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CORPORATE REPORT

NO: R178   COUNCIL DATE: September 16, 2019

REGULAR COUNCIL

TO: **Mayor & Council**   DATE: **September 11, 2019**

FROM: **General Manager, Finance**   FILE: **1850-20**

SUBJECT: **Council Initiatives Fund Utilization Policy**

RECOMMENDATION

The Finance Department recommends that Council:

1. Receive this report for information; and

2. Approve the recommended Council Initiatives Fund Utilization Policy attached as Appendix "I" of this report.

INTENT

The purpose of this report is to provide Council with an overview of the Council Initiatives Fund ("CIF"), including the current process for its utilization and to receive Council approval for the proposed CIF Utilization Policy as attached as Appendix "I" of this report.

BACKGROUND

The CIF was established in 1998 to allow Council an opportunity to provide unplanned financial support to initiatives that were not anticipated in the City's annual budget preparation and adoption process but, were seen to have merit in relation to furthering Council's strategic initiatives. This resulted in maximum flexibility with respect to the support provided by the CIF. The CIF was implemented to support important initiatives that are not covered by other City funding policies such as the City Grants Policy.

Since inception, the CIF has not had a Council policy in place to govern its utilization, as previous Council's desired maximum flexibility. It has been used to provide financial support to a wide variety of initiatives, sporting events, sponsorship requests, City events, and other community events. Furthermore, organizations that apply for funding under the One-time City Grants Program, most often propose valuable and worthwhile projects; however, funding cannot be always allocated as requested because either the project does not meet the criteria of the Grants Policy, or the scope of the project exceeds the funding capabilities of the Grants Budget.

Corporate Report No. F004; 2010 Council Initiatives Fund, attached as Appendix "II", provides detailed information on the inception of the CIF and its use since it was established in 1998.

DISCUSSION

Current Practice

Currently, there are no guidelines or a formalized policy with respect to the type of events or organizations that receive financial support from the CIF, nor is there a centralized mechanism for external organizations to initiate a request for support from the CIF. At the current time, CIF requests come from various sources, including direct solicitation to Council members, delegations to Council-In-Committee, and in some cases, direct contact through City staff.

Due to the current fragmented model and the lack of a formalized process with a singular touchpoint, it is challenging to apply the CIF in a standard, equitable and consistent manner.

Staff are proposing that Council endorse the Council Initiatives Utilization Policy as attached as Appendix "I" to this report. The fundamental principles of the proposed CIF Policy include the following:

1. The CIF should only be utilized for events and/or initiatives that are not supported financially in the City's annual operating budget nor are eligible for other City funding (including the City's Grant Program and City Property Tax Exemption Policy).

2. Any amounts not allocated in a particular year from the CIF will be carried forward and added to the following year, to a maximum of $500,000 for the total program funding.

3. CIF Funding will typically be for City Celebrations, Economic Development/Image Building Initiatives, Community Projects, Capital Contributions, and sponsorships.

4. CIF Funding requests must be approved by Council via Corporate Report and receive simple majority support in order to proceed.

5. CIF Funding will be provided to organizations and/or individuals that are in good standing with all City bylaws and standards.

6. CIF funding is not to be utilized to support City run events, funding for these events should be included as part of the City's annual operating budget.

Proposed Process

1. CIF requests for support are to become centralized and received directly by the City Clerk's office from applicants wishing to bring forward events they would like to see supported. Council members or staff receiving requests should direct applicants to the City Clerk's office.

2. City Clerk's office will then send the requests to the Finance Department to ensure they are compliant with the Council Utilization Policy. Once a funding request has been determined to be compliant, the request will be returned to the City Clerk's office to contact the Mayor's office and Council to gauge support of the event or initiative.

3. Once Mayor and Council support is sufficient (supported by a majority to bring forward), direction will be given to the Finance Department to generate a Corporate Report to bring to Council.

If a request for support is non-compliant as determined by the Finance Department, City Clerk's office will advise the applicant and similarly, if there is insufficient support from Council, City Clerk's office will advise the applicant.

This process provides a single point of contact (i.e. the City Clerk's office) to all organizations wishing to put forward a CIF request. This centralized process facilitates the application of the CIF in a more standardized and equitable manner while maintaining flexibility in providing CIF support to various events and initiatives.

SUSTAINABILITY CONSIDERATIONS

The proposed Council Initiatives Fund process supports the objectives of the City's Sustainability Charter 2.0. In particular, this process relates to Sustainability Charter 2.0 theme of Inclusion and Economic Prosperity and Livelihoods. Specifically, this proposed Policy supports the following Desired Outcomes ("DO"):

- Inclusion DO23: Numerous active local clubs, groups and agencies contribute to the community's well-being; and
- Economic Prosperity & Livelihoods DO16: Surrey's businesses are active participants in the community and create economic value in a way that generates value for society.

FUNDING

Funding for the Council Initiatives Fund will continue at the current amount of $260,000 per year with any unutilized amount being carried forward to the following year.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the proposed Council Initiatives Utilization Policy and the process for handling CIF requests.

Kam Grewal, CPA, CMA
General Manager, Finance

Appendix "I"   Council Initiatives Fund Utilization Policy
Appendix "II"   Corporate Report No. Foo4; 2010 Council Initiatives Fund

City of Surrey Policy

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No.

Policy Title:	COUNCIL INITIATIVES FUND UTILIZATION POLICY
Approval Date:	
History:	
Department:	FINANCE

Policy Statement

This Policy provides governance and direction for the utilization of the Council Initiatives Fund as a funding source to financially support events and initiatives that Mayor and Council have deemed as having merit for furthering City Objectives, for which funding is not in the City's annual adopted budget and for which other City funding sources are not applicable.

1. **Reason for Policy**

   The Council Initiatives Fund (the "CIF") has been in place since 1998, however there has not been a Policy governing its utilization, this Policy provides that governance and criteria to be considered when the CIF is to be utilized as a funding source.

2. **Usage and Criteria of CIF:**

   2.1 The CIF should only be utilized for events and/or initiatives that are not supported financially in the City's annual operating budget nor are eligible for other City funding (including the City's Grant Program and City Property Tax Exemption Policy).

   2.2 Any amounts not allocated in a particular year from the CIF will be carried forward and added to the following year, to a maximum of $500,000 for the total program funding.

   2.3 CIF Funding is broadly intended for events and initiatives including but not limited to: City Celebrations, Economic Development/Image Building Initiatives, Community Projects, and Capital Contributions.

   2.4 CIF Funding requests must be approved by Council via Corporate Report and receive simple majority support in order to proceed.

This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.
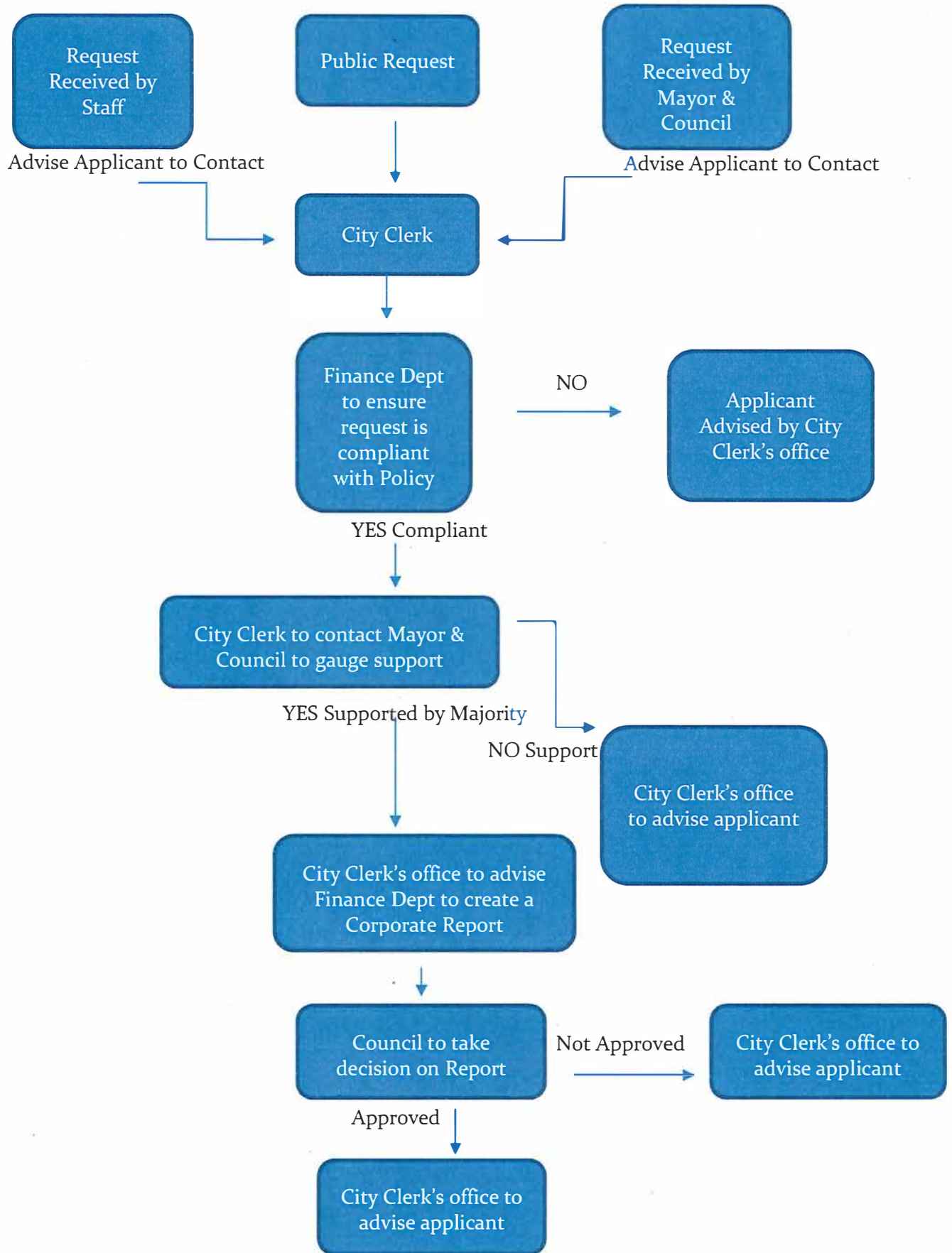
2.5 CIF Funding will be provided to organizations and/or individuals that are in good standing with all City bylaws and standards.

2.6 CIF funding is not to be utilized to support City run events, funding for these events should be included as part of the City's annual operating budget.

3. Process

3.1 CIF requests for support are to become centralized and received directly by the City Clerk's office from the applicants wishing to bring forward events they would like to see supported. Council members or staff receiving requests should direct applicants to the City Clerk's office.

3.2 City Clerk's office will then send the requests to the Finance Department to ensure they are compliant with the Council Utilization Policy. Once a funding request has been determined to be compliant, the request will be returned to the City Clerk's office to contact the Mayor's office and Council to gauge support of the event or initiative.

3.3 Once Mayor and Council support is sufficient (supported by majority to bring forward), direction will be given to the Finance Department to generate a Corporate Report.

If a request for support is non-compliant as determined by the Finance Department, City Clerk's office will advise the applicant and similarly if there is insufficient support from Council, City Clerk's office will advise the applicant.

This process provides a single point of contact (i.e. the City Clerk's office) to all organizations wishing to put forward a CIF request. This centralized process facilitates the application of the CIF in a more standardized and equitable manner while maintaining flexibility in providing CIF support to various events and initiatives.

This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

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Request Received by Staff

Public Request

Request Received by Mayor & Council

Advise Applicant to Contact

Advise Applicant to Contact

City Clerk

Finance Dept to ensure request is compliant with Policy

NO

Applicant Advised by City Clerk's office

YES Compliant

City Clerk to contact Mayor & Council to gauge support

YES Supported by Majority

NO Support

City Clerk's office to advise applicant

City Clerk's office to advise Finance Dept to create a Corporate Report

Council to take decision on Report

Not Approved

City Clerk's office to advise applicant

Approved

City Clerk's office to advise applicant

This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

CITY MANAGER'S DEPARTMENT

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CORPORATE REPORT

NO: *F004*   COUNCIL DATE: *Mar. 1/10*

FINANCE COMMITTEE

TO: **Mayor and Council**

FROM: **General Manager, Finance & Technology**

SUBJECT: **Council Initiatives Fund**

DATE: **February 15, 2010**

FILE: **1850-20**

RECOMMENDATION

The Finance and Technology Department recommends that Finance Committee receive this report as information.

INTENT

The purpose of this report is to provide information to the Finance Committee regarding the Council Initiatives Fund and its use since it was established in 1998.

BACKGROUND

At its meeting on September 14, 2009, Finance Committee resolved:

"That staff provide a report regarding the appropriate uses for the Council Initiatives Fund."

This report responds to that request of the Committee.

The Council Initiatives Fund (the "Fund") was established in 1998 to allow Council an opportunity to provide extemporaneous financial support to initiatives that were not anticipated in the City's annual budget preparation and adoption process but that are seen to have merit in relation to furthering City objectives. In each year since 1998 $250,000 has been allocated to the Fund as part of the City's approved annual budget. Any amount that is not allocated from the Fund in any given year is carried forward and added to the $250,000 that is allocated to the Fund in the following year. Council does not have a policy regarding the use of the Fund. The practice has been that the allocation of monies from the Fund is at the discretion of Council based on a simple majority vote of those present at a properly constituted meeting of Council. Frequently, Council receives recommendations in relation to allocations from the Fund from the Finance Committee.

DISCUSSION

There is no policy with respect to the Council Initiatives Fund so that maximum flexibility is retained with respect to its use. The Fund is in many respects focussed on picking up important initiatives that are not covered by other City funding policies like the City Grants Policy and the Property Tax Exemption Policy.

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The following summarizes the types of allocations Council has approved from the Council Initiatives Fund since its inception:

1. *Mid-Year Program Implementation* –The Council Initiatives Fund has been used to bridge a portion of the costs of a new program that is started during a year after the budget for that year has been approved. This allows for the implementation of such programs more quickly than would be possible if it had to wait until the next budget year to allow funding to be approved. Examples of this type of allocation include the "Salmon Habitat and Restoration Program" and the Surrey Crime Prevention Society's "Anti Graffiti Program". These are "one off" contributions that are replaced over time by regular budget funds through the City's annual financial planning and budgeting process.

2. *City Celebrations* – The Fund has been used to fund one-time or new celebrations. Examples of this include the 'First Night' of the Year in 2000, the City's Tenth Anniversary in 2003 and the original "Flavours of Surrey" agricultural event.

3. *Economic Development/Image-Building Initiatives* – From time to time organizations approach the City for funding support in relation to events that will help provide broad public exposure for the Surrey and attract attention from economic sectors important to the on-going development of a strong and healthy city. The Fund has been used in these circumstances as the source for the City's financial support. Examples of these types of initiatives include the Air Canada PGA Championship at Northview Golf Course, the Canadian PGA City of Surrey Invitational Golf Tournament at Hazelmere, the Canadian Short Track Speed Skating Championships held in the South Surrey Arena, the Hargobind International Wrestling Championships held in the Guildford Recreation Centre and the Farmer's Market in City Centre.

4. *Contributions to Important Community Projects* – The Fund has been used to provide financial support to important community projects in response to requests from community organizations, which are responsible for fund-raising for such projects. Examples of such requests include a request from the 'Friends of Surrey Museum' in relation to the development of a new museum in Surrey, a request from the 'Fraser Valley Heritage Rail Society' to assist with the development of a concept related to introducing a heritage rail project in Surrey. In each of these cases, Council pledged matching funds for both of these organizations once a certain level of fundraising was reached.

5. *Capital Contributions* – The Fund has also been used for capital improvements where the related projects required funding more quickly than would have been possible through the normal annual budget approval process. Examples include improvements to the Whalley Athletic Park in support of the Little League World Series, Furniture and Equipment for the Bell Performing Arts Centre, a financial contribution for rail cars for Fraser Valley Heritage Rail Society and the relocation of the Currie and Parr Heritage Houses.

6. *Augmenting the City Grants Program* – The Fund has been used to augment the grants provided under the City Grants Program and related Policy. Council has been faced from time to time with the dilemma of either having to turn down a request for a grant under the City Grant Program because the allocation of funding in support of that Program had been fully allocated in that year. Rather than disappointing the applicant, Council has used the Council Initiatives Fund to "top up" the funding in the City Grant Program for the remainder of the year. This practice has allowed the integrity of the City Grant Program to remain intact.

It would be difficult and probably counter-productive to develop a policy to cover the use of the Fund due to the inherent flexibility that is needed for the Fund to cover a wide variety of circumstances as has been the experience over the last twelve years since the inception of the Fund.

CONCLUSION

It is recommended that Council receive this report as information.

Vivienne Wilke, CGA
General Manager,
Finance & Technology