- Support for a streamlined and consistent approach and improved information about the grant program
- Support alignment to the Strategic Plan
- Informative information session; questions answered fully and handouts were useful
- Early grant cycle and award is better for organizations to budget
- One year funding commitment can be challenging
- Concern about timing of the reporting requirements since program or project might not be complete
- Support for simplified applications and reporting
- Concern that presenting to Council is time consuming and will be challenging for smaller organizations
- Concern around the timing of payment for community garden grants

All written responses received are attached in Appendix A.

Based on the feedback, there are a number of suggestions for Council's consideration:

- A simple application form with a shorter version for the micro-grants since the maximum dollar amount is small
- A streamlined reporting format
- An interim report requirement for the 2016 intake due to changing to an earlier application intake timeline
- Align the payment of the community garden volunteer coordination grants and micro grants with the growing season (March)

- Presentations to Council - possibly only requiring presentations from organizations requesting a grant above a certain amount

#### 2015 Fee-for Service Grants

In April 2015, Council approved a two phased approach that maintains the current process for the 2015 fee-for-service grants and in 2016 implements the new grant program aligned with the 2015-2018 Strategic Plan.

The organizations requesting fee-for-service grants in 2015 are the same as in prior years. The grant requests range from \$2,000 to \$100,000 totalling \$503,070 which is equal to the grant amount approved in the prior year. The requests have been summarized by organization in Appendix B.

#### Community Garden Volunteer Coordinator Grant Terms of Reference

As part of the strategic planning process, Council approved a volunteer coordinator grant of \$6,000 for each of the six neighbourhoods that have community gardens focussing on food production. As per Council's direction, the Community Garden Volunteer Coordinator Grant Terms of Reference is attached in Appendix C.

#### Timeline

The proposed timeline is as follows:

<b>Proposed Date</b>	<b>Description of Activity</b>
<b>June 26, 2015</b>	Application Deadline
<b>July 9, 2015 - Council</b>	Report to Council of Eligible Applicants
<b>Week of July 13, 2015 - Town Halls</b>	Eligible Applicants Present to Council
<b>July 23, 2015 - Council</b>	Decision on Grant Award
<b>September 30, 2015</b>	2016 Grant Application Deadline
<b>November 2015</b>	Council Approval of 2016 Grants

#### **Recommendations**

That Council:

1. Approve the Grant Policy, including amendments as a result of the feedback:
  - a. A simple application form with a shorter version for the micro-grants
  - b. A streamlined reporting form
  - c. An interim report requirement for the 2016 intake
  - d. Pay community garden volunteer coordination grants and micro-grants in March
  - e. Require presentations to Council only for grant requests over an amount determined by Council
2. Direct staff to accept applications for the 2015 Strategic Plan grants until June 26, 2015
3. Direct staff to report on eligible applications at the July 9, 2015 Council meetings (decisions on awards to be made on July 23 after presentations)
4. Direct staff to schedule two Town Hall meetings for presentations by eligible applicants the week of July 13, 2015
5. Approve the 2015 Fee-For-Service Grants as outlined in Appendix B
6. Approve the terms of reference for the Community Garden Volunteer Coordinator grant as outlined in Appendix C

Appendix C

Summary of Maximum Grant Award Amounts in Other Communities

<p><b>Nanaimo</b></p>	<p><b>Operational Grants:</b></p> <ul style="list-style-type: none"> <li>• New and emerging organizations who have applied but are not yet registered as a non-profit organization or who have not completed one full year of operation must produce letters of support or demonstrated community interest. Maximum grant for emerging groups is \$2,000.</li> <li>• Organizations applying for funding of \$15,000 or greater and/or three-year operating funding, must include a three-year program plan and three-year proposed budget, including detail of anticipated costs.</li> </ul>
<p><b>Saanich</b></p>	<p><b>Community Association Operating Grants:</b> Eligible community associations that represent a population area of less than 10,000 may receive an annual operating grant of up to \$1,100 based on expenditures. Eligible community associations that represent a population area of more than 10,000 may receive an annual operating grant of up to \$1,650 based on expenditures. All eligible community associations may receive an annual liability insurance grant of up to \$500 per year based on expenditures. The Saanich Community Association Network (SCAN) may receive funds to offset secretarial/administrative services to a maximum of \$1,500 per year based on expenses submitted.</p> <p><b>Small Sparks</b> are limited to a maximum amount of \$500 per project.</p> <p><b>Neighbourhood Matched Projects:</b> The maximum amount toward any one small project or event is \$3,000. Funding must be matched by the applicant.</p> <p><b>Sustainability Projects:</b> Grants are available for any one project or event from \$1,000 to \$10,000. Funding requests over \$5,000 must be matched by the applicant.</p>
<p><b>Kelowna (Application Based Grants)</b></p>	<p><b>Established Grants:</b> Funding Levels: A maximum of 50% of the establishment costs. It is the organization's responsibility to secure any additional funds necessary.</p> <p><b>Operational Grants:</b> Funding Levels: A maximum of 25% of the organization's operating budget, or 10% if it receives funding from other levels of government or other agencies. It is the organization's responsibility to secure any additional funds necessary.</p> <p><b>Special Projects Grants:</b> Funding Levels: A maximum of 80% of the costs of the special project. It is the organization's responsibility to secure any additional funds necessary.</p> <p><b>Heritage Building Grants</b></p> <p>Buildings "esignated" heritage are eligible for grants to a maximum of \$10,000/3 year period.</p> <p>Buildings listed on the Kelowna Heritage Register are eligible for grants to a maximum of \$5,000/ 3 year period.</p>
<p><b>City of Penticton</b></p>	<p>Depending on the nature of the project/program, grant assistance for that particular project/program will have a maximum duration of three years (if required) on a declining basis without re-application. Declining basis means that in the second year the maximum grant will be two thirds of the first year grant upon submission of a completed Reporting Out form for the first year. In the third year the maximum grant will be one third of the first year grant upon submission of a completed Reporting Out form for the second year. No assistance will be available for any project/program in a fourth or subsequent year.</p>
<p><b>Burnaby</b></p>	<p><b>Spots Team Grants:</b> The maximum grant allowed per team is \$1,000.</p> <p><b>Neighbourhood Enhancing projects</b> may receive grants up to \$500.</p> <p><b>Neighbourhood Events</b></p> <p>Project Budget: Up to \$10,000</p> <p>Maximum level of support: 40% of expenses up to \$4,000</p> <p><b>Festivals and Special Events: Small Scale</b></p> <p>Project Budget: Up to \$30,000</p> <p>Maximum level of support: 40% of expenses up to \$12,000</p> <p><b>Festivals and Special Events: Large Scale</b></p> <p>Project Budget: Over \$30,000</p> <p>Maximum level of support: 33% of expenses up to \$25,000</p>
<p><b>City of North Vancouver (Application Based Grants)</b></p>	<p><b>Living City Grants:</b> A total of \$15,000 in grants is available each year, with the majority of grants awarded in the range of \$1,500 to \$5,000.</p>

Appendix C

Summary of Maximum Grant Award Amounts in Other Communities

<p><b>City of North Vancouver (Council Contingency Grants)</b></p>	<p>We provide grants of \$50-\$500 to help residents, neighbourhood groups, and community groups strengthen their communities by bringing their neighbours together.</p>
<p><b>City of Richmond</b></p>	<p><b>Arts &amp; Culture Project Grants:</b> Funds may be requested for up to 50% of the total cost of the project, to a maximum of \$5,000.  <b>Health, Social &amp; Safety and Parks, Recreation &amp; Community Events:</b> City grant programs will consist of two streams of grant requests, (1) \$5,000 or less and (2) over \$5,000, whereby application requirements may be streamlined for requests of \$5,000 or less.</p>
<p><b>City of Surrey</b></p>	<p><b>Community Grants:</b> The total of the recommended grants shall not exceed the total grants budget funding available, and a minimum of \$10,000 of the grants budget shall remain unallocated for critical, unanticipated grant requests received after September 30th.  <b>Culture Grants:</b>  <b>Capacity Building Grants</b>          Under this category, grants up to \$2500 are provided to qualified groups to support the organizations' development needs, including but not restricted to any of the following:          •training;          •workshops and conferences;          •applying for registered not-for-profit status;          •Board development activities;          •marketing; and          •strategic planning.   <b>Project Grants</b>          Under this category, grants are provided to encourage partnerships and collaborations that result in cultural programs and initiatives.          The grant award contributes up to fifty percent (50%) of the program budget on a matching basis, which could include in-kind contributions. The maximum grant under this category is \$5000.   <b>Cultural Sustainability Grants</b>          Under this category, grants are provided to assist with costs for an organization to provide cultural-based servicing in the City. Such a grant would be a "one-time" grant.          The applicant would need to provide a business plan as part of its application that demonstrates economic viability and includes demonstration of secured funding for at least eighty percent (80%) of the current year's budget for the organization.          The grant is limited to the lesser of \$5000 or twenty percent (20%) of the organization's annual budget and could recognize the value of in-kind contributions by the organization.  <b>Neighbourhood Enhancement Grants</b>          Small Project Grants (Maximum \$3,000)          Celebration &amp; Activity Grants (Maximum \$1,000)</p>
<p><b>City of WhiteRock</b></p>	<p><b>Grants In Aid:</b> The Grants-In-Aid Committee shall confine its allocation to 95% of the total grant-in-aid budget. The remaining 5% shall be held back in the event of a worthy late submission. Only one grant award will be given to an organization with a grant maximum award of \$2,000.</p>
<p><b>City of Vancouver (Social Policy Grants)</b></p>	<p>Grants will not exceed 50% of total cost of eligible expenses.</p>



## **Appendix D: Organizations that Applied under Multiple Grants Programs**

1. Burnside Gorge Community Association (Strategic Plan, Direct Award and Micro)
2. Community Social Planning Council (Strategic Plan and Fee-for-Service)
3. Cook Street Village Activity Centre Society (Strategic Plan and Direct Award)
4. Downtown Blanshard Advisory Committee-Quadra Village Community Centre (Strategic Plan – 2 applications - and Direct Award)
5. Fairfield Gonzales Community Association (Strategic Plan, Direct Award and Micro)
6. Fernwood Neighbourhood Resource Group (Strategic Plan and Direct Award)
7. James Bay Neighbourhood Association (Strategic Plan, Direct Award and Micro)
8. James Bay New Horizons (Strategic Plan – 2 applications - and Direct Award)
9. Oaklands Community Association (Strategic Plan and Direct Award)
10. Victoria Compost and Conservation Education Society (Strategic Plan and Fee-for-Service)
11. Victoria West Community Association (Strategic Plan, Direct Award and Micro)
12. LifeCycles Project Society (Strategic Plan and Micro Grant)