

TO: CHAIR AND MEMBERS
EXECUTIVE COMMITTEE OF COUNCIL **DATE:** 2021 October 28

FROM: DEPUTY CHIEF ADMINISTRATIVE
OFFICER & CHIEF FINANCIAL OFFICER **FILE:** 7400-01

SUBJECT: COMMUNITY GRANT PROGRAM

PURPOSE: To review the Community Grant Program eligibility criteria for fee waivers.

RECOMMENDATION:

1. **THAT** the Executive Committee of Council receive this report as information.

REPORT

1.0 INTRODUCTION

At the Executive Committee meeting on 2021 October 06, the Committee considered a motion that the Community Grant criteria be revised to allow non-Burnaby based organizations to apply for a fee waiver if fundraiser proceeds support Burnaby residents. The motion was referred to staff for a report outlining the advisability and feasibility of altering the City's Community Grant - Fee Waiver eligibility criteria.

The purpose of this report is to provide information on the feasibility and implications of modifying the eligibility criteria for the granting of a fee waiver under the Community Grant Program to allow non-Burnaby based organizations to apply, provided that anticipated net charitable fundraising proceeds benefit Burnaby residents.

2.0 POLICY SECTION

Goal

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- An Inclusive Community
 - Service a diverse community –
Ensure City services fully meet the needs of our dynamic community

- A Thriving Organization
 - Organizational Culture –
Ensure that our core values are reflected in our policies, programs and service delivery
 - Communication –
Practice open and transparent communication among staff, Council and the community

3.0 COMMUNITY GRANT PROGRAM ELIGIBILITY CRITERIA

Under the Community Grant Program, Council has established eligibility criteria to guide decisions on the awarding of General Grants, Fee Waivers and Recreational Sports Grants.

General Grants

General Grants are only awarded to Burnaby-based, non-profit registered/incorporated societies, which in the judgment of Council, align with the City's strategic priorities, as outlined in Burnaby's Official Community Plan, the Burnaby Social Sustainability Strategy, the Economic Development Strategy, and the Environmental Sustainability Strategy. The grant must be directed towards projects, events, and/or programs, and operating costs that directly benefit Burnaby residents.

Fee Waivers

Fee Waivers are only awarded to Burnaby-based, non-profit registered/incorporate societies who make application to host an event at a City facility. To be eligible for a fee waiver:

- For charitable initiatives, applicants must be Burnaby-based and provide details of their initiative on the application;
- Any fundraiser proceeds must support a municipal facility, project, or initiative which benefits Burnaby residents;
- Any golf tournament must be held in May, June, September or October and between Monday and Friday, excluding holidays, and must have a minimum of 100 participants;
- To ensure the capability of the organizing committee, the anticipated net proceeds benefitting local initiatives must be equal to or greater than the value of the fee waiver;
- Non-donated prizes must be purchased from Burnaby-based businesses or golf courses.

4.0 ANALYSIS

The City's Community Grant Program Budget for 2021 Budget is \$300,000 which includes funds for fee waivers. Currently, only Burnaby-based, non-profit societies are eligible to apply for a fee waiver to conduct charitable activities, with any fundraising proceeds going towards the support of a municipal facility, project, or initiative which benefits Burnaby residents. As the City has a limited number of Burnaby-based, non-profit organizations, the review and processing of approved fee waivers is manageable. Should the Committee decide to recommend modification of the eligibility requirements for fee waivers and broaden the applicant base to include non-profit organizations who reside outside of Burnaby, the City could see a noticeable increase in the volume of incoming applicants which could have an adverse impact on staffing and workload.

Recognizing that the City of Burnaby has first class recreational facilities, not to mention, several sought after golf courses, one can expect there could be much interest from non-Burnaby based, non-profit organizations and groups wishing to take advantage of the incentive offered through the offering of a City fee waiver.

At this point, it is unclear whether or not Burnaby based non-profit organizations would benefit from a change in eligibility criteria for fee waivers. While one would expect Burnaby non-profit organizations to benefit from an increase in incoming charitable donations received from non-Burnaby based organizations, it is unclear whether all would equally benefit. For instance, without a corresponding increase in the Community Grant Budget to fund a potentially higher volume of applicants seeking a fee waiver, Burnaby-based non-profit organizations may find themselves competing against non-Burnaby based organizations for a limited pool of community grant funds.

Broadening the eligibility criteria to include non-Burnaby based organizations could also create a host of issues. For instance, the City may need to stipulate that all charitable fundraising events being held by the non-Burnaby based organization must be open to the general public, including Burnaby residents. This stipulation would be needed to ensure that the "charitable event" is not seen as strictly benefitting the members of non-Burnaby based organization, particularly as the City would be providing a fee waiver, funded through public funds.

4.1 Benefits to Modifying the Community Grant Fee Waiver Eligibility Criteria

- **Increased Charitable Donations:** In cases where a fee waiver is provided to a non-Burnaby based applicant, a Burnaby-based non-profit organization may benefit by receiving charitable donations resulting from such an event, like a charitable golf tournament. These charitable donations would also include the value of the City's fee waiver. Therefore, the City is contributing to the non-profit indirectly.
- **Financial Benefit to City Facilities:** Direct financial benefit to those City facilities hosting the charitable fundraising event through the sale of goods purchased by event participants.

- **Future Economic Benefits:** Potential to attract non-Burnaby based organizations, groups and individuals to the City which could provide future economic benefits to City facilities, Burnaby residents and businesses.

4.2 Costs to Modifying the Community Grant Fee Waiver Eligibility Criteria

- **Financial Implications:** Broadening the scope of the City's fee waiver eligibility criteria to include non-Burnaby based organizations could result in increase grants being awarded, which would require an increase to the Community Grant Budget. As a result, the cost of this modification could lead to increase in spending of one-time funding initiatives from Gaming Interest Reserves.
- **Staffing and Workload Challenges:** Given the desirability of the City's recreational facilities and golf courses, there would be much interest from non-Burnaby based organizations and groups wishing to take advantage of the fee waiver. This influx of applicants could have an adverse impact on staffing and workload through an increase in the review and processing of Community Grant applications.
- **Public Opposition:** Recognizing that there would be a requirement for a non-Burnaby based organization to use all fundraising proceeds in support of Burnaby residents, there is potential for public opposition, likely from Burnaby residents and non-profit organizations who may oppose the use of public funds to provide fee waivers assisting non-Burnaby based organizations in holding a charitable event. Considering this, the fee waiver may be perceived as primarily benefiting the organization, particularly if the event is closed to the general public. The City could also face criticism for this initiative as some may see this arrangement as unfair, particularly if they are regular patrons of a City facility for which a fee waiver (subsidy), has been provided to a non-Burnaby resident and/or group.
- **Duplicate Grants:** The Executive Committee of Council may have already provided grants to the same Burnaby-based organizations as the proceeds from non-Burnaby based charitable event would go. Although the organization would be contributing its net proceeds to a Burnaby-based non-profit organization, the City's fee waiver equivalent is being donated as part of these proceeds. Hence, the City could be looked at as donating multiple amounts from the Community Grant Program, above the criteria limits, to the Burnaby-based non-profit organization.

5.0 CONCLUSION

As noted in this report, some Burnaby-based non-profit organizations stand to gain from the charitable fundraising proceeds received from non-Burnaby based organizations. Additionally, there could potentially be indirect economic benefits that could accrue to Burnaby facilities, businesses and residents arising from the charitable fundraising activities of non-Burnaby based organizations, however, such economic benefits cannot be reasonably predicted or quantified at this time.

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Alternatively, some community stakeholders, including Burnaby-based non-profit organizations could be adversely impacted from this change in practice if they find themselves having to compete against a limited pool of available funds within the Community Grant Budget. Moreover, broadening the eligibility of the fee waiver could foster staffing and workload challenges stemming from additional time and resources towards the review and processing of applications. In addition to financial and workflow implications, modifying the eligibility criteria of fee waivers to include non-Burnaby based organizations could have unintended consequences such as the exclusion of Burnaby residents from events, duplicate payments, and/or Burnaby-based non-profit organizations not having access to grants as they are competing for the same pool of funds as non-Burnaby based organizations.

6.0 RECOMMENDATION

This report reviewed the feasibility of modifying the Community Grant fee waiver eligibility criteria to allow non-Burnaby based, non-profit organizations to apply for fee waivers if their charitable fundraising proceeds support Burnaby residents. It is recommended that the Executive Committee of Council receive this report as information.



Noreen Kassam, CPA, CGA
DEPUTY CHIEF ADMINISTRATIVE OFFICER
& CHIEF FINANCIAL OFFICER

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Copied to: Chief Administrative Officer