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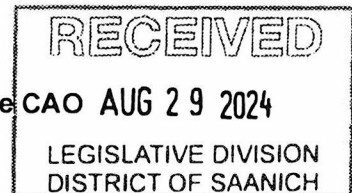
To: Angila Bains, Director of Legislative and Protective Services/Corporate Officer

CC: Paul Arslan, Director of Finance

From: Tara Judge, Executive Administrative Assistant to the CAO

Date: August 29, 2024

Subject: COMMUNITY GRANTS FUNDING INCREASE OPTIONS



At the August 12, 2024, Finance and Governance Standing Committee meeting, members reviewed the Community Grants Funding Increase Options report from the Director of Finance and resolved:

"That the Finance and Governance Standing Committee recommend to Council that:

- the Community Service Provider and Strategic Priorities and Community Building Grants funding be increased annually based on the previous year's CPI;
- the Saanich Heritage Foundation be removed from the Other Community Service Provider Grant category at the end of their current term (December 31, 2026); and
- Saanich Neighbourhood Place be added to the Other Community Service Provider Grant category for the 2027 calendar year."

A copy of the draft mi. notes and accompanying report are attached for information.


Tara Judge
Executive Administrative Assistant to the CAO

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DRAFT MINUTES
FINANCE AND GOVERNANCE STANDING COMMITTEE

Held at Saanich Municipal Hall, Committee Room # 2

770 Vernon Avenue

August 12, 2024, at 10:00 a.m.

Present: Councillor Susan Brice (Chair); Councillor Teale Phelps Bondaroff;
Councillor Karen Harper; Mayor Dean Murdock

Staff: Brent Reems, Chief Administrative Officer (arrived at 10:11 a.m.; left at 11:40 a.m.);
Paul Arslan, Director of Finance; Suzanne Samborski, Director of Parks, Recreation
and Community Services (left at 10:31 a.m.); Jennifer Lockhart, Senior Manager
Financial Services; Tiana Solares, Senior Manager of Recreation (left at 10:31 a.m.);
Nathalie Dechaine, Manager of Community Development/Business Systems (left at
10:31 a.m.); Nicole Hughes, Property Tax Specialist (joined at 11:12 a.m.); and
Tara Judge, Executive Assistant to the CAO

Regrets: Councillor Nathalie Chambers

COMMUNITY GRANTS FUNDING INCREASE OPTIONS

The Director of Finance discussed methods to increase Other Community Service Provider and Strategic Priorities and Community Building Grants and the potential effects on taxation. Current Community Service Provider Grant recipients receive the same funding amount each year during their five (5) year term (ending December 31, 2026).

The recommended increase to funding for both grant categories based on CPI would result in a .01% increase in annual taxation rates.

The removal of the Saanich Heritage Foundation from the Other Community Service Provider Grant category was also reviewed. As the Foundation no longer manages Saanich-owned heritage properties, they do not align with this grant category. It may be more appropriate to transfer this organization and its funding to the Strategic Priorities and Community Building Grants category upon the completion of their existing contract. They would then be able to submit an annual grant request similar to other organizations for funding in this grant category.

Saanich Neighbourhood Place (SNP) has modified their operations and would now qualify for the Other Community Service Provider Grant for the space they use inside G.R. Pearkes Recreation Centre. It is recommend revising the grant policy in 2026 to include SNP effective 2027 to provide certainty to their operational grant funding.

By increasing funding now, when Other Community Service Provider Grant agreements are up for renewal, the increased budget level would be available for use. This provides a new budget base with any unused funds in a calendar year added to surplus. Current funding to organizations would remain in place until the end of their current agreements. An increase in Strategic Priorities and Community Building Grants funding could be accessed in the next budget year when approving grant applications.

MOVED by Councillor Harper and Seconded by Councillor Phelps Bondaroff: "That the Finance and Governance Standing Committee recommend to Council that:

- **the Community Service Provider and Strategic Priorities and Community Building Grants funding be increased annually based on the previous year's CPI;**
- **the Saanich Heritage Foundation be removed from the Other Community Service Provider Grant category at the end of their current term (December 31, 2026); and**
- **Saanich Neighbourhood Place be added to the Other Community Service Provider Grant category for the 2027 calendar year."**

CARRIED



The Corporation of the District of Saanich

Report

To: Finance and Governance Committee
From: Paul Arslan, Director of Finance
Date: July 31, 2024
Subject: Community Grants Funding Increase Options

RECOMMENDATION

Increase the Other Community Service Provider Grants totalling \$311,090 annually by prior year CPI (option 3).

Increase the Strategic Priorities and Community Building Grants totalling \$211,180 annually by prior year CPI.

Remove Saanich Heritage Foundation from the Other Community Service Provider Grant category at the end of 2024.

Add Saanich Neighbourhood Place to the Other Community Service Provider Grant category for the calendar year 2027.

PURPOSE

To consider increased funding to Community Service Providers which have management fees and contracts with the District as per Council motion and consider increased funding the Strategic Priorities and Community Building Grants which have had the same budget of \$211,180 since 2019 to allow Council the ability to both provide grants to new applicants and increase grants to existing applicants.

BACKGROUND

On December 16, 2019, Council had approved an amendment to the Saanich Community Grants Program Policy. The amended policy stated the following:

"Other Community Service Provider Grants are provided to registered societies or non-profit organizations who provide a service, operate a facility owned by the municipality or have another formalized arrangement on an on-going basis. These grants are not awarded on a competitive basis. Funding levels are established through development of multi-year Contribution Agreements that are approved individually by Council. Where a Contribution Agreement is not yet finalized,

Council will confirm funding levels during the annual budget process.” Eligible organizations are listed in Schedule A of the Grant Policy and are attached as Appendix A.

In the period of March to July 2022, the six organizations listed in Appendix A signed their five-year agreements with the District. All agreements end December 31, 2026. The annual funding was kept the same for all five years and reflected the amounts that has been granted since 2019.

Organization	Grant Contribution
Goward House Society	\$20,000
Haliburton Community Organic Farm Society	\$8,500
Horticulture Centre of the Pacific (HCP)	\$130,000
Saanich Heritage Foundation	\$35,000
Saanich Volunteer Services Society	\$58,368
Silver Threads Service	\$59,225
Total	\$311,093

Saanich Volunteer Services Society (SVSS) amount above includes \$12,000 in kind for rent and utility costs for the building.

In addition to the operating funding grants, the District has lease agreements with all six organizations. Appendix B lists all the responsibility in the lease agreements as they relate to building, site maintenance and utility payments. Each organization has different lease arrangements with the District with many having all the facilities maintenance utilities paid for by District and some that pay one or both of these costs themselves.

On March 7, 2024, at the Special Committee of the Whole meeting, Council approved the following motion:

“That it be recommended that Council recommend that staff present a report to the Finance and Governance Standing Committee on funding arrangements that reflect increased costs annually to those organizations that Saanich has management fees and contracts with.”

DISCUSSION

Similar to the District’s experience, non-profit organizations have had an impact on their service delivery to due to the high inflationary increases to wages and materials costs in the past few years. Below is the CPI increase for Victoria since 2019. While the District does not use CPI as the inflation index for its own comparisons due to its construction related work, this index is suitable for the above organizations. The cumulative increase over the past five years is 18%.

Year	2023	2022	2021	2020	2019
Inflation	3.70%	7.00%	2.50%	1.10%	2.50%

If one accounts for the cumulative CPI increase the total grants contribution would have gone up from \$311,093 to \$366,650, or a \$55,557 increase equating to 0.03% tax increase.

Not all of the organizations listed above have the same challenges. While Saanich Heritage Foundation and Saanich Volunteer Services Society have very little ability to generate revenue, the other four organizations have the ability to increase user fees or in the case of HCP increase revenue through higher tuition, plant sale, or admission fees.

Given that current agreements end late 2026, the Committee could consider various options for future increases including whether to increase the contribution agreement to all the organizations selectively or equally. For financing future increases below are three options for the Committee to consider:

Option 1: Increase the budget in 2027 when the contracts are renewed based on requests.

This option would only consider budget increases for the years 2027 and beyond. The budget impact of this option would be felt in 2027 should the Committee consider the requests from each Service Provider individually and at their own merit. The financial implication of this option is undeterminable until Council agrees on an increase which can be anywhere from no increases to large increase to all the organizations. Whatever increase the Committee determines will then go to Council for approval and the budget and related tax increase would impact the 2027 and future taxation year.

Option 2: Increase the budget in 2027 when the contracts are renewed using previous year CPI for the full five-year agreement.

This option will allow increases to the grants for all five years, 2027 to 2031, at set annual rate and ensure that the annual tax increases are reasonable and predictable. This option will help organization funding needs for future years but will not alleviate the challenges that they may have had given the zero increase in funding since 2019.

Option 3: Increase the budget in 2025 based on previous year's CPI.

This option will commence in 2025 and continue into future budget years. Assuming 2024 has a CPI of 3.0%, the budget increase in 2025 would total \$11,510 which is equivalent to 0.007% of a tax increase. This amount will not impact current five-year funding agreement but will be set aside for emergency requests from the above organizations like the requests received from Goward House in the past two years. Similar increases in 2026 and 2027 would provide a cumulative \$34,530 in new annual funding that can be allocated to the organizations receiving the Other Community Service Provider Grants based on request/need as approved and recommended by the Committee to Council. Future five-year agreements can then stipulate annual percentage increases so that the above organizations would not fall behind due to inflationary increases. The budget impact in 2025 of this increase would be minimal coming in at less than 0.01%.

Other Changes to the Other Community Service Provider List

Saanich Heritage Foundation:

The Saanich Heritage Foundation (SHF) as of end of last year no longer manages the two Saanich owned heritage properties which they have managed for decades. That task was taken over by the District's Lands Division late last year. This means that the SHF no longer operates a facility owned by the municipality or has another formalized arrangement on an on-going basis with the District and therefore does not meet the criteria for consideration under the Other Service Provider category of the Community Grant Policy. The Committee can consider removing the Foundation from the list starting fiscal 2025 or keep the Foundation in this category until the end of December 2026. SHF has been indicating that the set contribution amount that is in the current agreement does not work well with their operating model as the funds provided by the District are generally used for operating expenses and to provide renovation grants to local heritage properties which the SHF administers. The renovation grant requests can vary from year to year based on the number and extent of the projects. Should the Committee recommend the removal

of SHF from this grant category, the Foundation will go back to applying under the Strategic Priorities and Community Building Grants. The current budget of \$35,000 that is used to fund the grant to SHF will be moved from the Other Community Service Provider category to the Strategic Priorities and Community Building Grants category.

Saanich Neighbourhood Place:

The Saanich Neighbourhood Place (SNP) which has its main operations in the GR Pearkes Community Recreation Centre, was not included in Schedule A as they had previously not applied for operating grants in relation to their program services at that facility. All previous grant funding requests by SNP was related to the expansion of their services in the Royal Oak area. Since the adoption of the current Community Grant Policy the most recent grant requests from SNP have been based on their general operations needs which is mainly run out of the GR Pearkes facility. Campus. Council has provided SNP with \$25,000 in Strategic Priorities Grant funding for the past two years and \$20,000 for both 2021 and 2022. In addition, \$9,100 in-kind grant was provided to help offset a portion of GR Pearkes utility and custodial costs in relation to SNP operations (their SNP Pearkes location. The SNP Child & Family Centre constructed behind GR Pearkes operates independently).

Given this change in the grant requests by SNP, the organization now meets the requirements of for inclusion in the Other Community Service Provider category as SNP does provide a service, operates a facility owned by the municipality and has another formalized arrangement on an on-going basis. In the past SNP has expressed the interest of being included in this group to give certainty to their operational grant funding. The Committee could consider amending the grant policy in 2026 to include SNP in this category and have them join the others on the list starting in 2027. There would be no initial increase in taxation as the budget would be moved over from one grant category to the other unless the Committee increases the grant allocation to SNP.

Strategic Priorities and Community Building Grants

The Committee can also consider increasing the annual funding for the Strategic Priorities and Community Building Grants portion of the Community Grants program. The annual budget allocated to this category has been set at \$211,180 since 2019. The Committee has been very disciplined in keeping the funding for all grant requests from various organizations within that budgeted funding limit. Increasing the funding to this grant category in line with the Other Community Service Provider grant would allow the Committee and therefore Council to fund new grant requests or increase funding to current organizations receiving these grants.

Prepared by



Paul Arslan

Director of Finance

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation of the Director of Finance.



Brent Reems, Administrator

Appendix A

ORGANIZATIONS ELIGIBLE FOR OTHER COMMUNITY SERVICE PROVIDER GRANTS

1. Goward House Society
2. Haliburton Community Organic Farm Society
3. Horticulture Centre of the Pacific
4. Saanich Heritage Foundation
5. Saanich Volunteer Services Society
6. Silver Threads Service

Appendix B

Organization	Grant Contribution	Agreement Terms re: Maintenance
Goward House Society	\$20,000	<p>DISTRICT:</p> <ul style="list-style-type: none"> •Maintenance of the building interior and envelope. •Inspection and maintenance of fire safety equipment including any upgrades required to meet B.C. Fire Code regulations. •Inspection and maintenance of the wheelchair lift. <p>THE TENANT: The Society shall be responsible for landscaping and grounds maintenance including gardens, lawns, walkways and parking areas.</p> <p>The Municipality will be responsible for grading the parking lot as required, and maintaining the paint on parking lot markers, parking space headstones, and stair tread edges. Snow removal and ice control is the responsibility of the Society. The Society will consult with the Municipality's Manager of Park Operations from the Parks and Recreation Department regarding any maintenance or removals of trees on the Lands. Such tree maintenance or removal as directed by the Manager of Park Operations will be undertaken by the Municipality.</p> <p>Equipment</p> <p>The Society has full responsibility for supplying and maintaining all necessary furnishings and equipment. Such furniture and equipment is to be the property of the Society and to be covered by the Society's content insurance.</p> <p>Utilities</p> <p>The Municipality shall pay the costs of hydro, gas, water and sewer utility billings for the Premises. The Society shall conserve use of such utilities as a prudent owner would do.</p> <p>The Society shall be responsible for and shall pay the cost of all telephone, internet and cable service in the Premises.</p> <p>Utilities: The Tenant shall pay all applicable utilities, taxes, rates, duties and assessments whatsoever whether federal, provincial, municipal or otherwise charged upon the Tenant or the Landlord as a result of the Tenant's occupation of or use of the Land including land and improvement property tax when due unless exempted by local government property tax exemption bylaw. Without restricting the generality of the foregoing, the Tenant shall pay to the Landlord all applicable taxes on the Rent, including without limitation the goods and services tax levied pursuant to the Excise Tax Act.</p> <p>Maintenance: Tenant: responsible for maintenance and repair to the land and building. Also responsible for septic tank disposal at start and end of each lease term. Tenant is also responsible for all goods, chattels, structures brought onto the Land.</p>
Halburton Community Organic Farm Society	\$8,500	
Horticulture Centre of the Pacific (HCP)	\$130,000	Tenant responsible for all maintenance, taxes and utilities.
Saanich Heritage Foundation	\$35,000	Lands Dept doesn't have this organization occupying any facilities. They no longer manager Dodd or Machin House. The District regained possession/management in 2023.
Saanich Volunteer Services Society	\$58,368	Tenant responsible for utilities and taxes. Tenant responsible for Repair and Maintenance of internet connection and telephone connection. Tenant also responsible for cleaning interior (including janitorial), and exterior and interior window cleaning. District responsible for everything else.
Silver Threads Service	\$59,225	District responsible for all maintenance, repair, weekly maintenance duties, and bookings. Tenant responsible for telephone, cable and costs of any programs or activities carried on at the centre. Tenant supplies all furniture and equipment.
Saanich Neighbourhood Place	\$34,100	District provides custodial service, support with table/chair setup, facility maintenance & repairs and utilities; SNP is responsible for their own equipment and furniture and communications related costs