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## Funding to Third Party Organizations

### Recommendation

That the Standing Policy Committee on Finance recommend to City Council that Council Policy No. C03-001, The Budget Process, be amended to add a section that limits funding to third party organizations outside of annual budget approval process only if a funding source is identified at the time of approval.

### Topic and Purpose

The purpose of this report is to provide City Council with information regarding funding for third party organization best practices, as well as an option to amend Council Policy No. C03-001, The Budget Process (Budget Policy), for community-based, third party organization contributions outside of the City of Saskatoon's (City) annual budget approval process.

### Report Highlights

1. The Administration could not find any best practices or municipal counterparts who have a similar policy.
2. The current Budget Policy offers no guidance in relation to awarding funds to projects outside of budget deliberations.
3. A policy amendment should be made to the Budget Policy that limits funding to third party organizations that is outside of the annual budget approval process only if a funding source is identified at the time of approval.

### Strategic Goal

The information in this report supports the Strategic Goal of Asset and Financial Sustainability by demonstrating openness, accountability and transparency in financial reporting.

### Background

At its May 23, 2017 regular meeting of City Council, it was resolved that:

“The Administration be requested to report back on a policy for Council approval that restricts funding approvals for community-based, third party organizations in excess of “x” amount of dollars to the City’s Budget deliberation process.”

### Report

#### Best Practices

Through the Administration’s research and conversations with other municipalities, including Winnipeg, Regina, Calgary, Edmonton and Surrey, no comparable policies were found which restricted City Council’s ability to provide funding outside of the annual budget approval process. Further, the Government Finance Officers Association has no best practice/suggested practices regarding this type of policy.

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### Administrative Budget Process

The Budget Policy currently provides City Council the discretion to authorize exceptions to an approved budget under Section 3(e)(i) which states, “authorization is required from City Council for all changes in service level (including the addition/deletion of programs) from that approved in the Operating Budget.”

However, there is no guidance in relation to approving or allocating resources to community groups or other operating expense items that would affect future year’s budgets outside of the annual budget approval process. While uncommon, City Council has in the past allocated funding of projects outside of the budget cycle that have had a future impact. Typically, there is no issue with this process as it provides City Council the opportunity to take advantage of beneficial opportunities to the City that do not coincide with the annual budget approval process. The biggest issue surrounding these requests is that a funding source or strategy needs to be identified at the time of award.

As part of the City’s multi-year budget implementation plan, revisions to the current Budget Policy will be required. It is anticipated that this revised policy will be presented to City Council in early 2018. The Administration is recommending that a clause be added, as part of this future update, which restricts funding to third party organizations to only be awarded if a funding source is identified at the time of award. This will limit the risk that funding is awarded without appropriate funding in place. It is also being recommended that there be no dollar limit as the policy would apply to all future requests.

### **Options to the Recommendation**

The Standing Policy Committee on Finance could choose to direct the Administration to develop a policy specific to restricting the funding available to third party organizations outside of budget deliberations. The Administration does not recommend this option as there is no best practice and would limit the City’s flexibility outside of the annual budget approval process.

### **Other Considerations/Implications**

There are no policy, financial, environmental, privacy, or CPTED implications or considerations, and neither a communication plan or public and/or stakeholder involvement is required at this time.

### **Due Date for Follow-up and/or Project Completion**

Based on the decision of Standing Policy Committee on Finance and City Council, the Administration will update the policy for final approval in 2018.

### **Public Notice**

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

### **Report Approval**

Written by: Clae Hack, Director of Finance  
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