

Report to Council

Report Title:	Fairtax/GrantMatch - Grant Application Contract Renewal		
Prepared By:	Trish Serratore, Chief Financial Officer		
Department:	Finance		
Date:	September 8, 2020		
Report Number:	FIN2020-29	File Number:	C11FIN, L04, F11
Attachments:	GrantMatch Grant Management Service Agreement, Fairtax Grant Funding History, Client Reference – Kawartha Lakes, Client Reference – East Gwillimbury		

Recommendation:

That the Council of the Municipality of Brockton hereby receives Report Number FIN2020-29 – Fairtax/GrantMatch – Grant Application Contract Renewal, prepared by Trish Serratore, Chief Financial Officer and in doing so authorizes the updated grant application agreement as presented by GrantMatch Corp., formally known as Fairtax; and authorizes a By-Law coming forward to authorize signing the agreement.

Report:

Background:

In January 2016, the Municipality of Brockton teamed up with Fairtax, now known as GrantMatch Corp. (“GrantMatch”), for the grant writing services. GrantMatch is a professional service firm that specializes in securing government grants and incentives. GrantMatch is the industry leader in obtaining government funding in Canada and they have a dedicated team of funding specialists that understand the intricacies of government grants and incentives programs. GrantMatch has been in business for 25 years and currently serves 145 municipalities, many of these are historical relationships that are revisited when there is an opportunity and they are actively working with about 15-20 municipalities at any given time. GrantMatch also has a commercial client base, where they serve 400 Clients total, with 75-100 active applications at any given time. Attached are two letters of reference from other municipalities.

GrantMatch has an extensive team that work together with the Municipality on completing the various grant applications prior to the final submission. In addition to completing the application, GrantMatch follows through the entire process. If the application is successful, GrantMatch will work with staff to ensure we are meeting all of the outlined requirements and deadlines, and complete the final report.

In 2015, GrantMatch had originally proposed a service rate of 35% of the successful grant application. If there was no funding approval, then there was no fee payable to GrantMatch for their services. Staff were able to

negotiate these terms which resulted in a reduction of their fee to 20% of the successful grant applications and keeping the no fee associated with unsuccessful applications.

Attached is a schedule of the 23 grant applications that have been completed by GrantMatch on behalf of the Municipality since 2016. Of the 23 applications, 7 were declined (30% - no cost to the Municipality), 2 programs were cancelled (9% no cost to the Municipality), 13 successful applications (57%) resulting in \$2,118,110 grant funding for the Municipality and 1 application (4%) is pending approval. In total, the Municipality has compensated GrantMatch a total of \$176,571.11 (as of Aug 31) which is an average of \$44,142 per year including HST. It is extremely difficult to estimate the total amount of time spent on each grant application, however, GrantMatch indicated that overall it would take approximately 50 hours per application, with some taking much longer such as large infrastructure applications (bridges, roads, facilities). There is staff time involved by the Department Head and CFO in supplying the appropriate information and details as requested. However, the quality of the final submissions with specific adherence to the grant requirements is evident. Clearly Brockton's success for grant funding has increased in recent years and the quality and thoroughness of applications submitted by GrantMatch has attributed to this success.

In October 2016, Strategycorp completed an Organizational/Operations Review. Under section five in the Operational Recommendation they recommended that the Municipality continue to contract out the grant writing services.

Prior to using GrantMatch, staff would rely on volunteers, engineers and staff knowledge to complete the grant application. Some of the challenges that staff faced were increased reliance of volunteers, increased expenses from the engineers for their assistance in completing the application (which was a per hour fee and not contingent on the success of the application) and lack of staff expertise and knowledge to complete growingly complex grant applications. In addition, since 2016 there are several departments that have been faced with staff shortages which limited their ability to invest the time into the research, application and final documentation to ensure success. There still remains very limited staff time to seek out, determine adherence to requirements, compile the data to complete grant applications and follow up with reporting requirements.

Analysis:

On August 12, GrantMatch connected with staff to discuss improvements to the agreement. As noted above, the Municipality was paying a set percentage on all successful applications which were completed by GrantMatch. The new proposed agreement is offering greater flexibility and additional consideration to the volunteer committees of Council. Staff recognize the challenges committee's have faced with the 20% rate, therefore, staff requested that GrantMatch consider an alternative approach. As illustrated below, volunteer committees of Council have their own section with no dollar threshold.

- i) 20% on the first \$250,000 of Government Funding approved;
- ii) 10% on additional Government Funding approved between \$250,001 and \$1 million; and
- iii) 5% on the remaining Government Funding approved, greater than \$1 million.
- iii) 10% on any Government Funding approved with respect to '**Committee of Council – Volunteer-based**' projects.

As staff continue to look at grant funding to support the increased growth within the municipality, the new fee structure will provide some financial relief to those applications of greater value. This new fee structure will also better support a large grant opportunity we are investigating with GrantMatch to support the construction for Phase II in the East Ridge Business Park.

An additional benefit of the new agreement is the payment terms, previously Brockton was obligated to pay for the services provided upon the grant approval. The new terms allow for a 25% holdback which is payable upon the first receipt of government funding.

Staff have requested a quote from Public Sector Digest (PSD) for their Grant Application Services, they have a daily fee is \$1,250 and no determination of time needed for each application and this fee is not contingent on the success of the application. This fee also does not include the follow-up and completion of the final report, which would be an additional cost to the Municipality.

Staff have been extremely pleased with the services provided by GrantMatch. They connect with staff on opportunities, they have become familiar with certain infrastructure needs as staffing has changed and they work to ensure each grant application submitted is superior to aid in success. They have consistently provided the expertise to assist staff with funding opportunities as they arise. This service will continue to be evaluated on an on-going basis as we continue to adapt our operational activities as resources and skills permit. At this time the services of GrantMatch are required based on current staff resources.

Sustainability Checklist:

What aspect of the Brockton Sustainable Strategic Plan does the content/recommendations in this report help advance?

- | | |
|---|-----|
| • Do the recommendations help move the Municipality closer to its Vision? | N/A |
| • Do the recommendations contribute to achieving Cultural Vibrancy? | N/A |
| • Do the recommendations contribute to achieving Economic Prosperity? | Yes |
| • Do the recommendations contribute to Environmental Integrity? | N/A |
| • Do the recommendations contribute to the Social Equity? | N/A |

Financial Impacts/Source of Funding:

- Do the recommendations represent a sound financial investment from a sustainability perspective? Yes

The costs associated with GrantMatch are contingent on the success of the grant application. Therefore, limiting the financial impact to the Municipality. The \$2,118,110 in grant funding received can be attributed to the quality and thoroughness of grant applications submitted.

Respectfully Submitted by:



Trish Serratore, Chief Financial Officer

Reviewed By:

A handwritten signature in black ink, appearing to read "Sonya Watson", with a long, sweeping horizontal flourish extending to the right.

Sonya Watson, Chief Administrative Officer