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REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE MEETING OF WEDNESDAY, NOVEMBER 15, 2017

SUBJECT **Community Works Fund – Financial Summary and Process Update**

ISSUE

This report summarizes updates to the Community Works Fund (CWF) grant process.

BACKGROUND

CWF Grant Application

A new process for administration of CWF applications was presented at the Electoral Area Services Committee meeting of April 19, 2017, and at the subsequent Capital Regional District (CRD) Board meeting of May 10, 2017. The first iteration of the process has now been successfully implemented. Already, it has enabled enhanced efficiency, transparency, and due diligence in processing CWF requests. The work of optimizing administrative processes for CWF Agreement-compliant investments in local community priorities is ongoing. The updates presented in this submission feature:

- Enhanced application process guidance (see Toolkit pages 10-11);
- Expanded project substantiation requirements for heightened due diligence and risk management; which in turn ensures CWF records will be thorough for audit purposes. The new questions added are highlighted in yellow on the application forms in the Toolkit (see pages 12-22);
- Heightened accountability at the Project Attestation stage. Anyone who accesses CWF Funding is compelled to be familiar with the terms and conditions of the CWF Contribution Agreement, the UBCM-CRD CWF Agreement, as well as the overarching Administrative Agreement on Gas Tax Funding for BC;
- Enhanced functionality of the online fillable application forms inclusive of: drop-down menus, pop-up instructions, auto-alerts of missing information.

CWF Grant Approval

It has been the CRD's practice to have all CWF grants approved by the CRD Board. Based on CRD Legislative Services' review of the UBCM-CRD Community Works Fund Agreement, CRD Board approval is not required for these grants, regardless of whether they are assigned to a CRD Service or to a Third Party recipient.

On that basis, the CWF administrative process will be further streamlined by having CWF grants approved and Third Party CWF Contribution Agreements executed in accordance with CRD Delegation Bylaw 4186:

- "7. (a) Subject to subsection (b), the Board hereby delegates to the District's officers and employees listed below all of the Board's powers, duties and functions under section 263(1)(a) and 263(1)(b) to make grant applications and enter into agreements respecting the receipt and use of grants:
The Chief Administrative Officer, the Chief Financial Officer, and all General Managers, to a maximum of \$500,000 where this is consistent with the approved financial plan of the Capital Regional District.*

(b) The authority under subsection (a) does not include authority delegated under section 5(a) of this Bylaw. “

Adherence to Bylaw 4186 Section 7 will result in more efficient CWF grant administration. Given the process rigor now in place, due diligence and risk management of CWF investments is assured. The CRD Board will be kept apprised of CWF project investments in the Electoral Areas through quarterly reporting.

In 2016 there were 20 approved CWF applications for the 3 Electoral Areas. Through the first 3 quarters of 2017 there have been 21 approved applications. In addition to the approved applications there are a number of projects and applications the CRD reviews and evaluates for eligibility of CWF requirements.

ALTERNATIVES

Alternative 1

That the Electoral Area Services recommend to the Capital Regional District Board:
That this report be received for information.

Alternative 2

That the report be referred back to staff for further review.

IMPLICATIONS

Growth Management Implications

The volume of work in grants administration overall is growing at an accelerating pace; opportunities for improving processes are continuously scanned. The process enhancements described in this report will further improve the high quality of CWF grants administration work.

CONCLUSION

The first iteration of the CWF process improvements has now been successfully implemented enabling enhanced efficiency, transparency, and due diligence. Implementing the enhancements described in this report will build on the progress achieved since May, 2017.

RECOMMENDATION

That the Electoral Area Services recommend to the Capital Regional District Board:
That this report be received for information.

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ATTACHMENTS

- Appendix A – Community Works Fund Account Summary by Electoral Area
- Appendix B – Community Works Fund Project Investments by Electoral Area
- Appendix C – Community Works Fund Grant Application Toolkit
- Appendix D – Community Works Fund Contribution Agreement Boiler Plate