



TO: Chair, Administrative Policies Committee

FROM: Terry Willing, Acting Commissioner, Community Development Services

RESOURCE STAFF: Jim de Hoop, Director, Community and Family Services

DATE OF MEETING: 2010-03-11

SUBJECT: Protocol and Review Framework for Assessing Unsolicited Requests for Municipal Funding

EXECUTIVE SUMMARY:

As part of the 2009 operating budget deliberations, City Council passed a resolution on January 20, 2009 requesting that a policy be established to deal with unsolicited requests for municipal funding from not-for-profit organizations. Report # AP-09-021 was presented to Administrative Policies Committee (APC) on November 12, 2009 to address this resolution. At the November 12, 2009 meeting, the APC suggested revisions to Exhibit A. The revisions have been included in this report.

The bulk of the revisions were made to the wording within the policy in order to add clarity upon implementation. However, one item was added to the protocol to address concerns that the process might undermine existing grant programs. This change was reflected in the checklist as well. This addition is as follows:

Under 5.1 Pre-requisites, insert 5.1.1 - "the proposal is not or would not be eligible for funding through an existing City grant fund or existing City program budget (i.e. an unsuccessful application to a City grant program disqualifies proposals under this policy) and is over \$20,000.

In addition to the revisions noted, staff is recommending that this policy only apply until a comprehensive review of the various grant programs can be undertaken.

RECOMMENDATION:

THAT a Policy, entitled Protocol and Review Framework for Assessing Unsolicited Requests for Municipal Funding, dated December 10, 2009 be adopted by City Council, and

THAT the policy be implemented in the year 2010 as an interim measure, until such time as comprehensive policy review is undertaken for grant programs, following the adoption of the Community Sustainability Plan, the Recreation Master Plan and the Cultural Master Plan.

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY COMMISSIONER _____ Terry Willing, Acting Commissioner, Community Development Services Group
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER _____ Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Commissioner Beach, <i>Sustainability & Growth</i>	v
Commissioner Leger, <i>Corporate Services</i>	n/r
Jim Keech, President, <i>Utilities Kingston</i>	n/r

OPTIONS/DISCUSSION:

The impetus for this report was the following resolution from Council on January 20, 2009 directing staff to develop a policy to address unsolicited requests to the city for financial assistance:

WHEREAS the City of Kingston does not have a fiscal policy related to unsolicited applications for financial assistance from not-for profit entities except for service providers funded under provincially mandated municipal service manager programs; and

WHEREAS the City has a need for a sound fiscal plan that considers applications for financial assistance from not-for-profit entities from the perspective of established priorities, policies and identified needs; and

WHEREAS the financial capacity of the municipality to meet the growing demand for support is limited given community organizations are approaching the City in increased numbers for financial support outside of the present municipal grant program; and

WHEREAS at the December 16, 2008 meeting of City Council, allocations for unsolicited not-for-profits were approved in the 2009 operating budget with a provision that the creation of a policy/framework statement be created in order to assess and evaluate funding requests;

THEREFORE BE IT RESOLVED THAT staff prepare a report for the Administrative Policies Committee for no later than the April 2009 meeting, that will provide recommendations for a fiscal policy related to unsolicited applications for grants, loans, or any other financial assistance from not-for-profit entities; and that the Administrative Policies Committee make recommendation to Council no later than May 2009, and further -

THAT because Council deferred during the 2009 budget process two unsolicited requests that all new requests for unsolicited grants, loans, or any other financial assistance from not-for profit entities, except for service providers funded under provincially mandated municipal service manager programs, also be deferred until Council approves a new fiscal policy.

Report # AP-09-021 was presented to Administrative Policies Committee (APC) on November 12, 2009 to address the above resolution. At the November 12, 2009 meeting, the APC suggested revisions to Exhibit A. The revisions have been included in this report. The revisions were made to the wording within the policy in order to add clarity upon implementation and are as follows:

Section	September 22, 2009 Version of Exhibit A	November 12, 2009 Revisions to Exhibit A
1.0	The policy is not a replacement for existing procurement processes including purchase of service agreements, Council approved grant programs, or other strategic planning processes undertaken by City Council or departments endorsed at the Commissioner level.	The policy is not a replacement for existing procurement processes including purchase of service agreements, Council approved grant programs, <u>provincially mandated service manager programs, mid-year budget amendments,</u> or other strategic planning processes undertaken by City Council or departments endorsed at the Commissioner level.
3.2	There is no budget funding source associated with this policy and it is only to be used in <i>extreme cases of urgent financial need</i> or in cases when unique opportunities become available that may warrant Council's consideration of funding.	There is no budget funding source associated with this policy and it is only to be used in <u>extenuating cases of pressing need</u> or in cases when unique opportunities become available that may warrant Council's consideration of funding.

5.1		New – Insert: 5.1.1 - the proposal is not or would not be eligible for funding through an existing City grant fund or existing City program budget (i.e. an unsuccessful application to a City grant program disqualifies proposals under this policy) and is over \$20,000.
5.4	The City encourages <u>equal</u> community contributions in the form of:	The City encourages <u>other</u> community contributions in the form of:
5.5	5.5.1 evidence that the project is sustainable beyond the initial start-up funding; multiple requests for funding within any 48 month period are not permitted (see 5.2.6)	5.5.1 <u>where the application is for seed money that will establish an ongoing program</u> , evidence that the project is sustainable beyond the initial start-up funding; multiple requests for funding within any 48 month period are not permitted (see 5.2.6)
5.5	5.5.2 a sustainability plan that identifies how the Recipient will maintain the project over the long-term.	5.5.2 <u>if applicable</u> , a sustainability plan that identifies how the Recipient will maintain the project over the long-term
5.6	5.6.5 The individuals that will be involved in the project have successfully completed other community projects; and	5.6.5 The individuals <u>who</u> will be involved in the project have successfully completed other community projects or <u>similar endeavours</u> ; and
5.7	5.7.2 whether the group has prepared a municipal tax impact study and a business case to support the funding request by analyzing, and where possible measuring all costs and benefits of the proposed funding that incorporate, but is not limited to, all of this policy's requirements. The larger the funding request, the greater the rigour that will be expected in the development of the business case	5.7.2 <u>whether a municipal tax impact overview is warranted (as may be prepared by the City Treasurer) or a business case is needed to</u> support the funding request by analyzing, and where possible measuring, <u>tangible</u> costs and benefits of the proposed funding that incorporates, but is not limited to, all of this policy's requirements. The larger the funding request, the greater the rigour that will be expected in the development of the business case.

Given that the Community Sustainability Plan, the Recreation Master Plan and the Cultural Master Plan are expected to be finalized in 2010, it will be prudent to complete a comprehensive policy review of the various grant programs. These plans will inform the needs of the community and better position the municipality to respond appropriately. As such, the policy being recommended in this report is intended as an interim policy until the comprehensive review is completed. We expect the comprehensive review will be completed in 2011, with implementation in 2012.

EXISTING POLICY/BY LAW:

Requests for unsolicited municipal funding that do not fit within existing grant programs or purchase of service agreements are referred to the appropriate Commissioner(s) for review and either rejected, or a recommend report is sent to standing committee or City Council.

NOTICE PROVISIONS:

Not applicable

ACCESSIBILITY CONSIDERATIONS:

This report can be made available in alternate formats on request.

FINANCIAL CONSIDERATIONS:

There are no financial considerations resulting from these recommendations, as there is no funding assigned to the administration of the proposed policy. Specific funding will be factored into annual budgets based on the merits of proposals and the application of this policy.

CONTACTS:

Jim de Hoop, Director Community & Family Services	Ext. 4957
Stephen Dickey, Acting Director, Financial Services	Ext. 2370

OTHER CITY OF KINGSTON STAFF CONSULTED:

Alan Mcleod, Senior Legal Counsel
Lanie Hurdle, Director, Recreation and Leisure Services
Brian McCurdy, Cultural Director
Speros Kanellos, Director, Real Estate and Construction Services
Jonathan Nicholls, Financial Analyst
Cathy Lewis, Administrative Assistant, Financial Services
Pat Carrol, Manager, Taxation and Revenue
Cheryl Hitchen, Manager, Applicant Services and Community Programs, Community and Family Services
Adele Lafrance, Manager, Finance and Administration, Community and Family Services

EXHIBITS ATTACHED:

Exhibit "A" – Protocol and Review Framework for Assessing Unsolicited Requests for Municipal Funding



City of Kingston
 Policies and Procedures
 Financial Services

**Protocol and Review Framework for
 Assessing Unsolicited Requests for
 Municipal Financial Support**

Document No.	FIN-BUD-004
Effective Date	TBD
Revision Date	12/10/2009
Revision No.	1.0
Page No.	1 of 9
Approval	City Council

1.0 Purpose and Origin

This policy sets out criteria to guide City staff and Council in addressing unsolicited proposals for funding from not-for-profit or other organizations. The policy is not a replacement for existing procurement processes including purchase of service agreements, Council approved grant programs, provincially mandated service manager programs, mid-year budget amendments, or other strategic planning processes undertaken by City Council or departments endorsed at the Commissioner level.

The policy will be reviewed annually by City staff and revised as necessary with CAO approval.

2.0 Revision History

Date	Revision No.	Change	Reference Section
December 10, 2009	1.0	New document	Not applicable

3.0 Scope and Application

- 3.1 The policy is intended to apply to any group or individual seeking financial support from the City of Kingston for any amount in excess of \$20,000 that is not covered under existing program budgets or grant programs.
- 3.2 There is no budget funding source associated with this policy and it is only to be used in extenuating cases of pressing need or in cases when unique opportunities become available that may warrant Council’s consideration of funding.
- 3.3 Recurring unsolicited requests for funding will not be considered due to potential long term financial liability.
- 3.4 Examples of the range of contributions by the municipality in service to the community are enclosed in Appendix “A” as *Some Municipal Approaches to Meeting Diverse Community Needs*.

4.0 Persons Affected / Responsibilities

- 4.1 The Chief Administrative Officer and City Council is responsible for the overall compliance with this policy.
- 4.2 Groups making unsolicited requests for municipal funding are responsible for adhering to this policy.

- 4.3 The City's Treasurer in consultation with affected end user (Commissioner or Director) is responsible for correlating any request with Appendix "B" to this policy, *Protocol and Review Framework for Assessing Unsolicited Requests for Municipal Financial Support: Assessment Checklist*.
- 4.4 A legal contract setting out the terms of any funded projects or proposals must be in a form that is satisfactory to the City Solicitor.

5.0 Policy Guiding the Review of Unsolicited Requests for Municipal Financial Support

5.1 Pre-requisites – The group must meet the following criteria:

- 5.1.1 the proposal is not or would not be eligible for funding through an existing City grant fund or existing City program budget (i.e. an unsuccessful application to a City grant program disqualifies proposals under this policy) and is over \$20,000
- 5.1.2 has been incorporated for at least one year; or unincorporated *collectives* using an *incorporated sponsor*; the group expends the majority of its financial resources in Kingston; and the group conducts its activities primarily in Kingston and for the benefit of the residents of Kingston
- 5.1.3 is not in need of funds for debt repayment and demonstrates that it is in good financial standing with the Municipality
- 5.1.4 has a constitution, a mission statement, and a Board of Directors that meets consistently
- 5.1.5 The applicant, lead, or sponsoring organization consent to have CPIC background checks conducted on staff performing any services and consent to indemnify the City for liability in relation to any use of funds

5.2 Exclusions - In no instances will funding through this policy be considered for:

- 5.2.1 Duplication of funding received from another funder;
- 5.2.2 Advocacy of partisan religious or political beliefs;
- 5.2.3 Activities that could be deemed discriminatory;
- 5.2.4 Costs for development of business plans
- 5.2.5 Amelioration of a loss of sponsorship funding, or lack of reserve funds.
- 5.2.6 Recurring funding that may pose a long term financial liability to the municipality.

5.3 Evidence of Community Needs - The group will need to provide evidence of community need and demonstrate:

- 5.3.1 that it will be providing a service to a geographic area or number of participants that is too small to warrant direct service delivery by the municipality ;
- 5.3.2 that the proposed service would not duplicate services in the community and does not presently receive municipal funding;
- 5.3.3 whether the funding would support one of City Council's stated strategic priorities adopted within the last 4 years; and
- 5.3.4 how persons of low income could be encouraged or enabled to access the proposed services and how any other disadvantaged category of persons can or would be enabled in accessing the services.

5.4 Evidence of Other Community Contributions - The City encourages other community contributions in the form of:

- 5.4.1 committed funding from partner organizations or other levels of government;

- 5.4.2 evidence of community involvement and in-kind contributions, and
- 5.4.3 collaboration among different organizations and partnerships in the proposal development and/or program delivery.

5.5 Indicators of Sustainability

- 5.5.1 where the application is for seed money that will establish an ongoing program, evidence that the project is sustainable beyond the initial start-up funding; multiple requests for funding within any 48 month period are not permitted (see 5.2.6)
- 5.5.2 if applicable, a sustainability plan that identifies how the Recipient will maintain the project over the long-term.

5.6 Quality Control Measures

- 5.6.1 City and other regulatory statutory policies have been consulted to ensure that project participants will adhere to all relevant policies and legislation;
- 5.6.2 There are timelines, with milestones and checkpoints, in place for project/program implementation;
- 5.6.3 There are clear measures that will be used to gauge success with regular reporting;
- 5.6.4 Community members are actively involved in governance, as volunteers, stakeholders, audiences, and collaborators.
- 5.6.5 The individuals who will be involved in the project have successfully completed other community projects or similar endeavours; and
- 5.6.6 There is adequate experience as it relates to the proposed services and target group(s).

5.7 Municipal Tax Impacts – Any support for the funding request will depend on the level of impact on current or future municipal tax levy; having regard for the following:

- 5.7.1 whether the municipality had a greater than inflation tax increase in any of the last two (2) years; or the municipality is facing a greater than inflation increase in municipal taxes in the current or following fiscal year;
- 5.7.2 whether a municipal tax impact overview is warranted (as may be prepared by the City Treasurer) or a business case is needed to support the funding request by analyzing, and where possible measuring, tangible costs and benefits of the proposed funding that incorporates, but is not limited to, all of this policy's requirements. The larger the funding request, the greater the rigour that will be expected in the development of the business case.
- 5.7.3 whether municipal financial support could trigger any tax exemption

6.0 Administration of Requests and Use of Assessment Checklist

This policy is not intended to replace the availability of funding through the Arts Fund, Healthy Community Fund, or access to any other fund established through the municipal budget process or other strategic planning processes undertaken by City Council or City departments endorsed at the Commissioner level.

There is no formal application process associated with the administration of this policy as there is no earmarked fund. In responding to unsolicited requests for funding, the following key steps and timelines would apply:

- 6.1 Proponents must address all aspects of this policy in a written submission, dated and signed by the lead officers of the organization, and submit it to the City of Kingston, c/o City Treasurer. Submissions must be made between January 1 and June 30 to allow sufficient time for analysis, reports to committee(s) and council, and if successful, incorporation in the following year's budget. Submissions will not be accepted after June 30 if proponents are seeking funding for the following fiscal year.
- 6.2 Receipt of the proposal will be acknowledged in a written reply that will attach a copy of this policy. Finance staff will then forward the proposal to the applicable Commissioner for review.
- 6.3 City staff will use the *Protocol and Review Framework for Assessing Unsolicited Requests for Municipal Funding: Assessment Checklist*, enclosed as Appendix B, to review the proposal and seek further information from the proponent; and in cases of non-compliance deny the request, or
- 6.4 Where all substantive policy elements have been met, forward a recommendation through established protocols in the form of a report to the Mayor and Members of City Council, or the appropriate policy consultation committee.
- 6.5 In administering this policy, the City of Kingston authorizes Commissioners to reject any unsolicited requests that do not comply with this policy.
- 6.6 If funding is awarded by City Council, the City reserves the right at its sole discretion to require a formal contract in a form satisfactory to the City Solicitor that would incorporate any or all of the proponent's submission material, including any redress measures in the event of non-compliance.

7.0 Enclosed Appendices Forming Part of the Policy

- 7.1 Appendix A - Some Municipal Approaches to Meeting Diverse Community Needs
- 7.2 Appendix B – Protocol and Review Framework for Assessing Unsolicited Requests for Municipal Financial Support Assessment Checklist

8.0 Authority - *(Upon Committee approval of Report AP-09-021 Council Resolution, as authority, will be reflected in this section)*

8.1

APPROACHES	CONCEPTS & PRACTICES
DIRECT PROVISION	<ul style="list-style-type: none"> • Direct Service Delivery by municipalities • Direct Financing • Shareholder of Not-for-Profit Corporation
DELIVERY AGENT	<ul style="list-style-type: none"> • Direct Administration of various Programs: Federal/Provincial e.g. CMSM • Purchase of Service Agreements
RESEARCH ACTIVITY	<ul style="list-style-type: none"> • Special Purpose Task Force/Body • Community Forums • Design Charettes/Ideas Competition • Research Statements & Studies • Information & Monitoring
POLICY INITIATIVES	<ul style="list-style-type: none"> • e.g. Housing First Policy • Housing Levy • 1% tax for capital infrastructure
REGULATORY CHANGE	<ul style="list-style-type: none"> • As-of-right Zoning • Density Bonusing • Inclusionary Zoning • Exaction Programs or Housing Linkages • Demolition Control Bylaws • Infill Development • Alternate Development Standards • Proactive Property Standards • Expediting Approval Processes
FINANCIAL INCENTIVES	<ul style="list-style-type: none"> • Exemption of Fees (e.g. Dev. Charges) • Special Tax Rates • Redevelopment Incentive Programs • Grants and Loans (e.g. Brownfields funding) • Trust Funds
ADVOCACY	<ul style="list-style-type: none"> • Task Forces • Community Action Plans • Political Leadership; Networking Sector • Cross marketing of shared goals
COMMUNITY EDUCATION	<ul style="list-style-type: none"> • Community Forums • Information Videos, Web Forums, etc.
PUBLIC/PRIVATE PARTNERSHIPS	<ul style="list-style-type: none"> • Demonstration Projects • Proposal Calls • Purchase of Service Agreements • Anchor funding to leverage partnerships

	Level 1: Pre-requisites & Exclusions	Compliance Notes
	1.1 The proposal is not or would not be eligible for funding through an existing City grant fund or existing City program budget (i.e. an unsuccessful application to a City grant program disqualifies proposals under this policy) and is over \$20,000.	Yes/ No
	1.2 The group has been incorporated for a minimum of one year; or unincorporated <i>collectives</i> using an <i>incorporated sponsor</i> ;	Yes/ No
	1.3. The group expends the majority of its financial resources in Kingston?	Yes/ No
	1.4. The group conducts its activities primarily in Kingston and for the benefit of the residents of Kingston?	Yes/ No
	1.5. The group is not an organization with a political mandate, such as a citizen ratepayers association; not an individual, or organization that provides services or programs that are the responsibility of another level of government; and is not an organization that advocates partisan religious or political beliefs	Yes/ No
	1.6. The group is not in need of funds for debt repayment and is demonstrates sound financial standing with the Municipality? The group will not be seeking funding again within the next 48 months?	Yes/ No
	1.7. The group has a constitution, a mission statement, and a statement of purpose, have a Board of Directors that meets consistently and provides details of other Directorship with other vendors/suppliers?	Yes/ No
	1.8. The applicant, lead, or sponsoring organization consent to have CPIC background checks conducted on staff performing any services and consent to indemnify the City from liability in relation to any use of funds.	Yes/ No
	IF NO TO ANY OF THE ABOVE, APPLICATION REJECTED, NO FURTHER REVIEW REQUIRED; Sign and return to City Treasurer	Commissioner Authorization if rejected

AUTHORIZING SIGNATURES IF REJECTED:

<p>_____</p> <p>Director</p>	
<p>_____</p> <p>Commissioner</p>	

This checklist to be used in conjunction with the City Protocol and Review Framework Policy for Assessing Unsolicited Requests for Municipal Funding - City of Kingston

	Level 2: Evidence of Need	Compliance Notes
	2.1 Is there evidence that this project/program is needed in Kingston?	
	2.2 Is the project different and unique from other existing projects/programs in the community?	
	2.3 How has the need for this project been demonstrated?	
	2.4 Will it be providing a service to a geographic area or number of participants that is too small to warrant direct service delivery by the municipality?	
	2.5 Can the group confirm that the service or project will not duplicate work conducted by the City or another community organization?	
	2.6 The group does not presently receive funding from other city programs and will not be seeking new funds again within the next 48 months?	
	2.7 How would the allocation of funds meet a local priority, including those identified in approved municipal plans adopted by city council within the last 3 years? Does the proposal clearly identify how it will address at least one of the priorities?	
	2.8 How does the organization allow non-members of the group to derive benefit from public funding? Quantify the numbers of non-members that will benefit.	
	2.9 How will persons of low income be encouraged or enabled to access the proposed services, if applicable?	
	Level 3: Evidence of Other Community Contributions	Compliance Notes
	3.1 Has other “community contribution” from other partners or levels of government been obtained for this request?	
	3.2 Is there evidence of community involvement, in-kind contributions, collaboration among different organizations and partnerships in the proposal development and/or program delivery?	
	3.3 Have the details of any partnership been clearly documented?	

This checklist to be used in conjunction with the City Protocol and Review Framework Policy for Assessing Unsolicited Requests for Municipal Funding - City of Kingston

	Level 4: Indicators of Sustainability	Compliance Notes
	4.1 If applicable, where the application is for seed money that will establish an ongoing program, is there evidence the project is sustainable beyond the initial start-up funding? The group will not be seeking additional municipal subsidy within the next 48 months?	
	4.2 If applicable, is a sustainability plan included to identify how the Recipient will maintain the project over the long-term?	
	4.3 Has there been a demonstration of active fund-raising efforts to support the introduction or continuation of the program, project, or service?	
	4.4 Do the organization's revenues show diversity in revenue sources?	
	Level 5: Quality Control Measures	Compliance Notes
	5.1 Have City and other regulatory statutory policies been consulted to ensure that project participants will adhere to all relevant policies and legislation? List where applicable.	
	5.2 Are there adequate financial, personnel (staff/volunteers/partners), and other resources to implement the project/program?	
	5.3 Are there timelines, including regular reporting timelines, with milestones and checkpoints, in place for project/program implementation?	
	5.4 Does the proposal explain how the success of the project will be measured?	
	5.5 Does the organization have adequate experience and/or experience as it relates to the services to be provided and target group?	
	5.6 What is the previous experience and track record of individuals involved in successfully completing previous community projects, similar endeavors, or other city funded projects (if applicable)? Was the funded project (or projects) completed on time and reports submitted as required? Did the project(s) meet the stated objectives?	

This checklist to be used in conjunction with the City Protocol and Review Framework Policy for Assessing Unsolicited Requests for Municipal Funding - City of Kingston

	Level 6: Municipal Tax Impact	Compliance Notes
	6.1 Is the municipality facing a greater than inflation increase in municipal taxes in the current or following fiscal year?	
	6.2 Has the municipality had a greater than inflation tax increase in any of the last two (2) years?	
	6.3 In the case of large funding request, what is the municipal tax impact that approval of this funding request will have in the current and subsequent years (i.e. percent tax increase, one time and ongoing)?	
	6.4 Does the proposal warrant the preparation of a municipal tax impact study by the City Treasurer or is there a 'business case' to support the funding request that analyses tangible costs and benefits of the proposed project?	
	6.5 Will financial support to the organization trigger any form of tax exemption status including eligibility for same?	

This checklist to be used in conjunction with the City Protocol and Review Framework Policy for Assessing Unsolicited Requests for Municipal Funding - City of Kingston

RECOMMENDATION:

AUTHORIZING SIGNATURES:

_____ Director/ Departmental Representative	
_____ Commissioner Thurston, Community Development Services	_____ Director of Financial Services