



Green Municipal Funds

Federation of Canadian Municipalities



2005-2006 Annual Statement of Plans and Objectives



INTRODUCTION

The Government of Canada has endowed the Federation of Canadian Municipalities with \$250 million to establish the Green Municipal Funds and support municipal government action to cut pollution, reduce greenhouse gas emissions and improve quality of life.

The Green Municipal Funds (GMF) are housed within the Federation of Canadian Municipalities' Centre for Sustainable Community Development. The Funds consist of two separate Funds; the \$50 million Green Municipal Enabling Fund (GMEF) designed to be fully committed by March 2007, and the \$200 million Green Municipal Investment Fund (GMIF), a revolving loan fund that will exist in perpetuity. As administrator of the GMF, FCM is committed to excellence in demonstrating value for money and in obtaining concrete environmental results.

At the end of fiscal year 2004-2005 the GMF had committed 48 per cent (\$24 million) of the GMEF, and 85 per cent (\$170 million) of the GMIF (loans). GMIF grants of \$15 million were also committed for innovative projects.

The 2005-2006 Statement of Plans and Objectives contains the planned expenditures, objectives, and performance expectations for the GMF.

The Statement of Plans and Objectives is divided into four sections, reflecting the GMF operational structure:

1. Development
2. Operations
3. Communications, Outreach and Networking
4. Governance and Administration

Each section describes the department's role and priorities, states the objectives for 2005-2006, and identifies the results indicators that will be reported on a quarterly basis. The 2005-2006 operating budget is attached in Annex 1.

The theme for this year's Statement of Plans and Objectives is **Building Knowledge for Sustainable Communities**.

In 2005-2006 municipal governments and their partners will continue to be supported financially through GMEF to assess the feasibility of implementing new environmental technologies. Due to the enormous take-up of the GMIF, since inception, lending and granting capacity will be limited during 2005-2006 to approximately 35 million dollars (30 million dollars from unallocated funds and 5 million dollars from loan repayments).



The pipeline of project applications currently in the GMF system exceeds forecast GMIF grant and loan funds available for fiscal year 2005-2006 (approximately \$33 million and \$98 million respectively). As a result, intake of GMIF applications will be suspended until GMF receives additional funds for project loans or grants (either from repayment of existing loans or from new funding).

This provides an opportunity to focus on knowledge transfer to support municipal governments in achieving sustainable outcomes. With 76 case studies of projects and studies available, priority can now be placed on sharing the knowledge gained from GMF funded studies and projects. A community engagement strategy will assess, educate, engage and support communities to make sustainable infrastructure choices and build capacity to move towards a systems approach to integrated sustainable community planning.

The theme of the Statement of Plans and Objectives is implemented by the following activities:

1. Soliciting GMEF applications for studies that will provide new knowledge.
2. Approving, disbursing and monitoring GMEF and GMIF grants and loans.
3. Monitoring and reporting of results from projects.
4. Implementation of a knowledge transfer strategy.

Maintaining the foundation

The theme for this year's Statement of Plans builds on GMF past achievements and is a natural progression from last year's focus of integration and capacity building.

Over the last four years, many GMF activities concentrated on making the funds known to communities through advertising and networking, and developing the necessary policies and procedures to manage and approve nearly 400 proposals.

The results management system (RMS) measures progress towards ultimate outcomes using indicators and targets built on a logic model that defines outputs, indicators and targets. The structure measures performance in all aspects of the GMF system, from external customer satisfaction and customer service to governance and internal operations. The RMS will remain critical to monitoring progress in meeting GMF objectives for 2005-06.

The excellent relationships developed between GMF staff and elected and non-elected municipal officials since inception of the Funds will be a strong base to upon which to build the knowledge transfer strategy.



1. DEVELOPMENT

GMF Development activities cover both the Green Municipal Investment Fund (GMIF) and the Green Municipal Enabling Fund (GMEF). Development staff support and encourage the submission and completion of feasibility studies as well as the design and implementation of physical projects.

GMF is entering a mature phase in its operations. With the suspension of intake of GMIF applications until the Fund is replenished, priority will be placed on strategies to identify and encourage GMEF applications from the province of Quebec. Other areas of particular strategic importance to GMF will continue to be developed, such as brownfields, or else completed, analyzed and reported on to GMF Council, including Emission Reduction Rights (ERRs) based financing and reinvestment loans.

As a follow up to the independent review completed by KPMG, the economic analysis and credit management aspects of the GMF processes will be strengthened during 2005-2006.

Brownfield Strategy

A GMF commitment to fund every phase of brownfield redevelopment (from site inventories and planning to site specific risk assessments and remediation) was supported by GMF Council in 2004-2005 and 8 project applications have been approved to date for feasibility assessment initiatives. During 2005-06 a Tax Increment Financing loan will be developed and will be tested as a means to support implementation/remediation for one or two of the projects currently under development. This effort will require the advice of legal counsel and cooperation between municipalities and private sector developers.

Emission reduction rights

The rights to emission reductions resulting from GMIF projects can be bought and sold on the voluntary "carbon market." During 2004-05 GMF completed the preparation of documentation which will permit the transfer and eventual sale ERRs from two landfill gas capture and flare Pilot Projects in British Columbia (Regional District of Nanaimo and Regional District of Fraser Fort-George). The ERRs will transfer to GMF in exchange for conditional grants of \$580,000 and \$500,000, to Nanaimo and Fraser-Fort George respectively. The Board of the Regional District of Nanaimo has approved the documentation and is expected to sign the agreements early in 2005-06. Approval and signing by the Regional District of Fraser-Fort George is expected to follow later in the year. The value of these ERRs, once transferred and sold by GMF, cannot yet be estimated, in that this value depends on the Domestic Emission Trading System which is still under development by the federal government.



Reinvestment loan strategy

The Reinvestment Loan concept was developed in 2002-2003 to enhance the environmental performance of municipal infrastructure projects already planned. The recipients of a low interest rate reinvestment loan are required to allocate interest rate savings back into other municipal environmental initiatives. Three reinvestment loans have been approved to date and two loans (to Greater Vancouver Transit Authority and Halifax Regional District) have been disbursed, as of March 31, 2005. During 2005-2006, the third reinvestment loan will be disbursed (to St. John's, Newfoundland) and GMF Council will be presented with an analysis of the results of these three reinvestment loans and recommendations on whether to continue to use this financial tool.

Quebec development strategy

A specific development strategy to address Quebec's under representation will be implemented during fiscal year 2005-2006.

The basic features of the Quebec development strategy are:

1. To maintain presence at conferences, in the press and with professional associations in collaboration with other Centre activities, including Partners for Climate Protection and Affordability and Choice Today, and other FCM departments;
2. To review all GMF applications received from Quebec to date in order to identify potential projects and/or municipalities with a particular commitment to sustainable development and to identify champions from these communities, and;
3. To deliver the Sustainable Communities Orientation Workshop, described in the Communications, Outreach and Networking section of this document, in five Quebec municipalities.

Economic analysis and credit management

KPMG has been hired to advise GMF and FCM with respect to how GMIF project economics are assessed, reported on and monitored as well as what procedures and staffing are required to ensure good credit quality in the GMIF loan portfolio. This consulting assignment will result in a series of recommendations that will be implemented in 2005-06.

2005-2006 Objectives

Building on the strategies listed above, and the specific targets and objectives found in the charts on the following pages, the 2005-2006 objectives for GMF Development are to:

1. Position GMF for future expansion (if additional funding is secured) by strengthening economic analysis and credit management procedures;

2. Share lessons learned with respect to innovative financial products developed by GMF to date, including ERR based financing, reinvestment loans and tax increment financing, and;
3. Improve the representation of the province of Quebec in GMF approved studies and projects.

GMF -Development GMEF				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 1: Approved GMEF proposals	1	GMEF grants approved	65	145
Output 2: GMEF Grants	2	Annual dollar value of GMEF grants approved	\$4,500,000	10,000,000
Output 3: GMEF Regional balance	3	Approved grants: AT (Pop. 7.6%)	8 (12%)	17
	4	Approved grants: BC (Pop. 13.3%)	10 (15%)	22
	5	Approved grants: ON (Pop. 38.4%)	25 (38%)	55
	6	Approved grants: PR (Pop. 17.0%)	7 (11%)	16
	7	Approved grants: QC (Pop. 23.7%)	15 (24%)	35
Output 4: GMEF Urban/Rural balance	8	Approved grants: Cities and Urban Centres (Pop. 77.7%)	39 (60%)	87
	9	Approved grants: Small, Rural, and Remote Communities (Pop. 22.3%)	26 (40%)	58
	10	Annual dollar value of approved grants: Energy	\$1,800,000	4,000,000
	11	Annual dollar value of approved grants: Water	\$450,000	1,200,000
	12	Annual dollar value of approved grants: Waste	\$675,000	1,500,000
	13	Annual dollar value of approved grants: Transportation	\$675,000	800,000
	14	Annual dollar value of approved grants: SC Planning	\$900,000	2,500,000
Output 5: GMEF Sectoral balance	15	Over a two-year period (dollars per category)	Energy: 40%; Water: 10%; Waste: 15%; Transport: 15%; Planning: 20%	Less than 30 %

GMF -Development GMIF				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 6: Approved GMIF proposals	16	GMIF projects approved	15	10
Output 7: GMIF Grants & Loans	17	Cumulative investment fund amount committed: 90% by 2006	80%	100%
	18	Annual dollar value of grants & loans approved	\$85,000,000	\$30,000,000
Output 8: GMIF Regional balance	19	Approved grants & loans AT (Pop. 7.6%)	3 (20%)	0
	20	Approved grants & loans BC (Pop. 13.3%)	3 (20%)	1
	21	Approved grants & loans ON (Pop. 38.4%)	2 (13%)	3
	22	Approved grants & loans QC (Pop. 23.7%)	4 (27%)	5
	23	Approved grants & loans PR (Pop. 17.0%)	3 (20%)	1
Output 9: GMIF Urban/Rural balance	24	Approved grants & loans: Urban (Pop. 77.7%)	9 (60%)	5
	25	Approved grants & loans: Rural (22.3%)	6 (40%)	5
Output 10: GMIF Sectoral balance	26	Over a three-year period (dollars per category)	Energy: 40%; Water: 37%; Waste: 7%; Transport: 13%; Integrated: 3%	Less than 30%
	27	Annual dollar value of approved grants & loans: Energy	\$25,000,000 (29%)	\$5,000,000
	28	Annual dollar value of approved grants & loans: Water	\$45,000,000 (53%)	\$10,000,000
	29	Annual dollar value of approved grants & loans: Waste	\$5,000,000 (6%)	\$5,000,000
	30	Approved dollar value of approved grants & loans: Transportation	\$5,000,000 (6%)	\$5,000,000
	31	Annual dollar value of approved grants & loans: Integrated	\$5,000,000 (6%)	\$5,000,000
Output 11: GMIF Loan type balance	32	Municipal debt: 50% over 7 years	80%	95%
	33	Private debt: 50% over 7 years	20%	5%
	34	Non-recourse per cent of private debt: 50% over 7 years	30%	25%
Output 12: Pilot project grants among approved GMIF approved proposals	35	Approved grants	Up to 10	Up to 5



GMF -Development GMIF				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 13: Committed pilot project grant amount within GMIF approved proposals	36	Grant funding approved	Up to \$5,000,000	Up to \$5,000,000
Output 14: Generate GMIF returns and risk management	37	Average portfolio rate of interest (%) charged for loans not less than GoC bond rate by 2010	-0.4	-0.7
	38	By 2006 Investment Funds invested in 4-7 year payback projects: 40%	10%	5%
	39	By 2006 Investment Funds invested in 8-10 year payback projects: 60%	90%	95%

GMF-Development Strategies				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 15: Brownfield Strategy	40	Tax Increment Financing Development (date)	June	December 2005
	41	Approved proposal	1	March 2006
Output 16: Emission Reduction Rights Strategy	42	Emission rights sale (date)	June	June 2005
	43	Recommendations to Council (date)	November	November 2005
	44	Recommendations to Council (date)	November	November 2005
Output 17: Quebec Strategy	45	Projects or municipalities identified		10
	46	Sustainable Communities Orientation Workshop presented		5
Output 18: Economic analysis and credit management	47	Report to Council (date)		November 2005



2. COMMUNICATIONS, OUTREACH AND NETWORKING

The Green Municipal Funds (GMF) are an important strategic resource for all Canadian municipal governments – large and small, urban and rural.

As the GMF program matures, the role of the Communications team has evolved beyond promoting the availability of the funds and now includes the management and dissemination of the knowledge generated by GMF feasibility studies and projects.

Sharing the results of GMF projects is important to encourage similar projects across Canada and to expedite the adoption of innovative technologies and approaches to sustainable community development.

The 2005-2006 communications strategy will:

- Increase GMF public visibility at the national, regional and local levels through the promotion of GMF project results as examples of sustainable community integrated decision-making.
- Focus on capacity building and learning opportunities that promote a holistic approach to sustainable community development and emphasize sharing the experiences of municipal champions with target audiences, for example through Sustainable Communities Orientation Workshops.
- Develop a strategy for knowledge management and information sharing, which will include a number of tools, such as, an improved Sustainable Communities Knowledge Network, GMF Case Studies, the GMF project summaries database, targeted media features, and regional meetings.

Knowledge Management and Dissemination

In 2005-2006, Communications, Outreach and Networking will develop and execute a strategic approach to GMF knowledge management and information sharing. The Knowledge Network, searchable databases of GMF Case Studies, data from the Project Results Reporting Systems (PPRS), project summaries, meeting reports, outreach events and media coverage will be enhanced. New products will be developed as required.

A priority in 2005-2006 will be to enhance media relations as a tool to disseminate project results. Enhanced media relations will be closely coordinated with GMF public activities in order to boost the media presence of GMF. Local and regional champions will be profiled in announcements, and encouraged to work with GMF on a peer-to-peer learning strategy.

Advertisements and editorials in municipal and trade publications will be used to maximize GMF project visibility by identifying GMF champions and situating projects in the context of municipal government action towards the development of a sustainable community vision.



Outreach and Networking

Outreach and networking are key to knowledge transfer and increasing municipal capacity to build sustainable communities. Activities that will promote the GMF learning environment through the sharing of experiences and results include an enhanced Knowledge Network, the Community Energy Mission, the Sustainable Communities Conference, and recognition of sustainable community leadership through the FCM-CH2M HILL Sustainable Community Awards.

The results of GMF studies and projects will be used in the Sustainable Communities Orientation Workshops. These workshops are tailored to individual communities through the use of a GMF designed community assessment tool. Full and half-day workshops, based on examples from GMF funded studies and projects, are then delivered to municipal leaders. Information, encouragement and support are provided to help identify infrastructure needs and then to make sustainable infrastructure choices. Other venues for outreach and networking activities include the FCM Annual Conference and Trade Show; regional, provincial, and territorial conferences and trade shows; and industry conferences and meetings.

Customer satisfaction

GMF will continue to monitor customer satisfaction with GMF application and approval processes. In 2005-2006, GMF will develop survey and focus group protocols for opinion samples of GMF existing and potential project communities and partners to assist GMF program development and promotion of sustainable community development.

2005-2006 Objectives

Building on the strategies listed above, and the specific targets and objectives found in the charts on the following pages, the 2005-2006 objectives for GMF Communications, Outreach and Networking are to:

1. Strengthen relationships with key national, regional and local news editors and environmental reporters by regularly informing them of GMF work and achievements and by offering feature stories of projects that can be replicated in other communities.
2. Enhance the effectiveness of GMF capacity building tools including the Knowledge Network.
3. Deliver Sustainable Communities Orientation Workshops to promote the sustainable community development tools that help municipal governments identify infrastructure needs through holistic-based analysis.
4. Develop and promote a strategy to encourage and support municipal governments to use the knowledge gained through GMF studies and projects completed to date, in making their own communities more sustainable.

GMF – Communication, outreach and networking				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 19: Results dissemination	48	Complete case studies	40	50
	49	Complete solution sheets	5	-----
Output 20: Media liaison	50	National announcements	2	2
	51	Regional announcements	4	7
	52	Local announcements	75	75
	53	GMF mentions in National/Regional media	25	50
	54	GMF local coverage received	75	100
	55	GMF media inquiries	50	75
	56	Media outlets receiving GMF material	100	125
Output 21: Outreach	57	GMF information kits distributed	2,500	3,000
	58	KN visits	7,500	10,000
	59	Registered Knowledge Network users	300	400
	60	Meetings and conferences attended - Quebec	25	25
Output 22: Face-to-Face communication strategy	61	Provincial/Territorial conferences attended	4	5
	62	Council presentations made	6	6
	63	Municipal presentations made	40	50
	64	Theme forums held	1	1
	65	Sustainable Communities Orientation Workshops	4	10
Output 23: Customer satisfaction measurement	66	Focus groups held (customer satisfaction)	2	2



3. OPERATIONS

GMF operates on a results management system designed to measure the progress toward ultimate outcomes. It uses indicators and targets built on a logic model that defines:

- Inputs,
- Activities,
- Outputs,
- Immediate outcomes,
- Intermediate outcomes, and
- Ultimate outcomes.

The system measures performance in all aspects of GMF, from customer service to governance and internal operations.

In 2005-2006, the focus of the Operations team is to continue building on the previous year's objectives, to provide excellent service to applicants and funding recipients and to implement the recommendations from the independent review conducted by KPMG.

The implementation of redesigned and revised GMF documents for applicants and the Operations team in early 2004-2005 have contributed to creating a strong base for this year's Operations team's plan. Outputs in 2004-2005 included:

1. Simplifying contracts, disbursement schedules, and reporting requirements for all applicants.
2. An Operations Procedures Manual to assist the Operations team in clarifying roles, and requirements throughout the application and project processes.
3. A focus on application follow-up and reduced overall approval cycle times by carefully reviewing open files and instituting a mechanism to close files that are no longer active with the proponent.
4. Easier access to information and project status was provided to the Operations team allowing for better management of the project pipeline.
5. Reorganization of file assignments within the Operations team from a technical basis to a geographical area basis to allow for better clientele relations, easier resource management and better diversification of knowledge among personnel.
6. Splitting the Operations Manager responsibilities into two positions, covering the east and west of the country and updating the role to include responsibility for GMF files, as well as day-to-day management of the respective geographic teams.
7. Processes to assess environmental performance and GHG emission reductions from GMF initiatives were implemented.

2005-2006 Objectives

Building on the strategies listed above, and the specific targets and objectives found in the charts on the following pages, the 2005-2006 objectives for GMF Operations are to:

1. Develop, implement and communicate a procedure for processing current GMIF applications until the Funds are replenished.
2. Implement a revised version of the Intent to Apply, Application, Applicant's Guide, Peer Review Evaluation Grids and Guide, Council project summary sheets and contracts.
3. Implement a revised version of the Operations Procedures Manual.
4. Continue to focus on process efficiency by closely monitoring follow-up timing and overall process duration.
5. Continue to focus on results reporting and quality assurance in internal procedures by closely following up with staff on GMF files, consistent and regular staff meetings, and a periodic review of files.
6. Continue to co-ordinate activities between Operations and Development to ensure the success of the GMEF to GMIF conversion strategy. In Operations, for example, there are procedures in place where staff must communicate with Development staff to co-ordinate particular applicant activities.
7. Continue to create a greater internal learning environment by providing opportunities for training, networking, knowledge sharing, and capacity building.
8. Continue efforts to add value in the application process to constitute an excellent record on Council approval rate. Operations will continue to provide a wealth of information and knowledge to applicants (e.g., case studies of similar projects, networking opportunities, or any other supporting information required) to build capacity with the applicant's community and strengthen applicant proposals.

<i>GMF-Operation</i>				
Outputs	Indicator ID	Indicators	2004-2005 Objectives	2005-2006 Objectives
Output 24: Successful applications	67	Intent received: Intent accepted (ratio per reporting period)	90%	90%
	68	Application presented to GMF Council: Application approved (ratio per reporting period)	90%	90%
Output 25: GMF application cycle duration	69	GMEF applications presented to GMF Council with application cycle duration of less than 150 days (per cent per reporting period)	NA	75%
	70	GMIF applications presented to GMF Council with an application cycle duration of less than 180 days (per cent per reporting period)	NA	75%
Output 26: GMF contract phase duration (between Board approval and executed	71	Average duration of GMEF contract phase for contracts executed during the reporting period (days)	NA	90

GMF-Operation				
Outputs	Indicator ID	Indicators	2004-2005 Objectives	2005-2006 Objectives
contract)	72	Average duration of GMIF contract phase for contracts executed during the reporting period (days)	NA	120

Environment Performance Reporting				
Output	Indicator ID	Indicators	2004-2005 Objectives	2005-2006 Objectives
Output 27: Produce GMF Quarterly Reports	73	Report to GMF Council on environmental benefits (GHG reductions, Nox, Sox, VOC, etc.).	Ability to report	Quarterly Reports
	74	Report to GMF Council on project technology types.	Ability to report	Quarterly Reports
	75	Report to GMF Council on projects based on participation in other CSCD programs.	Ability to report	Quarterly Reports



4. GOVERNANCE AND ADMINISTRATION

Governance and Administration ensures that financial, human, external and internal resources are in place to contribute to the GMF project approval process and that GMF are administered according to the funding agreement requirements and other governing documents. Governance and Administration is also responsible for ensuring that non-allocated funds are managed according to the investment policy.

Governance

The GMF project approval process relies on the Peer Review Committee, the Green Municipal Funds Council, and the FCM National Board of Directors. The GMF funding agreements describe the roles and responsibilities of each body.

The sixty Peer Review Committee members provide technical expertise in evaluating GMF proposals, and provide an assessment of all applications to the GMF staff and Council. The GMF Council makes recommendations for project approval based on criteria set out in the funding agreements, including balancing the number of approved eligible projects between urban and rural communities and the number of approved eligible projects between regions

The Office of the Auditor General of Canada praised the GMF Council, which consists of 15 members, drawn from Government of Canada (5), FCM (5) and private, academic and financial sectors (5) as a model for governance of arms-length foundations (February 2005).

FCM National Board of Directors reviews Council's recommendations to finalize the approval process and to ensure due diligence.

Non-allocated funds

Receiving an endowment requires efficient management of the funds until disbursement. GMF main purpose is to advance sustainability in municipal operations, so encouraging private corporations to go down a similar path is now at the core of the non-allocated funds investment policy. Based on a best-of-sector approach, investment analysis allows GMF to play its role as a responsible investor, encouraging improvements in corporate environmental performances. Pursuing GMF objectives within corporations adds an unexpected value to GMF performance.

Reporting requirements

A reporting system based on an annual Statement of Plans, quarterly reports, and an Annual Report ensures that the Government of Canada and the public have direct access to information about GMF. The indicators, targets, and objectives set out in the Statement of Plans are used to measure results, which are then reported to Council on a quarterly basis.



An Annual Report is published and widely distributed and includes the following information:

- Number of applications for funding,
- List of eligible projects receiving support,
- Amount and type of funding disbursed,
- Lessons learned,
- Potential for broad application of projects,
- Number of projects implemented,
- Contributions to the fund's purpose as described in article 2 of the funding agreements,
- Audited financial statement, and
- An evaluation of the overall results and performance of the funds against objectives.

The Annual Report follows a similar organizational structure as the Statement of Plans to facilitate interpretation of results.

As per the requirements under the funding agreements, an independent review was performed by KPMG. The Final Report was forwarded to the Ministers of Environment Canada and Natural Resources on September 28, 2004. The review assessed:

1. Adherence to the provisions of the funding agreements.
2. Effectiveness and efficiency of GMF as described in article 2 of the funding agreements.
3. Effectiveness and efficiency of the processes for setting GMF priorities and for selecting proposals.
4. General operations of Council and the Peer Review Committee.
5. Accuracy of reported environmental, economic, and social benefits and cost savings.
6. Effectiveness of stakeholder consultation conducted in relation to the operations of GMF. Lessons learned and potential for broad application of approved proposals.

The Final Report states: *"Based on the results of our compliance review, all significant clauses examined were found to be generally compliant. We found that most non-compliance issues have been addressed by management and/or have improved over the past year. Based on the results of our operations review, overall we found that the GMF processes and practices are generally in place. The GMF program has undergone significant improvements over the past year, which is clearly evident from our review of project files and consultations with GMF staff, management, recipients, GMF Council members, and external stakeholders."* (KPMG, September 2004)

Implementation of the recommendations from the independent review to improve the administrative and operational procedures will continue in 2005-2006.



Provincial agreement

An agreement with the Government of Quebec allowing municipalities to access GMF was signed in 2003, and implemented in 2004. In 2005-2006 a strategy to increase the number of GMF studies and projects in Quebec will be implemented as described in the Development and Communications, Outreach and Networking sections.

Funding agreements

Operating for four full years has allowed GMF to identify the barriers that municipalities face when accessing GMF financing.

Discussions between FCM and the Government of Canada on improving the GMF offer started in 2003-2004, were maintained throughout 2004-2005 and will continue in 2005-2006. Strategic discussions and decisions concerning the replenishment and the future of GMF are in progress.

2005-2006 Objectives

Building on the strategies listed above, and the specific targets and objectives found in the charts on the proceeding pages, the 2005-2006 objectives for GMF Administration and Governance are:

1. Maintain the number of GMF Council meetings to at least three times this fiscal year and hold teleconference meetings to ensure that the approval cycle is completed within five to six months of receiving the Intent to Apply form;
2. Implement the sustainability-based investment policy for GMF non-disbursed funds;
3. Maintain appropriate representation on GMF Council and Peer Review Committee;
4. Maintain the administrative agreement between FCM and the Government of Québec;
5. Ensure the implementation of the recommendation from the Independent Review conducted by KPMG; and
6. Develop and implement a conservation and archiving policy for GMF documents.

GMF – Governance & Administration				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 28: Non-allocated funds Management	76	Non-allocated funds report to Council	Quarterly	Quarterly
	77	Sustainable investments policy implementation	June 2004	April 2005

GMF – Governance & Administration				
Outputs	Indicator ID	Indicators	2004-05 OBJECTIVES	2005-06 OBJECTIVES
Output 29: Peer-Review Committee Management	78	Peer-Review Committee - Nominations	April 2004	On going
	79	Peer-Review Committee - Federal representation	Maintain representation at least at 1/3	Maintain representation at least at 1/3
	80	Peer-Review Committee – Annual orientation Meeting	May 2004	May 2005
Output 30: Council Management	81	Representation & Nomination process	Maintain representation	Maintain representation
	82	Orientation Meeting with Council members	Yes	Within 30 days of nomination
	83	Administrative Guide updates	Yes	At least once A year
Output 31: Relations with provinces/territories	84	Meetings held with representatives of the Quebec government as per the agreement	4	On going
Output 32: Reporting to Government of Canada	85	Annual Statement of Plans and Objectives to Minister	April 2004	April 2005
	86	Quarterly Reports to Council	Yes	Yes
	87	Annual Report published	June 2004	June 2005
	88	Implementation of the recommendations from the Independent review (KPMG)	- - -	On going
Output 33: Improvements to funding agreements	89	Number of meetings with GoC representatives	5	On going



**Federation of Canadian Municipalities
Green Municipal Funds
For the Twelve Months Ending March 31, 2006**

Expenses

Management

Benefits \$254,877

Salaries 1,684,356

Personnel Costs **1,939,233**

Audit & Legal 50,000

Consultant 55,000

Graphic Design 10,000

Subtotal - Professional Services **115,000**

Accommodation/Meals 46,650

Conference/Workshop 20,000

Facility Rental 6,425

Food and Refreshments 14,000

Travel 94,750

Subtotal - Travel, Meetings & Functions **181,825**

Subtotal - Marketing, Advertising

Postage/Courier 10,000

Telephone/Fax 20,000

Stationary & Supplies 19,515

Photocopy 24,000

Subtotal - Office Supplies **73,515**

Bank Charges 295,000

Subtotal - Other Operating Expenses **295,000**

Building Improvement 47,200

Hardware/Software 102,619

Furniture/Fixture 54,208

Depreciation **204,027**



Internal Services - General	45,000
<i>Internal Charges</i>	<i>45,000</i>

Internal Allocation

Finance & admin	812,900
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<i>Total Management Expenses</i>	<i>3,666,500</i>
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Council

Interpretation	\$27,000
Translation	80,000
Accommodation/Meals	29,000
Facility Rental	9,000
Food and Refreshments	11,000
Functions and Hospitality	6,000
Honorarium/Speaker Fees	33,000
Travel	24,000
Insurance	60,000
<i>Total Council</i>	<i>279,000</i>

Peer Review

Translation	5,000
Accommodation/Meals	20,000
Facility Rental	8,000
Food and Refreshments	10,000
Honorarium/Speaker Fees	142,000
Travel	20,000
<i>Total Peer Review</i>	<i>205,000</i>

Development and Credit Management

Consultant	150,000
<i>Total Development and Credit Management</i>	<i>150,000</i>

Communications

Audit & Legal	2,000
Consultant	162,500
Editorial	40,000
Graphic Design	20,000



Translation	27,500
Writing	37,500
Conference/Workshop	15,000
Functions and Hospitality	5,000
Honorarium/Speaker Fees	5,000
Show Services	30,000
Marketing/Promotion	33,000
Printing	52,000
Subscriptions/Publications	5,000
Internal Contributions	100,000
<i>Total Communications</i>	<i>534,500</i>
<i>Operations</i>	
Audit & Legal	45,000
Consultant	35,000
Graphic Design	5,000
Translation	10,000
Writing	10,000
Conference/Workshop	30,000
Repairs/Maintenance	20,000
Technical Support	10,000
<i>Total Operations</i>	<i>165,000</i>
<i>Total expenses</i>	<i>5,000,000</i>