



## Report to Committee of the Whole

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**To:** Mayor Linton and Members of Council

**Report:** COR2021-56

**Prepared By:** Dan Wilson, Managing Director of  
Corporate Services & Treasurer

**Date:** 07 Sep 2021

**RE:** OLG Funding Allocation Policy

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### **Recommendation:**

THAT the Council of the Township of Centre Wellington direct staff to use the existing OLG Funding Allocation Policy, as outlined in By-law 2019-41 for 2022 Budget purposes, with the policy to be reviewed as part of the 2023 Budget process.

AND THAT the Council of the Township of Centre Wellington direct staff to initiate a 2022 grant application process for the arts, culture & heritage portion of OLG proceeds, with applications received to be reviewed and allocated by Council subsequent to 2022 Budget approval.

### **Summary:**

This report addresses the current OLG Funding Allocation Policy, which impacts funding for the 2022 Capital Budget and 10-Year Capital Forecast.

### **Report:**

Attachment A to this report contains the existing OLG Funding Allocation Policy (By-law 2019-41).

Attachment B to this report contains a Distribution Analysis based on projected OLG funds received in a year.

OLG funds for use in the 2022 Budget come from proceeds received during the 2021 calendar year. As part of the 2020 and 2021 Budgets, Council approved an OLG Funding Allocation Policy that distributes these funds as follows:

- 88% (to a maximum of \$2.2 million) to Township Capital;
- 5% to Arts, Culture, & Heritage; and
- The remaining funds to Economic Development.

As per Council's direction, this policy is to be reviewed prior to 2022 Budget passage.

Given the COVID-19 pandemic, the Township will see a significant decrease in OLG proceeds in 2021.

Staff's high-level estimate of 2021 OLG proceeds from the June 2021 Pre-Budget meeting was as follows:

1st quarter - actual amount received	\$ 40,000
2nd quarter	\$ 0
3rd quarter	\$ 180,000 - 25% of 2019 Q3 assumed
4th quarter	\$ 330,000 - 50% of 2019 Q4 assumed
Total	\$ 550,000

For reference, the OLG Funds received in recent past are as follows:

2018: 2,353,150  
2019: 2,740,529  
2020: 820,015

In addition to 2021 OLG proceeds, there are other OLG funds available for use in the 2022 Budget that were unused in prior years. Combining the current OLG Funding Allocation Policy, the estimated 2021 OLG proceeds, and the unused OLG funds from prior year, the following distribution is provided:

	2021 Proceeds	Unused	Total
Township Capital	\$ 484,000	\$ 76,500	\$ 560,500
Arts, Culture & Heritage	\$ 27,500	\$ 4,500	\$ 32,000
Economic Development	\$ 38,500	\$318,600	\$ 357,100
Total	\$ 550,000	\$399,600	\$ 949,600

The unused portion of funds is already committed to each category and is sitting in applicable reserve funds for use. Unused Economic Development funds allow for future payments for debt associated with the Dickson Drive business park land purchase.

Staff recommend that the existing OLG Funding Allocation Policy remain unchanged for the 2022 Budget. As shown above, anticipated 2021 proceeds are well below normal levels, making the allocation to Township Capital, Arts, Culture & Heritage, and Economic Development much smaller than proceeds that were available in the 2020 Budget. The policy would then be reviewed as part of 2023 Budget process.

#### Arts, Culture and Heritage Funds

For the last 2 years, OLG proceeds relating to Arts, Culture and Heritage were allocated based on community groups presenting to Council during budget meetings, with Council making allocation decisions during budget deliberations. During the 2021 Budget process, the creation of a formal grant application process for these funds was discussed

as a tool for future budgets. An application process would allow all eligible community groups a chance at applying for a grant.

With anticipated Arts, Culture and Heritage funding for 2022 totaling approximately \$32,000, staff are recommending that the creation and adoption for this formal grant application policy be deferred to the 2023 Budget process. For the 2022 Budget, it is recommended that Township staff be directed to communicate a grant application process for eligible community groups to apply for. Applications received would be provided to Council for discussion and approval in a meeting subsequent to 2022 Budget approval.

The recommended requirements to be met by community groups applying for this grant include the requirements established for the Township's existing Grant Application Policy (see Attachment C to this report, sections 1.1. and 1.2), except for the exclusion of capital projects (see Attachment C, section 1.2.11).

### **Corporate Strategic Plan:**

### **Financial Implications:**

OLG Funds are not spent until the year after they are received. This provides the Township some flexibility in setting budgets based on known available funding annually.

### **Consultation:**

This report was prepared in consultation with:

- Andy Goldie, Chief Administrative Officer
- Managing Directors
- Mark Bradey, Manager of Finance and Deputy Treasurer

### **Attachments:**

- [Attachment A - OLG Funding Allocation Policy](#)
- [Attachment B - OLG Distribution Analysis](#)
- [Appendix C - C.I. Grant Application Policy 2021](#)

### **Approved By:**

Andy Goldie, Chief Administrative Officer

## **Attachment A**

### **The Corporation of the Township of Centre Wellington**

#### **By-law 2019-41**

A By-law to establish a policy with respect to the  
allocation and use of Ontario Lottery & Gaming  
Funding by the Municipality

**Whereas** the municipality has entered into an agreement with the Ontario Lottery & Gaming Corporation to share in gaming proceeds earned at Elements Casino Grand River in Centre Wellington.

**And Whereas** the municipality receives quarterly installments from the Ontario Lottery & Gaming Corporation.

**Now Therefore the Council of the Corporation of the Township of Centre Wellington hereby enacts as follows:**

1. That the Township's policy with respect to the allocation and use of Ontario Lottery & Gaming Funding set out in Schedule "A" attached hereto is hereby established.
2. That Schedule "A" attached hereto shall form part of this By-law.
3. This By-law shall come into force and take effect upon its final passing.

**Read a first, second and third time and finally passed** this 29<sup>th</sup> day of July 2019.

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Mayor – Kelly Linton

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Deputy Clerk – Lisa Miller

**Township of Centre Wellington**

**Schedule A**

By-law 2019-41

**Policy with Respect to the Allocation and Use of Ontario Lottery & Gaming  
Funding by the Municipality**

Application of policy

1. This policy shall apply to all gaming proceeds received by the Corporation of the Township of Centre Wellington (the "Township"), by the Ontario Lottery & Gaming Corporation (OLG).

General Provisions

2. The Township receives gaming proceeds funding allocations (OLG Funds) quarterly based on the terms and conditions of the agreement in place with the OLG.
3. OLG Funds received shall be kept in interest bearing Reserve Funds.
4. OLG Funds received in a calendar year shall not be used to fund eligible costs until the following calendar year.
5. The use of OLG Funds will be determined through the annual budget process.
6. Any excess or unused OLG Funds may be allocated to eligible costs through Township staff reports throughout the year.

Eligible Costs and Funding Allocations

7. OLG Funds are to be used to fund the following eligible costs:
  - a) Costs considered capital related;
  - b) Economic Development related operating costs, including debt payments; and
  - c) Arts, Culture & Heritage related program costs (excluding payroll).
8. OLG Funds are to be allocated annually, subject to the following formula:
  - a) 88% is to be allocated to the OLG Capital Reserve Fund, to a maximum of \$2,200,000 annually, to fund Township capital projects.
  - b) 5.0% is to be allocated to the Arts, Culture & Heritage Reserve Fund, to fund specific capital items and/or program costs (excluding payroll) related to Arts, Culture & Heritage within the Township.
  - c) The remaining funds are to be allocated to the Economic Development Reserve Fund, to fund Economic Development related costs of the Township.

**Attachment B**  
**OLG Funding Allocation Policy**  
**Funding Distribution Analysis**  
**(does not form part of the By-Law)**

**Current OLG Funding Allocation Policy: Funding Distribution by Level of Proceeds**

	<i>Allocation:</i>	<i>88.0%</i>	<i>7.0%</i>	<i>5.0%</i>
	<b>OLG Funds Received</b>	<b>Capital</b>	<b>Economic Development</b>	<b>Arts, Culture, Heritage</b>
2021 Projected Proceeds	550,000	484,000	38,500	27,500
2020 Actual Proceeds	820,000	721,600	57,400	41,000
	1,000,000	880,000	70,000	50,000
	1,300,000	1,144,000	91,000	65,000
	1,600,000	1,408,000	112,000	80,000
	1,900,000	1,672,000	133,000	95,000
	2,000,000	1,760,000	140,000	100,000
	2,100,000	1,848,000	147,000	105,000
	2,200,000	1,936,000	154,000	110,000
	2,300,000	2,024,000	161,000	115,000
2018 Actual Proceeds	2,350,000	2,068,000	164,500	117,500
	2,400,000	2,112,000	168,000	120,000
	2,500,000	2,200,000	175,000	125,000
	2,600,000	2,200,000	270,000	130,000
	2,700,000	2,200,000	365,000	135,000
2019 Actual Proceeds	2,740,000	2,200,000	403,000	137,000
	2,800,000	2,200,000	460,000	140,000
	2,900,000	2,200,000	555,000	145,000
	3,000,000	2,200,000	650,000	150,000
	max \$2.2 M			

## **Township of Centre Wellington** **Grant Application Policy**

The purpose of this policy is for the Township of Centre Wellington to provide financial assistance to not-for-profit organizations by means of a grant to enhance the overall wellbeing of the community.

### **1.0 APPLICANT QUALIFICATION**

Organizations applying for funding must meet the following qualifications:

#### **1.1 Qualifications For Funding**

- 1.1.1 The organization must be operating as a not-for-profit organization.
- 1.1.2 The organization must be comprised of an independent volunteer committee and or belong to an educational organization and must meet regularly and maintain appropriate minutes and records of proceedings.
- 1.1.3 Be based in the Township of Centre Wellington, with at least a majority of members being Township residents. Membership and programs must be open to all Township citizens, and services, programs and activities must be of benefit primarily to Township citizens.
- 1.1.4 The organization's programs or services must serve clearly identified community needs not already adequately addressed by another organization, be it government, corporate or another not-for-profit organization.
- 1.1.5 The applicant's organization must be organized for at least one year.
- 1.1.6 The organization must provide evidence that the community has shown a commitment to their programs through participation in the organization or attendance at functions sponsored by the organization.
- 1.1.7 The organization should have demonstrated support from some other source than public funds. Other sources of income should include substantial financial support from audiences through ticket sponsorships or membership sales, where the functions of the organization are such as to serve audiences.
- 1.1.8 Financial responsibility should be demonstrated through the preparation and submission of operating budgets and complete financial statements. Complete financial statements include both a balance sheet and income statement, prepared by a licensed accountant operating independently of the applicant, for organizations with annual gross revenues in excess of \$50,000. The Township recognizes that financial statement preparation costs can be prohibitive to smaller organizations, and therefore will accept a current, internally prepared, balance sheet and income statement for entities with annual gross revenues less than \$50,000.

1.1.9 The organization is in good standing with the Township. The organization must be current on accounts receivable and not in litigation with the Township.

1.1.10 Marketing for a new event or project in it's first year.

## **1.2 Ineligible For Funding**

1.2.1 Organizations which are profit-oriented.

1.2.2 Individuals.

1.2.3 Marketing for the organization applying, travel or accommodation, uniforms, personal equipment, banquets, trophies or entertainment.

1.2.4 Rent (excluding Township facilities), utilities or debt repayment (i.e. mortgages).

1.2.5 Attendance at conferences, workshops or seminars.

1.2.6 Request for contributions to fund prior year deficits incurred by the organization.

1.2.7 Organizations who have failed to provide satisfactory reports, including financial statements, as to the success of the previous year and specifically with respect to the allocation of grant funds.

1.2.8 Requests for grants to an individual, or to an individual group that is controlled by a parent organization (in this case the parent organization should apply for the grant).

1.2.9 Organizations that receive other subsidies from the Township.

1.2.10 Organizations operating as service clubs, except under the Specific Annual Grants category.

1.2.11 Capital Projects

1.2.12 Applications that arrive late (after the posted deadline date) will be deferred to council for consideration.

1.3 Council may grant special consideration to entities that do not meet all the above criteria, but are unique in nature and fulfill a specific need in the community.

## **2.0 GRANT CATEGORIES AND FUNDING ALLOCATION**

2.1 A separate annual budget (approved by Council) will be allocated to each grant category, and will be included in the Township's annual operating budget.

2.2 Consideration of grant applications will be made under the following categories:

### **A. Community Impact Grant**



Objective - The intent of the program is to provide financial assistance to enhance the quality of life for the residents of the Township of Centre Wellington by fostering and strengthening special events, the arts and culture, supporting artistic excellence and stimulating wider community appreciation and participation in social and/or environmental activities.

## **B. Specific Annual Grants**

Objective - The intent of the program is to provide financial assistance to enhance the quality of life in the Township of Centre Wellington by fostering, strengthening and stimulating wider community appreciation and participation in the community.

The applying organization must demonstrate the social need of their program and must have a history of the program by applying through the Community Impact Grant application process for a minimum of 5 years.

In order to be eligible for funding, a letter must be received by the Township from the exempt organization. The letter must identify the need for the grant and the general intent of use of the funds. The Township must receive the letter annually, prior to July 31<sup>st</sup>, before any grant funds are to be considered by Council.

If an exempt organization wants to submit a request for increased funding, the organization must identify the need and the amount of increase within the required letter noted above.

Council will review the Grant Application Exempt Organizations listed above, annually in September, as part of the preliminary annual budget process. Any changes (additions or deletions) to the section will be communicated to the affected organizations in writing prior to the advertisement described in section 4.1.

- 2.3 Grant funds available to an organization in a budget year are limited to a maximum of \$5,000. This maximum includes requests for subsidized Township parks and recreation facility rental under section 3.1.

## **3.0 REQUESTS FOR SUBSIDIZED TOWNSHIP PARKS AND RECREATION FACILITY RENTAL**

- 3.1 Organizations requesting a reduction in the Township's fees as per the approved Fees and Charges Schedule for the purpose of Parks and Recreation facility rental/service are required to submit a written request directly to Council.

## **4.0 GRANT APPLICATION PROCESS**

4.1 In the fall of each year, the Township will advertise (in local papers) and on social media all relevant information relating to the upcoming grant application process. The advertisement will indicate where applications are available and when they are due.

- 4.2 Applications must be delivered via email in PDF form to the Community Services Department by the date and time outlined in the advertisement discussed in section 4.1

- 4.3 All grant applications (excluding Grant Application Exempt Organizations) will be forwarded to the Community Services Advisory Committee for review. This committee will prepare a report outlining its funding recommendations and a summary of funding justification for each application to the Committee of the Whole. The total allocation recommended by the committee will be within the budget approved by Council for Community Impact Grants under Section 2.2A.
- 4.4 The Committee of the Whole will review the Community Services Advisory Committee report during regularly scheduled budget meetings.
- 4.5 Applications falling under section 1.3 will go directly to Council for review and consideration.
- 4.6 The Community Services Advisory Committee and the Budget Committee will review the applications based on the applicant qualifications listed in section 1.0, and the following measures:
- 4.6.1 Professional standards
  - 4.6.2 Fiscal and overall accountability of the applicant
  - 4.6.3 Administrative accountability
  - 4.6.4 Economic impact
  - 4.6.5 Merit and achievement
  - 4.6.6 Community service and participation
  - 4.6.7 Responsiveness to existing community need
  - 4.6.8 Degree of accessibility
- 4.7 The Community Services Advisory Committee and/or Council reserves the right to request any applicant to participate in an interview in order to further clarify information within their application.
- 4.8 The grant allocation decisions made by the Committee of the Whole will be included in the budget approval recommendation that is forwarded to Council. Upon Council approval, successful grant applicants will be notified in writing. Grant cheques will be issued in a timely manner.
- 4.9 The granting of financial assistance in any year is not to be regarded as a commitment by the Township to continue such assistance in future years. In addition, the Township will not provide guaranteed funding beyond the current year. In approving grants, the Township may impose conditions as it sees fit.
- 4.10 In the event of a surplus after the funding allocations have been determined, a recommendation will be made to council for a decision on what to do with the balance.

## 5.0 CONDITIONS OF FUNDING

- 5.1 Grant recipients must acknowledge the support of the Township of Centre Wellington in all printed materials including marketing materials. **Grant recipients must provide a written statement of use of funds within two months of the event/program/service. Organizations will not be considered for future grant funding until all required reports are received by the Township of Centre Wellington's Community Services Department. Along with the required report, any photographs that can be shared of the event, project, or program would be welcomed by the township.**

- 5.2 Grant Application Exempt Organizations awarded Specific Annual Grants under section 2.2B are exempt from the requirements of section 5.1.

## **6.0 REQUESTS FOR EMERGENCY & DISASTER RELIEF FUNDING**

- 6.1 Consideration of grants under this section must fall under one of the following categories:
- 6.1.1 Emergency Funding – Funding for organizations that are experiencing extensive financial hardship as a result of an unforeseen short-term increase in expenditures or decrease in revenues.
  - 6.1.2 Disaster Relief Funding – Funding for organizations or communities whose property and possessions have been extensively damaged in an unexpected natural disaster. Natural disasters include, but are not restricted to floods, tornados, fires, and storms.
- 6.2 Applications for funding under this section must come in the form of a report or letter. The report or letter must outline the extent of the emergency/disaster, the estimated financial impact, and the requested amount of funding. This report or letter may come from one of the following sources:
- 6.2.1 The organization or community requesting the funds.
  - 6.2.2 A staff or Council member of the Township of Centre Wellington.
  - 6.2.3 A third party (such as a resident of Centre Wellington).
- 6.3 Applications for funding under this section may be forwarded to the Township of Centre Wellington at any time throughout the year.
- 6.4 The report or letter must be forwarded to the Financial Services Department of the Township of Centre Wellington, 1 MacDonald Square, Elora, Ontario, N0B 1S0. After the report or letter has been examined, the Financial Services Department will issue a report to the Committee of the Whole. This report will include a copy of the original report or letter received under section 6.2 of this policy as well as a recommendation (including possible funding sources, if applicable). The Financial Services Department report will be approved by the Chief Administrative Officer of the Township before it is forwarded to the Committee of the Whole.
- 6.5 The Committee of the Whole will consider the Financial Services Department report and make a recommendation to Council. Upon Council approval, funding will be issued by the Financial Services Department in a timely manner.
- 6.6 Consideration by the Committee of the Whole and Council will be based on the criteria described in section 4.6 of this policy.

## Appendix A

The Community Impact Grants current funding allocation is \$49,450.

The Specific Annual Grants current funding allocation is \$25,550.

The following organizations have been approved by Council for annual funding without application:

<b>Grant Application Exempt Organizations</b>	<b>Amount</b>
Fergus and District Horticultural Society	\$1,850
Elora and Salem Horticultural Society	1,950
Elora Lions Club (Elora Santa Claus Parade)	1,600
Elora Cataract Trailway Association	5,000
Fergus Lions Club (Fergus Santa Claus Parade)	1,700
Royal Canadian Legion Wreaths	450
Wellington County Farm and Home Safety Association	500
Ponsonby Recreation Club	2,500
Centre Wellington Food Bank	5,000
Big Brothers/Big Sisters of Centre Wellington	5,000
Total	\$25,550