

Urgent Notice To Members Re: Strategic Community Investment Funds

Please distribute to Chief Administrative Officer and Financial Officer

Council/Board action required by all local governments eligible for Small Community, Regional District, and/or Traffic Fine Revenue Sharing Grants by MARCH 13, 2009

The Province and UBCM have discussed a proposal to restructure key local government transfers to provide Strategic Community Investment Funds (SCI Funds) to eligible BC local governments. Details of the SCI Funds will be sent to all eligible local governments by the Ministry of Community Development, likely within the next few days.

This Notice to Members is provided in advance of those details in order to let members know about the nature of UBCM's discussions with the Province, to inform members of UBCM Executive support of the proposed SCI Funds, and to underscore the urgency of local government action in order to access these funds.

The need for restructured transfers

The Province and UBCM agreed that faster, strategic spending by BC communities can help to stimulate local economies, encourage growth, create local jobs

and help offset the effects of the current economic downturn. Both also agreed that one way to achieve this objective would be to modify the timing of key local government transfers from the current annual installment approach, in order to provide greater certainty and earlier access to funding. In addition, both acknowledged that the Province will be challenged over the coming months to manage provincial spending priorities within the context of the current economic conditions and competing interests.

Consequently, the Province discussed with UBCM a proposal to deliver funding to local governments earlier than would be the case under the existing small community, regional district and traffic fine revenue sharing grant programs. The proposal is a temporary restructuring of these key local government transfer payments as SCI Funds aimed at stimulating growth and providing greater certainty to local governments.

Under the SCI Funds proposal, eligible local governments would sign a SCI Funds Agreement and commit to develop a plan and publicly report on SCI Funds. The proposal is subject to the approval of the required funding by the Legislative Assembly. The initial payment is included in the 2008/09 Supplementary Estimates, tabled in the Legislative Assembly last week. If the Legislative Assembly approves the Supplementary Estimates, the Ministry

of Community Development will implement the proposal.

UBCM Executive Support

UBCM Executive considered the proposal and agreed to endorse it. In doing so, Executive considered both the certainty that the proposal provides with respect to transfer payments and the requirement for local governments to plan and report on the funding, to sign an Agreement for the funding, and to do so in extremely tight timeframes. While Executive is not ordinarily supportive of imposing requirements on transfers that have previously been unconditional, and acknowledges that these requirements may be seen as irritants by some local governments, it felt it had few options but to agree to the proposal. On balance, Executive felt the certainty provided by the proposal outweighed the additional requirements, particularly given the current economic and fiscal situation.

The Executive believes that the current economic downturn presents a real risk to local government transfer programs, at least over the short term. As a result, the Executive supported the funding commitment that the SCI Funds represents, believing it to be in the best interests of local governments, and then worked with the Province to ensure the requirements were as streamlined as possible.

Proposed SCI Funds payments

Under the SCI Funds proposal, eligible local governments would receive three payments, between March, 2009 and July, 2010, which equal, in total, their allocations under the small community, regional district and traffic fine revenue sharing programs for the 2009/10 and 2010/11 fiscal years, but with a higher proportion of funds delivered to the local government earlier than would otherwise be the case.

To be clear, the SCI Funds do not represent additional local government funding. They are, instead, a temporary restructuring of key transfer payments aimed at stimulating growth and providing greater certainty to local governments. The basis for these grant payments and the overall amount transferred to local governments under the Local Government Grants Act's Regulation will not change. The final year of the Province's four-year doubling of small community grants will continue to be implemented and will be included in the SCI Funds package.

Requirements related to the SCI Funds

SCI Funds will be delivered quickly, with only two strings attached. Local governments will need to "sign-up" for the funds, by signing a SCI Funds Agreement with the Province, and they will need to agree to plan for the funds and publicly report on their use and the results achieved. The SCI Funds Agreement will broadly state the purpose of the funds (i.e., for local government services; to defray the cost of local police enforcement), and will set out the planning and reporting requirements.

UBCM has worked with the Province in developing the SCI Funds Agreement and in determining how best to achieve our mutually held interests in maintaining local government autonomy and minimizing the administrative burden associated with the planning and reporting requirements.

Local governments will need to develop a plan that sets out the intended uses and performance targets for the SCI Funds. For reporting, local governments will need to publicly report on the plan and progress made toward achieving the performance targets. The timing of the SCI report coincides with legislated annual reporting requirements. Therefore, municipalities may choose to include the SCI Funds reporting in their annual report and regional districts may choose to include the SCI Funds reporting along with their annual reporting on regional district finances.

Alternatively, local government could prepare a separate SCI Funds plan and report and present it publicly before June 30 in 2010 and 2011. A template "SCI Funds Plan and Progress Report" was jointly developed by UBCM and the Province, and is attached for your information. While local governments are not required to use that template, it was developed in order to provide some guidance for what the report could contain, and to facilitate a streamlined process for reporting to the public.

Signing a SCI Funds Agreement

Subject to approval of the Legislative Assembly, the first SCI Funds payment is expected to be delivered before March 31, 2009, to all eligible local governments signing a SCI Funds Agreement by March 13, 2009.

Consequently, UBCM strongly recommends that those local governments currently eligible for small community, regional district or traffic fine revenue sharing grants consider the SCI Funds Agreement at their next Council or Board meeting and, if Council/Board resolves to enter into the Agreement, to ensure that it is signed and delivered to the Ministry of Community Development prior to March 13, 2009.

Given the extremely short time frames to submit a signed SCI Funds Agreement, UBCM encourages Chief Administrative Officers for all eligible local governments to place an agenda item on their next Council or Board agenda in anticipation of receipt of applicable documentation from the Ministry of Community Development. If a Council or Board meeting is not scheduled prior to March 13, please give us a call to let us know the date of the next scheduled meeting. It may be possible for those local governments to submit their signed SCI Funds Agreement after the March 13, 2009 deadline date and still received funding prior to March 31, 2009.

Contact information

Brenda Gibson,
General Manager,
Victoria Operations
UBCM
250 356-0862
bgibson@civicnet.bc.ca

Jennifer Richardson,
Policy Analyst, Infrastructure &
Finance Division
Ministry of Community
Development
250 356-9609
Jennifer.Richardson@gov.bc.ca

Strategic Community Investment Funds Plan and Progress Report

- (1) **SCI Funds received or anticipated:** *Payments under the small community, regional district and traffic fine revenue sharing portions of the Strategic Community Investment Funds (SCI Funds) will be set out separately in the local government's SCI Funds Agreement.*

Strategic Community Investment Funds	Use	Date	Amount
SC grants	local government services	March 2009	
		July 2009	
		July 2010	
RD grants	local government services	March 2009	
		July 2009	
		July 2010	
TFRS grants	Defray the cost of local police enforcement	March 2009	
		July 2009	
		July 2010	

- (2) **SCI Funds intended use, performance targets and progress made:**

Small Community or Regional District Portion of the SCI Funds

Intended Use	Performance Targets	Progress made in first reporting period (by June 30, 2010)	Progress made in second reporting period (by June 30, 2011)
<i>State at least one intended use for the small community or regional district portion of the SCI Funds. If more than one use has been identified, each would be set out separately (use additional lines, if needed).</i>	<i>State at least one performance target for each intended use.</i>	<i>Describe how the local government has moved towards this performance target since the funds were received.</i>	<i>Describe how the local government has moved towards this performance target since the last report.</i>

Traffic Fine Revenue Sharing Portion of the SCI Funds

Intended Use	Performance Targets	Progress made to first reporting period (by June 30, 2010)	Progress made in second reporting period (by June 30, 2011)
<i>State at least one intended use for the traffic fine revenue sharing portion of the SCI Funds. If more than one use has been identified, each would be set out separately (use additional lines, if needed).</i>	<i>State at least one performance target for each intended use.</i>	<i>Describe how the local government has moved towards this performance target since the funds were received.</i>	<i>Describe how the local government has moved towards this performance target since the last report.</i>

- (3) **Report Date:** _____

First report must be by to June 30, 2010, and second report must be by to June 30, 2011.

Tips for filling out the Strategic Community Investment Funds Plan and Progress Report

- Use of this template to report on SCI Funds is not required. It is provided for convenience only, and local governments may choose to report using the template, or using some other format.
- SCI Funds received or anticipated can be obtained directly from the SCI Agreement.
- SCI Funds must be used for the purposes set out in the SCI Funds Agreement, which are: the small community and regional district portions must be used for local government services; and the traffic fine revenue sharing portion must be used to defray the cost of local police enforcement. Intended uses may be derived from the line items in financial plans, or may be stated more specifically.
- The report must state one or more performance targets relating to each of the intended uses. These performance targets should facilitate measuring or determining progress made with the Funds.
- Progress reporting may be stated quite broadly, or more specifically, and the information that is presented may be quantitative or qualitative.
- The following are some **examples** of intended uses, performance targets and progress information.

Small Community or Regional District Portion of the SCI Funds

Intended Use	Performance Targets	Progress made to first reporting period (by June 30, 2010)	Progress made in second reporting period (by June 30, 2011)
Use funding to support regional district administration, other than EA administration.	100% of the RD SCI Funds are used to support RD administration over the term of the SCI Agreement.	<ul style="list-style-type: none"> ○ 60% of the RD SCI Funds received to date were used to maintain RD administration services levels at those of previous years. ○ The remaining RD SCI funds were put aside in a reserve account and will be used for this purpose next year. 	100% of the SCI Funds were used towards regional district administration services.
Use funding to support local government services to avoid tax rate increases.	Minimize tax rate increases.	Tax rates remained consistent with prior year.	Moderate tax rate increases were needed due to general economic circumstances, although these were less than would be needed without SC SCI funds.
Use funding to support actions to reduce corporate emissions.	<ul style="list-style-type: none"> ○ Hire consultant to complete fleet emissions strategy by August, 2009. ○ Replace furnace in municipal hall with a one that reduces energy consumption by 20%. 	<ul style="list-style-type: none"> ○ Consultant engaged in July, 2009. Fleet emission strategy completed in December, 2009. ○ Issued tender documents for furnace replacement in March, 2010. 	<ul style="list-style-type: none"> ○ Target met as of last report. ○ Furnace installed September, 2010. Energy consumption since installation is down 15% from previous year.

Traffic Fine Revenue Sharing Portion of the SCI Funds

Intended Use	Performance Targets	Progress made to first reporting period (by June 30, 2010)	Progress made in second reporting period (by June 30, 2011)
Use funding to support police enforcement.	100% of Funds are used to support police enforcement over the term of the SCI Agreement.	<ul style="list-style-type: none"> ○ 30% of the TFRS SCI Funds received were used towards the police operating budget. ○ 30% of the TFRS SCI Funds were used towards purchase of 4 police cars. ○ The remaining TFRS SCI Funds were put aside in a reserve account for police operations next year. 	<ul style="list-style-type: none"> ○ 100% of the TFRS SCI Funds were directed to the police operating budget, 70% for operations and 30% for capital.
Use funding to reduce property crime.	<ul style="list-style-type: none"> ○ 20 fewer household break-ins per year. ○ By December 2010, deliver a public education program on crime proofing vehicles. 	<ul style="list-style-type: none"> ○ Neighbourhood watch program instituted. ○ Workshop developed for use of community groups. 	<ul style="list-style-type: none"> ○ 15 fewer break-ins in neighbourhood watch areas. ○ delivered 8 workshops between November, 2010 and May, 2011.