



# Committee Report

<b>To:</b>	Warden Milne and Members of Grey County Council
<b>Committee Date:</b>	January 26, 2023
<b>Subject / Report No:</b>	EDTC-CW-03-23
<b>Title:</b>	Eat Local Grey Bruce Support
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<b>Reviewed by:</b>	Randy Scherzer
<b>Lower Tier(s) Affected:</b>	All
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW27-23; Endorsed by County Council February 9, 2023, per Resolution CC18-23.

## Recommendation

1. **That report EDTC-CW-03-23 regarding the Eat Local Grey Bruce Support be received for information.**

## Executive Summary

At Committee of the Whole on January 12, 2023, Council heard a delegation from Eat Local Grey Bruce (ELGB) regarding their crowd source fundraising campaign and insolvency status. The delegation requested support from the County and staff were directed to bring back a staff report following further engagement.

Staff and community truly support the vision and mission of ELGB and want to see success. That said, staff do not recommend providing either a grant or rent payments to Eat Local Grey Bruce. County support may however, be provided to ELGB and member producers through professional, third-party consultation and training, at no cost to ELGB or producers as part of the economic development department's mandate through the Business Enterprise Centre (BEC).

## Background and Discussion

Staff have worked with and alongside Eat Local Grey Bruce (ELGB) on many occasions over the past seven years. Over that time, the County had not been advised of the severity of the financial pressures ELGB has been facing. Following the delegation, staff have maintained regular communication with ELGB board members and engaged several local producers, former staff, and eater members for additional insight.

ELGB is currently seeking \$115,000 through the public fundraising campaign to pay off the most urgent debts and re-open their doors. They are also seeking volunteers and eater member pledges to make regular orders. Progress reports are available in the links below.

This is a difficult situation, whereby staff and community truly support the vision and mission of ELGB and want to see success. At the same time, there is shared understanding that the business model requires a complete restructure, alongside significant debt repayment. ELGB has long-struggled with its business model and has grown its debt year over year since inception. As of December 2022, ELGB carried approximately \$400,000 in debt, well over \$300,000 of which is owed to local producers and wholesalers.

Of the local producers, we believe there are only two who sell exclusively through ELGB, while most rely on ELGB for a portion of their sales. In consideration of food security and solidarity tokens, there are 17 families supported through this model.

### **Areas of Support**

In 2022, County staff worked closely with ELGB to provide wrap around relocation assistance.

The County Administration Building had been a pick up location and in fall 2022, Sydenham Campus became a pick up location.

Since the financial situation was brought to our attention, staff have provided information and links to possible granting programs the organization could consider.

The ask of Grey County to provide \$20,000 grant funding and ongoing financial support to cover monthly lease costs of \$4,200 is not something staff can recommend Council support. Eat Local is a commercial business and S.106 of the Municipal Act, 2001 prohibits giving a single business financial support of the type requested.

In 2020, Eat Local Grey Bruce was funded through the Investment Readiness Program to formalize policies and procedures, complete full financial assessments and perform comprehensive strategic planning exercises in an effort to ensure continued sustainable growth.

Given the work completed through this process, further refined professional consultation and training to restructure would be possible through the available BEC mandate and budget. With interest, staff will also develop a focused training series for local producers impacted through this transition. If the board is willing to pause and take time to do this work, staff is committed to providing these services.

If the organization dissolves, restructures and looks to Grey County for support at that time, staff recommend that a report be brought back to the agricultural advisory and/or planning and economic development advisory committee for consideration.

## **Legal and Legislated Requirements**

Section 106 of the Municipal Act, 2001 prohibits municipalities from granting assistance to “commercial enterprises”, including through the giving or lending of money. Section 108 of the

Act provides for exceptions in the case of services that can be provided through authorized small business programs such as the BEC.

## Financial and Resource Implications

Third-party consultation and training fees are included through the Business Enterprise Centre budget as a service offered by the department. This is a provincial mandate funded through the core budget.

## Relevant Consultation

- ☒ Internal - CAO, Deputy CAO, Business Enterprise Manager, Economic Development Officer, Director of Finance, Director of Legal Services – County Solicitor.
- ☒ External – Eat Local Grey Bruce, local producers, eater members, former staff, local food consultant.

## Appendices and Attachments

[Eat Local Grey Bruce Website/Blog](#)

[Fundraising Campaign](#)

[Next Steps for Eat Local Grey Bruce](#)