

NO: **F019**

COUNCIL DATE: **September 13, 2010**

FINANCE COMMITTEE

TO: **Mayor & Council**

DATE: **September 7th, 2010**

FROM: **General Manager, Finance & Technology**

FILE: **1850-01**

SUBJECT: **Assignment to the Surrey Foundation of the City's "Other One Time Grants" Program**

RECOMMENDATION

The General Manager, Finance & Technology recommends that the Finance Committee recommend that Council:

1. Assign to the Surrey Foundation the administration of the City's "Other One Time Grants" Program as outlined in this report for a two year pilot, being 2011 and 2012, after which the effectiveness of this approach is to be evaluated and a report complete with recommendations is to be forwarded to Council; and
2. Approve the City making a \$5,000 contribution to the Surrey Foundation for each year of the two year pilot as a "sustaining partner" as described in Appendix "A" of this report.

INTENT

The purpose of this report is to discuss the merits of assigning the administration of some of the on-going City grants programs to the Surrey Foundation and to recommend such an assignment on a 2-year pilot basis.

POLICY CONSIDERATIONS

In 1979, Council established a Policy on City Grants. Since that time the Policy has been amended several times. The latest amendment was in 2005. Council relies on the criteria in this well established Policy for the awarding of grants.

BACKGROUND

The total City Grants budget is currently valued at \$1.086M. The majority of this funding is allocated to specific on-going grants, as follows:

City Leases	\$0.176M
Chambers of Commerce	\$0.040M
Lower Fraser Valley Exhibition Association	\$0.725M
Other On-Going Grants	<u>\$0.073M</u>
	<u>\$1.014M</u>

The remaining funding (\$0.072M), is available for One-Time Grants and is allocated as follows:

Community Enhancement Partnership Program	\$0.025M
Property Taxes	\$0.005M
Special Youth Recognition	\$0.005M
Other One-Time Grants	<u>\$0.037M</u>
	<u>\$0.072M</u>

The following is a brief description of each of these One Time Grant Program elements:

Community Enhancement Partnership Program: This program was adopted by Council in January 2010 and provides support for community engagement and beautification projects. Community resident groups or organizations may apply to the City for a grant under either of two separate categories, being; (1) a Small Grant Project that will assist resident groups in planning, organizing and implementing projects intended to directly improve the physical aesthetic appeal of their neighbourhood; and (2) a Partnership Grant that will support resident organizations in developing membership and building community relationships. There may be some merit to having a third party administer this Program in the future; however the guidelines have only recently been established and may need further refinement before the administration can be effectively assigned to a third party.

Property Tax Grants: This category is reserved for providing assistance to those organizations that would have been eligible for a permissive property tax exemption but were not able to meet the statutory deadline (October 31st) of the previous year. Typically, Council will award a grant to such organizations that is equivalent to the City portion of the property taxes that would otherwise have qualified for an exemption. This portion of the Grants budget should continue to be administered by City Staff since it relates to property taxes.

Special Youth Recognition: This is intended to be used to recognize individuals or groups who achieve extraordinary accomplishments as determined by City Council. Typically, Council allocates \$2,500 from this category for the purchase of City of Surrey pins, which are distributed by the Mayor's Office to groups or teams who attend or host events at the provincial level or higher. This portion of the Grants budget should continue to be administered by the City.

Other One-Time Grants: Applications for grants under this category are invited in September of each year and the majority of the grants are awarded by Council as part of the annual budget approval process. On average about 60 applications are received under this category annually. On average, approximately 32 applications are successful in achieving a grant. Late applications are received during the course of the year, which are evaluated and grants awarded where appropriate. This part of the City's annual grant program could be assigned to the Surrey Foundation.

Costs to Administer the City Grants Program

It is estimated that the City's Grant Evaluation Committee spends approximately \$5,000 of time per year related to the administration of the City Grants Program.

DISCUSSION

The Surrey Foundation was created in 1994. Since that time, it has granted over \$1.0 million to local charities and programs. The Foundation is a volunteer-driven organization that plays a leadership role in building social capital by developing partnerships within the charitable sector and business community.

The Foundation's Grant Program currently awards grants with a total value of approximately \$30,000 per year. There appears to be merit in assigning the City's "Other One Time Grants" Program to the Foundation. By having the same organization review all grant requests, available funding from both the City and the Foundation will be more evenly distributed to organizations and programs in the community.

The Surrey Foundation can only award grants to "qualified donees". A "qualified donee" is a non-profit organization that is permitted to issue official income tax receipts for donations received by that organization. The City's "Other One Time Grants" Program provides grants to many different types of organizations, which do not necessarily meet the requirements of a "qualified donee". It is important from the perspective of staff that the range of applicants eligible for grants not be restricted to "qualified donees" only.

The Surrey Foundation's primary goal in requesting to be involved in the City's Grant Program is to build its profile in the community so as to generate more good will and hence donations from which the Foundation can award even more grants to organizations and programs in the community. The Foundation is requesting that it be assigned to act as the Grants Evaluation Committee for the "Other One Time Grants" component of the City's Annual Grant Program. Under the proposed arrangement the Foundation would review the grant applications received by the City and make recommendations to the City based on the City's Grant Policy. A member of the current City Grants Evaluation Committee would sit on the Foundation's Grants Evaluation Committee. This proposed arrangement with the Foundation would result in the following:

1. Available grant funding from the City and the Foundation would be distributed more equitably across applicants since some applicants apply to both the City and the Foundation for funding and often receive funding from both organizations;
2. Some City staff time savings would be achieved; and
3. The profile of the Surrey Foundation would be enhanced through its administration of a larger Grant Program, which should result in more good will in the community and potentially more charitable donations being raised by the Foundation, which would enhance its ability to impact the community in a positive way (i.e., the larger pool of funds would allow it to make even more annual grants).

Staff has met with representatives of the Surrey Foundation and discussed the above approach with them with the suggestion that it be piloted for a two year period beginning with the 2011 Grant Process. At the end of the 2 year pilot an evaluation would be undertaken and a further report complete with recommendations would be provided to Council. The Foundation has advised that it is satisfied with this recommended course of action.

With a view to demonstrating support for the Surrey Foundation, the City could contribute to the Foundation an amount equivalent to the cost savings that will be achieved by the City by not having to administer the “Other One Time Grants” Program, which is estimated at \$5,000. This value of contribution is classified as a “Sustaining Partner” contribution under the Surrey Foundation’s Fund Raising Program, which is documented in Appendix “A”.

The Surrey Foundation has advised that it is also interested in administering the City’s Community Enhancement Partnership Program; however, since this Program has only recently been introduced by the City, staff is recommending that consideration of assignment of this Program be deferred for a year to allow staff time to ensure that it is operating effectively.

CONCLUSION

Based on the above discussion, it is recommended that the Finance Committee recommend that Council:

1. Assign to the Surrey Foundation the administration of the City’s “Other One Time Grants” Program as outlined in this report for a two year pilot, being 2011 and 2012, after which the effectiveness of this approach is to be evaluated and a report complete with recommendations is to be forwarded to Council; and
2. Approve the City making a \$5,000 contribution to the Surrey Foundation for each year of the two year pilot as a “sustaining partner” as described in Appendix “A” of this report.

Vivienne Wilke, CGA
General Manager,
Finance & Technology

Appendix A: Surrey Foundation Sustainable Partnership Levels and Benefits



SURREY *foundation*

APPENDIX A-1

Sustaining Partnership Levels and Benefits:

Community Visionary

\$25,000 per year - minimum 3 year commitment

In addition to your customized package benefits, you will receive:

- Premier logo placement, website link, & bio on Sustaining Partners page of Surrey Foundation and SurreyCARES web sites
- Premier logo placement & recognition as Community Visionary in thank you ad in local print media (pledge must be recognized by October 30, 2010)
- Surrey Foundation Community Visionary wall plaque
- Premier logo placement & recognition in Surrey Foundation Monthly Newsletter
- Premier logo placement & recognition in select Surrey Foundation and SurreyCARES brochures
- Sponsor profile in one issue of Surrey Foundation Quarterly Newsletter
- Premier recognition on display as Community Visionary at Surrey Foundation events
- Sponsor profile and donor recognition in Surrey Foundation annual report
- Invitation to donor recognition events, VIP sponsor receptions, press events

Community Leader

\$15,000 per year/minimum 3 year commitment

In addition to your customized package benefits, you will receive:

- A \$2,500 named grant to a community organization of your choice for your years of commitment
- Logo & website address on Sustaining Partners page of Surrey Foundation and SurreyCARES Web sites
- Logo placement & recognition as Community Leader in thank you ad in local print media (pledge must be recognized by October 30, 2010)
- Surrey Foundation Community Leader wall plaque
- Logo placement & recognition in Surrey Foundation Quarterly Newsletter
- Logo placement & recognition in select Surrey Foundation and SurreyCARES Brochures
- Sponsor profile in one issue of Surrey Foundation Quarterly Newsletter
- Recognition on display as Community Leader at Surrey Foundation events
- Sponsor profile and donor recognition in Surrey Foundation annual report

PO Box 34089, Surrey, BC V3S 8C4

Phone: 604-591-2699 – Fax: 604-591-2656 – info@surreyfoundation.org

www.surreyfoundation.org

www.surreycares.org



SURREY *foundation*

Community Builder

\$10,000 per year/minimum 3 year commitment

In addition to your customized package benefits, you will receive:

- A \$1,000 named grant to a community organization of your choice for your years of commitment
- Logo & website address on Sustaining Partners page of Surrey Foundation and SurreyCARES web sites
- Logo placement & recognition as Community Builder in thank you ad in local print media (pledge must be recognized by October 30, 2010)
- Surrey Foundation Community Builder wall plaque
- Logo placement & recognition in Surrey Foundation Quarterly Newsletter
- Logo placement & recognition in select Surrey Foundation and SurreyCARES brochures
- Sponsor profile in one issue of Surrey Foundation Quarterly Newsletter
- Recognition on display as Community Builder at Surrey Foundation events
- Sponsor profile and donor recognition in Surrey Foundation annual report
- Invitation to donor recognition events, VIP sponsor receptions, press events
- Ability to distribute marketing materials, when possible, at Surrey Foundation events

Community Supporter

\$5,000 per year/3 year commitment

In addition to your customized package benefits, you will receive:

- A \$500 named grant to a community organization of your choice for your years of commitment
- Name & website link on Sustaining Partners page of Surrey Foundation and SurreyCARES web sites
- Name placement & recognition as Community Supporter in thank you ad in local print media (pledge must be recognized by October 30, 2010)
- Surrey Foundation Community Supporter wall plaque
- Name placement & recognition in Surrey Foundation Quarterly Newsletter
- Name placement & recognition in select Surrey Foundation and SurreyCARES brochures
- Donor recognition in Surrey Foundation annual report
- Name recognition on display as Community Supporter at Surrey Foundation events
- Invitation to donor recognition events, VIP sponsor receptions, press events

PO Box 34089, Surrey, BC V3S 8C4

Phone: 604-591-2699 – Fax: 604-591-2656 – info@surreyfoundation.org

www.surreyfoundation.org

www.surreycares.org