



Municipality of the District of Argyle

Item: Grants to Organizations –
Post COVID action

Date: March 30, 2020

VISION

We see Argyle as home to a healthy and thriving rural population. Our municipality promotes and supports economic and social opportunities for the region and engages in the active expression of our unique Acadian heritage. We are a place of choice for rural living and are widely recognized for our warm hospitality and joie de vivre. Surrounded by fresh air and cool ocean breezes, we work and play in the great outdoors. People choose to live in Argyle because of our commitment to each other, to our community and to our neighbors. Argyle is a place we are proud to call home.

Background:

With the onset of this global pandemic, we are first thankful that we implemented an online application for grants to organizations. It certainly has made it much easier for organizations to apply for funding. Of course the issue now is that many organizations are facing much uncertainty with their activities and projects.

Festivals and events are unsure whether they will have the event. Many halls and other organizations that had a capital project in mind are having difficulty obtaining quotes for their work.

Furthermore, other organizations not accustomed to applying for funding assistance may do so to offset the impact of the pandemic on their non-profit operations. We have received correspondence from the YMCA regarding this (attached) and we should expect additional costs associated with some of our subsidiary companies that cannot generate income or as much income to offset operations (Yarmouth Airport, Mariners Center).

In short, there is a lot of uncertainty surrounding our finances and the finances of non-profit organizations.

Request for CAO's consideration:

Staff responsible for the delivery of the grants to organizations, and those associated with its delivery asked for the CAO and Council's guidance regarding the status of the grants to organizations in light of the Covid-19 pandemic.

Financial staff has prepared a draft budget, assuming normal operations. It is clear that 2020-21 will be far from normal. Thus, we cannot confirm the same or similar amounts for grants to organizations this year, as we are anticipating unique requests to come in that have to be accounted for.

It is clear that the way we do grants to organizations this year should change, and the process will require more from Council from a decision-making perspective.

MGA considerations:

Section 65 is enabling insofar as grants to non-profit organizations. It requires that we publish a list of recipients as well as the amount contributed.

CAO's Recommendation:

First, I would recommend that the April 30th 2020 deadline be extended to match the second deadline, being September 15th, 2020. That way, every application made now until that date would be accepted and eligible for some form of contribution.

Also, in extending the deadline, it would provide staff to determine whether there would be a special grant to organizations line for COVID related issues. This portion does not have to be determined today, I merely point out that a deadline extension allows this to occur, whereas an April 30th deadline does not.

Implications to this recommendation:

The implication is that Council will be unable to finalize grants to organizations as it does in May. It can finalize a total amount it wishes to distribute.

Council would then have the option to consider applications multiple times a year and approve a section of the grant money at that time, or it can wait until September 15th to decide all grants to organizations. Waiting until September allows us to hold onto cash which may be desirable for the Municipality. The downside is that those that need cash quickly will not get it.

I would recommend against waiting until September to issue grants. It does present another challenge; how does Council decide which grants get approved while there are other applications that could come in that would influence Council's decisions?

Option 1 Approve a maximum funding budget by period

Council can instruct staff to collect applications and provide a list of applicants monthly. Council would allocate funds periodically. For example, applications from March 2020 to May would be collected, and Council would allocate an amount of funding for that period of time. Applications for June and July would get another budget allocation etc..

Pros – it's easy, you pick a budget for the year, and you divide that number by # of months, and that is the money you have available. It allows for budget certainty for MODA.

Cons – It does not take into consideration the needs of the applicant. Allocating this way may result in missed funding opportunities to organizations in greatest need. There is little flexibility in this option

Option 2 Make partial funding decisions throughout the period

Council can instruct staff to collect applications and provide a monthly list. Council would determine which applications should be funded, BUT only fund a portion of the request. For example, if the Trails Association requested \$7,000, and Council has traditionally funded for \$4,000, it could approve \$2,000 in the month of application. Then, at the end of the deadline, could release a second amount once all the applications were in.

Pros: It funds needed organizations with a portion of their funding needs in a reasonable time, and allows flexibility from Council to give less, more or the same as they traditionally would after the actual deadline has passed. It adjusts Council's decisions to match this time of uncertainty.

Cons: It is more complex and does not allow for certainty for us or for the applicant on funding until September 15th. It may force Council to increase funding outside of its budget to meet demand.

Suggested motion:

Extend deadline to September 15th for all grants to organizations applications and enable partial funding for applicants up until this deadline, to meet cash flow demands of our nonprofit organizations.