

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: 2020 GAS TAX UPDATE

RECOMMENDATION:

1. THAT Council receive this report as information.

REPORT

The Financial Management Committee, at its meeting held on 2021 May 19, received and adopted the attached report providing an update on the Federal Gas Tax Program for 2020.

Respectfully submitted,

Mayor M. Hurley
Chair

Councillor S. Dhaliwal
Vice Chair

Copied to:	Acting City Manager Director Finance Director Corporate Services Members of Management Committee
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TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2021 May 12

FROM: DIRECTOR FINANCE

FILE: 7300-20

SUBJECT: 2020 GAS TAX UPDATE

PURPOSE: To provide an update on the Federal Gas Tax Program for 2020.

RECOMMENDATION:

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

REPORT**1.0 INTRODUCTION**

The administrative agreement on the Federal Gas Tax Fund (GTF) in British Columbia, or Gas Tax Agreement (GTA), took effect on 2014 April 1. This agreement was created under the Government of Canada's 2013 Economic Action Plan and is between Canada, British Columbia and the Union of BC Municipalities (UBCM). The agreement provides the administrative framework for the delivery of the 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 BACKGROUND

The purpose of the GTA 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, the GTA hopes to support national objectives, which include productivity and economic growth, a clean environment, and strong cities & communities.

The City of Burnaby receives Gas Tax funding through the Community Works Fund program which is available to all local governments in British Columbia. The funding is based on a per capita formula and delivered bi-annually to the local government directly. Local governments may elect which eligible projects to fund.

Attachment 1 provides a summary of the Gas Tax funding received to date, the expenditures made for each year of this agreement to 2020 December 31 and projected funding and expenditures for 2021.

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

3.1 Annual Reporting of Projects to UBCM

As a requirement of the GTA, eligible recipients of the funding are required to provide an annual report to UBCM, due June 1, which outlines all eligible expenditures funded by the GTA money received for the previous calendar year.

As per the agreement, it is expected that Burnaby will receive a grant totalling \$785,999 in 2021/2022 and a total of \$2.4 million over the course of the next three (3) years. Gas Tax funding for 2021 is allocated to the Central Park Perimeter Urban Trail project and Fibre Network Installation project.

Federal Gas Tax Allocations to City of Burnaby (Projected) from 2021 – 2024

Year 8 2021 – 2022	Year 9 2022 – 2023	Year 10 2023 – 2024	Total 2021 – 2024
785,999	785,999	820,601	2,392,599

3.2 Additional Funding for 2021

In March 2021, the Federal Government made an announcement, which outlined plans to top-up the Gas Tax Fund allocation provided to BC and other provinces and territories. The allocation top-up is contingent upon the passing of Bill C-25 and local governments would see funding allocations effectively double for 2021. At this time, there are no details available on the timing of the additional funding, due to the pending legislative approval process.

To: *Financial Management Committee*
From: *Director Finance*
Re: *2020 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:WK/md:dg

Attachment: 1 – Gas Tax Fund Summary – As Reported to UBCM, Year 2014 – 2021

*Copied to: Acting City Manager
Members of Management Committee*

Gas Tax Fund Summary - As Reported to UBCM
Year 2014 - 2021

	2014 Actual (\$)	2015 Actual (\$)	2016 Actual (\$)	2017 Actual (\$)	2018 Actual (\$)	2019 Actual (\$)	2020 Actual (\$)	Total Actual (\$)	2021 Proposed (\$)
Additions:									
Beginning Balance:	\$ -	\$ 526,399	\$ 270,766	\$ 41,979	\$ 194,577	\$ 428,851	\$ 993,714	\$ -	\$ 3,573
Additions to the Fund									
Actual revenue*	698,088	698,088	721,593	730,317	756,065	751,611	751,611	5,107,374	768,805
Investment income	3,310	10,198	6,233	1,944	2,441	1,201	2,462	27,788	1,000
Additional Payment*						756,065		756,065	
Total Additions	\$ 701,399	\$ 708,286	\$ 727,826	\$ 732,261	\$ 758,506	\$ 1,508,877	\$ 754,073	\$ 5,891,228	\$ 769,805
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)	(751,000)	(1,275,000)	(758,200)
Fibre Network Installation	-	-	-	(239,993)	(188,809)	(87,700)	-	(516,502)	(9,800)
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	-	-	-	-	-	-	(993,215)	(993,215)	-
Total Actual Eligible Project Expenditures	\$ (175,000)	\$ (963,918)	\$ (956,612)	\$ (579,663)	\$ (524,233)	\$ (944,014)	\$ (1,744,215)	\$ (5,887,655)	\$ (768,000)
Ending balance	\$ 526,399	\$ 270,766	\$ 41,979	\$ 194,577	\$ 428,851	\$ 993,714	\$ 3,573	\$ 3,573	\$ 5,378

* The 2021 Actual Revenue Proposed is reflective of the City's fiscal year end, revenue to be received in 2021 equates to 50% of Year 7 (2020/21) & 50% of Year 8(2021/22).

* In 2019 the Federal Government provided an additional one time payment to help further support local government infrastructure and capacity building priorities. The proposed 2021 additional payment has not been included as it has not been formally approved as of yet.