

NO: R050

COUNCIL DATE: **March 12, 2012**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **March 8, 2012**

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

FILE: **1855-04**

SUBJECT: **Strategic Community Investment Funds Agreement – Traffic Fine Revenue Sharing**

RECOMMENDATION

The Finance and Technology Department recommends that Council authorize the appropriate City officials to execute a Strategic Community Investment Funds Agreement with the Province of British Columbia, a copy of which is attached as Appendix “A” to this report, which will result in the City continuing to receive a share of net Provincial traffic fine revenues in support of the delivery of local police services.

INTENT

The purpose of this report is to advise Council of changes to the traffic fine revenue sharing model that the Province is using and to seek authority to enter into an agreement with the Province that will ensure that the City continues to receive its share of net Provincial traffic fine revenues.

BACKGROUND

In 2000, the Province established a Program to share with local governments some of the proceeds of provincial traffic fine revenues, based on each participating local government’s share of total local government policing costs within the Province. In 2000, Surrey received a total of \$942,000 under this Program, which represented Surrey’s share of 25% of the net total traffic fines in the Province. In 2004, the Province adjusted the sharing model to 100% (rather than 25%) of the net traffic fine revenue collected throughout the Province. This adjusted model was used through to 2008. In 2008 Surrey received approximately \$5.7 million under the Program.

In 2009, the Province introduced a new mechanism for distributing traffic fine revenue to local governments called the Strategic Community Investment Fund. This Fund was intended to provide local government with more financial certainty related to this funding source. The Fund was created through the restructuring of the small community and regional district grants and the traffic fine revenue-sharing grants.

To be eligible for proceeds from this Fund, local governments had to enter into a Strategic Community Investment Agreement with the Province. The objective of these Agreements was to allow the funds to be advanced to local governments more quickly to allow local governments to address critical infrastructure and community safety needs and in turn stimulate the provincial economy.

The following table documents that funding that Surrey has received under the SCIF in 2009 and 2010.

2009	2010	Total	Annual Average
\$9,475,414	\$2,380,454	\$11,855,868	\$5,927,934

In March 2011, the City received from the Province \$3,103,761 that was intended to be the first instalment of funding in relation to the three year period from 2011 through 2013 (i.e., \$1,034,587 per year). The City received a second instalment for the year 2011 of \$4,930,598 in July, 2011.

DISCUSSION

The Ministry of Community, Sport and Cultural Development, has now advised that under the Strategic Community Investment Fund Program it will provide Surrey with \$16,485,860 over the 2012 through 2014 period. The annual breakdown of this funding is documented in the following table:

2012	2013	2014	Total	Annual Average
\$8,318,210	\$4,083,825	\$4,083,825	\$16,485,860	\$5,495,287

The annual amounts shown in this table do not include the \$1,034,587 for each of the years 2012 and 2013 that was advanced in March, 2011 as noted above. The funds for the years 2012, 2013 and 2014 will be distributed in a series of five instalments over the three-year period. The Ministry has advised that the grant amounts will be recalculated as new data is received regarding the total traffic revenue that is generated in the Province.

For the City to receive these funds, the City must by March 23, 2012 enter into an Agreement with the Province titled, The 2012-2014 Strategic Community Investment Funds Agreement, a copy of which is attached to this report as Appendix "A".

Legal Services has reviewed the Agreement and has no concerns.

The funds that will be generated through the Agreement are important to the on-going effective delivery of local police services in Surrey.

SUSTAINABILITY CONSIDERATIONS

The recommendation of this report will assist in achieving the objectives of the City's Sustainability Charter; more particularly, the funding that will be made available to the City under the proposed Agreement will be used to fund local police services in support of Charter Goal SC11 related to maintaining a safe and secure community.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the appropriate City officials to execute a Strategic Community Investment Funds Agreement with the Province of British Columbia, a copy of which is attached as Appendix "A" to this report, which will result in the City continuing to receive a share of net Provincial traffic fine revenues in support of the delivery of local police services.

Vivienne Wilke, CGA
General Manager,
Finance & Technology

Appendix "A": Strategic Community Investment Funds Agreement

APPENDIX "A"

STRATEGIC COMMUNITY INVESTMENT FUNDS AGREEMENT

This Agreement made as of _____, 2012,

BETWEEN:

City of Surrey (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. Transfers will be authorized 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, transfers will be authorized 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	\$3,175,789
		June 30, 2012	\$5,142,421
		March 31, 2013	\$1,058,596
		June 30, 2013	\$3,025,229
		June 30, 2014	\$4,083,825

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;
- (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); and
- (c) a report received from the local government that funds received to date have or are being used for the intended purposes and that public disclosure has or is being complied with in accordance with section 2 of this Agreement prior to funds being transferred.

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.

4. USES OF FUNDS

If any of these funds are not required for their intend use, the Province reserves the right to redirect the funds for other purposes.

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 Surrey

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