




CITY OF HAMILTON
HEALTHY AND SAFE COMMUNITIES DEPARTMENT
Recreation Division

TO:	Chair and Members Emergency and Community Services Committee
COMMITTEE DATE:	June 20, 2024
SUBJECT/REPORT NO:	Recreation Funding Agreements for Annual Operating Grants - Rural Subcommittees (HSC24024) (Wards 13 and 15)
WARD(S) AFFECTED:	Wards 13 and 15
PREPARED BY:	Katrusia Marunchak (905) 546-2424 Ext. 1714 Romas Keliacius (905) 546-2424 Ext. 4722
SUBMITTED BY:	Steve Sevor Director (Acting), Recreation Division Healthy and Safe Communities Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into and execute a new five year Funding Agreement with the executive members of the Freelon Rural Subcommittee, on their own behalf and in trust for the membership of the Freelon Rural Subcommittee, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of certain parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City's annual operating budget, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor;
- (b) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into and execute a new five year Funding Agreement with the executive members of the Lynden-Troy Rural Subcommittee, on their own behalf and in trust for the membership of the Lynden-Troy Rural Subcommittee, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of specific parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City's annual operating budget process, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor;

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- (c) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into and execute a new five year Funding Agreement with the executive members of the Millgrove Rural Subcommittee, on their own behalf and in trust for the membership of the Millgrove Rural Subcommittee, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of specific parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City's annual operating budget process, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor;
- (d) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into and execute a new five year Funding Agreement with the executive members of the Rockton-Beverly Rural Subcommittee, on their own behalf and in trust for the membership of the Rockton-Beverly Rural Subcommittee, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of specific parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City's annual operating budget process, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor;
- (e) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into a new five year Funding Agreement with the executive members of the Sheffield Rural Subcommittee, on their own behalf and in trust for the membership of the Sheffield Rural Subcommittee, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of specific parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City's annual operating budget process, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor;
- (f) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into a new five year Funding Agreement with the executive members of the Strabane Rural Subcommittee, on their own behalf and in trust for the membership of the Strabane Rural Subcommittee, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of specific parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City's annual operating budget process, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor; and

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- (g) That the General Manager of Healthy and Safe Communities be authorized and directed to enter into a new five year Funding Agreement with the executive members of the Valens Rural Subcommittees, on their own behalf and in trust for the membership of the Valens Rural Subcommittees, effective June 12, 2024, to provide an annual operating grant for the maintenance and operation of specific parks and recreation facilities within the community, the amount of which will be subject to Council approval, determined annually as part of the City’s annual operating budget process, on terms and conditions satisfactory to the General Manager of Healthy and Safe Communities and in a form satisfactory to the City Solicitor.

EXECUTIVE SUMMARY

The City of Hamilton has historically provided annual operating grants to a variety of recipients that offer programming, undertake maintenance, schedule use, and operate City parks and recreation facilities to improve access for residents. One such group of organizations are the rural subcommittees, which have been in place since before the City of Hamilton amalgamated in 2001 (collectively referred to as the “Recipients”). Certain communities within the former municipality of Flamborough, being Freelon, Lynden-Troy, Millgrove, Rockton, Sheffield, Strabane, and Valens, each oversaw the operation of their local parks, and the municipal assets in each of these communities have been operated by the respective rural subcommittees since amalgamation.

The amounts of the annual operating grants vary by Recipient, based on a variety of factors including the number and type of facilities operated, maintenance requirements, and materials needed to maintain to City standards. The intent of the grants is not to fully fund operations, but rather to offset costs of providing quality facilities in the rural areas of Flamborough.

Staff are recommending the following annual operating grants for the Recipients for 2024 through 2029, including 2% annual increases to support quality facilities in the rural areas of Flamborough:

Subcommittee	APPROVED 2024	PROPOSED 2025	PROPOSED 2026	PROPOSED 2027	PROPOSED 2028
Freelon	\$11,480	\$11,710	\$11,940	\$12,180	\$12,420
Lynden-Troy	\$16,000	\$16,320	\$16,650	\$16,980	\$17,320
Millgrove	\$15,700	\$16,010	\$16,330	\$16,660	\$16,990
Rockton	\$55,000	\$56,100	\$57,220	\$58,360	\$59,530
Sheffield	\$16,000	\$16,320	\$16,650	\$16,980	\$17,320
Strabane	\$14,760	\$15,060	\$15,360	\$15,670	\$15,980
Valens	\$17,530	\$17,880	\$18,240	\$18,600	\$18,970
TOTAL ANNUAL	\$146,470	\$149,400	\$152,390	\$155,430	\$158,530

*Differences due to rounding

Alternatives for Consideration – See Page 8

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The annual operating grants have historically been approved as part of the City’s annual operating budget process with funds coming from the annual operating levy. This will continue for the next five years if the recommendations herein are approved.

The Funding Agreements will incorporate multiple measures to strengthen financial accountability of the Recipients, including:

- Submission (by January 31st of each year of the Term) of all reporting requirements, including financial reports as outlined in the Agreements, by the Recipients before the City will release funds for the following year;
- Standardizing a 2% annual increase in funding for each Recipient over the Term of the Agreements;
- Providing Recipients with templates for financial statements and reporting to promote consistency and accuracy;
- Including a list of both authorized expenditures for which funds can be used and ineligible expenses; and
- Including a checklist for Recipients to complete to ensure fulfillment of requirements for receiving annual operating grants.

City staff within the Finance Department will continue to administer the funds annually.

Staffing: N/A

Legal: Legal Services will prepare Funding Agreements for each of the Recipients listed herein, as well as any ancillary documents, in a form satisfactory to the City Solicitor.

At this time, the Recipients have not been incorporated as not for profit corporations and therefore lack a separate legal existence apart from its members. As the Recipients operate as unincorporated associations, governed by their individual constitutions, and comprised of their respective members, it is recommended that each Recipient seek the approval of its membership to enter into the Funding Agreement and appoint its executive members to execute the Funding Agreement on their own behalf and on behalf of the entire membership.

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HISTORICAL BACKGROUND

The City of Hamilton at amalgamation in 2001 recognized the diverse assets brought to the new City from each of the former municipalities. Flamborough had a strong history of community leadership in maintaining their park spaces and community halls for community recreation purposes. In 2001, Hamilton City Council approved that the Flamborough sub-committees (currently Freelon, Lynden-Troy, Rockton, Millgrove, Strabane, Sheffield, and Valens) be classified as a community partnership for the provision of service. This was part of an overall review of volunteer organizations post amalgamation and ensures that with the support from the City of Hamilton these volunteer organizations can continue to offer quality recreation opportunities in the Flamborough community.

This direction ensured that the diverse assets and strong history of leadership from each of the communities within the former municipality of Flamborough has been maintained since amalgamation, giving these volunteer subcommittees the ability to ensure quality recreation opportunities in the rural area of the City.

The City has historically committed to providing certain services to the rural subcommittees through Healthy and Safe Communities (Recreation) and Public Works (Parks and Facilities), including:

- Providing annual operating grants to the Recipients;
- Supporting repairs and replacements that fall within the scope and budget of Parks and Facilities (e.g., water shutoff and testing, major repairs and replacement of shelters, pavilions, gazebos, walkways, trails, and fencing);
- Creating and providing a manual that outlines responsibilities and expectations for Subcommittees;
- Administering insurance for subcommittee volunteers and their activities that relate to City of Hamilton directed work; and
- Offering communication and engagement support.

Historically, the subcommittees have been responsible for the following tasks and activities:

- Completing basic maintenance of parks and recreation assets;
- Scheduling and booking use of assets;
- Providing feedback and communicating with City staff about recreation needs of the community and future development opportunities; and
- Helping to finance recreation opportunities and park space improvements through fundraising or surplus grant monies.

These responsibilities are reviewed regularly by City staff and communicated to rural subcommittees annually, which is expected to continue through the Term of the Funding Agreements and beyond.

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POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Grants, including the proposed annual operating grants to Recipients are exempt from the requirements of By-law No. 20-205 as amended, being a By-law to Adopt and Maintain a Procurement Policy for the City of Hamilton (save and except Policy #2 and Policy #13) in accordance with Schedule B- Exemptions.

Subject to the prohibition against providing assistance to any manufacturing business or other industrial or commercial enterprise through the granting of bonuses as set forth in section 106 of the *Municipal Act, 2001*, a municipality is permitted to make grants, on such terms as council considers appropriate, to any person, group or body, for any purpose that council considers to be in the interests of the municipality in accordance with section 107 of the *Municipal Act, 2001*.

RELEVANT CONSULTATION

Finance staff within the Financial Planning, Administration, and Policy Division of Corporate Services provided input on all financial aspects of Report HSC24024 and are supportive of the recommendations.

Recreation staff have consulted with Legal Services and upon approval of the recommendations, Legal Services staff are prepared to draft the new Funding Agreements.

Parks staff within the Environmental Services Division of Public Works provided input on all aspects of Report HSC24024.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Collectively, the Recipients maintain and operate 4 sports fields, 13 ball diamonds, 2 hall facilities, 1 walking path, and 1 pavilion, representing the seven communities of Flamborough:

Subcommittee	Facilities Operated
Freelton	2 ball diamonds (Subcommittee grooms and Parks staff cuts grass)
Lynden-Troy	Hall facility, 3 ball diamonds
Millgrove	2 ball diamonds
Rockton	2 sports fields and 2 ball diamonds (Rockton-Beverly), 1 ball diamond (Rockton-Westover)
Sheffield	1 ball diamond
Strabane	2 ball diamonds, walking path, pavilion
Valens	Hall Facility

The provision of annual operating grants to the Recipients is a cost-effective and empowering way to ensure that municipal parks and recreation assets are provided in

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the rural areas of Flamborough by members of the local communities at a significantly lower cost to the City than if City staff were to take over maintenance and operations of these locations.

The City of Hamilton has enjoyed long-standing relationships with each of the Recipients. Entering into funding agreements with each Recipient will formalize the requirements for Recipients, commit the City of Hamilton to providing annual grants over the Term of the Agreements if there is available funding within the City's budget, gives the Recipients a sense of stability for the five-year period, and will not increase the financial administrative work required by City staff annually over the Term of the Funding Agreements.

In addition, entering into Funding Agreements with each Recipient will mitigate risk to the City by requiring the Recipients to satisfy the organizational requirements required within the manual (including the holding of annual general meetings at which a board of directors is elected, drafting a constitution and passing same as the governing document for the subcommittee, maintaining financial records, communicating with the local community, etc.), confirming current contact information of Recipient representatives, requiring the maintenance of insurance by the Recipients, requiring an indemnity in favour of the City, and by providing templates for financial and program reporting to the City to ensure funds are being used appropriately and responsibly.

With respect to overarching support for formalizing these relationships, the Recreation Master Plan identifies that any contemplated partnership should provide benefits to the general public that outweigh the risks and that make appropriate use of public and private funds.

The Recreation Master Plan called for specific criteria to be met when entering into partnerships, however, City staff have recently begun moving away from the term 'partner' as it has legal connotations that are not appropriate for agreements. As such, the term 'relationships' shall be used instead of 'partnerships' to ensure accurate representation of these relationships.

Relationships with outside groups may be considered when:

- The City does not have capacity or budget for direct program delivery or facility management;
- There is an established provider already working with the City;
- The site fills or augments service gaps in communities in lieu of City services;
- There is a need to build capacity to engage communities; and/or
- The potential service provider is the preferred/specialist for program delivery.

Each of the Recipients identified in Report HSC24024 satisfy multiple considerations from the above list, further supporting the recommendations of entering into a Funding Agreement with each Recipient.

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ALTERNATIVES FOR CONSIDERATION

An alternative would be to terminate one or more relationships with the respective rural subcommittees and reallocate this work and costs to staff within the Parks and Cemeteries Division of the Public Works Department.

Financial: The annual budget impact for City staff to take on all of the outdoor assets currently operated by rural subcommittees would be \$678,200 including the addition of 5.5 full time equivalent (FTE) employees to complete the work.

This amount would include a \$406,200 increase to the capital budget (for vehicles and equipment) and an increase of \$272,000 to the annual operating budget which includes 5.5 full time equivalent (FTE) positions.

Legal: NA

Staffing: The Parks and Cemeteries Division does not have the capacity within its current staffing complement and budget to take over maintenance and operation of these assets. If the Parks and Cemeteries Division is required to maintain some but not all of the properties presently maintained by the Recipients, the budget impact related to staffing will need to be re-evaluated. Through the grants and the receipt of revenue generated at the parks, this work is currently done by subcommittee volunteers.

APPENDICES AND SCHEDULES ATTACHED

None