



2021 Division Road North
Kingsville, Ontario N9Y 2Y9
(519) 733-2305
www.kingsville.ca
kingsvilleworks@kingsville.ca

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To: Mayor and Council

Author: Ryan McLeod, Director of Financial Services

RE: Kingsville Community Grant Fund Policy Review

Report No.: FS-2019-14

AIM

To provide council with the opportunity to review the existing grant policy and to direct administration to make any amendments deemed appropriate.

BACKGROUND

Municipalities are often asked to provide financial and in kind support services to various charities, not-for-profit organizations and other special interest groups. To address these requests, the Town has adopted a policy to establish criteria and to guide the decision making process on awarding grants. The existing Kingsville Community Grant policy was last reviewed and amended in fall of 2017.

DISCUSSION

Based on informal feedback and personal observations regarding the grant approval process, Administration is proposing a few amendments to the Kingsville Community Grant policy. These changes are highlighted in the policy attached to this report. The more significant changes are discussed below:

Section 3.1 – Funding Categories

3.1.3 - The funding category “Historical & Cultural Events or Organizations” has been expanded to include the term “Arts” to better reflect the number of Artist based applications which Council has supported in recent years.

3.1.7 - “Purchase of Advertising in Event Program Booklets” has been replaced with “Event Sponsorship” to make it less specific.

Section 3.2 – Types of Funding

3.2.1 – The section on Grants currently indicates that the Town will “assist with an organization’s operating expenditures up to maximum of 25%”. As section 6.1 of the policy clearly indicates that there is a desire for organizations to remain financially self-sufficient, this appears to be somewhat contradictory. Based on observations gathered during the 2019 grant deliberations, it appears that Council is more interested in assisting organizations with start-up costs for new programs, special events, or capital projects.

Administration is proposing to replace section 3.2.1 with the following;

The Town of Kingsville may award cash grants, up to a maximum of 50%, of the cost for following;

- Start-up costs for new programs
- Special events
- Capital projects

The grant recipient will be required to demonstrate that that they have the balance of funding available, or a viable financial plan, to finance the balance of the costs.

Section 6.5 – Payment of Approved Grants

The current policy indicates that grant recipients will receive their money over the course of the year based on the timing of their expenditures. As most grant recipients require Town funding before they can proceed with their event or project, this is not a practical or efficient process. Administration is proposing to provide recipients with their grant award upon approval. The Town will reserve the right, upon request, for recipients to provide financial records to support the use of the funds. Section 6.6 already speaks to the requirement to repay grant funds if they are not applied towards their intended purpose.

If council desires, the existing policy could also be amended to include:

- 1) A maximum on the amount of any individual application in a given year (ex. \$10,000)
- 2) A firm maximum on the total value of grants to be awarded in any given year (ex. .05% of the previous year tax levy - \$85,837 for 2019)

Scoring Matrix

Among other changes, the 2017 grant policy amendments included the adoption of a scoring matrix, which is to be provided to Council during budget deliberations. Please accept my apologies for the oversight in failing to provide this to Council during the 2019 budget deliberations.

To assess the effectiveness of the scoring matrix, I have scored all 22 of the 2019 grant applications. Please see Appendix A for the scoring results under the current policy.

Based on the results, Administration would recommend the following changes to the scoring matrix;

Section 3.2 – Types of Funding

Remove the asterisks after “request is for only one type of funding”. Applicants should receive 1 point if they apply for only one type of funding, which our policy indicates, and an additional point if that request is for “in-kind” services only.

Section 6.1 – Sustainability

Based on the policy changes recommended above, it is suggested that one point be awarded if the application is for less than 50% of the total project cost. An additional point would be awarded if the application is for less than 25% of the total project costs. This would reward organizations who contribute or fundraise more of their own money towards a project.

The current matrix awards a point if the applicant has not made a previous application for funding/support. It does not indicated if this refers to the previous year, or if they have ever received funding in the history of their organization. It is recommend that this line is replaced with “Applicant has not received funding/support in the previous 2 years”.

Section 6.2 - Benefit to Residents of Kingsville

The current process awards points based on a % of the population which will benefit from the application. Unfortunately, it currently awards the same number of points whether 1 person benefits or 5,000 people benefit (i.e. less than 25% of our population). I would recommend replacing the current chart to one that refers to the # of residents benefiting from a grant award.

Please refer to Appendix B for a copy of the current scoring matrix with the proposed changes.

Overall, the scoring matrix is an effective tool to assess the completeness and eligibility of an application, however, it does not fully account for the quality of the proposal. Assessing the merits of an application is a subjective process. Council should be aware of the limitations of any scoring matrix if they are tempted to make funding decisions based on “scores” alone.

LINK TO STRATEGIC PLAN

Promote the betterment, self-image and attitude of the community.

Improve recreational and cultural facilities and opportunities within the Town of Kingsville.

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

Grant awards help charities, non-profit organizations, and volunteer groups provide programs and services that they may not otherwise be able to deliver. Given the number of volunteer hours that many of these groups invest back into our community, most of the financial contributions from the Town yield a very high return on investment when it comes to making Kingsville a better place to live. If many of the services supported by the grant awards were no longer provided by these volunteer organizations, residents may look to the Town to fill these voids.

CONSULTATIONS

Various Municipal Grant Programs.

RECOMMENDATION

That Council approve the proposed amendments to the Kingsville Community Grant Fund Policy and scoring matrix as presented or provide alternative direction.

Ryan McLeod

Ryan McLeod, CPA, CA
Director of Financial Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer