Minutes – Executive Policy Committee – February 16, 2022

REPORTS

Item No. 2 Winnipeg COVID-19 Economic Support Grant Program

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and received the report as information.

DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

That the recommendation of the Winnipeg Public Service be concurred in.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 8, 2021, the Executive Policy granted an extension of time of up to 60 days for the Winnipeg Public Service to report back on the Winnipeg COVID-19 Economic Support grant program with details including recipients, amounts and a description of how the grant was utilized to the appropriate committee of Council.

COUNCIL DECISION:

On December 16, 2020, Council concurred in the recommendation of the Executive Policy Committee, as amended, which included the following recommendation:

J. iii. That Council direct Public Service to report back on Winnipeg COVID-19 Economic Support grant program with details including recipients, amounts and a description of how the grant is utilized to the appropriate committee of Council on or before December 31, 2021.

ADMINISTRATIVE REPORT

Title: Winnipeg COVID-19 Economic Support Grant Program

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
P. Olafson	C. Kloepfer	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

On December 16, 2020, Council adopted the Winnipeg COVID-19 Economic Support Grant Program in response to the COVID-19 pandemic (By-law 128/2020). This program was a City of Winnipeg response to the COVID-19 restrictions effective November 12, 2020 imposed by the Province of Manitoba impacting small businesses and not-for-profit organizations.

As a result of the success of this program and implementation of public health ordered restrictions effective May 9, 2021, a second round of application intakes was approved by Council on May 27, 2021.

3,403 grants totaling $5,104,500 were made under this program. Throughout the program, the Public Service received numerous emails of appreciation for this financial support. COVID-19 has had a significant financial impact to the businesses and not-for-profit organizations the program was designed to assist.

The Corporate Finance Department administered this program and exercised due diligence in assessing grant eligibility.

Program delivery resourcing did not require any additional operating budget.

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

On December 16, 2020, Council concurred in the recommendation of the Executive Policy Committee, as amended, which included the following recommendation:

> J. iii. That Council direct Public Service to report back on Winnipeg COVID-19 Economic Support grant program with details including recipients, amounts and a description of how the grant is utilized to the appropriate committee of Council on or before December 31, 2021.

On December 8, 2021, Executive Policy Committee granted an extension of time of up to 60 days for the Winnipeg Public Service to report.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications as the report is to be received as information.

HISTORY/DISCUSSION

Program Details

On December 16, 2020, Council adopted the Winnipeg COVID-19 Economic Support Grant Program in response to the COVID-19 pandemic (By-law 128/2020). This program was a City of Winnipeg response to the COVID-19 restrictions effective November 12, 2020 imposed by the Province of Manitoba impacting small businesses and not-for-profit organizations.

As a result of the success of this program and implementation of public health ordered restrictions effective May 9, 2021, a second round of application intakes was approved by Council on May 27, 2021.

Table 1 provides additional details of the two rounds:

Table 1

	Round One	**Round Two**
Council approval	December 16, 2020	May 27, 2021
Budget funding source	Federal Safe Restart Grant	Financial Stabilization Reserve Fund
Intake period	December 21, 2020 to February 28, 2021	May 28, 2021 to July 31, 2021
Number of applications received	2,510	2,244
Number of applications approved	2,000 (80%)	1,403 (63%)
$$ paid in grants	$3,000,000	$2,104,500
Portion of $$ paid in grants applied to outstanding business taxes	$84,789	$60,915

For both rounds of the program:

- A budget of $3 million was established, providing grants of $1,500 for up to 2,000 eligible applicants.
- Eligibility requirements:
    - Access by the public to its physical premises prohibited by public health orders
    - Engaging in business and its physical premises were open for public access immediately prior to the public health orders

    - Applying for grant with basic details (eg./legal name, operating name, Federal/Provincial business number, City of Winnipeg business tax number (if applicable), business expense purposes) and declarations to support program eligibility.
- The City's Chief Financial Officer is responsible for program administration
- The program was delivered with a mix of Finance employees from across the organization (as time/priorities permitted) and rehired retired employees. Program delivery resourcing did not require any additional operating budget.

Throughout the program, the Public Service received numerous emails of appreciation for this financial support. COVID-19 has had a significant financial impact to the small businesses and not-for-profit organizations the program was designed to assist. Additional details on approved grants are included in Schedules A and B of this report.

Diligence Exercised in Verifying Eligibility

The Corporate Finance Department administered this program and exercised due diligence in assessing grant eligibility:

- On-line applications structured to gather basic details
- Declarations from applicant as to:
    - Operating within the City of Winnipeg
    - Carrying on business as of date of Public Health Orders
    - Employees numbering less than 100 employees
    - Information submitted in application being correct and true
- References to Provincial Public Health Orders
- Independent verification of business location (eg./ Google and iView maps, business tax roll)
- Independent verification of business activity (eg./ CRA, GST registry, Assessment and Taxation)
- General internet research
- Corporate Controller review of application evaluation recommendations

As well, in round one of the program, the City engaged KPMG LLP to perform specified audit procedures agreed on by the City. The purposes of this work was to:

- Review the internal controls in the program's process and make recommendations for any additional controls to mitigate risks
- Perform a walkthrough of the process and test the first five applicants approved for grants to verify controls were being followed
- Test a sample of application evaluations (both successful and denied) to verify compliance with the eligibility criteria per the City By-Law
- Perform data analysis to verify no duplicate applications were paid out

In applying these specified audit procedures, KPMG LLP concluded the controls over the application and evaluation process functioned as designed, and no exceptions were noted on the other procedures noted above.

Lessons Learned

Both rounds combined, nearly 5,000 applications were assessed, taking an estimated 6,000 to 8,000 hours of work from establishing the program through paying grants. There are lessons learned to improve upon such program delivery in the future:

- Resourcing – the first round was delivered primarily through Finance employees working on the program as time/priorities permitted. While this was adequate for the first round because it occurred at a slower time of year for Finance (minimal budget, year-end and financial reporting work), it wasn't adequate for the second round. Two additional retirees were rehired later in the second round which was successful in increasing the rate of application processing. Both rounds took approximately six months to complete from intake launch. A timelier assessment would need to consider increasing the operating budget to hire additional temporary program resources.
- Process
    - Alternative mailing address – a number of businesses were closed meaning payments mailed were not being received. An alternative mailing address was requested in the second round to ensure a timelier receipt for the eligible applicant.
    - Operating name – obtaining this information is important since it is typically used for banking purposes.
    - Business category – having gained this experience, there are other categories to include in the application process. Business category helps in application evaluation.
    - Additional questions in application to clarify information needs.
- Communication – Time was expended obtaining additional information from the applicant. An application guide describing how to fill out the application with the reasons why will assist in reducing these requests of the applicant.

FINANCIAL IMPACT

Financial Impact Statement Date: January 17, 2022

Project Name: Winnipeg COVID-19 Economic Support Grant Program

COMMENTS:

There are no financial impacts associated with receiving this report as information.

The two rounds of this program were allocated an operating budget of $6 million; 3,403 grants have been issued under this program totaling $5,104,500.

"electronically approved by J. Peters"
Jocelyn Peters CPA, CGA
Manager of Finance & Administration (Campus)

CONSULTATION

This Report has been prepared in consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

3.2 Organizational Support Services - Strategic Enterprise Supports - Incorporate municipal asset investment and divestment criteria into decision-making that promotes sustainable economic growth, through the evaluation of long-term economic impact and community return on investment.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Finance
Division: Corporate Controller's
Prepared by: Paul Olafson, CPA, CA
Date: January 19, 2022
File No:

Attachments: