Background

The current administration process of the Healthy Community Initiative (HCI) Fund and By-law 2016-18 was approved by Council on March 8, 2016. Subsequently, a number of administrative changes have been implemented including reallocation of the HCI Fund administrative responsibilities to the Community Development Department, approval of the establishment of an HCI grant reserve, and the approval of Playground Revitalization funded by the HCI Fund.   These administrative changes and other areas for improvement in the evaluation and approval process have been considered in this By-law review.

This report recommends that the new HCI Fund Policy Revision June 2018 be adopted by by-law to replace the existing HCI Fund By-law 2016-18.

Highlights of Proposed HCI Fund Policy, Revision June 2018

The proposed HCI Fund Policy By-law, Schedule A – Healthy Community Initiative Fund Policy By-law Revision June 2018 will replace By-law 2016-18 if approved. Highlights of the proposed changes are outlined below.

***Change 1:* Capital Funds**

Evaluation

As applications for HCI capital funds are submitted, the costing, timeframes and accountability for the project will be reviewed and evaluated with respect to the Parks, Open Space and Leisure Master Plan and other planning documents to ensure alignment with identified goals, priorities and budget.

Funding Allocation

Capital funds may only be requested from the Ward Allocation where the capital asset will be located.

Capital fund stacking, such as applying for HCI funds for a capital project that already has, or anticipates an allocation of capital funding from the City's capital budget, is permitted for projects of significant value that require additional funding to complete.

Awarded HCI capital funds are provided a 24 month holding period allowing groups to acquire any additional funding and to complete the project. Unspent funds are returned to the respective ward allocation(s). An extension of an additional 24 month time limit at the request of the applicant requires Council approval. To be eligible for an extension, community groups must demonstrate sufficient funds are secured and work is underway to complete the project.

<u>Project Management</u>

Funds for capital projects approved through the HCI process are internally transferred to the operating department responsible for the management of the project. A designated City division/section is responsible for assigning a project lead to work with the community group to ensure completion of the project.

All capital project requests must meet City standards and design guidelines, e.g. bench type, splash pads, sunshade etc.

Change 2: Grants

<u>Application Process</u>

Flexibility is permitted for applicants to receive other funding and support towards the same purpose as the HCI grant request. Applicants are required to disclose in the funding application if applications have been made, or other funding has been received, including the anticipated amounts.

Applications may be submitted up to 12 months in advance. Applications received in the current calendar year for initiatives scheduled to occur in the following calendar year will be held and not processed until November/December of the current year.

Recommended grant funding thresholds have been established for events and initiatives in order to provide consistency for similar requests based on type of event and the number of benefitting participants.

Change 3: Reserve Fund for Capital Projects

On July 11, 2017 Council approved the establishment of an HCI reserve fund and authorized the transfer of 2% of the annual HCI allocation for the purpose of leveraging other sources of funding for capital projects. The HCI Policy has been updated to reflect this transfer of funds. The reserve fund is accessed upon request of the Community Development Department to leverage matching or seed funding for projects that it deems of significant community importance and that are aligned with the Parks, Open Space and Leisure Master Plan or other planning documents.

Unexpended reserve funds remain in the reserve for subsequent years. Funds taken from the annual HCI allocation for each ward continues to be added to the reserve each year until the reserve reaches a maximum of $24,000 at which point, annual allocations are ceased until the reserve requires replenishment.

Change 4: **Accountability Processes**

<u>Application and Evaluation Processes</u>

The HCI Fund application forms for capital and grant allocations will be incorporated into a single document. The new form includes the eligibility criteria and requirements to assist applicants in providing all required documentation when submitting a funding request. An evaluation checklist will be used to process each application prior to the approval process to ensure compliance with the HCI Fund Policy By-law Revision June 2018.

<u>Financial Accountability</u>

Each HCI capital funding request is assessed for on-going maintenance and operational costs, and are identified during the approval process. Endorsement of an HCI capital project includes approval of operating costs which are provided in the base budget in subsequent budget years for the operating department, to ensure ongoing sustainability and maintenance of the infrastructure.

Funds allocated towards capital projects are transferred to the operating department responsible for the management of the project.

As part of the application process, applicants must provide a cost estimate to support a funding request. All funding recipients are required to submit a post-project/event report providing a detailed financial accounting of expenses paid by the funds with supporting copies of receipts/invoices. This report must be submitted to the Community Development Department within 60 days following the completion of the project or event/initiative.

The City may require repayment of a grant and the applicant may be ineligible for subsequent City of Greater Sudbury funding if:

a. a satisfactory report is not submitted within the prescribed timeframe; and/or
b. the funds were not expended according to the intended purpose as approved.

The post-project/event reports will be reconciled with the accompanying receipts by the City's Finance Department. Unexpended funds are to be returned to the City and the respective HCI Fund allocation(s).

<u>Council Notification</u>

Councilors will be notified by Community Development Department of all HCI grant and capital funding requests for their respective ward. A list of all approved and denied applications will be provided in reports to Council.

Next Steps

The new HCI Policy Revision June 2018 will be implemented in July 2018, once the new HCI Policy By-law is prepared and adopted by Council.

The City's website will be updated to reflect the new HCI Fund Policy Revision June 2018 forms and contact information for support.

Resources Cited

a. Revised administration process of the Healthy Community Initiative (HCI) Fund approved by Council on March 8, 2016
    http://agendasonline.greatersudbury.ca/?pg=agenda&action=navigator&lang=en&id=1062&itemid=11101

b. By-law 2016-18
    https://www.greatersudbury.ca/sudburyen/assets/File/By-Law_2016-18.pdf

c. Healthy Community Initiative (HCI) Fund Policy Update - Report Dated May 10, 2017
    http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=12&id=1128

d. Healthy Community Initiative (HCI) Fund Policy Update - Report Dated June 21, 2017
    http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=30&id=1131

e. Parks, Open Space and Leisure Master Plan
    https://www.google.ca/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwimt6G32p_TAhWV8oMKHXrVAEYQFggfMAE&url=https%3A%2F%2Fwww.greatersudbury.ca%2Fsudburyen%2Fassets%2FFile%2FLeisure%2520Master%2520Plan%2520Review%25202014(1).pdf&usg=AFQjCNE-EeL8AHvFKFhhi2vXl446iB37Ww