

Review of the Civic Hospitality Fund Policy

ISSUE

Policy C01-005, Civic Hospitality to Conventions (Policy), has not been reviewed since 2006 and no longer reflects the Policy's current state for allocation of the funds and administration. What changes can the City of Saskatoon (City) implement to manage this grant program more effectively while maintaining accountability for public funds?

BACKGROUND

History

The overarching purpose of the Policy is to attract conventions to Saskatoon that will provide an economic benefit from outside the city and province and for the benefit of publicity, future opportunities and to enhance the city's image (see Appendix 1).

Through this grant program, the City may sponsor, or participate in sponsoring, civic hospitality to national or international conventions held in Saskatoon and/or other conventions under special circumstances to promote the interests of the City and the broader community.

The Standing Policy Committee on Finance, at its [Meeting](#) on June 14, 2021, resolved:

“That the Administration work with the Mayor's Office to complete a review and an update of the City Council Civic Hospitality Fund and report back to the Standing Policy Committee on Finance.”

The Policy was established in 1978 and was last updated in 2006.

City Council, at its Regular Business [Meeting](#) on June 28, 2021, resolved:

1. “That \$200,000 be allocated to Tourism Saskatoon from the Civic Hospitality Reserve as an exception to Council Policy C01-005 “Civic Hospitality to Conventions” to be used solely for the purpose of securing business events for future years to a maximum of \$50,000;
2. That Tourism Saskatoon utilize the funds within an 18-month period with any unused or unallocated funds returned to the Civic Hospitality Reserve after that period; and
3. That Tourism Saskatoon report to City Council, through the Standing Policy Committee on Finance, with the detailed allocation of funds at the appropriate time but no later than February 1, 2023 (19 months).”

CURRENT STATUS

When the Policy was established, it was jointly administered by the Mayor's Office and Conventions Saskatoon, a working committee of Tourism Saskatoon. Tourism Saskatoon recently completed a rebranding process and is now called Discover Saskatoon. Conventions Saskatoon was comprised of convention industry partners that invest in, plan and execute strategic initiatives designed to bring targeted convention business to Saskatoon. Conventions Saskatoon was also responsible for administration of the Policy, reviewing the fund and Policy, and periodically providing recommendations to the Mayor's Office and City Council.

The Mayor's Office is responsible for approving or denying applications for funding under the current Policy, based on recommendations from Conventions Saskatoon and for forwarding recommendations to City Council on any updates to the Policy.

Discover Saskatoon staff have taken over the role and responsibilities of Conventions Saskatoon in receiving, adjudicating and making recommendations for approval of applications to this grant program. Recommendations for approval are sent by Discover Saskatoon to the Mayor's Office, who then sends out approval notification to the applicant.

The original intent of the Policy was to support national and international conventions; however, in completing the review of the fund, many provincial and local events have also been recipients of this grant program, some of which were grandfathered to continue to receive funding.

The current annual contribution to the Civic Hospitality Fund approved during the 2022/2023 Business Plan and Budget is \$48,000 per year. Any unexpended funds remaining at year end are transferred to the Civic Hospitality Reserve (Reserve) for allocation to future conventions. The Reserve may also be used to finance any balancing requirements arising when current budgeted or current operating expenditures are exceeded for the Civic Hospitality Fund. Contributions to conventions are based on an evaluation of the application and vary, with a maximum contribution of \$5,000 to any one organization and applicants cannot apply to the City for other grants or in-kind services.

Many national and international events, which are conferences/conventions, apply for grant funding from the City's Special Events Grant, in the Profile Saskatoon Event category, as they typically meet the eligibility requirement of having an event operating expense budget of over \$100,000. The maximum Profile Saskatoon Event Grant is \$50,000.

As noted in the Background section of this report, Discover Saskatoon was allocated \$200,000 from the Civic Hospitality Reserve for the purpose of securing business events for future years as part of the recovery from the COVID 19 pandemic. Discover Saskatoon has submitted their first request for funding from the Reserve and are

confident the full \$200,000 will be allocated within the 18-month time frame parameter established in the resolution approved by City Council.

Public Engagement

Administration consulted with the Mayor's Office and Discover Saskatoon to gather input for the review of the Policy and development of the recommendations in this report. Representatives from the Mayor's Office and Discover Saskatoon are supportive of the recommendation outlined in this report.

Specific feedback provided by Discover Saskatoon is as follows:

- Suggested increasing the maximum grant amount from \$5,000 to \$7,500 as the costs associated with hosting events continue to rise;
- Suggested that cost of territorial protocol, economic reconciliation or Indigenous Inclusion related to TRC Call to Action No. 92, be included as an eligible expense for grant funding. Activities related to the territorial protocol may include:
 - elder or Knowledge Keeper honorarium for opening protocol;
 - drum group honorarium to adhere to territorial protocol;
 - dancer honorarium to adhere to territorial protocol;
 - traditional offerings such as blankets for dignitaries or ceremony to adhere to territorial protocol; and
 - tobacco offerings to adhere to territorial protocol.
- Noted the importance of allowing transportation costs to be an eligible expense for funding. Transportation has been identified as a barrier by organizations hosting events in Saskatoon. Events often have large volumes of delegates who need to be transported to various locations in the city.

The items noted above by Discover Saskatoon can be incorporated into the updated Policy. The increase to the maximum grant amount has been included in the recommendation for approval.

Approaches in Other Jurisdictions

Administration has completed a website search of major Western Canadian municipalities to explore policies around funding, grants and financial support for hosting conventions in their respective cities. Municipalities in the search included Regina, Winnipeg, Calgary and Edmonton. Research found that the cities of Regina and Edmonton provide financial assistance for conferences/conventions. In Regina, it is through the Regina Hotel Association; in Edmonton, it is through Explore Edmonton and their partner, Edmonton Destination Marketing Hotels.

Regina also offers a Special Events Minor Grant Program which provides financial support specific to cost of transportation for provincial events such as the Saskatchewan Urban Municipalities Association and Saskatchewan Association of Rural Municipalities with a maximum grant of \$5,000.

OPTIONS

Option 1 - Change the Administrative Responsibilities for Policy C01-005, Civic Hospitality to Conventions

This option would move responsibility for approving or denying applications for funding, under this Policy, from the Mayor's Office to Administrative staff in the Recreation and Community Development Department (RCD). In this option, Discover Saskatoon would continue to be responsible for intake and adjudication of all applications and provide their recommendation for approval or denial of applications to RCD Administration.

Administration would work with Discover Saskatoon to review and enhance the application package and evaluation criteria used for this grant program to ensure transparency and consistency in funding approvals/denials.

Administration would also work with the City Clerk to revise the Policy so Discover Saskatoon can assume the responsibilities of Conventions Saskatoon to reflect the current status. In addition, the Policy would be updated to address any other required revisions to properly reflect the process under this option.

Administration would report annually to City Council on grant approvals as part of RCD's annual report.

Advantages:

- All grant programs related to special events would be administered centrally in Recreation and Community Development;
- Discover Saskatoon continues to be the subject matter experts in review/adjudication of applications and in making recommendations for approval/denial of applications;
- Administration would have oversight of the process for adjudication of applications and final approval or denial of applications; and
- Adjudicating and approving applications would be done in a timelier manner.

Disadvantage:

There would be no third-party involvement in adjudication of applications.

Option 2 - Incorporate Civic Hospitality to Conventions as Another Event Category under Policy C03-007, the Special Events Policy, and Special Events Reserve

This option would see the Civic Hospitality to Conventions Policy discontinued and a new event category for civic hospitality to conventions created within Policy C03-007, [Special Events](#), and Special Events Reserve. All event-related grant programs offered by the City would be administered centrally by the RCD Department and be centrally located on the City's [Grants](#) webpage for ease of access to potential applicants of these grant programs. An event evaluation rating tool would have to be created, in consultation with Discover Saskatoon, to adjudicate applications for the Civic Hospitality

to Conventions event category to align with how applications of other event categories under the Special Events Policy are adjudicated.

Advantages:

- All grant programs related to special events would be administered through one policy and reserve, streamlining the number of individual policies and reserves the City administers, and the promotion of grants to potential applicants; and
- Adjudication of applications to Civic Hospitality to Conventions would fall to the Special Event Adjudication Committee, which is made up of community volunteers acting as third-party committee members.

Disadvantages:

- Application intake and adjudication would take place three times per year, in March, June and October, which may impact the ability to respond to applications that are planned and/or initiated in between these intake periods. Applicants would have to be informed of these specific intake periods;
- Time commitments for volunteers of the Special Events Adjudication Committee may increase due to increased number of applications that may be received and may impact an individual's decision to sit on this Committee and/or the ability to attract volunteers to this role. At the current time, it is difficult to attract and retain volunteers for the Special Event Adjudication Committee; and
- Discover Saskatoon's role and responsibilities would be limited to having representation on the Special Events Adjudication Committee.

Option 3 - Discover Saskatoon Oversight of Policy Administration

In this option, Discover Saskatoon would be delegated authority to oversee full administration of the Policy and Civic Hospitality Reserve to the maximum of the annual \$48,000 contribution. Discover Saskatoon would also be delegated the authority to allocate additional funding from the Reserve, provided grant requests meet the Policy eligibility criteria, similar to the existing Policy. Approval of City Council would be required to access funding from the Reserve for grant requests that do not meet Policy eligibility criteria. Intake, adjudication, approval of funding and review of post-event evaluation reports would be the responsibility of Discover Saskatoon. Following the review of post-event evaluation reports, Discover Saskatoon would provide required information, such as a post-event evaluation report and applicable invoices, to allow Administration to issue the approved grant payment based on a submitted invoice.

Discover Saskatoon would be required to report to City Council, each quarter, summarizing what events were approved/denied and level of funding approved.

Advantages:

- Discover Saskatoon, as subject matter experts, are involved in intake, adjudication and approval process for applications to the program. They are also directly connected in their day-to-day work to the conventions hosting industry; and
- Adjudicating and approving applications will be faster without third-party involvement in this process.

Disadvantages:

- Public perception of adjudication and award of public funds being overseen by an agency external to the City without administrative oversight; and
- Potential conflict of interest when Discover Saskatoon may be involved in bidding on events.

RECOMMENDATION

That the Standing Policy Committee on Finance recommend to City Council:

1. That Option 1, Change the Administrative Responsibilities for Policy C01-005, Civic Hospitality to Conventions, as described in this report, be approved and that appropriate changes to the Policy be made in coordination with the City Clerk's Office; and
2. That the maximum grant amount to any one organization be increased from \$5,000 to 7,500.

RATIONALE

Administration is requesting approval to proceed with Option 1 for reasons identified in this report and to increase the maximum grant amount to any one applicant from \$5,000 to \$7,500. The key rationale for recommending Option 1 is Discover Saskatoon, as the subject matter expert, would continue to be responsible for the review, adjudication, and recommendations for approval of applications. Administration would then have oversight over the final approval and distribution of the funds from the grant program to successful applicants. The option supports a policy-based approach with defined accountability and processes for the distribution of civic funds.

Key reasons for increasing the maximum grant amount are: the rising cost of hosting events and the maximum grant amount has not been increased since the Policy was last updated in 2006.

FINANCIAL IMPLICATIONS

There are no financial implications tied to the approval of the recommendation outlined in this report.

ADDITIONAL IMPLICATIONS/CONSIDERATIONS

Subject to City Council approval of the recommendation, the following high-level changes will need to be made to the Policy:

1. Discover Saskatoon will take over responsibility for receiving, reviewing and adjudicating applications and making recommendations for approval of grants. All references to the former Conventions Saskatoon will be removed;
2. Recreation and Community Development will take over the current applicable responsibilities of the Mayor's Office, including, but not limited to, receiving and reviewing recommendations for funding from Discover Saskatoon, issuing the approval letters and funding to successful applicants;
3. Administration will work with Discover Saskatoon to review and update the application package and criteria requirements for processing applications;
4. The current Policy allows unused funding in the current year to be directed into the Civic Hospitality Reserve (Reserve) and allows funding from the Reserve to finance any balancing requirements when current operating expenditures are exceeded. It is recommended this practice be maintained; and
5. Discover Saskatoon's suggestions of allowing the cost of territorial protocol, economic reconciliation or Indigenous Inclusion related to TRC Call to Action #92, and the cost of transportation costs will be incorporated into the policy as eligible expenses to provide greater clarity to applicants.

If City Council were to approve an alternate option, the Policy will be updated accordingly, based on the option chosen.

COMMUNICATION ACTIVITIES

The Mayor's Office and Discover Saskatoon were engaged throughout the preparation of this report and are in agreement with the recommendation. Administration will provide Discover Saskatoon with City Council's decision in relation to the recommendation outlined in this report.

APPENDICES

1. City of Saskatoon Policy C01-005, Civic Hospitality to Conventions

REPORT APPROVAL

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