



**City of Kingston  
Report to Council  
Report Number 20-131**

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<b>To:</b>	<b>Mayor and Members of Council</b>
<b>From:</b>	<b>Peter Huigenbos, Commissioner, Business, Environment &amp; Projects</b>
<b>Resource Staff:</b>	<b>Julie Salter-Keane, Manager, Climate Leadership Division</b>
<b>Date of Meeting:</b>	<b>July 7, 2020</b>
<b>Subject:</b>	<b>Kingston Community Climate Action Fund</b>

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**Council Strategic Plan Alignment:**

Theme: 1. Demonstrate leadership on climate action

Goal: 1.5 Develop and promote incentives for residents to reduce their energy use and become part of city-wide solutions to meet Kingston's carbon neutral target.

**Executive Summary:**

In 2019, Council directed staff through two motions of Council to research and recommend options to allow residents of the City of Kingston to donate to a Climate Action Fund which could fund local climate projects and actions that go beyond those already budgeted for within the City's capital or operating budgets and report back to Council with recommendations in Q2 2020 for program implementation in 2020.

The purpose of this report is to provide Council with an update on the development of the Community Climate Action Fund and to seek Council's endorsement for the establishment of the fund and the administrative terms of reference.

The proposed Community Climate Action Fund grants will focus on projects that: reduce greenhouse gas (GHG) and/or air emissions; increase energy conservation or efficiency; reduce or divert organic waste; or assist with Climate Change adaptation and technology innovation. With the COVID-19 economic recovery being launched, staff also recommend that over the next 3 years preference will be given to projects that have direct and measurable GHG reductions that can also stimulate the economy in the near term.

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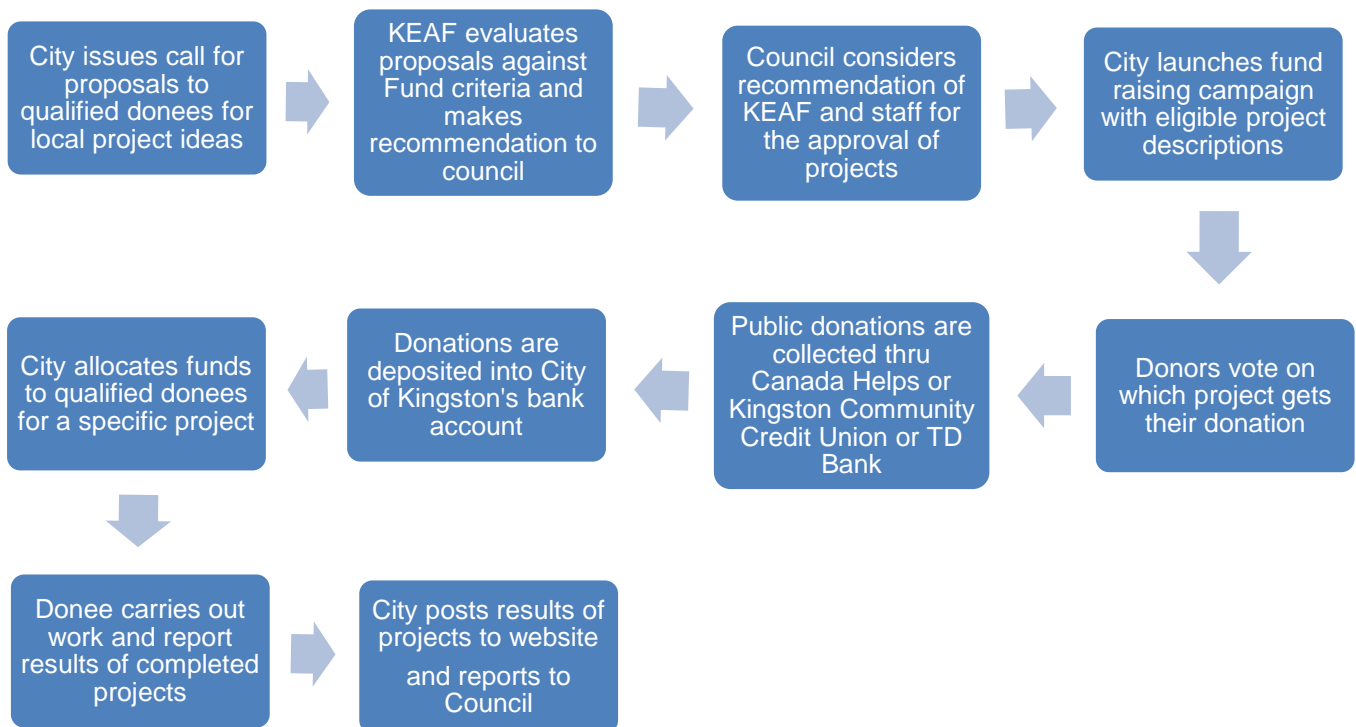
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Staff are proposing that the collection of the charitable donations be accepted through two channels: (1) online through Canada Helps, a web-based charitable donation platform and (2) in-person with Kingston Community Credit Union and TD Bank. Canada Helps is a charitable organization that operates a widely recognized and used online platform that enables electronic donations. Canada Helps also aids in setting up the online marketing presence and provides guidance on fundraising, which is included in the 3.75% fee charged on the donations raised through their platform. The fee charged by Canada Helps is modest and it would cost the City significantly more to manage the collection of donations through designated City staff resources and setting up the required online platforms for receiving donations and issuing charitable receipts.

Staff have also determined that Canada Helps can be utilized effectively to support existing City programs and services that receive donations, such as the City-owned museums, City Hall tours, the Subsidy Program for Affordable Recreation in Kingston (SPARK) and the Municipal Fee Assistance Program (MFAP). Canada Helps would become another option for collecting donations throughout the corporation, which currently includes in-person donations and through the payment centre. The administrative fees charged by Canada Helps would be incorporated into departmental budgets each year.

A call for applications for the Community Climate Action Fund would be issued to attract local funding applications based on established eligibility criteria.

The following outlines the process from the call for proposal for local community project ideas to the collection of donations and finally the reporting out on the project completion.



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Subject to Council's approval of the proposed Community Climate Action Fund, staff will proceed with establishing formal agreements with Canada Helps and the Kingston Community Credit Union in Q3 2020. TD Bank, the City's current bank of record, will also provide an in-person option for the collection of donations. The Call for Applications would be launched in the fall of 2020, followed by the evaluation of submissions for eligibility. The fundraising campaign would begin in December 2020 to March 2021. Funds raised would be disbursed in the spring of 2021 for project implementation as the final phase of the inaugural round of the Community Climate Action Fund.

Staff are recommending that all associated administrative fees and fundraising expenses be borne by the City to optimize the impact of donations. Staff are also proposing that the City provides funds up to \$15,000 annually to match the community donations raised each year to encourage charitable contributions by others.

The fund will be evaluated after two full rounds of fundraising and allocation to projects for further refinement.

**Recommendation:**

**That** Council establishes the Kingston Community Climate Action Fund, as outlined in Report Number 20-131, including the objectives that the community projects will reduce greenhouse gas (GHG) and/or air emissions; increase energy conservation or efficiency; reduce or divert organic waste; or assist with Climate Change adaptation technologies, eligibility criteria, administrative and fundraising process; and

**That** the Mayor and Clerk be authorized to execute an agreement with Canada Helps for the City of Kingston to use the online donation platform for the Kingston Community Climate Action Fund and other City programs where donations are received, in a form satisfactory to the Director of Legal Services; and

**That** the Mayor and Clerk be authorized to execute an agreement with Kingston Community Credit Union for the City of Kingston to partner with the Credit Union for the collection of donations for the Kingston Community Climate Action Fund in a form satisfactory to the Director of Legal Services; and

**That** Council approves funding of up to \$10,000 to be funded from the Environmental Reserve Fund to cover any associated third-party administrative fees, promotional and fundraising expenses related to the development and launch of the Kingston Community Climate Action Fund; and

**That** Council approves funding of up to \$15,000 to be funded from the Environmental Reserve Fund to match the equivalent public charitable donations raised in the inaugural round of the Kingston Community Climate Action Fund; and

**That** Council direct staff to incorporate costs of the program in future annual operating budgets; and

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**That** Council direct staff to provide an annual report on the Kingston Community Climate Action Fund which will include details on the effectiveness of the fund and the allocation of the funds to support implementation of eligible community projects.

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**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

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**Peter Huigenbos,**  
**Commissioner, Business,**  
**Environment & Projects**

ORIGINAL SIGNED BY CHIEF  
ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief**  
**Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

Paige Agnew, Commissioner, Community Services	Not required
Brad Joyce, Commissioner, Corporate Services	
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	
Sheila Kidd, Commissioner, Transportation & Public Works	Not required

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**Options/Discussion:**

On March 19, 2019 Council endorsed the following motion:

**Whereas** the City of Kingston recently declared a climate emergency and now is the time to position the City of Kingston as an innovation and technological hub for climate strategies; and

**Whereas** the City of Kingston has the ability to punch far above its weight by helping to develop and encourage innovative local technology to help achieve our goals; and

**Whereas** other municipalities have found ways to allow people to voluntarily donate above and beyond their taxes towards positive climate efforts, through additional voluntary contributions;

**Therefore Be It Resolved That** Council request staff to research and recommend options to allow residents of the City of Kingston to donate additional funds to a Kingston Climate fund, where these funds would be used for local climate action initiatives and promoting research and innovative technology that could help us achieve our climate goals; and

**That** staff report back with recommendations about how the City could facilitate the creation of such a fund and setup a grant framework to encourage and position Kingston as an innovative technology climate harm reduction hub, which would allow Kingston to have an exponential positive impact on climate health worldwide far beyond our municipal borders.

Furthermore, on November 5, 2019, Council endorsed the following motion:

“.....**Whereas** staff are currently reviewing opportunities for the establishment of a Kingston Climate Fund to receive donations that would support a grant framework;

**Therefore Be It Resolved That** staff expand their scope of research to consider the concept of a Kingston Green Fund that could allow for Carbon Offsets and other donations to fight Climate Change, which could fund local projects and actions that go beyond those already budgeted for within the City’s Capital or Operating Budgets; and

**That** staff present a report to Council with recommendations no later than Q2, 2020, for program implementation in 2020.”

These two motions of Council directed staff to research and recommend options to establish a Climate Action Fund that provides financial support for local projects that reduce GHG emissions. Based on the direction of Council, the following objectives were developed to establish a Kingston Community Climate Action Fund:

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- The Fund will support local projects implemented by community members within City of Kingston boundaries that are tangible and have direct and measurable GHG reductions once the project is fully complete.
- The Fund may also prioritize selection of projects for fundraising that have i) sustained impacts (i.e. annual reductions versus one-time impacts) and/or ii) are scalable.
- Charitable donations will be the main funding source to support implementation.

In developing the administrative structure, approach to fundraising and eligibility criteria for the proposed Community Climate Action Fund, staff researched other municipal charitable-based funds. Staff also reviewed existing environmentally oriented funds active in the Kingston community which identified the gap that the new Climate Action Fund would fulfill.

### **Other Municipal Community Climate Fund Programs**

Several municipalities, including Kitchener, Region of Waterloo, the Town of Caledon, Edmonton and Vancouver have sustainability or climate related environmental grant programs which are funded through the municipal budget process through the tax base and reserves established for such purpose. These programs do not rely on charitable donations for funding. The District of Saanich, British Columbia, uses the municipal budget to support both corporate and community-oriented climate projects. Saanich's Climate Action Reserve Fund uses a self-imposed price on carbon to resource the fund based on annual emissions from municipal operations. This essentially works as a local offsetting process for the municipality by enabling emission reduction initiatives to be implemented within the community.

Staff review found that existing municipal funding programs using only charitable donations was very limited. The City of Peterborough is one municipality that began fundraising early in 2019 to support their Climate Change Action Plan. They did not initially define specific criteria for spending the donations. As donations plateaued without a specific project being determined, Peterborough City Council in 2020 added a 0.25% property tax increase, representing an estimated \$425,000, dedicated to the climate change reserve to support the fund, to be deliberated as part of annual budget processes. This funding will help implement larger scale projects that could have a greater impact on tackling climate change.

Based on the review of similar municipal climate-related funds, providing clear criteria and establishing projects prior to fundraising from community or other external sources are important lessons learned. Furthermore, support directly from the municipality in resourcing the fund provides a sustainable funding model to augment donations raised and would enable the Community Climate Action Fund to encourage and attract project proposals on an ongoing basis.

### **Overview of Existing Locally Related Funds**

Staff also conducted a review of environmentally oriented funds currently active within the Kingston community (Table 1) in order to assess the gap that the Community Climate Action Fund could fulfill.

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**Table 1 – Existing “Environmentally-oriented” Funds within the City of Kingston**

Name of Fund	Lead Agency	Topic of Focus
Kingston Solar LP Community Benefit Fund	Samsung Solar LP and City of Kingston	Planting trees in public right-of-way and on private properties in the area of the Samsung Solar LP properties.  Park improvements and acquisition of parkland/natural lands in the rural area of Kingston.
Natural Areas Protection Fund	Land Conservancy for Kingston Frontenac Lennox and Addington	Land acquisition and stewardship, habitat preservation.
Cataraqi Region Conservation Foundation	Cataraqi Region Conservation Authority	Land acquisition, conservation and related education including tree planting and trail maintenance.
Environmental Legacy Fund	Community Foundation for Kingston and Area	Local environmental projects (no specific sub-theme/focus).
Ruth and Stu Barton Environmental Fund		

From staff's review, a climate-focused fund established by the City of Kingston would fill a specific gap amongst local environmentally oriented grant programs. The Kingston Community Climate Action Fund would help enable local residents and eligible organizations to become part of city-wide solutions to reduce GHG emissions to meet Kingston's carbon neutral target.

#### **Administration of the Kingston Community Climate Action Fund**

Subject to Council's approval of the proposed Kingston Community Climate Action Fund, the following outlines the phases of for the development and launch process:

- Phase 1: Establish formal agreements with donation collection partners (summer 2020).
- Phase 2: Prepare a Call for Applications and evaluate proposal submissions for eligibility (fall 2020).
- Phase 3: Develop and launch the fundraising campaign (December 2020 to March 2021).
- Phase 4: Disbursement of Funds and Project implementation (spring to fall 2021).



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**Phase 1 – Formal Agreements with Donation Collection Partners**

Staff explored several options for external partnering to assist with promotion and administration of the new Community Climate Action Fund. It was found that both Canada Helps and the Kingston Community Credit Union can significantly assist the City with raising charitable donations in both the collection of the donations and promotion of the Community Climate Action Fund.

Canada Helps is a charitable organization which operates a widely recognized and used online platform that enables electronic donations. The platform enables individuals to donate directly to Canada Helps on their website, a receipt is issued by Canada Helps who then transfers the funds to the City's designated bank account. Canada Helps also aids in setting up the online marketing presence and provides guidance on fundraising which is included in the 3.75% fee charged on the donations raised through their platform. The fee charged by Canada Helps is modest and it would cost the City significantly more to manage the collection of donations through designated City staff resources and setting up the required online platforms for receiving donations and issuing charitable receipts.

The City will be required to enter into a Client Services Agreement to proceed with the partnership with Canada Helps. Climate Leadership staff have been working with Legal Services and Finance staff to review and evaluate the agreement from Canada Helps for use for the Community Climate Action Fund. This platform could also enhance the collection of donations for existing City programs such as the MFAP, SPARK, museums and City Hall Tours. Staff recommends the City proceeds with the associated agreements upon Council's approval and to the satisfaction of the Director of Legal Services and the City Treasurer. Using the Canada Helps on-line donation platform will provide another opportunity for the City to receive donations and does not prevent individuals from donating on-site when visiting City Hall, the City-owned museums or making a donation directly to the City in exchange for a tax receipt.

The Kingston Community Credit Union has shown a long-standing commitment to community philanthropy both as an organization and involving their members and staff. The Kingston Community Credit Union, with its roots dating back to the late 1950's as a financial institution established for City employees, will be able to provide individuals with an in-person option to make donations at their branches. The Kingston Community Credit Union has offered to match the first \$5,000 raised within their branches or provide \$2000 seed money for the fund.

All funds raised would be held in a bank account in the City's name solely for disbursement to eligible projects. It is proposed that all associated administrative fees and fundraising expenses, including the promotion of radio ads, signage and promotional materials, are paid by the City to optimize the impact of donations.

The TD Bank, the City's current bank of record, will also provide an additional option for in-person donations.

Staff are also proposing that the City provides funds of up to \$15,000 annually to match the donations raised each year to encourage charitable contributions by others. For example, if

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donations raised by the public reach \$10,000, the City of Kingston would match this contribution with \$10,000 for a total contribution of \$20,000.

### **Phase 2 – Call for Applications and Eligibility Criteria for Fund**

A call for funding applications would be issued by staff to attract funding applications based on the established eligibility criteria as outlined below. Based on the objectives of the Kingston Community Climate Action Fund and the Canada Revenue Agency requirements for recipients of charitable donations, the following are the proposed eligibility criteria for the City's new Community Climate Action Grant program:

- A. Applicants are to be registered charities or non-profit organizations (including indigenous associations, churches/faith groups or registered not-for-profit co-operatives). Non-profits must partner with a registered charity to be eligible. Partnerships with the City could be considered to meet this eligibility criterion, such as Sustainable Kingston.
- B. Projects must be implemented within Kingston City boundaries and demonstrate substantial completion within 12 months of receiving financial support from the fund.
- C. Projects must be tangible and have direct and measurable GHG reductions (which are further described below) once the project is fully complete. Applicants must commit to monitoring impacts of the project and publicly reporting results. Over the next 3 years, preference will be given to projects that have direct and measurable GHG reductions that can also stimulate the economy in the near term. It is recommended that education programs and related events-based initiatives be ineligible at this time in order to prioritize actions achieving actual emission reductions.
- D. Projects may require other viable sources of funding to complete the proposed initiative in case donations collected do not fully cover all associated costs. Proof of other pending grant applications or confirmed financial support from other sources of funding may be required prior to the launch of the donation campaign.

GHG reductions are defined as measurable reductions in fossil fuel consumption, peak electricity demand or a reduction in methane release from organic waste. Eligible projects do not include sequestration projects such as tree planting or land preservation as there are already numerous funds/programs in this area. Where projects are similar in terms of GHG impact, additional co-benefits will be considered such as affordable housing or addressing homelessness, food security, public health and transportation demand management.

The Kingston Environmental Advisory Forum (KEAF) is recommended as the body that would evaluate the applications against the eligibility criteria to screen the project proposals that best fit the objectives of the fund. Upon review by KEAF, a recommendation will be presented to Council on the eligible projects. Upon the approval of the projects by Council, staff would prepare a summary outline of the projects to be posted online for donors to select where they would like to direct their donation.

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The following provides examples of projects that would meet the eligibility criteria that not only demonstrate a reduction in GHG emissions but also results in incremental savings in energy costs, and/or the investment in new technology:

- A non-profit housing provider proposing to install energy performance improvements in new builds (with a focus on renewables) that exceed the standard energy efficient related aspects of the Ontario Building Code.
- A non-profit food provider investing in an electric vehicle to support their transportation needs.

In developing the Climate Action Fund and reviewing other examples, staff believe that individuals are more likely to donate to specific community projects that reduce GHG emissions and that consider community inclusiveness rather than to a general climate fund with no defined projects.

### **Phase 3: Develop and Launch the Fundraising Campaign (December 2020 to March 2021)**

Marketing and promotion of the Community Climate Action Fund will be led by the City in partnership with Canada Helps and the Kingston Community Credit Union. Online promotion will be prepared for funding partner websites, City social media as well as the creation of banners and/or signage at the Kingston Community Credit Union branches. A communication and engagement strategy will be developed and implemented by City staff. Canada Helps also has various funding blitzes such as Giving Tuesdays and the Great Canadian Giving Challenge which will help provide a periodic profile of Kingston's Community Climate Action Fund.

The eligible projects approved by Council will be posted online. Individuals will be able to choose what specific project to direct their donation to. If there is no such designation by the donor, these funds will be distributed equally amongst all eligible projects or could be used to top up a project where one project did not raise sufficient funds. Applicants are advised during the call for eligible projects that they may require other viable sources of funding to complete the proposed initiative in case donations collected do not fully cover all associated costs. Donors will also be advised that in situations where funds received are not sufficient to complete a project, their funds may be reallocated to one of the other eligible projects.

### **Phase 4: Disbursement of Funds and Project Implementation (spring to fall 2021)**

Donations raised would be disbursed early in spring 2021 based on donors' choices made at the time of their donation. Project proponents will be required to enter into a funding agreement with the City outlining their roles and responsibilities for project implementation. Funding recipients must commit to monitoring impacts of the project and publicly reporting results. Summaries of the projects would be posted publicly once they are completed.

Staff will report annually to Council on the effectiveness of the fund and the allocation of the funds to support the implementation of eligible community projects.

After the inaugural round of the Kingston Community Climate Action Fund in 2020-2021, the annual process will be comprised of phases 2, 3 and 4.

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Staff will continue to explore value-added relationships with third party organizations that will aid in attracting donations to the Kingston Community Climate Action Fund and will ensure that any agreements deemed beneficial to the fund are developed to the satisfaction of the City Solicitor and City Treasurer.

**Existing Policy/By-Law:**

None

**Notice Provisions:**

None

**Accessibility Considerations:**

None

**Financial Considerations:**

Staff estimate that marketing and administration fees will be approximately \$10,000 annually to establish and promote the fund to attract donations. This will be funded from the Environmental Reserve Fund, which would be required in 2020, as staff begin the implementation of the call for proposals and online donation platform.

It is recommended that the City provides funds, up to \$15,000 annually, to be incorporated into the City's annual operating budgets, beginning in 2021, funded from the Environmental Reserve Fund to match the community donations raised each year to help encourage community donations.

**Contacts:**

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Dave Roewade, Project Manager, Climate Action Climate Change Division 613-546-4291 extension 1325

**Other City of Kingston Staff Consulted:**

Jenna Morley, Associate Legal Counsel, Legal Services

Colin Wiginton, Cultural Director, Cultural Services

**Exhibits Attached:**

None