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TAMRMS#: B09

Outside Agency Grant Program St. Albert Senior's Association

Presented by: Anna Royer, Sr. Advisor Grants & Partnerships, Recreation & Parks

RECOMMENDED MOTION

That Community Living Standing Committee recommend to Council that the report entitled Outside Agency Grant Program St. Albert Senior's Association dated January 18, 2021 be received as information.

PURPOSE OF REPORT

This report brings forward awareness of a grant funding matter in alignment with the direction provided within Council Policy C-CS-22 Outside Agency Operating Grant Program (attached for information only). Administration must adhere to policy unless a motion of Council provides alternate direction. Through this report, Administration has identified the current policy and process for this situation which has resulted from the financial challenges faced by the St. Albert Seniors Association as a result of the pandemic. Administration has provided alternative actions for consideration which would require a Council motion.

ALIGNMENT TO COUNCIL STRATEGIC PRIORITY

N/A

ALIGNMENT TO SERVICE DELIVERY

Management of Community Granting:

Provision of funding to eligible St. Albert not-for-profit organizations and residents in the areas of special events, sport and culture development, operational funding and capital renovations and development.

ALIGNMENT TO COUNCIL (OR COMMITTEE) DIRECTION OR MANDATORY STATUTORY PROVISION

On November 4, 2019 Council passed the following motion:

(CB-19-020)

1. That the following Outside Agency Operating Grants be awarded from the 2020 Municipal Operating Budget:

- St. Albert Bereavement Fellowship: \$8,000
- St. Albert Housing Association: \$44,650
- **St. Albert Seniors Association: \$239,617**
- St. Albert Victim Services: \$66,402
- St. Albert Community Village & Food Bank: \$90,707
- Stop Abuse in Families: \$36,000
- St. Albert Family Resource Centre: \$47,785
- Visual Arts Studio Association: \$28,488
- St. Albert & District Further Education: \$23,474

2. That the Michif Cultural Connections be awarded an Outside Agency Operating Grant from the 2020 Municipal Operating Budget in the amount of \$9,615 pending verification of active status with Corporate Registries, and submission of financial statements for 2017 and 2018 to Administration by December 2, 2019.

BACKGROUND AND DISCUSSION

Background:

The St. Albert Seniors Association was allocated \$239,617 in grant funding through the 2020 Outside Agency Grant Program. The approved funding was for specific staffing and facility operating expenses as per the allowable maximum percentage subsidies outlined in Policy C-CS-22 Outside Agency Grant Program.

A grant holdback of \$23,962 currently remains unpaid to the St. Albert Seniors Association. The 10% holdback is part of the accountability process for this grant program. The holdback amount is released after the interim report has been received by Administration verifying that the organization is on track to spend the grant in alignment with their approved application.

2020 Grant Interim Reporting

Council Policy C-CS-22: Outside Agency Operating Grant Program outlines the maximum allowable funding opportunities. The maximum funding allowable specific to the Seniors Association as follows:

Category 1 Core Community Support Services:

1. Facility Operating Costs
 - a. Up to 40% of costs can be applied for if leasing a City owned space.
2. Staffing Costs
 - a. Up to 50% of the staffing costs (excluding benefits) can be applied for.

The submitted expenses included in the St. Albert Seniors Association's 2020 Interim Accountability Report were reviewed and year end projections made by Administration. While the facility expenses are only slightly under, the staffing subsidy is trending to be approximately \$60,000 under the grant amount allocated based on year end projections. The Seniors Association has confirmed that this is also their understanding.

Administration Action as per Policy C-CS-22

Based on the interim financial review of their grant expenditures, and in accordance with Policy C-CS-22, **unless Council directs otherwise Administration will not be providing \$23,962 (the 2020 10% holdback of Outside Agencies Funding) to the St. Albert Seniors Association and in addition will request that the organization return the portion of the grant provided which is above the actual percentage subsidy allowed for each staffing position.**

This course of action complies with Council Policy-CS-22 which outlines the maximum allowable percentages for each of the approved facility operating and staffing costs.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

The St. Albert Seniors Association is aware based on the financial review that the expenses applied to staff are outside the terms of the agreement but have requested that they still receive the holdback funds because they have applied the funding received to other necessary expenses. Without this flexibility and without the additional 10% holdback, they have indicated that they will be unable to meet their 2020 expenses and will finish the year in a deficit position. The organization does not currently have the means to repay the shortfall.

COVID-19 has greatly impacted many not for profits, including the St. Albert Seniors Association. As a result of various closures and restrictions, the organization has experienced a loss in revenue of more than \$300,000 from what was budgeted.

The Seniors Association was provided with the date for this agenda report as well as the process for presenting to the CLSC and Council regarding this matter.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

If the 2020 10% holdback is not provided to the Seniors Association, the holdback amount of \$23,962 will return to the City's bottom line within the operating budget. If the Seniors Association is required to repay grant funding previously allocated and is able to find the means to do so (currently estimated to be \$35,000) this amount will also return to the City's bottom line within the operating budget. It is anticipated that once the overpayment amount is verified by both the Finance Department and the Seniors Association, a payment plan would be developed.

Legal / Risk:

There are three options, all legally feasible, which could be used to address this matter. Option 1, which is the course of action Administration will pursue as described above unless otherwise instructed by Council, is simply the City relying on its legal rights under a valid and executed Operating Grant Agreement. The two additional options describe below as alternatives for consideration are "end arounds" of the Agreement and of Policy C-CS-22 but are nevertheless legal if supported by (a) appropriate Council motions to waive the relevant provisions of Policy C-CS-22 in this specific case; and (b) appropriate amendments to the Operating Grant Agreement to bring the

actual and intended uses of grant funds into compliance.

Program or Service:

The Seniors Association operates and manages Red Willow Place independent of Administration under the provisions of a lease agreement.

Organizational:

Providing an additional review of the Seniors Association finances by the Finance Department and developing a payment plan will require additional staff time.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

If the Community Living Standing Committee consider Administration's intended actions as described in this report to be appropriate in the circumstances, then the following alternative motions could be considered:

1. That the Community Living Standing Committee recommend to Council that the obligation of the St. Albert Seniors Association to repay the 2020 Outside Agency grant funds previously received and used for unapproved expenses be waived and that an amendment to the Operating Grant Agreement be executed to allow this to occur notwithstanding Council Policy C-CS-22
 - *Impact*
This option provides some flexibility for the organization in this economic climate, but it may still leave them vulnerable to land in a “crisis situation” as noted in their interim reporting, since they would still not receive the 2020 grant holdback of \$23,962.

2. That the Community Living Standing Committee recommend to Council that the obligation of the St. Albert Seniors Association to repay the 2020 Outside Agency grant funds previously received and used for unapproved expenses be waived, that Administration be directed to provide the 2020 Outside Agency grant holdback in the amount of \$23,962 to the St. Albert Seniors Association, and that an amendment to the Operating Grant Agreement be executed to allow these things to occur notwithstanding Council Policy C-CS-22
 - *Impact*
This action will allow for a one-time opportunity for the St. Albert Seniors Association to utilize the Outside Agency funding to meet their operational expenses during extraordinary times.

Report Date: February 8, 2021
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Department: Recreation & Parks
Deputy Chief Administrative Officer: Kerry Hilts
Chief Administrative Officer: Kevin Scoble

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CITY OF ST. ALBERT CITY COUNCIL POLICY

NUMBER	TITLE
C-CS-22	Outside Agency Operating Grant Program
ORIGINAL APPROVAL DATE	DATE LAST REVISED
March 19, 2018	January 21, 2019

Purpose

To provide a source of funds for eligible community groups to assist with offsetting annual operating expenses.

Policy Statement

The City of St. Albert recognizes that various external organizations offer important community support services in the areas of recreation, culture, and social support. To encourage St. Albert Eligible Not-for-Profit Organizations and support their efforts, the City may offer financial assistance in the form of an operating grant to assist with Facility Operating Costs and/or staffing.

The amount of annual funding available for the operating grant program is determined by multiplying the City's population, as determined by the most recent census, by \$9.00

Definitions

"Additional Community Support Services" means support services related to improving citizens sense of community connection, social opportunities and recognition.

"Chief Administrative Officer" or "CAO" means the individual appointed by Council to the position of Chief Administrative Officer under section 205 of the *Municipal Government Act* and pursuant to the Chief Administrative Officer Bylaw.

"City" means the municipal corporation of the City of St. Albert or, where the context so requires, the area contained within the boundaries of the City.

"Community Services Advisory Board" means the advisory board appointed, pursuant to St. Albert Bylaw 10/97, to advise Council on the City's Community

Services needs and to recommend policies and the provision of grants that respond to those needs.

“Community Support Service” means a service that provides the support needed to help vulnerable residents be successful in the community including within their housing, recreation, culture, and social environments.

“Core Community Support Services” means support services related to basic needs for survival: Food, Shelter, Water, Clothing, Personal Safety.

“Council” means the municipal council of the City of St. Albert.

“Eligible Not-For-Profit Organization” is a St. Albert based not-for-profit organization registered in good standing either federally or provincially with Corporate Registries for a minimum period of two years.

“Facility Operating Costs” means costs related to general operations and maintenance of the facility and include: heat, water, electrical, garbage, security, rent, custodial, building/tenant insurance, internet, phones, pest control, snow removal, and general maintenance and repair. Costs are based on actual bills received. Additional administrative overhead charges are ineligible.

“Financial Assistance” means a direct monetary contribution from the City of St. Albert to an Outside Agency in the form of a grant.

“Outside Agency” means any community support organization or group that receives or benefits from City of St. Albert financial support. For the purposes of this grant program, the St. Albert Public Library and the Arts and Heritage Foundation are excluded as eligible Outside Agencies, as their funding requests are reviewed directly by Council in accordance with a separate process.

“Staffing Costs” include wages only for permanent full-time and part-time employees as well as contracted staff for specialized operational functions such as accounting or IT assistance. Staffing Costs do not include casual program instructional staff.

Responsibilities

1. Council shall:

- a. Provide annual funding to the Outside Agency Grant Program;
- b. Allocate annual funding to eligible community organizations; and
- c. Appoint residents to the Community Services Advisory Board.

2. The CAO or designate shall:

- a. Prepare, communicate and distribute an annual application process;

- b. Accept and review applications for the Outside Agency Operating Grant Program on an annual basis, determine the completeness of the applications and forward the applications to the Community Services Advisory Board for its review, deliberation and advisory recommendations; and
 - c. Ensure the terms and conditions of the Grant Agreement are met.
3. The Community Services Advisory Board shall review the grant applications in accordance with this policy and make funding recommendations to Council.

Service Standards/ Expectations

1. An Eligible Not-for-Profit Organization approved for grant funding shall be required to sign and abide by the terms and conditions of a Grant Agreement which will include but is not limited to the following:
 - a. The Eligible Not-for-Profit Organization shall expend funds as specified in the application;
 - b. Pursuant to its ongoing activities, in both its own name and in the name of the City as an additional insured, the Eligible Not-for-Profit Organization shall place and maintain a policy of insurance respecting commercial liability and errors and omissions;
 - c. The Eligible Not-for-Profit Organization shall acknowledge receipt of the Outside Agency operating grant funding in event promotion and advertising where possible;
 - d. The Eligible Not-for-Profit Organization shall complete a final report and include all financial documentation demonstrating the grant funding was expended as approved.
 - e. If the Eligible Not-for-Profit Organization's financial information discloses an annual surplus in the fiscal year respecting which the City has rendered a grant, within 90 days of the City's demand, the Eligible Not-for-Profit Organization shall repay any surplus in excess of 5% or \$5,000 whichever is less.
2. There is no limit to the amount of grant funding awarded to any Eligible Not-for-Profit Organization, provided the total awarded does not exceed the funds available.
3. The grant shall pertain only to the calendar year for which it was approved, unless otherwise specified by Council.
4. The annual intake for applications will be in the fall, with allocation decisions subject to Council final approval.
5. To qualify for funding, at least 80% of the Eligible Not-for-Profit Organization's clientele and membership must be residents of the City.
6. Unallocated funds shall remain with the City.

7. Municipal dollars from two separate funding programs shall not be used to fund any portion of the same operational component, including but not limited to staffing costs, incurred by the Eligible Not-for-Profit Organization.
8. Eligible Not-for-Profit Organizations will be categorized as providing either a Core Community Support Services or Additional Community Support Services. Within each category different funding opportunities are available as follows:

a. Category 1 Core Community Support Services

- i. Facility Operating Costs:
Up to 40% of costs can be applied for if leasing a City owned space.
Up to 75% of costs can be applied for if leasing/renting from a separate entity other than the City.
- ii. Staffing Costs:
Up to 50% of the Staffing Costs (excluding benefits) can be applied for.

b. Category 2 Additional Community Support Services

- i. Facility Operating Costs:
Up to 30% of costs can be applied for if leasing a City owned space
Up to 50% if leasing/renting from a separate entity other than the City.
- ii. Staffing Costs:
Up to 25% of the Staffing Costs (excluding benefits) can be applied for.

Legal References

Municipal Government Act

Cross References

Community Services Advisory Board Bylaw 10/97
Council Policy C-CG-11 Community Vision and Pillars of Sustainability
Social Master Plan (2013)
Recreation Master Plan (2012)
Cultural Master Plan (2012)

DATE REVIEWED	NEXT REVIEW DATE	REVISIONS
March 2018 – Community Services	2022 – Community Services	January 21, 2019 – AR-19-003