

NO: F004

COUNCIL DATE: March 1, 2010

FINANCE COMMITTEE

TO: **Mayor and Council**

DATE: **February 15, 2010**

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

FILE: **1850-20**

SUBJECT: **Council Initiatives Fund**

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.

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.

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Finance & Technology

