



## Legislation Text

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**TAMRMS#:** B06

### **2020 Operating and Capital Grant Programs**

Presented by: Diane McMordie, Director, Finance & Assessment/CFO

#### **RECOMMENDED MOTIONS:**

That the 2020 operating and capital grant programs totaling \$395,900, as detailed in the attachment titled "Operating and Capital Grants", be suspended for 2020 and the funding be reallocated to the 2020 general operating budget to offset any deficit that may arise due to the financial impacts of COVID-19.

#### **PURPOSE OF REPORT**

This report provides one of the strategies identified by Administration and proposed tactics to help the City in offsetting the financial shortfall as a result of City of St. Albert's response to the COVID-19 pandemic.

The recommendation was initially presented to Council on June 15<sup>th</sup> and was postponed to allow for potentially affected stakeholders to respond to the proposal.

#### **ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN**

N/A

#### **ALIGNMENT TO LEVELS OF SERVICE DELIVERY**

Corporate Business Planning - Stewardship of the Corporate Business Plan and work with all Departments to ensure that they have the knowledge and tools they require to align their business planning processes to the strategic planning framework and assist and support where necessary.

Financial Planning - Stewardship of development of annual operating and capital budgets for Municipal and Utility operations. The approved operating and capital budgets shall serve as the financial plan for the City and provide Administration with the direction and resources necessary to accomplish Council's strategic direction and Council approved services and service levels in accordance with the Services and Service Levels Inventory.

#### **ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION**

N/A

## BACKGROUND AND DISCUSSION

In April 2020, Administration prepared a preliminary forecast to communicate the potential deficit that the City could be facing in 2020 as a result of COVID-19 which was estimated at approximately \$6 million. Administration has explored available options to reduce this deficit by approximately \$5.9 million in one-time corporate and department savings internally rather than depending on residents and businesses through increased tax revenue.

On Tuesday June 9, 2020, the Province of Alberta announced an earlier than planned start for the Phase 2 relaunch and moved many activities originally planned for Phase 3 into Phase 2. Given this new information along with guidance documents detailing continued restrictions, Administration is working on a more accurate assessment of the financial impact.

On June 15, Council approved the following recommendations to help further offset the deficit:

- That operating carryforward projects totaling \$543,400 as detailed in the attachment titled "Operating Carryforwards" be cancelled/reduced and the associated reserve funding be reallocated to the 2020 general operating budget to offset any deficit that may arise due to the financial impacts of COVID-19, as amended to remove the Integrity Commissioner.
- That the Mayor's Celebration of the Arts is added to the list of cancellations and \$18,000 be added to the general operating.
- That public art projects totaling \$110,000 as detailed in the attachment titled "Public Art Projects" be cancelled/ and the associated reserve funding be reallocated to the 2020 general operating budget to offset any deficit that may arise due to the financial impacts of COVID-19 to remove the Diversity and Inclusion Project.
- That the transfer of \$227,100 to the Public Art Reserve be reallocated to the 2020 general operating budget to offset any deficit that may arise due to the financial impacts of COVID-19.
- That the discussion regarding the 2020 operating and capital grant programs be postponed to June 29, 2020 to allow for potentially affected stakeholders to respond to the proposal.

Administration originally identified \$403,900 in grants, for consideration of Council, not to be awarded for 2020 and utilized to offset the deficit as identified in the attachment titled "Operating and Capital Grants".

Based on questions arising at the June 15 Council meeting, further investigation was done regarding environmental grant commitments to the public school boards. It has been determined that \$8,000 had been committed from the 2019 carry-forward value which was inadvertently cancelled at the June 15<sup>th</sup> meeting. To correct this oversight, administration recommends that \$8,000 be removed from the 2020 grants recommended for cancellation in this report therefore the total recommended amount has been amended down to \$395,900.

Further information relating to the Community Capital Grant Program, the Athlete & Artist

Development Grant and the Community Events program are detailed below:

- The intake period for all three of the above noted grant programs closed April 25, 2020. The Community Services Advisory Committee (CSAC), the policy identified review body, have not been provided the applications for review, and subsequently, there have been no recommendations provided from the CSAC to Council relative to funding allocations for 2020.
- The following is a summary of applications received during the Spring 2020 intake for each program:
  - Community Capital Grant Program received eight applications with a combined funding request of \$405,185. The total funding available in this program for 2020 allocations is \$250,000. The funding requests vary in value from \$2,100 to \$250,000. While some of the applicants may be able to delay their projects until 2021, others will experience difficulties and/or significant impacts. The applicants are all well aware that grant funding is never guaranteed but the removal of the opportunity for this funding in 2020 will be an additional challenge. Carrying forward the applications for review in 2021 will add pressure on the anticipated funding requests from additional groups planning to also apply in 2021.
  - Community Events Grant Program (Ad Hoc Events) Due to a number of events cancelled during the spring and summer, there are now three active applications remaining for consideration under the “Ad Hoc” category of this grant program. Of the three events, one is a outside event to be held in late fall, one event is scheduled for early 2021, and the third event is at risk for being cancelled due to indoor gathering and activity restrictions resulting from COVID19. All three groups are requesting funding support below \$5,000 for a total request of \$8,550. The funding amount available in the budget for 2020 “Ad Hoc” Community Events is \$37,750.
  - Athlete and Artist Development Grant Suspending this grant program for 2020 will have minimal impact as only one eligible application was received due to competitions and events being cancelled as of early March. The funding request from the eligible applicant was for \$800. The available budget for this program for 2020 is \$23,200.
- The applicants for each of the above programs were notified that the motion was being brought forward on June 15. The applicants were all again notified on June 16, to ensure they were aware of the opportunity to address Council on June 29 with their concerns related to the suspension of the grant programs for 2020.

The recommendation takes into consideration the limitations of the current health restrictions that limit the opportunities to award grants or programs that the grants were intended for have been suspended. It is important to note that the grants intended for vulnerable individuals are not being recommended for elimination. This would be a temporary suspension of these grant programs/funds for the 2020 year only.

## STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

## IMPLICATIONS OF RECOMMENDATION(S)

Financial: Administration has identified \$395,900 in one-time savings in 2020 due to grants not being awarded.

The overall financial shortfall may increase or decrease depending upon the timing and extent of the City's suspension/re-introduction of services but the City has taken necessary steps to address the current financial shortfall.

Legal / Risk: N/A

Program or Service: Some programs will not be delivered in 2020 or delivered with reduced service levels as a result of the health restrictions, changes in the external environment and priorities.

Organizational: Some of the temporary cost reductions will have impact on employees in 2020 and may slow down recruitment for emerging positions due to reduction in budget for the vacancy pool.

## ALTERNATIVES AND IMPLICATIONS CONSIDERED

N/A

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