

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2020 May 5

FROM: DIRECTOR FINANCE

FILE: 7300-20

SUBJECT: 2019 GAS TAX UPDATE

PURPOSE: To provide an update on the Federal Gas Tax Program for 2019.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council receive this report for information.

REPORT**1.0 INTRODUCTION**

The administrative agreement on the Federal Gas Tax Fund in British Columbia, or Gas Tax Agreement (GTA), took effect on 2014 April 1. This agreement was created due to the announcement of a renewed Gas Tax Fund (GTF) under the Government of Canada's 2013 Economic Action Plan. The agreement is between Canada, British Columbia and the Union of BC Municipalities (UBCM) and replaced the old 2005 – 2014 Agreement. The purpose of new agreement is to provide the administrative framework for the delivery of GTF to local governments and other recipients in British Columbia over a ten year period (2014 – 2024).

2.0 POLICY SECTION**Goal**

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Dynamic Community
 - City facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community

- A Thriving Organization
 - Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

3.0 FEDERAL GAS TAX FUNDING

The GTF provides a source of infrastructure funding to all municipalities across the country. The funding that is available to local governments and other recipients within British Columbia is administered by the UBCM.

3.1 Purpose of the Gas Tax Fund (GTF)

The purpose of this fund is to provide a predictable and sustainable funding source to local governments in British Columbia for projects related to infrastructure and capacity building. In addition, through the GTF, the agreement hopes to support national objectives, which include productivity & economic growth, a clean environment, and strong cities & communities.

3.2 Program Streams

In British Columbia, the GTF is delivered through three programs:

a) Community Works Fund (CWF)

This program is available to all local governments and the funding is based on a per capita formula and delivered bi-annually to the local governments directly. Local governments have the ability to elect which eligible projects to fund.

The City of Burnaby receives gas tax funding through this program. Attachment 1 provides a summary of the Gas Tax funding received to date, the expenditures made for each year of this agreement to 2019 December 31 and projected funding and expenditures for 2020.

All Gas Tax funding received by the City is set aside in a Gas Tax Reserve to ensure its use as specified by the agreement. Council reviews and approves all project initiatives funded by the Gas Tax Reserve annually through the budget process.

In 2019, the Government of Canada announced an additional one-time gas tax funding transfer which resulted in an additional \$2.2 billion (\$278.6 million for British Columbia) to support local government infrastructure and capacity building priorities. The City of Burnaby received an additional amount of \$756,065. This additional funding has been applied to the Central Park Perimeter Urban Trail capital project, which was originally funded from the City's reserve funds in the 2019 Capital Program.

b) Strategic Priorities Fund (SPF)

This program is available to all local governments outside the Greater Vancouver Regional District. Funding is provided on an application based program and the purpose of this fund is to support infrastructure and capacity building projects that are large in scale, regional in impact or innovative, and align with the GTA's national program objectives.

c) Greater Vancouver Regional Fund (GVRF)

Projects associated with the Greater Vancouver Regional Fund are proposed by TransLink which gets approved by the Greater Vancouver Regional District Board. The funding provided under this program is utilized for regional transportation investments within the Greater Vancouver Regional District and its member municipalities.

3.3 Annual Reporting of Projects to UBCM

As a requirement of the renewed agreement, eligible recipients of the GTF are required to provide an annual report to UBCM, due June 1, which reports on all eligible expenditures funded by the GTF for the previous calendar year.

As per the agreement, it is expected that Burnaby will receive a grant of \$751,611 in 2020 and a total of \$3.1 million over the course of the next four years. Gas Tax funding for 2020 is allocated to the Central Park Perimeter Urban Trail project and the Burnaby Village Museum Meadow (BVM) & Carousel Trellis Upgrade project.

Federal Gas Tax Allocations to City of Burnaby (Projected) from 2020 – 2024

Union of B.C. Municipalities

Federal Gas Tax Agreement - Community Works Fund Allocations

Recipient Name	Year 7 2020/2021	Year 8 2021/2022	Year 9 2022/2023	Year 10 2023/2024	Total
Burnaby	\$ 751,611	\$ 785,999	\$ 785,999	\$ 820,601	\$ 3,144,210

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From: Director Finance
Re: 2019 Gas Tax Update
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4.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council receive this report as information.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:RG:JP/md

Attachment: 1-Gas Tax Reserve Summary 2014-2020

Copied to: City Manager
Members of Management Committee

Gas Tax Fund Summary - As Reported to UBCM
YEAR 2014 - 2020

	2014 Actual (\$)	2015 Actual (\$)	2016 Actual (\$)	2017 Actual (\$)	2018 Actual (\$)	2019 Actual (\$)	Total Actual (\$)	2020 Proposed (\$)
Additions:								
Beginning Balance:	\$ -	\$ 526,399	\$ 270,766	\$ 41,979	\$ 194,577	\$ 428,851	\$ -	\$ 993,714
Additions to the Fund								
Actual revenue	698,088	698,088	721,593	730,317	756,065	751,611	4,355,763	751,611
Investment income	3,310	10,198	6,233	1,944	2,441	1,201	25,326	1,000
Additional Payment*						756,065	\$ 756,065	
Total Additions	\$ 701,399	\$ 708,286	\$ 727,826	\$ 732,261	\$ 758,506	\$ 1,508,877	\$ 5,137,154	\$ 752,611
Actual Eligible Project Expenditures:								
Local Roads Network Paving	(175,000)	-	(721,600)	-	-	-	(896,600)	-
Riverside Area Improvements	-	(687,000)	-	-	-	-	(687,000)	-
LED Streetlight Conversion	-	(200,000)	-	-	-	-	(200,000)	-
Lane Condition Analysis and Prioritization	-		(127,000)	-	-	-	(127,000)	-
Barnet Pedestrian Bridge Upgrade	-	(16,988)	(108,012)	-	-	-	(125,000)	-
Storm Water Monitoring and Modeling	-	(59,931)	-	-	-	-	(59,931)	-
Central Park Perimeter Urban Trail	-	-	-	(80,000)	-	(444,000)	(524,000)	(751,000)
Fibre Network Installation	-	-	-	(239,993)	(188,809)	(87,700)	(516,502)	
Shadbolt Centre Exterior Walkway	-	-	-	-	(278,647)	(54,632)	(333,279)	
Swangard Running Track Replacement	-	-	-	(259,669)	(56,777)	-	(316,446)	
Trans Canada Urban Trail Paving	-	-	-	-	-	(357,682)	(357,682)	
BVM Meadow & Carousel Trellis Upgrades	-	-	-	-	-	-	-	(993,300)
Total Actual Eligible Project Expenditures	\$ (175,000)	\$ (963,918)	\$ (956,612)	\$ (579,663)	\$ (524,233)	\$ (944,014)	\$ (4,143,440)	\$ (1,744,300)
Ending balance	\$ 526,399	\$ 270,766	\$ 41,979	\$ 194,577	\$ 428,851	\$ 993,714	\$ 993,714	\$ 2,025

*In 2019 the Federal Government provided an additional one time payment to help further support local government infrastructure and capacity building priorities.