



Meeting May 21, 2024

File: 7300-20

COMMITTEE REPORT

TO: FINANCIAL MANAGEMENT COMMITTEE (FMC)
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: 2023 CANADA COMMUNITY-BUILDING FUND UPDATE
PURPOSE: To provide an update on the Federal Canada Community-Building Fund Program for 2023.

RECOMMENDATION

THAT the report titled “2023 Canada Community-Building Fund Update” dated May 21, 2024, be received for information.

1.0 POLICY SECTION

Not Applicable.

2.0 BACKGROUND

The administrative agreement on the Federal Gas Tax Fund (GTF) in British Columbia, or Gas Tax Agreement (GTA), took effect on April 1, 2024. 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 gas tax funds to local governments and other recipients in British Columbia over a ten-year period (2014 – 2024). Each year, a report is issued to the FMC providing information regarding the Federal Gas Tax Fund.

As of 2021 June 29, the Gas Tax Fund has been renamed the Canada Community-Building Fund (CCBF) and will be referred to as such in the remainder of this report.

3.0 GENERAL INFORMATION

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

3.1. Program Streams

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

a) Community Works Fund (CWF)

This program is available to all local governments. 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.

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 CCBF'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.

The City of Burnaby receives CCBF funding through the Community Works Fund. All CCBF funding received by the City is set aside in a CCBF Reserve to ensure its use as specified by the agreement, see Attachment 1 for a list of eligible project categories. Council reviews and approves all project initiatives funded by the CCBF Reserve annually through the budget process.

3.2. Annual Reporting

As a requirement of the CCBF, 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 CCBF money received for the previous calendar year. Attachment 2 provides a summary of the CCBF funding received to date, the expenditures made for each year of this agreement to December 31, 2023 and projected funding and expenditures for 2024. As outlined in Attachment 2, unspent funds of \$25,361 exist as of the end of 2023. Note that in this attachment, projects have not been identified for expenditures in the 2024 year, this is because at the time of planning for the 2024-2028 plan, it was not clear if the agreement would be renewed or not. Given this funding uncertainty, no projects were planned.

3.3. Program Expiration & Renewal

On March 31, 2024, the Canada Community-Building Fund Agreement expired. However, correspondence received from UBCM on March 6, 2024 (Attachment 3) has confirmed that UBCM, the Province, and the Government of Canada continue to engage in discussions for the long-term renewal of the CCBF, milestones of which have been outlined below.

In September 2023, UBCM and the Province formalized a joint advocacy position for discussions with the Government of Canada which seek:

- A long-term predictable source of funding for local governments
- Flexible and effective funding and programming
- A doubling of the fund
- Removal of the current stacking provision
- A review and increase of the indexing model
- Continued enhancement and improvement of local government capacity to implement asset management best practices

The Government of Canada, conversely, has identified the following three key areas of focus for a renewed agreement:

1. New reporting conditions for both signatories and recipients
2. New housing requirements for communities over 30,000, and
3. Reporting on housing outputs on a project level

While a new agreement has yet to be reached, the program will continue to operate under the terms and conditions of the existing CCBF Agreement. For the 2024/25 reporting year, the City of Burnaby is expected to receive a Community Works fund payment of \$857,555.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

Not Applicable.

5.0 FINANCIAL CONSIDERATIONS

As per a recent notification from UBCM, Burnaby will receive an additional grant of \$857,555 in 2024. This grant, along with funds remaining from prior years, will be allocated as per the requirements of the existing agreement. Eligible projects identified will be approved by Council through the budget process for 2025.

With respect to funding beyond 2024, no information is currently available. Once a new agreement is ratified and future funding amounts agreed to, further communication will be provided to Council.

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

- Attachment 1 – Eligible Project Categories
- Attachment 2 – Gas Tax/Canada Community-Building Fund Summary
- Attachment 3 – Correspondence from UBCM

REPORT CONTRIBUTORS

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