

Date: August 27, 2024

To: **Mayor and Council**

Name and title: Andy Beesley, Director of Civic Facilities & Events

Subject: Proposed Council Policy – Multiyear Funding Grants

Attachment(s):

1. Proposed Council Policy - Multiyear Funding Grants
2. PowerPoint Proposed Council Policy - Multiyear Funding Grants
3. Limited duration 2 year operating grant DRAFT Guidelines 2025

Recommendation(s):

That Council:

1. APPROVES the proposed Council policy titled “Multiyear Funding Grants (Standing Grants and Limited Duration Operating Grants)” attached to the staff report dated August 27, 2024, from the Director of Civic Facilities & Events, titled “Proposed Council Policy - Multiyear Funding Grants”, with necessary amendments to correspond with Council’s direction; and
2. DIRECTS that applications under the Multiyear Funding Grants policy be reviewed by one of the following Committees prior to being advanced to Council for final approval:

Option A: Standing Committee on Finance and Audit; or
Option B: Committee of the Whole

as described in the report dated August 27, 2024 from the Director of Civic Facilities and Events titled “Proposed Council Policy – Multiyear Funding Grants” for the management of multiyear funding grants.

Purpose:

The purpose of this report is to establish a Council policy regarding multiyear funding agreements and offer options for Council to oversee this process effectively. The proposed policy outlines an approach for managing existing/standing agreements as well as new multiyear funding requests, ensuring a consistent and transparent process. The implementation of this policy also assigns a governance role for Council.

Background:

Multiyear Funding

A multiyear funding agreement is a recurring grant that provides ongoing financial support for a specific purpose carried out by a not-for-profit organization to benefit the community. The terms of a multiyear funding agreement vary from organization to organization, but typically include the duration, amount of funding, and agreed upon reporting deliverables. For the purposes of managing this process, multiyear funding is categorized as:

- *existing agreement/standing grant* (term can be up to a maximum of 4 years at Council's discretion).
- *new agreement/limited duration 2 year operating grant* (term can be up to a maximum of 2 years at Council's discretion).

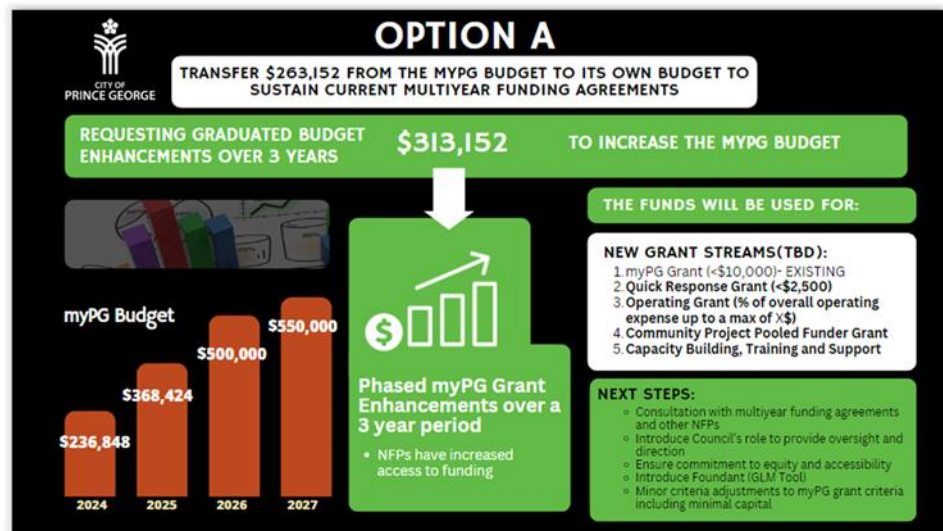
The City utilizes multiyear funding agreements as a cost-effective strategy to enhance municipal services or support the provision of quality-of-life programs and services for residents. Unlike one-time grants (such as a myPG grant or a Celebrate grant), it offers consistent funding over a predetermined time. This type of grant is often used to support long-term projects, cover operational costs, or fund regular programs/services, giving recipients stability and predictability. Both grants however, should support and align service delivery with Council priorities and goals. Many of these agreements have been in place for several years, reflecting previous Council decisions and continuing to deliver value to the City's residents.

In recent years, there has been a notable increase in requests for multiyear funding, including requests for increased amounts under existing agreements. This trend indicates a necessity to assess the current situation and introduce a process for managing multiyear funding - existing agreements and new requests. This is further substantiated from the not-for-profit engagement conducted during Phase 1 of the grants review process, which emphasized a growing need for operating grants and multiyear funding.

In March 2024, Council received a staff report outlining options for the future direction of City grants. Council selected Option A, which involves transferring existing

multiyear funding agreements (standing grants) from the City's myPG grant budget, utilizing a separate process with a dedicated budget.

The proposed council policy outlines a distinct process for managing existing/standing grant agreements.



New requests for multiyear funding will be considered through the limited duration 2 year operating grant. Administration will present an implementation plan for the Community Grants Program to Council later in fall, with an anticipated launch date of January 2025. The Community Grants

Program includes a suite of grants that respond to not-for-profits funding needs (as identified through the engagement activities). The limited duration 2 year operating grant is being introduced to respond to the identified need of multiyear operational funding. While still being developed, early details of the limited duration 2 year operating grant guidelines for 2025 are attached to this report to provide background and context for consideration of this policy.

Discussion:

Council Policy

The proposed council policy is intended to guide the effective management of multiyear funding agreements and includes details on the process for existing/standing grants and new multiyear funding requests including:

- Review and decision making
- Approval
- Implementation and follow-up
- Reporting
- Duration of funding (length of term of multiyear funding agreements)
- Roles and responsibilities for Council and Administration
- Conditions of funding
- Grant communications
- Policy review and amendments

Standing Grants/Existing Agreements

The review and decision-making process involves the governance structure (selected by Council) reviewing reports submitted by organizations. The review will take into consideration such things as the organization's community impact and alignment with Council's priorities. As part of reporting, additional funding requests can be considered. Council will receive a summary report from the Committee and will make the final decision on all multiyear funding applications, including approving funding levels for the term of the agreement. The funding agreement will specify reporting expectations. Organizations may also be invited to present to Council.

New Multiyear Funding Requests

As referenced earlier in this report, new/prospective multiyear funding applications will be considered through the limited duration 2 year operating grant process (a grant stream offered in the suite of grants in the Community Grants Program). The budget to support new applications is defined through the Council approved Option A. As per Option A, the new Community Grants Program budget would be \$550,000 by 2027. This overall budget supports all the grant streams in the grants program, but a portion of the grants budget would be dedicated to the limited duration 2 year operating grant.

Role for Council and Oversight of Multiyear funding Agreements

Administration is requesting that Council select a governance option to support the oversight of the multiyear funding process. Specific responsibilities include:

- Review standing/existing agreements (reporting) as well as new applications for multiyear funding requests, review and evaluate funding recommendations and approve multiyear funding amounts and agreements.
- Review the specifics of the multiyear funding process on a regular basis to provide input, feedback, updates (which may result in amendments to the council policy)
- Determine the budget to support multiyear funding through the City's annual budget process.
- Provide oversight of the multiyear funding process by receiving periodic City staff updates, providing direction, advice and support as needed.

Reviewing and evaluating multiyear funding reports (standing grants) and applications (limited duration 2 year operating grants) will necessitate a significant time investment (at least 2-3 standalone meetings, however the exact number of meetings would be dependent on review of existing agreements and new requests).

The Committee options outlined below would enable meetings to be scheduled outside the regular Council schedule, allowing for flexible and informal discussions, including presentations from applicants. Either committee option supports the review process and effectively facilitates Council's involvement.

- **Committee of the Whole** - includes all members of Council.
- **Finance & Audit Committee** - consists of four City Council members.
- **Council** - All members of Council, process (discussions for review and funding decisions etc.) would occur during regular pre-scheduled council meetings.

It is important to note that with the options presented above, Council would retain the authority to review funding recommendations and grant final approval for all multiyear funding agreements (and amounts).

Proposed Timeline for Implementation & Next Steps

Administration proposes the following approach for the effective introduction of this policy and process (upon approval).

Timeline

- Initiate Process: January 2025 (e.g. launch Limited Duration 2 Year Operating Grant)
- Review Period: April & May (review period for standing grants and new grants streams - April & May each year completed by governance option selected by Council)
- Council Approval: June of each year (funding recommendations approved by Council in May/June to align with the city's annual operating budget process deadlines)

Next Steps

- Administration will:
 - Further refine grant criteria, and eligibility, guidelines and reporting information

- Create forms (e.g. application and reporting templates etc.)
- Set up process in Foundant
- Create grants webpage content
- Promote Limited Duration 2-year Operating Grant
- Provide transition support to existing agreements (Standing Grants)
- Assist new applicants with the application process (Limited Duration 2 year Operating Grant)

Strategic Priorities:

The 2023-2026 Corporate Work Plan includes a comprehensive review of the City's grant processes and providing recommendations to Council for consideration. Furthermore, the 2023-2026 Strategic Plan identified the following priority applicable to this initiative. **City Government & Infrastructure: Continue to improve processes and practices to support effective and efficient service delivery.**

Financial Considerations:

As per Option A, the 2025 budget for existing multiyear agreements and for the Community Grants Program (which includes the limited duration 2 year operating grant) has been approved by Council. The increased amount to the Community Grants Program in 2025 is \$131,576. Funding for future multiyear funding agreements (2025 onwards) would be confirmed through the annual operating budget process and at Council's discretion.

Summary and conclusion:

This report overviews a proposed council policy that outlines a transparent and consistent approach for managing multiyear funding agreements. Establishing a Council policy will provide a process for the management of both standing/existing grants as well as new requests for multiyear funding. Administration requests Council review and approve the draft Council policy and select a governance option.

Respectfully submitted:

Andy Beesley, Director of Civic Events & Facilities

Prepared by [Sarah Brown, Supervisor of Civic Initiatives & Partnerships]

Approved:

Walter Babicz, City Manager

Meeting date: [2024/09/25]