



Report to: Development Services Committee

Meeting Date: June 8, 2020

SUBJECT: Celebrate Markham Grant Program – April 1, 2020 – March 31, 2021 (2020-21) – Funding Approvals and Annual Program Review

PREPARED BY: Don De Los Santos, Manager, Markham Small Business Centre, ext. 3663

RECOMMENDATION:

1. THAT the report titled, “Celebrate Markham Grant Program – April 1, 2020 - March 31, 2021 (2020-21) - Funding Approvals and Annual Program Review” be received; and,
2. THAT Council approve the recommendations of the Interdepartmental Staff Review Committee to fund 53 Celebrate Markham applicants, totaling \$184,500, as included in Attachment 1 and identified in Attachments 2, 3, 4 and 5; and,
3. THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

This Staff report contains recommendations for the 2020-21 funding cycle of the Celebrate Markham Grant program, for events that take place from April 1, 2020 to March 31, 2021 (application deadline was November 14, 2019, 4:00 pm).

Progress on this report to Council was put on hold when the COVID-19 disruption and a Provincial emergency was declared. As a result, on April 28, 2020, Staff presented a Celebrate Markham Action Plan to gather more information directly from event/project organizers and applicants before making final recommendations to Council. The recommendations in this report take into account the analysis of the information and updates received directly from applicants.

For this 2020-21 funding cycle of the Celebrate Markham Grant program, it is recommended that 53 applicants out of 62 eligible applicants, be approved, totaling \$184,500 in grants, out of the \$256,000 total available funding envelope for community grant applications.

This report also contains recommendations regarding the Markham Arts Council’s request for a grant of \$30,000 for the 2020 program year.

PURPOSE:

To recommend Celebrate Markham Grant awards for projects and events to be held between April 1, 2020 and March 31, 2021. Grant recommendations are included in Attachment 1 and identified in Attachments 2, 3, 4 and 5.

BACKGROUND:

On October 13, 2015, Council adopted a revised Celebrate Markham Grant Program following a comprehensive program review, which included stakeholder consultations. Council approved that the Celebrate Markham Grant funding envelope be set at \$370,000 which is allocated to the following funding streams along with funding caps per applicant:

- a. Cultural Events & Programs = \$76,000 (maximum \$5,000 per applicant)
- b. Major Community Festivals = \$100,000 (maximum \$10,000 per applicant)
- c. Sports Events = \$40,000 (maximum \$10,000 per applicant but up to \$20,000 for International/World level sports events)
- d. Seniors' Clubs = \$40,000 (maximum \$3,000 per applicant)
- e. City led events = \$84,000
- f. Markham Arts Council = \$30,000

Combined, categories a, b, c and d above represent a total available funding envelope of \$256,000 allocated for Celebrate Markham community grant applications.

Subsequently, on April 5, 2016, Council considered the report "Markham Arts Council Celebrate Markham Grant Allocation" and approved a \$23,400 grant to the Markham Arts Council (grant of \$30,000 less 2016 loan repayment of \$6,600) subject to providing an Audit Engagement of their financial statements. Council further approved the recommendation that "in future years, should MAC receive a Celebrate Markham Grant, the loan repayment of \$6,600 will be deducted from the grant amount" and that "as a part of their annual Celebrate Markham funding request, Markham Arts Council provide an annual report to Council including a financial audit, annual business plan, marketing plan and key projects and initiatives demonstrating clear alignment and connections with City of Markham's strategic initiatives, including the City's Culture Plan".

As stipulated in the Grant Program Guidelines, grant recipients must within 90 days of stated completion date of their Project, complete and submit a Project Outcome/Financial Report which includes reporting on community partnerships, participation and attendee statistics, outcomes, community impact, learning and program feedback, as well as detailed reporting on actual expenses vs. projected budget and associated variance explanations. In addition, certain financial reporting information is required (detailed below in Table A).

TABLE A

Revised minimum reporting requirements		
Grant Threshold		Minimum Reporting Requirement
1.	\$5,000 or less	Income statement and balance sheet prepared by the organization and signed by the Board
2.	\$5,001 - \$10,000	Compilation Engagement prepared by a Licensed Public Accountant outside the organization. One document that contains financial statements for the 2 separate fiscal years (the most recent fiscal year and the previous year).
3.	\$10,001 & over	Audit Engagement prepared by a Licensed Public Accountant outside the organization. One document that contains financial statements for the 2 separate fiscal years (the most recent fiscal year and the previous year).

In cases where an organization has not yet fully complied with the Project Outcome/Financial Reporting requirements specified above, Staff recommend that those organizations receive funding from this 2020-21 funding Cycle subject to receiving and approving of the reporting requirements outlined above.

A call for grant applications was opened on September 23, 2019 for consideration of any programs and events happening between April 1, 2020 and March 31, 2021 ("2020-21"). The deadline to submit was November 14, 2019, 4:00 pm.

A total of 68 applications were received for this funding cycle (2020-21). Three applicants withdrew their applications. Three applicants were deemed not eligible as a result of non-compliance with a Council resolution, as approved on April 16, 2019, that "any Celebrate Markham grant applicant that has not met the Project Outcome/Financial Report requirements for grants received or approved for programs/events/projects that occurred prior to March 31, 2019 be given a deadline of December 1, 2019 to submit their outcome/financial report documents as a condition of remaining eligible for any Celebrate Markham grant for the 2020-2021 and any subsequent program funding cycles". The three applicants deemed not eligible (and the associated Project Outcome/Financial reports not yet submitted) included:

1. Power Unit Youth Organization (2017 and 2018 Night It Up!)
2. Federation of Chinese Canadians in Markham (2017 and 2018 TD Taste of Asia and 2017 Markham Chinese New Year Festival)
3. Muaythai Canada (2018 National Championship)

The 62 remaining applicants were given consideration as eligible to receive funding for this current 2020-21 funding cycle. Based upon evaluation by the Interdepartmental Staff Review Committee, using Council-approved eligibility requirements and program criteria, 53 applications are being recommended for funding (see Attachment 7, Celebrate Markham Program Criteria). Key elements of the review include:

1. Organizational Readiness
2. Project Merit
3. Community Impact

4. Partners and Inclusivity
5. Waste Planning (Zero Waste Event)
6. Workplan
7. Project Budget

The Interdepartmental Staff Review Committee includes representation from the following City departments: Economic Growth, Culture & Entrepreneurship (Director and Manager); Financial Services (Financial Planning); Recreation (Director, Senior Manager and Manager Sport Development); Human Resources (Diversity); and, Corporate Communications & Community Engagement (Events).

Staff have exercised flexibility, where warranted in the review and processing of applications.

Progress on this report to Council was put on hold when the COVID-19 disruption and a Provincial emergency was declared. On April 28, 2020 Council received a presentation from Staff entitled “Celebrate Markham Action Plan” outlining the follow-up steps needed to properly assess the impacts on Celebrate Markham applicants of the declaration of the Provincial emergency due to the COVID-19 pandemic; specifically related to cancellations, postponements and alternate (including virtual) delivery of projects/events.

OPTIONS/ DISCUSSION:

Application Review

Table B provides an overview summary of all Celebrate Markham applications within the \$256,000 total available funding envelope for community grant applications for this funding cycle, as well as Staff’s recommendation to fund 53 Celebrate Markham applicants, totaling \$184,500 out of the \$256,000 available funding envelope:

TABLE B

<u>Summary Table for Celebrate Markham</u> <u>Community Grant Applications vs. Allocation Limits (2020-21 Funding Cycle)</u>						
Grant Category	Total # of Eligible Applications (New Applicants)	Total Funding Requested	Total Funding Envelope (A)	Total # of Applications Recommended (New Applicants)	Total Funding Recommended (B)	Remaining Budget Available Fav./(Unfav.) C = A - B
Cultural Events & Programs	31 (8)	\$155,175	\$76,000	26 (7)	\$81,000	-(\$5,000)
Major Community Festivals	6 (0)	\$60,000	\$100,000	6 (0)	\$39,500	\$60,500
Seniors' Clubs	18 (5)	\$53,925	\$40,000	16 (5)	\$35,500	\$4,500
Sports Events	7 (2)	\$64,145	\$40,000	5 (1)	\$28,500	\$11,500
TOTAL	62 (15)	\$333,245	\$256,000	53 (13)	\$184,500	\$71,500

Application summaries are provided in Attachments 2 to 5, along with the Interdepartmental Staff Review Committee's recommendations. Attachment 6 contains detailed tables showing the amounts requested and recommended for each funding category and the recommended recipients as well as outlining re-allocations between funding streams. Note: on October 13 and 14, 2015, Council approved that "in any given funding cycle, any unallocated funds within a funding stream be re-allocated to remaining streams with qualified applications and should there be no additional qualified applications in other funding streams, the surplus funds be returned to source."

The Celebrate Markham Grant program continues to gain broader awareness among community groups throughout Markham and the program already receives far more applications for funding than is available in the grant program's funding envelope. That means reduced funding across the board to each qualifying organization; and/or the possibility that weaker applications (that might otherwise be eligible) not being recommended for funding whatsoever.

Currently for 2020-21, the grant program is oversubscribed. There were more requests for funding than the Celebrate Markham Grant program had available. Applicants have requested \$97,245 more funding for their events and programs than the grant program has available within its current allocation limits. Attachment 6 summarizes the categories that are over/under subscribed and the relevant amounts.

City-led Events

Out of the total \$370,000 funding envelope for Celebrate Markham, \$84,000 is reserved for City-led events, including:

- a. Senior's Hall of Fame
- b. Canada Day Celebrations
- c. Doors Open Markham
- d. Markham Milliken Children's Festival
- e. Earth Hour
- f. Markham Santa Claus Parade
- g. Black History Month celebrations

Impact of Provincial Emergency Orders and COVID-19 Disruption

Out of the 62 eligible applicants:

- 23 responded with no substantive change to original proposal (may include temporary virtual program delivery)
- 16 responded postponing their project to a later time within the current 2020-21 funding cycle
- 9 responded postponing their event to the next funding cycle (April 1, 2021 to March 31, 2022)
- 2 responded with a switch to virtual delivery
- 3 responded cancelled and seeking financial relief for sunk costs
- 8 responded but still uncertain about their direction
- 1 no response received

Staff recommend that for the 23 applicants who responded with no substantive change to their original proposal as well as the 16 who have postponed their project to a later time within the current funding cycle, that they be considered for funding recommendations as normal.

For the nine applicants who have responded postponing their project/event to the next funding cycle (April 1, 2021 to March 31, 2022), it is recommended that those organizations not be given financial consideration during the current 2020-21 funding cycle but that their applications be directly carried forward to next year's 2021-22 funding cycle for consideration.

1. TEDx Markham
2. Markham Federation of Filipino Canadians – Philippine Independence Day Celebration
3. Heintzman House – Places We Live photography exhibit
4. Sing Fai Sports Club – All Community Games
5. Rugby Ontario – Festival
6. Fengcai Senior Activity Centre
7. Markham Tamil Seniors Association Canada
8. Unionville Tennis Club – OTA Outdoor Jr U18 Provincial Championship
9. Dodgeball Ontario – Provincial Championship

Further, to help alleviate the administrative burden on these applicants, such a postponement should not require the completion of a new application, so long as the postponed event is substantially the same in size, scope and budget as the original proposal.

For the two applicants who have indicated a switch to an alternate/revised delivery of programming (in these cases to a strictly virtual platform), staff have assessed the revised work plans, budgets and impact estimates.

1. Markham Village Music Festival (Major Festival)
2. World Parkinson's Program – Wellness Program (Seniors)

To establish a baseline, Staff looked at historical total funding recommendations across all funding categories compared to those applicants' overall budgeted spending for their projects. In previous years, the final grant award represented, on average, less than 10% of an applicant's overall budget for a project. In order to remain consistent with the existing Celebrate Markham guidelines and prior year recommendations, while at the same time accommodating for the extenuating circumstances brought on by the COVID-19 disruption, it is recommended that any revised grant approval should be consistent with the already established guidelines, be no more than what the organization would originally have been approved for and also be no more than 25% of the applicant's overall revised budget. In both these cases, based on a review of each applicant's revised proposal and taking into account what each applicant would originally have been approved for, Staff calculate that the grant allocations being recommended represent 18.3% (Seniors applicant) and 22.5% (Major Festival applicant) of each applicant's

overall revised budget. These recommended allocations satisfy all of the conditions outlined above.

For the three applicants who cancelled due to COVID-19 public health restrictions and are seeking financial relief for sunk costs, financial estimates were only provided by two of the three applicants.

1. Youth and Parents Association of Markham – Limitless Contest Series and Festival (Cultural event)
2. Unionville Festival (Major Festival)
3. Water Polo Canada – 16U Eastern Conference Championships and 14U Eastern National Championships (Sports event – financial estimates not yet provided)

In the two cases where financial estimates have been provided, the amount communicated to the City as unrecoverable/non-deferrable costs represented 46% (Cultural event applicant) and 44% (Major Festival applicant) of the funding recommendation they would have received respectively under normal circumstances. Staff still need to verify the nature of these expenses along with source documents such as invoices or receipts, but based on the information provided thus far, and in order to provide some measure of financial relief to event organizers during this unprecedented time, Staff recommend that financial relief be extended to these eligible applicants not exceeding 50% of what would have been the approved grant amount under normal circumstances and conditional on receiving and approving proof that such expenses are reasonable in nature.

For the eight applicants who responded but were still uncertain about their direction and the one applicant who had not provided a response, Staff have included recommendations as if these organizations were proceeding as normal, but subject to standard conditions required of all applicants, including proof of insurance and proof of a confirmed/approved venue.

1. Vedic Cultural Centre – South Asian Heritage Month Celebrations
2. Markham Cycles (no response received)
3. Centre for Immigrant and Community Services (CICS)
4. Rolia Cultural Association – Rolia New Year Gala
5. Unionville Presents – Thursday Nights at the Bandstand
6. Markham Jazz Festival
7. Centre of Sustainable and Integrated Design – Ice and Snow Festival
8. Pustimargiya Vaishnav Samaj of Canada (PMVS of Canada) – Seniors Programs
9. International Table Tennis Federation (ITTF) – Jr Circuit North American Open

This type of conditional recommendation allows these applicants the time needed to finalize their decisions, while maintaining the integrity and standards of the Celebrate Markham grant program process.

It is further acknowledged that for any of the above organizations, there is still a level of uncertainty as it relates to the possibility of hosting in-person events during the remainder of the 2020-21 funding cycle so the following additional recommendations are suggested to apply to all Celebrate Markham grant applicants:

- That any Celebrate Markham grant applicant that is approved to receive grant funding during the current 2020-21 funding cycle and is subsequently forced to cancel their project/event due to COVID-19 public health restrictions, be given consideration for financial relief towards unrecoverable/non-deferrable expenses related to the project not exceeding 50% of the approved grant amount and conditional on receiving and approving proof of such expenses; and,
- That for any Celebrate Markham grant applicant that is approved to receive grant funding during the current 2020-21 funding cycle and subsequently decides to significantly alter/revise the way in which their proposed project/event proceeds due to COVID-19 public health restrictions (including a switch to virtual delivery), that if necessary to maintain consistency with the established funding category guidelines, Staff be authorized to adjust the funding allocation based on the applicant's revised proposal but not exceeding the originally approved allocation and not exceeding 25% of the applicant's overall revised budget, conditional on receiving and approving a revised work plan, budget and impact estimates; and,
- That any Celebrate Markham grant applicant that is approved to receive grant funding during the current 2020-21 funding cycle and subsequently decides to postpone their project/event to the following funding cycle (April 1, 2021 to March 31, 2022) due to COVID-19 public health restrictions, be given the option to defer their application to the following year, thereby forfeiting their consideration for the current year and have their application directly carried forward for consideration as part of next year's 2021-22 funding cycle, without having to re-submit a new application form, so long as the postponed event is substantially the same in size, scope and budget as the original proposal.

Accrued Celebrate Markham grant allocations from prior funding cycles

There are currently 13 funding approvals due to 11 organizations amounting to \$63,500 from between 2018 to 2019 that were previously approved but not yet disbursed because the organizations have not yet submitted the required documentation for release (e.g., proof of insurance, and/or proof of an approved/confirmed venue).

1. Chinese Cultural Centre of Unionville
2. Power-Unit Youth Organization (2018, and 2019 event)
3. Indo-Canada Arts Council
4. Federation of Chinese Canadians in Markham (FCCM) (2018 and 2019 event)
5. Sri Lankan Ex Tamil Police Officer Club
6. Womxn Offering Wisdom
7. MonstrARTity
8. Federation of Chinese Canadians in York Region (FCCYR)
9. Centre of Sustainable and Integrated Design
10. Armadale Punjabi Seniors
11. Muaythai Canada

The events proposed by these applicants have already or should have already been completed as of March 31, 2020. A summary of these allocations are provided in Attachment 8. Continuing to accrue these amounts is not sustainable financial practice, so staff recommend setting a final deadline for these applicants to submit the required information or else forfeit the allocations they were previously approved for.

In addition, on April 16, 2019, as part of last year's 2019-20 funding cycle, Council approved that Staff be directed to review and consider as part of the Celebrate Markham grant guidelines a condition that grant recipients be required to complete and submit a Project Outcome/Financial Report within 90 days following the stated completion date of their project. Given that all projects must wrap-up by March 31 of each funding cycle, implies that all project outcome/financial reports should be received, at the latest, by June 30, after the end of the funding cycle.

To allow some additional time for organizations to adjust their outcome reporting practices, Staff recommend that any Celebrate Markham grant applicant that has not met the insurance/venue conditions and/or Project Outcome/Financial Report requirements for grants received or approved for programs/events/projects that occurred prior to March 31, 2020 be given a final deadline of September 30, 2020 to submit their insurance/venue and/or outcome/financial report documents as a condition of receiving any previously approved but not yet disbursed Celebrate Markham grant amounts and further as a condition of remaining eligible for any Celebrate Markham grant for the 2021-2022 and any subsequent program funding cycles.

Further, that any previously approved but not yet disbursed Celebrate Markham grant amounts as per the above description, that are not paid out by September 30, 2020 (up to \$63,500) will be included as a favourable variance as part of the 2020 year end results of operations.

Markham Arts Council (MAC) application for funding for 2020

Based on a review of the unaudited information provided by MAC for the 2020 budget and 2019 actuals, Staff concluded that the budget presented is reasonable and supports the sustainable operation of MAC. Staff will continue to monitor MAC's financial performance ongoing to ensure that any deficits from year-to-year do not accumulate to the point where the accumulated surplus that MAC has built over the years begins to be compromised materially.

The information submitted by MAC includes an annual business plan, marketing plan and key projects and initiatives demonstrating clear alignment and connections with the City of Markham's strategic initiatives, including the City's Culture Plan. Based on the information, as submitted by MAC, Staff are satisfied that the information provided meets the requirements set out by Council on April 5, 2016, regarding funding for MAC.

As of the current date, MAC owes \$19,800 towards the loan advanced to them which is equivalent to their 3 yearly instalments of \$6,600 each. Staff recommend that Markham

Arts Council receive a net amount of \$23,400 (Celebrate Markham Grant of \$30,000 less 2020 loan repayment of \$6,600 for a remaining balance owing of \$13,200 as of December 31, 2020) for their annual programs and activities conditional on receiving and approving 2019 audited financial statements.

Conclusions

The Interdepartmental Staff Review Committee has reviewed all applications, in detail, by fund category, on the basis of the program criteria, as approved by Council. During this 2020-21 funding cycle, a total of 53 applications are being recommended for funding out of the 62 eligible applications received, totaling \$184,500 in grants for this funding cycle out of the \$256,000 total available funding envelope for community grant applications.

Continuous improvements to the Celebrate Markham Program benefit from Council's role to confirm the program's goals and objectives, to establish the overall funding envelope and to direct funding requests to the Celebrate Markham Program. Staff's role, meanwhile, is to ensure effective and efficient administration of the Fund, according to the established process and criteria. Success of this program depends upon adhering to the revised process which has been put in place. Going forward, the Staff Review Committee will incorporate the feedback received and continue to work on improvements identified through the 2021/2022 funding cycle. Criteria and application forms will be adjusted and further recommendations presented to Council as part of the year-end report on Celebrate Markham in Q1 2021.

An important part of the program is the monitoring of outcomes and impacts. Based on Staff review of grant applications from the previous Cycle (2019-20), for events and programs that took place between April 1, 2019 and March 31, 2020 and based on the budgeted spending by each organization, we observed that for every \$1 of Celebrate Markham Grant funding approved, \$13.62 was budgeted to be spent directly by the recipients hosting these events and programs (representing direct spending leverage of about 13:1). As we receive the Project Outcome/Financial Reports from these organizations we will be able to report on what the actual leverage was, based on actual spending reported by the grant recipients.

Based on the budgets submitted by organizations for this current 2020-21 funding cycle, we project that for every \$1 of Celebrate Markham Grant funding approved, \$8.36 will be spent directly by the recipients hosting these events and programs (representing direct spending leverage of about 8:1).

Next Steps

Upon approval of the Staff report and funding allocations, Staff will follow-up with applicants to inform them of the decisions related to their applications. The next round of applications for 2021/2022 will open on September 21, 2020. The deadline for the next funding cycle will be November 19, 2020, 4:00 pm.

Staff will continue to evaluate and implement continuous improvement processes to the grant program. Staff will conduct an applicant/recipient satisfaction survey next year.

FINANCIAL CONSIDERATIONS

A total available funding envelope of \$256,000 was allocated for Celebrate Markham community grant applications delivered between April 1, 2020 and March 31, 2021. The amount of \$184,500 is recommended for approval in this 2020-21 funding cycle out of the \$256,000 available for Celebrate Markham community grant applications. The remaining funds of \$71,500 will be included as part of the 2020 year end results of operation. Table B, earlier, illustrated the recommended fund distribution from the approved available funding envelope of \$256,000 for community grant applications.

Further, that any previously approved but not yet disbursed Celebrate Markham grant amounts that are not paid out by September 30, 2020 (up to \$63,500) will be included as a favourable variance as part of the 2020 year end results of operations.

It is recommended that Markham Arts Council receive a net amount of \$23,400 (Celebrate Markham Grant of \$30,000 less 2020 loan repayment of \$6,600 for a remaining balance owing of \$13,200 as of December 31, 2020) for their annual programs and activities conditional on receiving and approving 2020 audited financial statements.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

This initiative aligns with the strategic focus for community engagement to promote meaningful involvement and participation of residents, businesses and organizations that result in improved citizen engagement.

BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services, Corporate Communications and Community Engagement, Economic Growth, Culture & Entrepreneurship, Recreation and Human Resources Departments.

RECOMMENDED BY:

Christina Kakaflikas
Acting Director, Economic Growth,
Culture & Entrepreneurship

Arvin Prasad, MPA, RPP
Commissioner,
Development Services

ATTACHMENTS:

- Attachment 1 - Celebrate Markham Grant Program – April 1, 2020 - March 31, 2021 (2020-21) - Funding Recommendations
- Attachment 2 - Celebrate Markham Grant Recommendations - Cultural Events and Programs Category
- Attachment 3 - Celebrate Markham Grant Recommendations - Major Community Festivals Category
- Attachment 4 - Celebrate Markham Grant Recommendations - Seniors' Clubs Category
- Attachment 5 - Celebrate Markham Grant Recommendations - Sports Events Category
- Attachment 6 - Celebrate Markham Grant Allocations and Totals
- Attachment 7 - Celebrate Markham Program Criteria
- Attachment 8 - Accrued Celebrate Markham grant allocations from prior funding cycles