

**County of Essex
Office of the Chief Administrative Officer
Administrative Report**

To: Chairman David Wilkinson and Members of the Government Services Committee

**From: Brian J. Gregg
Chief Administrative Officer**

Subject: Grant Policy

Purpose

To review for the Committee the development and application of the Grant Policy currently ascribed to by Council.

Background

Recently, Council has been approached by various organizations and groups seeking both recurring and one-time, project-specific funding. Council has deferred responding to these applications, opting first for a conduct of a review of the existing Grant Policy to gain an appreciation for the development of this policy and to obtain any necessary clarification regarding its application.

Discussion

Policy Development

The issue of the propriety of the provision of funding to external boards, agencies and organizations by the County has existed for an extended period of time, with its origins dating back to 1990.

In January 1990, Administration requested direction from the Finance Committee of the day regarding the process for managing the grant application process in connection with the preparation of the 1990 budget. In keeping with established policy, the Committee endorsed the conduct of interviews with organizations submitting new grant requests and requests in excess of \$1,000. In total, 23 interviews were conducted over a two day period, with the Committee ultimately recommending eight grant allocations. For grants less than \$1,000, 16 submissions were considered with 13 recommended for approval.

However, in response to the protracted nature of the aforementioned process and the general unfavourable economic circumstances of the day, the Finance Committee, at its February 10, 1990 meeting, passed Resolution 7/90:

Moved by Mr. Miller

Seconded by Mr. Ford

THAT based on budgetary constraints, perceived duplication of services, United Way funding, and the lack of direct benefit to the County, discretionary grants be phased out through a 50% reduction in 1991 and elimination in 1992, and that grant applicants be so notified.

--CARRIED

Prior to the adoption of these minutes by Council, the Finance Committee reconsidered its position, agreeing that a change in corporate grant policy should be adopted directly by Council following a full and open debate of the issue, rather than through the adoption of Committee minutes. Consequently, Resolution 7/90 was rescinded and the subject was referred to full Council for consideration.

The issue of grant policy was deliberated extensively at the March 1990 Budget Sessions. Following considerable debate relative to specific grant requests, and more broadly to the appropriateness of grants in general, a resolution attempting to address the issue was advanced:

Moved by Mr. DiMenna

Seconded by Mr. Atkins

- THAT*
- 1. County Council phase-out or eliminate discretionary grants in 1991 to organizations which in the opinion of County Council do not provide services which are not consistent with the goals and objectives of County Council; and*
 - 2. Grants to organizations that services which are deemed by County Council to be consistent with its goals and objectives be subject to annual review by County Council; and*
 - 3. Obligatory grants be fixed at 1990 levels and that annual increases be limited to the annual increase in all-items consumer price index; and*
 - 4. Any increases in obligatory grants above the average annual increase in the all-items price index must be scrutinized and defended by the requesting party.*

Prior to a vote, it was:

Moved by Mr. Chaplin

Seconded by Mr. Walstedt

THAT the motion regarding grants be referred to the Finance Committee.

--CARRIED

At its April 23, 1990 meeting, the Finance Committee considered a report from Administration that attempted to categorize and clarify the nature of payments made to external boards and agencies as:

Legislated Obligations - payments to organizations for whom a funding formula is defined by legislation to include a County contribution.

Long-Term Discretionary Commitment - payments to organizations which in Council's view merit a long-term financial commitment, generally related to capital undertakings and are supported by Council adopting a payment commitment by-law.

Current Discretionary Commitment - payments to organizations which have received substantial and on-going financial support from Council and which in many respects represent quasi-municipal agencies.

Discretionary Grants - payments to organizations which in Council's view merit a grant award; Council is not otherwise obliged to contribute to the organization.

Following considerable discussion focusing on the delineation of the various categories identified and the relative merits of continuing financial commitments to each, the Committee responded:

Legislated Obligations

Moved by Mr. Ross

Seconded by Mr. McDonald

THAT legislated obligations not be considered grants for budgeting purposes.

--CARRIED

In addition, Council requested an increased information flow from external representatives, either in the form of personal reporting or regular presentation of the minutes to Council as a possible means of County involvement.

Long-Term Discretionary Commitments

Moved by Mr. Miller

Seconded by Mrs. Haugh

THAT requests for long-term funding from community institutions continue to be considered for grants but that long-term commitments, once made, cease to be identified as grants in the budget.

--CARRIED

Consensus was further reached that all subsequent applications should be considered in conjunction with a long-range financial forecast for the County prior to approval.

Current Discretionary Commitments

Consensus was reached that on-going contributions should continue to these agencies (Windsor-Essex County Development Commission, Windsor Essex County and Pelee Island Convention and Visitors Bureau); that the agencies should continue to submit funding requests directly to Council; and, that Council would continue to award funding as deemed appropriate.

Discretionary Grants

Although agreement was reached that there was merit to the concept of eliminating grants, some of the members felt that the door should not be permanently closed to compelling causes, meeting County criteria, which might be worthy of assistance. Members were strong in the opinion that each application should be judged on its need for the current year, rather than on a past history of contributions.

Subsequently, it was:

Moved by Mrs. Haugh

Seconded by Mr. Miller

THAT funds previously allocated to Major and Minor Discretionary Grants be henceforth directed to a County reserve; and further that requests for funding be considered by the Finance Committee for recommendation to County Council based on the following:

- 1) *financial need for the current year*
- 2) *compatibility with County goals and objectives*
- 3) *budgetary limits of Council*

and further, that any funding granted in the previous year not influence the decision on the current year's request.

--CARRIED

Council, at its May 16, 1990 session, adopted the Finance Committee minutes containing the aforementioned resolutions and recommendations.

In concert with the Grant Policy initiatives adopted in 1990, Administration, at the January 13, 1991 Executive Committee meeting, requested direction from the Committee regarding the process by which the Committee wished to evaluate grant requests for 1991. After considerable discussion, which included a questioning of the role of municipal government in undertaking discretionary financial commitments, Resolution 13/91 was passed:

Moved by Mr. St. Louis

Seconded by Mr. Varga

THAT the following categories of grants be eliminated for consideration in 1991:

- *Discretionary Grants Under \$1,000*
- *Discretionary Grants Over \$1,000*
- *New Grant Requests*
- *New Capital Donation Requests*

...with the exception of the Ridgetown College Student Award.

--CARRIED

When the January 13, 1991 Executive Committee minutes were considered by Council at its meeting of February 20, 1991, it was:

Moved by Mr. Renaud

Seconded by Mr. Ross

THAT Resolution 13/91 regarding the abolition of certain Grant categories be adopted.

Moved by Mr. Stewart

Seconded by Mr. Hebert

THAT the categories of grants referred to in Resolution 13/91 not be eliminated from consideration in 1991 and that a decision be made during the Budget Sessions regarding the status of grants in subsequent years.

The Amendment to the Main Motion was PUT and was CARRIED.

The Main Motion was then PUT and was CARRIED AS AMENDED.

In accordance with the direction provided by Council, grant applicants again appeared as delegations to the Executive Committee. In total, 12 interviews were conducted and 11 submissions for grants less than \$1,000 were evaluated.

When considering the issue of grants at the March 20, 1991 Budget Session, Council was advised that the Executive Committee's position on grants had not changed (i.e. no discretionary grants should be awarded in 1991 and that they be eliminated entirely in subsequent years).

At the conclusion of the review of grant requests and following the considerable debate relating to the County's continued practice of awarding grants that ensued, it was:

Moved by Mr. Stewart

Seconded by Mr. Renaud

THAT County Council eliminate the practice of awarding grants from this budget session forward.

--CARRIED

In accordance with this direction, no discretionary grants were awarded in 1991, save and except for the contribution to Ridgetown College for student awards. Further, the Corporation's Procedural By-law subsequently amended to delete the former section that outlined the process for submitting grant applications.

Policy Application

As witnessed above, Council struggled for a considerable length of time (in excess of one year) prior to adopting the position that discretionary grants would be eliminated as a regular and recurring budget component. At times, the discussions became quite emotional and fractious as opposing points of view were presented. The two predominant themes upon which most debate focused were:

- the role of a municipal government in providing financial assistance to various agencies and their undertakings, and
- the ability of Council to exercise its discretion to furnish financial assistance in circumstances deemed of merit.

Notwithstanding the sentiment that pervaded the grant policy development, Council has, over the years, remained beholden to the principles embodied in the position it ultimately arrived at. The concept of discretionary grant allocation has essentially disappeared from the budget process.

A review of the categories of financial commitment advanced at the time of the grant policy formulation, in the context of current budget development, is presented for the edification of the Committee.

Legislated Obligations

Discussion of these contributions in the context of grant policy is a moot point, given the County's obligation to participate in accordance with a defined funding formula.

Administration continues to dialogue with the funding recipients to ensure that the County's contribution is dispersed within the framework of program parameters.

Examples of these obligations now include contributions for the Windsor-Essex County Health Unit, Land Ambulance, Ontario Property Assessment Corporation, Social Assistance, Child Care and Social Housing

Current Discretionary Commitments

The County continues to participate in the funding of the Development Commission and Convention and Visitors Bureau on an ongoing basis. However, the level of County funding remains a matter of debate between the County and these agencies. As a supplement to the Council representation that exists on the board of each agency, greater administrative contact shall be pursued to enhance bilateral information flow, thereby improving the working relationship between the County and the agencies.

Long-Term Discretionary Commitments

The County has sustained and expanded its support for a number of long-term projects. Funding to date has been restricted to public institutions undertaking capital projects. Financial participation has been provided through, and dependent upon, alliances with other community partners (i.e. senior levels of government, other municipalities, business, industry, labour and stakeholder organizations).

Approval of these projects has not come without controversy, as Council grapples with the balance between benefit to be conferred upon the greater community and its responsibility as stewards of financial resources provided by constituent ratepayers. For those funding commitments made, the merits of the particular projects were considered sufficiently pervasive to warrant the expenditures approved.

Requests of this nature remain troublesome for Council to respond to, generally as a consequence of the magnitude of the request made, the lengthy commitment period, the articulation and evaluation of the benefits to the community and public acceptance of Council's role as a funding partner.

Examples of these commitments include funding provided to the University of Windsor (St. Denis Centre), Leamington District Hospital, Windsor Regional Hospital Centre (Western Campus), and the Windsor-Essex County Hospitals Foundation (re hospital restructuring/reconstruction).

Discretionary Grants

Effective 1991, the award of discretionary grants has been eliminated as an element of the annual budget preparation process. Since that time, Council has, on several occasions, reaffirmed this position. Concern initially existed that Council would be permanently precluded from providing financial assistance of this nature, regardless of the merits of a particular request. However, it remains Council's prerogative to amend or adapt policy as it considers appropriate.

Council has been approached by delegations on numerous occasions with requests for one-time, project-specific funding. Generally speaking, such requests have not been approved, with Council citing adherence to policy as its rationale. However, on limited occasions, Council has made exceptions, granting the requested funding. In these circumstances, the existence of extenuating conditions have usually been principal factors in Council's decision-making process. Examples include contributions provided to Prosperity 2000 (economic planning), Ice Storm Relief, Essex County Flood Relief, Actifest 98 – Ontario Senior Games, the St. Clair College Scholarship Fund, NAFTA Superhighway Coalition and the Welcome 2000 Committee. In many instances, the noted assistance was financed through a contribution from corporate reserves.

The difficulty confronting Council as it receives grant requests is that delegations advancing the requests routinely represent worthy causes or projects. In considering such requests, Council is faced with the dilemma of adhering to policy and appearing uncharitable in the minds of some or granting financial assistance, thereby weakening its commitment to policy principles.

As evidences above, blind or blanket adherence to a "no discretionary grant" policy has not occurred in the past. Although grant applications have generally been discouraged, each request presented has been respectfully considered, in the context of the benefit conveyed to the greater community. Council would be well served to preserve such a practice – constituents must retain their opportunity to approach Council; however they must also remain mindful of the position adopted by Council. In the end, the relative merits of the request in the collective mind of Council should determine the success of the application.

Recommendation

For the information and consideration of the Committee.



Brian J. Gregg
Chief Administrative Officer
December 29, 1999