

FINANCIAL MANAGEMENT COMMITTEE

TO: *MAYOR AND COUNCILLORS*

SUBJECT: LOCAL GOVERNMENT CLIMATE ACTION PROGRAM FUNDING

RECOMMENDATION:

THAT the report titled “Local Government Climate Action Program Funding” dated May 21, 2024, be received for information.

REPORT

The Financial Management Committee, at its meeting held on May 21, 2024, received and adopted the *attached* report providing information on Provincial funding for the Local Government Climate Action Program.

On behalf of the Financial Management
Committee,

Councillor P. Calendino
Chair

Councillor A. Gu
Vice Chair

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **LOCAL GOVERNMENT CLIMATE ACTION PROGRAM FUNDING**
PURPOSE: To provide information on Provincial funding for the Local Government Climate Action Program

RECOMMENDATION

THAT the report titled “Local Government Climate Action Program Funding” dated May 21, 2024 be received for information.

1.0 POLICY SECTION

Incentives to support the City’s Climate Action programs aligns with City policies for shared environmental stewardship, healthy ecosystems, and a healthy community in accordance with Burnaby’s Climate Action Framework (2020), Corporate Strategic Plan (2022), Environmental Sustainability Strategy (2016), and Official Community Plan (1998).

2.0 BACKGROUND

In 2010, the Province established the Climate Action Revenue Incentive Program (CARIP) to provide grants supporting the efforts of local governments to reduce greenhouse gases, address climate impacts, and move forward on achieving the goals of the BC Climate Action Charter. The City of Burnaby first became a signatory to this Charter in 2016/17 and began to receive annual grant funding accordingly in 2017. The funding received in this program was approximately \$370,000/year and lasted until 2021 when the CARIP grants were discontinued.

In 2022, a new program titled the Local Government Climate Action Program (LGCAP) was announced. The purpose of the LGCAP program being to provide predictable, annual, long-term funding for local climate action in order to help reach legislated climate targets and to prepare communities for the impact of a changing climate.

Through this program, in 2022 and 2023 the City of Burnaby received \$654,028/year. This funding has provided support for Urban Resilient Futures Initiatives, specialized Environmental and Geotechnical reviews, development of a Sustainable Fleet Management Plan and additional staff to provide strategic oversight for the City’s Climate Action Framework and City Energy Strategy.

3.0 GENERAL INFORMATION

3.1 Accelerated Grant Funding

Through ongoing engagement with LGCAP participants, the Province heard the need for predictable and increased funding to support local climate action, as well as the need for enhanced guidance and technical resources. As a result, the Province is allocating the equivalent of three years (2024/25, 2025/26 and 2026/27) of program funding to all participants. By providing this funding up front, local governments and Modern Treaty Nations can plan and fund their climate action projects with more certainty. This allocation comes with flexibility as it can be utilized until March 31, 2028.

Funding allocations are determined through a structured approach. Base amounts are allocated to all local governments and Modern Treaty Nations, with the remaining funding distributed based on a per capita methodology. This methodology has been utilized in previous funding allocations for LGCAP and is yet to be confirmed for 2024. Should the allocation method change staff will provide an update to Council.

The Ministry of Environment and Climate Change Strategy (the “Province”) has provided \$1,916,505 from the LGCAP on March 27, 2024 to City of Burnaby to support local climate initiatives aligned with the CleanBC Roadmap and the Climate Preparedness and Adaptation Strategy; details on the roadmap and strategy can be found on the Province’s website (gov.bc.ca). To ensure transparency regarding the use of these funds, local governments and Modern Treaty Nations will be required to report by July 31st annually on their actions to reduce emissions and prepare for climate impacts. Aspects of the reporting requirements such as a completed survey and attestation form must be made available to the public annually by September 30th. Reporting helps track LGCAP results and enables the Province to report on key performance indicators for the legislated Climate Change Accountability Report.

Funds from the LGCAP can be used for the following:

1. Staffing
2. Building initiatives (efficiency upgrades, energy efficiency programs and net zero buildings commitments)
3. Transportation initiatives (EV charging plans and infrastructure, active transportation, EV fleet adoption)
4. Investment in resilient municipal infrastructure, buildings, energy systems, and transportation
5. Investments in reserve funds preparing for higher value infrastructure work

In addition to actions that the City is already taking to meet climate action objectives, the Province requests that the following are also considered:

1. Preparing for the Emergency Disaster Management Act and the requirements for local authorities to complete risk assessments and associated Emergency Management Plans beginning in 2026.
2. Applying a climate lens to infrastructure investments and policies.
3. Using Environmental, Social and Governance (ESG) reporting for Municipal Financing Authority (MFA) investments.
4. Continuing to explore/implement natural asset infrastructure inventories and/or natural asset infrastructure solutions.
5. Continuing to support clean/alternate modes of transportation and consider your role in the upcoming Clean Transportation Action Plan.

There will be several program supports available through LGCAP including guidance on applying a climate lens, ESG reporting, natural assets, preparing for risk assessments and recommended resources on best investments to reduce emissions and prepare for a changing climate.

3.2 Use of Funds

As of the end of 2023, the balance of the Operating Climate Action Reserve was \$2.2 million as per Table 1 below. Funds to date have been spent primarily on key positions and initiatives to electrify the City fleet and equipment, as well as related strategies such as the City Energy Strategy and urban resilient futures. Furthermore, Attachment #1 provides the anticipated grant funding to be received along with the applicable expenditures to be funded in 2024.

Table 1: Operating Climate Action Reserve Revenues & Expenditure:

	Amount (\$ millions)
Opening Balance (Jan 1, 2017)	-
Grant Revenue Received	3.2
Applicable Expenditures Incurred*	(1.0)
Ending Balance (Dec 31, 2023)	2.2

**As per City policy, all expenses and initiatives are approved by Council through the budget process.*

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not applicable.

5.0 FINANCIAL CONSIDERATIONS

Funding received through the LGCAP program is administered through the Operating Climate Action Reserve. The purpose of this reserve is to assist with the City’s strategic planning in the long term by dedicating a specific funding source for climate action initiatives. Further use of these funds will be outlined during the next financial plan cycle for Council approval.

Respectfully submitted,
 Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment #1 – 2024 Operating Climate Action Reserve – Revenues & Expenditures

REPORT CONTRIBUTORS

This report was prepared by Coreen Jorgenson, Manager Budgets & Reporting and reviewed by Geoff Mooney, Finance Functional Lead, Wilson Kwan, Manager Budgets & Reporting, and Ratan Grewal, Director, Budgets & Reporting.