Agenda – Executive Policy Committee – July 11, 2012

REPORTS

Item No. 8 Amendments to Winnipeg Private Refugee Sponsorship Assurance Program Agreement

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Council approve the following amendments to the Winnipeg Private Refugee Sponsorship Assurance Program (WPRSAP) Agreement dated the 13th day of January, 2004 between the City, Manitoba Refugee Sponsors ("MRS") and Manitoba Interfaith Immigration Council Inc. ("MIIC"), as amended by agreement dated the 24th day of June, 2009 (together, the "Agreement"):

    (i) extension of the termination date of the Agreement from June 24, 2011 to December 31, 2011 to permit a number of cases that were in process at June 24, 2011 to proceed;
    (ii) extension of the 5-year wind up period which authorizes MRS and MIIC to retain the Assurance Fund until December 31, 2016;
    (iii) that the future interest up to a maximum of $15,000 per year to a total maximum of $75,000 earned on the Assurance Fund be eligible for use by MRS or its agent for administration of WPRSAP during the 5 year wind-up period from January 01, 2012 to December 31, 2016. Administration costs are subject to sufficient interest being available and subject to the continued provision of an annual report, including an annual audited financial statement, satisfactory to the City;
    (iv) that the original grant to MRS of $250,000 plus any interest remaining as at January 01, 2017 be returned to the City effective January 1, 2017.

2. That the Proper Officers of the City be authorized to do all things necessary to complete the intent of the foregoing.

ADMINISTRATIVE REPORT

Issue: **To obtain Council approval to extend the deadline for the Winnipeg Private Refugee Sponsorship Assurance Program (WPRSAP) from June 24, 2011 to December 31, 2011, and to authorize amendments to the agreement as identified.**

Critical Path: **Executive Policy Committee – Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Halliburton	L. Burch	M. Ruta	D. Joshi, COO

RECOMMENDATIONS

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   (iv) that the original grant to MRS of $250,000 plus any interest remaining as at January 01, 2017 be returned to the City effective January 1, 2017.

2. That the Proper Officers of the City be authorized to do all things necessary to complete the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required to extend or alter the Agreement.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no regulatory, environmental or human resource implications associated with this report.

- Extending the termination date of the Agreement means extending the 5-year wind up period, resulting in the return of the Assurance Fund and the associated interest thereon to the City being delayed by six months, to January 1, 2017.
- Allowing the interest earned by the Assurance Fund to be used by MRS or its agent for administrative purposes will assist the group through the transition period to make them self-sustaining or secure other sources of funding to support their program.
- While the WPRSAP program has been successful in bringing refugees to Winnipeg, the City does not have an immigration mandate.

HISTORY

On September 25, 2002 the general parameters for City participation in the Winnipeg Private Refugee Sponsorship Assurance Program (WPRSAP) were approved by Council. The intent of the program was to support and increase private sponsorship of refugees coming to Winnipeg. An Agreement between the City, the Manitoba Refugee Sponsors (MRS) and the Manitoba Interfaith Immigration Council (MIIC) took effect January 13th, 2004 for a 5 year period. The MRS is an association of the faith-based and community groups involved in the private sponsorship of refugees in Winnipeg.

Under the pilot program, the City provided a grant in the amount of $250,000 as an Assurance Fund to ensure that financial support was available to Sponsorship Agreement Holders (SAHS) and Constituent Groups (CGs) in Winnipeg who undertook family or community linked refugee sponsorships, in the unlikely event of a breakdown in sponsorship. The $250,000 was invested by the Manitoba Interfaith Immigration Council (MIIC) as MRS' agent. The City also agreed to provide MRS or its agent up to $30,000 per year to administer the WPRSAP for 5 years subject to the City's annual budgetary approvals.

Under the terms of the Agreement, upon termination WPRSAP was authorized to retain the Assurance Fund for an additional 5-year period to allow all existing WPRSAP sponsorship cases to come to an end. Immediately following this 5-year period, all monies remaining in the Assurance Fund, together with the associated interest thereon, are to be returned to the City.

The original agreement was to expire in 2009, however, the Agreement was extended an additional 2 years to June 24, 2011.

On August 17, 2011 a letter was sent from the City's Chief Administrative Officer, to the MRS advising the Agreement had concluded on June 24, 2011. In accordance with the original Agreement, the City further advised it needed to review its involvement in the program and determine the extent to which the WPRSAP had met its goal, how cost-effective the program had been; and what results had been achieved overall. As such, the City requested copies of various documents from the WPRSAP, MIIC and MRS including annual reports, annual budgets, and statistical information for review.

In November 2011, the City received a report from MRS outlining the results of the WPRSAP as summarized below:

- Over 900 cases (totally 1650 people) had arrived under the WPRSAP since 2003 and over 2500 were anticipated by the end of 2011;
- This program is unique in Canada and has made Winnipeg the largest refugee sponsoring centre in the country (fifty percent of all refugees being sponsored each year into Canada through the Federal Government are being sponsored by Winnipeg Sponsors);
- The WPRSAP fund has grown from $250,000 to nearly $ 315,000;
- Over the eight years, there were four sponsorship breakdowns resulting in a payout of just over $13,000; Past experience showed 1% of privately sponsored refuges had to depend on the legal sponsoring organization or agency for financial support within the first year; therefore it was expected the majority of the funds would "roll over from year to year" and the fund could be used again and again.

  In addition to providing this information, the MRS made the following requests:

  - that the termination date of the Agreement be extended to December 31, 2011 to allow for a number of cases that were in process at June 24, 2011 to be processed more easily as they would still be covered under the Assurance Fund. The December 31, 2011 end date also allows additional refugees to be sponsored as the Federal Government will not allow any new sponsorship cases for two years effective 2012 (to allow them to catch up on a large inventory backlog overseas).
  - that, as a result, the Assurance Fund and the associated interest thereon be returned to the City on January 1, 2017 as opposed to June 25, 2016.
  - that the financial terms be amended to permit use of the interest earned on the original grant of $250,000 for the administration of the program (which amounts to approximately $15,000 on an annual basis);
  - that the parties meet in 2014 to revisit the WPRSAP to determine the feasibility of reopening the fund to registration of new cases and develop a proposal for making the fund a perpetual/self-funding program.

- On February 21, 2012, City staff met with representatives of MRS to discuss their proposal and receive copies of MIIC's latest annual report and budget along with the most current statistics for the WPRSAP refugee arrivals and the status of the assurance fund.
  - MIIC as the agent of MRS was receiving grants totaling $100,000 annually ($30,000 from the City to administer the WRPSAP fund/program and $70,000 from the Province to provide support to MRS).
  - MRS advised that MIIC assigned one staff person to administer the WPRSAP and that MIIC also provided general support to MRS.

Subsequent to this meeting, MRS informed City staff that the Province ceased providing MIIC with an annual grant of $70,000 in 2008. As such, they have no immediate source of funds to administer the program. MRS believes that $15,000 in interest earned annually from the assurance funds would be sufficient to cover the costs of administering the program over the five year wind-up period.

As previously mentioned, the WPRSAP is unique as no other municipal government has provided a grant to create an assurance fund for refugees or fund its administration. In most cases, faith-based and community groups involved in the private sponsorship of refugees rely on volunteers and/or fundraising to cover the administrative costs of tracking and monitoring refugee and arrivals. It is recommended that in future, this approach be used by this group as well.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 25, 2012

Project Name: **First Year of Program**

Extend the deadline for the Winnipeg Private Refugee Sponsorship Assurance Program from June 24, 2011 to December 31, 2011 (plus five year wind up period to January 1, 2017) and use accrued interest to pay for Administration costs

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 15,000	$ 15,000	$ 15,000	$ 15,000	$ 15,000
Less: Incremental Revenue/Recovery	15,000	15,000	15,000	15,000	15,000
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

If the term of this agreement is extended and the accrued interest from 2012-2016 is used to pay for administrative costs the City would lose incremental revenue of approximately $75,000 (15,000 x 5) over the five year period.

In January 2017, WPRSAP will return the City's initial grant plus accrued interest (approximately $315,000 to date) less any pay outs made in the next 5 years.

Original signed by:

R. Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

Legal Services

SUBMITTED BY

Department: Corporate Support Services
Division
Prepared by:
Date: June 29, 2012
File No.