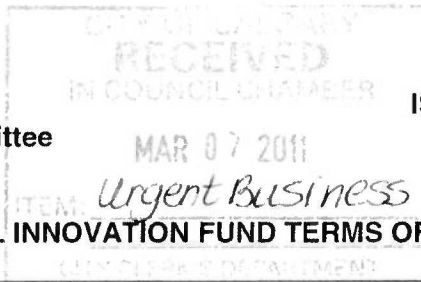


City Manager Report to  
Personnel and Accountability Committee  
2011 March 01



ISC: UNRESTRICTED  
PAC2011-06  
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**CITY MANAGER REPORT – COUNCIL INNOVATION FUND TERMS OF REFERENCE  
(POLICY INTERPRETATION)**

**SUMMARY/ISSUE**

As part of the 2010 November deliberations on the 2011 budget, Council established the Council Innovation Fund (CIF). Subsequent Council direction gave rise to the need to create Terms of Reference identifying criteria to qualify for withdrawals from the Fund.

**PREVIOUS COUNCIL DIRECTION/POLICY**

On 2010 November 29 Council adopted a motion amending the 2011 Operating and Capital Budgets and Business Plans, authorizing up to \$5 Million from the Fiscal Stability Reserve to be used for innovation and pilot projects subject to the approval of Council. On 2011 February 14 Council adopted a motion directing Administration to consult with Members of Council in drafting a Terms of Reference (TOR) for the Innovation Fund, to return to the Personnel and Accountability Committee (PAC) no later than 2011 March 01 and ... that no applications to the Innovation Fund be approved until the TOR have been adopted by Council.

**ADMINISTRATION RECOMMENDATION:**

That the Personnel and Accountability Committee recommends that Council adopt the Terms of Reference (see Attachment) for applications to the Council Innovation Fund.

**RECOMMENDATIONS OF THE  
PERSONNEL AND ACCOUNTABILITY  
COMMITTEE, DATED 2011 MARCH 01:**

That Council:

1. Adopt the Terms of Reference, (see Attachment) for applications to the Council Innovation Fund; **and**
2. **Direct that projects already approved through the Council Innovation Fund (CIF) be added to the Innovation Fund**

**Approval Process in accordance with  
clause 1(d) contained in the Terms of  
Reference (Attachment).**

Excerpt from the Minutes of the 2011 March 01 Regular Meeting of the Personnel and Accountability Committee

"And further, that Report PAC2011-06 be forwarded to the 2011 March 07 Combined Meeting of Council, as an item of Urgent Business."

**INVESTIGATION**

Council established the Council Innovation Fund through the 2010 November deliberations on the 2011 budget.

Candidate projects requesting withdrawals from the Council Innovation Fund have been brought forward to Council individually for approval. To date two projects have received funding: a facilitated review of The City's municipal purpose and core services (up to \$2.5 million) and the Mission Road Main Street Project (\$300,000).

Given the level of interest in the CIF to date it is anticipated that more funding requests will be forthcoming. Some criteria and a process for requesting and approving funds are needed.

The proposed Terms of Reference (Attachment 1) establish some guidelines for disbursements from the CIF, based on the following:

- The project will contribute to Council's goals and has potential city-wide application;

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- The project is innovative or a pilot project or experiment that proposes a new or different way of doing The City's work.

Candidate projects will be expected to provide detailed supporting documentation.

An approved Terms of Reference will provide helpful guidelines to applicants wishing to requisition monies from the fund, which will make the application process easier to understand and comply with and therefore more efficient. Clear Terms of Reference will enhance the transparency and fairness of decision-making regarding use of the Council Innovation Fund, and will enable Council to demonstrate value for money to the taxpayers.

**BUSINESS PLAN/BUDGET IMPLICATIONS**

Establishing the Terms of Reference will make decisions regarding expenditures from the Council Innovation Fund more transparent and easier to understand.

The Council Innovation Fund should be used for operating budget items.

Applications to the CIF will be entertained throughout the 2011 calendar year. To date \$2.8 million has been allocated, leaving \$2.2 million in the Fund. In order to ensure that some monies remain available for the latter part of the year, no more the \$1.1 million from the funds remaining in the CIF should be disbursed before 2011 July 01. This will ensure that \$1.1 million remains in the Fund for applications that may be submitted between 2011 July 01 and December 31.

**RISKS**

The proposed Terms of Reference for the Council Innovation Fund have been developed to be flexible enough to support a wide variety of candidate projects. The risk

associated with adopting the proposed Terms of Reference is that the flexibility created results in ambiguity as to whether a project does or does not qualify for the fund. This risk is of low impact as Council retains discretion and final decision-making power over withdrawals from the fund.

**ATTACHMENT**

Terms of Reference for the Council Innovation Fund.

