

Report to Council



Date: March 14, 2012
File: 0710-70
To: City Manager
From: Director, Financial Services
Subject: Strategic Community Investment Funds Agreement

Recommendation:

THAT Council receive the report from the Director, Financial Services dated March 14, 2012 for information.

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

Purpose:

To provide Council with information on the Strategic Community Investment Funds and authorization to sign the agreement.

Background:

In 2009, the Provincial Government replaced the Traffic Fine Revenue Sharing Grant with the Strategic Community Investment Funds (SCI). The intent was to provide financial certainty and earlier access to the Provincial funding. This program is being continued for the 2012 to 2014 time frame. Overall there is no additional funding but the funding for 2012 will be increased to provide support while local and provincial economies improve.

To be eligible to receive the funds the municipality must sign the funds agreement and return it to the Ministry of Community, Sport and Cultural Development no later than March 23, 2012. Under the agreement the local government agrees to:

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

Under the Traffic Fine Revenue Sharing Grant the initial funds were spent on new RCMP members and municipal police staff. Future grants were then used to pay the ongoing costs of those additional police enforcement resources. This continued under the first SCI Funds agreement and will continue with this new agreement.

The **Intended Use** of the fund is - to support police enforcement.

The **Performance Target** is - 100% of the fund will be used to support police enforcement over the term of the SCI Agreement.

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Reporting on the progress made towards the performance target is required by June 30th of each of the following years. The total to be received over the next three years is \$3,864,537 based on the following schedule:

March 31, 2012	\$744,453
June 30, 2012	\$1,205,462
March 31, 2013	\$248,151
June 30, 2013	\$709,160
June 30, 2014	\$957,311

The SCI Funds Agreement will commence once signed by both parties and will expire on June 30, 2015.

Legal/Statutory Procedural Requirements:

There is a requirement to report publicly on the plan and progress made toward achieving performance targets by June 30th each year.

Financial/Budgetary Considerations:

The 2012 Financial Plan anticipated the receipt of \$1,465,713 from these revenues. The amount of SCI funds received over this amount will be reserved and brought back in 2013 and 2014. Using the 2011 funds that exceeded budget the City will still receive \$74,235 less than currently expected over the three year period. Interest earned on the reserve funds will help offset that reduced funding.

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Authority:

Existing Policy:

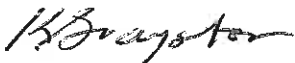
Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:



K. Grayston, Director, Financial Services

Approved for inclusion:



Paul Macklem, General Manager, Corporate Sustainability

CC. Financial Planning Manager



February 24, 2012

To: All Municipal and Regional District Financial Administrators

Re: Strategic Community Investment Funds

In this difficult economic time, certainty is critical for the Ministry of Community, Sport and Cultural Development and for local governments. Restructuring the small community and regional district and traffic fine revenue sharing grants provides this certainty.

Many local governments rely on a steady stream of grant funding to meet operational requirements and there are frequently concerns with respect to the level of grant funding for the future. Undertaking the Strategic Community Investment Fund 2012-2014 program allows the Province of British Columbia (Province) to strengthen its commitment to local governments.

The Strategic Community Investment Fund 2012-2014 program will achieve the objectives of supporting local government efforts to stimulate local economies and will provide local governments with increased financial certainty while continuing to support investments in community safety for which traffic fine revenue sharing grants are intended. Providing more funding sooner allows local governments to make strategic spending decisions, stimulating local economies and creating local jobs. By detailing the level of funding in the Funds Agreement for each of the next three years, both the Province and local governments are provided with budget certainty for the future. As in past years, the grant amounts will be recalculated as new data is received.

Under the Funds Agreement, the Province agrees to pay local governments \$308.6 million by June 30, 2014. Payments will be made in five instalments. These will include an immediate one-time grant, along with a second installment in June 2012. Installments will occur as listed in the agreement, up to and including June 2014.

Funding will be provided in a flexible, objective-based approach, enabling the money to flow quickly to communities while ensuring a strong accountability framework. Local governments receiving funds will continue to develop a plan that sets out the intended uses and performance targets for those funds and will report publicly on their plan and progress towards achieving performance targets by June 30 in each following year.

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, Sport and Cultural Development as soon as possible, and **no later than March 23, 2012.**

The Province cannot ensure payment of Funds to local governments submitting signed Funds Agreements after March 23, 2012.

In recognition of the short timeframe to sign and deliver the Funds Agreements, local governments are encouraged to email an electronic version of their signed Agreement.

Electronic copies of a signed Funds Agreement 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 be sent to:

Mailing Address

Ministry of Community, Sport and Cultural Development
Local Government Infrastructure and Finance Branch
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 email at: Jennifer.Richardson@gov.bc.ca.

STRATEGIC COMMUNITY INVESTMENT FUNDS AGREEMENT

This Agreement made as of _____, 2012,

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, Sport and Cultural Development (Province).

WHEREAS:

- A. The Province acknowledges that in this difficult economic time, financial certainty is critical for the Province and for local governments.
- B. The Province intends to strengthen its commitment to local governments by providing Strategic Community Investment Funds (Funds) over the next three years (2012 – 2014). This is also intended to provide bridge financing until local and provincial economies improve.
- C. By clarifying funding levels for the next three years, local governments are provided with the fiscal certainty required to make spending decisions, stimulate local economies and create jobs.
- D. The Province and the Local Government acknowledge the importance of reporting to residents on how the Funds are used. The Funds will be provided using a flexible, purpose and objective-based approach to enable the Funds 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:

Provided the Local Government complies with the terms and conditions of this Agreement, the Province will pay to the Local Government the Funds in the following amounts, for the purposes identified, on or before the date indicated.

Assured Funds	Use	Date	Amount
Small Community Grants	local government services	March 31, 2012	\$ 0
		June 30, 2012	\$ 0
		March 31, 2013	\$ 0
		June 30, 2013	\$ 0
		June 30, 2014	\$ 0
Traffic Fine Revenue Sharing Grants	defray the cost of local police enforcement	March 31, 2012	\$744,453
		June 30, 2012	\$1,205,462
		March 31, 2013	\$248,151
		June 30, 2013	\$709,160
		June 30, 2014	\$957,311

1. 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 1(a).

2. ACCOUNTABILITY AND REPORTING TO RESIDENTS

- (a) Local governments receiving Funds will develop a plan that sets out the intended uses and performance targets for the Funds received from the Province.
- (b) By June 30th and in each following year, the Local Government will report publicly on the plan under section 2(a), and progress made toward achieving performance targets for the Funds in accordance with those plans.

3. TERM

This Agreement shall commence on the date that it is fully executed by both of the Parties and shall expire on June 30, 2015.

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, Sport and Cultural Development.

City of Kelowna

HER MAJESTY THE QUEEN
IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA as represented by
the Deputy Minister of the Ministry of
Community, Sport and Cultural
Development

Corporate Officer

Deputy Minister
Ministry of Community, Sport
and Cultural Development