
CITY OF KELOWNA

MEMORANDUM

Date: March 3, 2009
File No.: 1855-20
To: City Manager
From: Director of Financial Services
Subject: Strategic Community Investment Funds

RECOMMENDATION:

THAT Council receive, for information, the report of the Director, Financial Services dated March 3, 2009;

AND THAT Council authorize the Mayor and City Clerk to sign the Strategic Community Investment Funds Agreement on behalf of the City of Kelowna.

BACKGROUND:

The Provincial Government is temporarily restructuring local government transfers so that the Traffic Fine Revenue Sharing grant will be replaced by Strategic Community Investment Funds (SCI) for the next two years. The intent is to provide faster, strategic funding to BC communities to help offset the effects of the current economic conditions. This does not provide additional local funding but gives financial certainty and earlier access to the Provincial funding.

To be eligible to receive the SCI funds the municipality must sign the funds agreement and return it to the Ministry of Community Development no later than March 13th. Under the agreement the local government agrees to:

1. Develop a plan that sets out the intended uses and performance targets for those Funds; and,
2. Report publicly on that plan and progress made towards achieving the performance targets.

Under the Traffic Fine Revenue Sharing grant there was a requirement to report to the Province where the grant funds were spent. Those funds were spent on new RCMP members and municipal staff. The future year's grant was to pay the ongoing costs of those additional police enforcement resources. For this restructured funding, the intended use and performance targets will be similar to the Traffic Fine revenue;

Intended Use – Use funding to support police enforcement.

Performance Targets – 100% of the funds will be used to support police enforcement over the term of the SCI Agreement.

Reporting on the progress made towards the performance target is required by June 30th, 2010, and then again by June 30th, 2011.



The total amount to be received over the two years is \$2,895,343 on the following schedule:
March 2009 - \$1,561,137 July 2009 - \$752,871 July 2010 - \$581,335

The 2008 Traffic Fine Revenue Sharing grant was \$1,465,713.

The SCI Funds Agreement will commence once signed by both parties and will terminate on July 31, 2011.

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

There is a requirement to report publicly on the intended use and performance targets for this funding and that will be through either the financial planning or annual report process.

FINANCIAL/BUDGETARY CONSIDERATIONS:

The 2009 financial plan anticipated the receipt of \$1,465,713 from Traffic Fine revenue and the amount of SCI Funds received over this amount will be reserved and brought back in for the 2010 financial plan. Although the amount to be received under the new funding will be \$36,083 less than current expectations, with interest earned on the reserve funds the 2010 budget should remain similar to the 2009 amount and thus no budget impact.

Considerations that were not applicable to this report:

INTERNAL CIRCULATION TO:

LEGAL/STATUTORY AUTHORITY:

EXISTING POLICY:

PERSONNEL IMPLICATIONS:

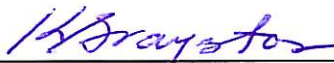
TECHNICAL REQUIREMENTS:

EXTERNAL AGENCY/PUBLIC COMMENTS:

COMMUNICATIONS CONSIDERATIONS:

ALTERNATE RECOMMENDATION:

Submitted by:



K. Grayston, Director of Financial Services

Approved for Inclusion:

Cc: Grants Manager
 City Clerk



February 25, 2009

To: All Municipal and Regional District Financial Administrators

Re: Strategic Community Investment Funds

The Province of British Columbia (Province) and the Union of British Columbia Municipalities acknowledge that we are facing a global economic crisis and that strategic spending by British Columbia communities can help stimulate local economies, encourage growth, create local jobs and help offset the effects of the economic downturn.

In recognition of this, the Province is restructuring key local government transfers, to provide Strategic Community Investment Funds (Funds) over the next two years. The Funds will temporarily replace the annual payments of small community, regional district and traffic fine revenue sharing grants for the 2009/10 and 2010/11 fiscal years.

Under the Funds arrangement the Province agrees to pay British Columbia local governments \$232.4 million by July 31, 2010. Payments will be made in three instalments. These will include an immediate one-time grant, along with a second installment in July 2009 and a third installment in July of 2010. Details of individual local government payment amounts are included in the attached Strategic Community Investment Funds Agreement (Funds Agreement). The Province will be asking the Legislative Assembly to approve funding for the first two installments in spring 2009. The third installment will be part of the 2010/11 budget, subject to the approval of the Legislature of that budget.

As the Funds are intended to support investments in local government services for smaller communities and regional districts as well as investments in policing and community safety, it is important to report to residents on how the funds are used. Local governments receiving funds agree to:

1. develop a plan that sets out the intended uses and performance targets for those Funds; and,
2. report publicly on that plan and progress made toward achieving the performance targets.

Both of these requirements can be accommodated within the legislated financial planning and annual reporting requirements, with only minor modifications to those reports.

In order to access the Funds, please sign the attached Funds Agreement to indicate your acceptance of the terms and conditions within and return to the Ministry of Community Development as soon as possible, and **no later than March 13, 2009**.

The Province cannot ensure payment of Funds to local governments submitting signed Funds Agreements after March 13, 2009.

In recognition of the short timeframe to sign and deliver the Funds Agreements, local governments can e-mail an electronic version of their signed Agreement and then follow this up by a hard copy original by mail.

Electronic copies of a signed Funds Agreements may be emailed to:

Jennifer.Richardson@gov.bc.ca

Hard copy original signed Funds Agreements, along with the Council/Board resolution authorizing entering into the Agreement, may then be sent to:

Mailing Address

Ministry of Community Development
Local Government Infrastructure and Finance Division
PO Box 9838 Stn Prov Govt
Victoria, BC V8W 9T1

If you have any questions, please contact Jennifer Richardson at (250) 356-9609 or by e-mail at Jennifer.Richardson@gov.bc.ca.

STRATEGIC COMMUNITY INVESTMENT FUNDS AGREEMENT

This Agreement made as of _____, 2009,

BETWEEN:

City of Kelowna (Local Government)

AND:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA represented by the Deputy Minister of the Ministry of Community Development (the Province).

WHEREAS:

- A. The Province and the Local Government acknowledge that they are facing a global economic crisis and that faster, strategic spending by British Columbia communities can help stimulate local economies, encourage growth, create local jobs and help offset the effects of the economic downturn.
- B. The Province agrees to strengthen its commitment to local governments by restructuring small community, regional district and traffic fine revenue sharing grants by providing Strategic Community Investment Funds (Funds) over the next two years.
- C. The Funds are intended to achieve the objectives of supporting local government efforts to stimulate local economies and providing local governments with increased financial certainty in uncertain economic times while continuing to support investments in community safety for which traffic fine revenue sharing grants are intended.
- D. The Province and the Local Government acknowledge the importance of reporting to residents on how the Funds are used.
- E. The Funds will be provided using a flexible, objective based approach to enable the money to flow quickly to communities, while ensuring a strong accountability and reporting framework

NOW THEREFORE, in consideration of the mutual promises herein, the Local Government and the Province agree as follows:

1. PAYMENTS TO THE LOCAL GOVERNMENT FROM THE PROVINCE

Provided the Local Government agrees to comply with this Agreement, the Province will pay the Funds in the following amounts, for the purposes identified, on or before the date indicated.

Assured Funds	Use	Date	Amount
SC Grants	local government services	March 2009	
		July 2009	
		July 2010	
TFRS Grants	defray the cost of local police enforcement	March 2009	\$1,561,137
		July 2009	\$752,871
		July 2010	\$581,335

2. CONDITIONS RELATING TO PAYMENTS BY THE PROVINCE

Notwithstanding any other provision of this Agreement, the payment of money, or incurrence of an obligation or commitment, by the Province pursuant to this Agreement is subject to:

- (a) there being sufficient monies available in an appropriation, as defined in the *Financial Administration Act* (R.S.B.C. 1996, c. 138) (the "FAA"), to enable British Columbia in any fiscal year or part thereof when any such payment may be required, to make that payment; and
- (b) Treasury Board, as defined in the FAA, not having controlled or limited, pursuant to the FAA, expenditure under any appropriation referred to in section 2(a).

3. ACCOUNTABILITY AND REPORTING TO RESIDENTS

- (a) Local Governments receiving Funds will develop a plan that sets out the intended uses and performance targets for those Funds.
- (b) By June 30, 2010 and by June 30, 2011 the Local Government will report publicly on the plan under section 3(a) and progress made toward achieving performance targets for those Funds.

4. TERM

This Agreement shall commence on the date that it is fully executed by both of the Parties and shall expire on July 31, 2011.

SIGNATURES

This Agreement has been executed on behalf of the Local Government by the duly authorized Corporate Officer pursuant to a resolution of the Council or Board, and on behalf of the Province, by the Deputy Minister, Ministry of Community Development.

City of Kelowna

HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF
BRITISH COLUMBIA

Corporate Officer

Deputy Minister
Ministry of Community Development