

DATE: September 29, 2020

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson, Chief Administrative Officer

FILE: 1855-03/Gas Tax

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Community Works Fund Status Report – September 30, 2020

Purpose

To provide the committee with a Community Works Fund (CWF) status report for the period ending September 30, 2020.

Recommendation from the Chief Administrative Officer

This report is presented for information only.

Executive Summary

- The Comox Valley Regional District (CVRD) receives approximately \$1-\$1.1 million annually under the Community Works Fund (CWF) federal gas tax program administered by UBCM. The allocations to local governments within BC are distributed on a per capita basis. The three national goals of the program, along with the Strategic Priorities Fund, are productivity and economic growth, a clean environment, and strong cities and communities.
- The CWF agreement allows the funds to be spent by March 31, 2024 on eligible projects for categories below (further details in Appendix B):

Bridges and active transportation	Drinking water
Public transit	Wastewater
Broadband connectivity	Solid waste
Recreation and cultural infrastructure	Brownfield redevelopment
Sport and tourism infrastructure	Disaster mitigation
Community energy systems (alternative energy, retrofits, electric vehicles, electric generators)	Capacity building (Asset management, integrated community sustainability plans, long-term infrastructure plans)

- The CVRD CWF are allocated to the electoral areas based on population. The CWF ending balance at September 30, 2020 is \$9.4 million; \$5 million is committed to pending projects and \$4.4 million is uncommitted for future project allocation. Appendix A provides further details.

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Background/Current Situation

Community Works Funds, a component of the federal gas tax program, are received semi-annually through UBCM. The current gas tax agreement funding program has the goals to achieve three national objectives: productivity and economic growth, a clean environment and strong cities and communities. The program, effective April 1, 2014 to March 31, 2024, has been allocated into three programs: the CWF (by annual allocation), the Strategic Priorities Fund (application-based), and the Greater Vancouver Regional Fund.

Under the agreement, the funds, including interest earned, are to be expended no later than March 31, 2024. The eligible project categories are local roads and bridges including active transportation; highways; short-sea shipping; short-line rail; regional and local airports; broadband connectivity; public transit; drinking water; wastewater; solid waste; community energy systems; brownfield redevelopment; sport infrastructure; recreation infrastructure; cultural infrastructure; tourism infrastructure; disaster mitigation; and capacity building.

The CWF received by the CVRD is allocated to the electoral areas based on population estimates as per board direction and held in a reserve fund as per Bylaw no. 2931. Allocation of funds to electoral areas is calculated based on the 2016 census data which is the most recent.

Policy Analysis

In compliance with the Gas Tax Community Works Fund agreement between the CVRD and the Union of British Columbia Municipalities (UBCM) signed by the CVRD on June 24, 2014, the CVRD is required to work to strengthen asset management during the term of the agreement and the CWF are to be used to pay up to 100 per cent of eligible costs of eligible capital projects or capacity building projects that support the three program benefits: beneficial impacts on communities of completed eligible projects; enhanced impact of gas tax funding as a predictable source of funding including incremental spending; and progress made on improving local government asset management.

The CWF projects are driven by the priorities identified by the CVRD Board. Some are corporate initiatives such as the relocation of the corporate office assets out of the floodplain or various water treatment plants/facilities, while others are operational initiatives such as upgrades or creation of parks and trails.

Options

The CVRD may choose to allocate all or part of the CWF for eligible capital projects or capacity building projects within the electoral areas or alternatively combine funds to undertake sub-regional or regional initiatives. The municipalities receive their own community works funds for their own initiatives.

Financial Factors

Appendix A shows the CWF allocations based on electoral area population as well as the committed funds. At this time, the CVRD CWF has an uncommitted balance of \$4,366,649. There are current commitments for projects of \$4,988,380, with a total balance of \$9,355,029 at September 30, 2020.

The current CWF agreement expires 2024, with projected funding allocations remaining of \$3,276,532 for the 2021-22, 2022-23, and 2023-224 periods averaging \$1.1 million annually.

Legal Factors

Community Works Funds are provided to the CVRD electoral areas by the federal government under agreement with UBCM. The funds must be spent on eligible projects by eligible recipients

and the CVRD is held accountable to UBCM for compliance with the agreement goals and outcomes. If it is determined by UBCM that a project is not eligible under the CWF criteria, alternate funding sources would need to be found.

Regional Growth Strategy Implications

Currently the CVRD Community Works Fund allocations are allocated to the electoral areas, and utilized for CVRD specific initiatives. Through the development of the regional growth strategy and enhanced focus of regional collaboration within the valley, CWF could be considered, including leveraging member municipality CWF, to delivery more regional initiatives.

Intergovernmental Factors

The CVRD is required to file an annual report with UBCM by the June 1 each year. The report provides details about the projects for which CWF were spent in the preceding year and the interest earned and balance of CWF held in reserves. The 2020 report has been submitted as required.

Interdepartmental Involvement

Staff from community services, engineering services and executive management discuss potential projects that may be suitable for funding under the CWF program for presentation to the committee and/or board usually through the financial planning process. These recommendations are brought to the electoral area services committee and board for review and to commit the funds.

Citizen/Public Relations

The CWF agreement contains public relation requirements to assist in informing the public of the funding sources that have enabled the new infrastructure projects.

CWF are typically utilized for CVRD initiatives but may be advanced under agreement to eligible third party organizations for projects that meet the gas tax program outcomes where determined to add community value to those respective areas.

Attachments: Appendix A – CVRD – CWF Schedule as at September 30, 2020
Appendix B – UBCM – Examples of Eligible Projects

Comox Valley Regional District

APPENDIX A

COMMUNITY WORKS FUNDS (Agreement expiry: March 31, 2024)
As at September 30, 2020

	038		030		031		032	
	Total	Area A Denman-Hornby Islands	Area A Baynes Sound	Area B Lazo North	Area C Puntledge - Black Creek			
Balance forward - December 31, 2019	8,409,537.50	515,780.28	2,196,646.77	2,579,529.72	3,117,580.73			
2020 Approved funding								
2020 New Funds Received	1,029,891.25	97,980.06	226,059.44	318,738.43	387,113.32			
2020 Funds Available	9,439,428.75	613,760.34	2,422,706.21	2,898,268.15	3,504,694.05			
2020 Eligible Expenses to date								
Denman Island Ferry Trail	(16.25)	(16.25)						
EA Greenway Projects - Lazo Road Greenway Development	(1,848.75)			(1,848.75)				
Eagles Drive - Beach Stairs and Connector Trail	(13,952.50)				(13,952.50)			
King Coho waste water treatment project	(10,741.01)			(10,741.01)				
Lower Lazo watershed drainage assessment	(646.50)			(646.50)				
Morrison Creek Conservation Area	(15,409.69)						(15,409.69)	
On-site septic management plan	(11,105.00)	(2,776.25)	(2,776.25)	(2,776.25)			(2,776.25)	
Seal Bay Park trail improvements	(23,854.44)			(23,854.44)				
Tsolum River Agricultural Watershed Planning	(6,825.51)			(3,412.75)			(3,412.75)	
Total Expenditures at September 30, 2020	(84,399.65)	(2,792.50)	(2,776.25)	(43,279.70)	(35,551.19)			
CWF Balance as at September 30, 2020	\$ 9,355,029.11	\$ 610,967.84	\$ 2,419,929.96	\$ 2,854,988.45	\$ 3,469,142.86			
		Area A Denman-Hornby Islands	Area A Baynes Sound	Area B Lazo North	Area C Puntledge - Black Creek			
Commitments								
Comox Valley sustainability strategies-implementation phase	(9,798.55)		(3,266.53)	(3,266.51)	(3,265.51)			
CVRD Corporate Office Relocation	(1,288,955.60)		(429,651.87)	(429,651.87)	(429,651.86)			
Denman Island Ferry Trail	(156,890.55)	(156,890.55)						
Denman Water - Water Master Plan	(7,422.30)	(7,422.30)						
EA Greenway Projects - Area B Community Connections	(300,000.00)			(300,000.00)				
EA Greenway Projects - Lazo Road Greenway Development	(198,151.25)			(198,151.25)				
EA Playgrounds - Fanny Bay Playground	(100,000.00)		(100,000.00)					
Eagles Drive - Beach Stairs and Connector Trail	-				-			
In Camera - BOD March 31, 2020/April 7, 2020	(1,255,264.84)		(846,390.59)	(100,000.00)	(308,874.25)			
Hornby Island Arts Council (HIAC) - Arts Centre	(175,000.00)	(175,000.00)						
Jackson Drive sewer upgrade	(60,223.39)			(60,223.39)				
King Coho waste water treatment project	(90,508.99)			(90,508.99)				
Lower Lazo watershed drainage assessment	(35,958.62)			(35,958.62)				
Morrison Creek Conservation Area	(28,733.29)				(28,733.29)			
Nymph Falls Park - Annual Capital Projects	(150,000.00)				(150,000.00)			
One Spot trail improvements	(19,219.57)				(19,219.57)			
On-site septic management plan	(4,595.06)	(1,148.77)	(1,148.77)	(1,148.77)	(1,148.77)			
Rainwater management strategy implementation	(91,806.02)			(91,806.02)				
Regional water supply strategy	(81,988.46)			(40,993.73)	(40,994.73)			
Seal Bay Park trail improvements	(455,036.93)			(455,036.93)				
Tsolum River Agricultural Watershed Planning	(27,826.40)			(14,087.25)	(13,739.15)			
Watuco Water System - System Modifications and Meter Instal. (Subject to service expansion approval)	(451,000.00)				(451,000.00)			
Total Commitments at September 30, 2020	(4,988,379.82)	(340,461.62)	(1,380,457.76)	(1,820,833.32)	(1,446,627.12)			
Total Uncommitted CWF Available at September 30, 2020	\$ 4,366,649.29	\$ 270,506.23	\$ 1,039,472.21	\$ 1,034,155.13	\$ 2,022,515.74			

Examples of Eligible Projects

Please take note, the following activities are ineligible under any Gas Tax Fund project category		
<ul style="list-style-type: none"> - Investments in health infrastructure (hospitals, medical clinics, convalescent and seniors centres) - Investments in emergency response related infrastructure (fire halls/equipment and emergency operations centres) - Feasibility Studies - Public Art - Detailed design for projects are not considered eligible expenditures until capital works commence 		
Project Category	Description	Examples
Public Transit	Infrastructure which supports a shared passenger transport system which is available for public use	<ul style="list-style-type: none"> • Transit infrastructure such as rail and bus rapid transit systems, and related facilities • Buses, rail cars, ferries, para-transit vehicles, and other rolling stock and associated infrastructure • Intelligent Transport Systems such as fare collection, fleet management, transit priority signaling, and real time traveler information system at stations and stops • Related capital infrastructure including bus lanes, streetcar and trolley infrastructure, storage and maintenance facilities, security enhancement, and transit passenger terminals
Local Roads, Bridges, and Active Transportation	Roads, bridges and active transportation (active transportation refers to investments that support active methods of travel)	<ul style="list-style-type: none"> • New and rehabilitation of roads • New and rehabilitation of bridges • Cycling lanes, paths, sidewalks and hiking trails • Intelligent Transportation systems • Additional capacity for high occupancy/transit lanes, grade separations, interchange structures, tunnels, intersections and roundabouts
Regional and Local Airports	Airport related infrastructure (excludes National Airport System)	<ul style="list-style-type: none"> • Construction projects that enhance airports and are accessible all year-round, through the development, enhancement or rehabilitation of aeronautical and/or non-aeronautical infrastructure (includes runways, taxiways, aprons, hangars, terminal buildings etc.) • Non-aeronautical infrastructure such as groundside access, inland ports, parking facilities, and commercial and industrial activities

<p>Short-line Rail</p>	<p>Railway related infrastructure for carriage of passengers or freight</p>	<ul style="list-style-type: none"> • Construction of lines to allow a railway to serve an industrial park, an intermodal yard, a port or a marine terminal • Construction, rehabilitation, or upgrading of tracks and structures, excluding regular maintenance, to ensure safe travel • Construction, development or improvement of facilities to improve interchange of goods between modes • Procurement of technology and equipment used to improve the interchange of goods between modes • Short-line operators must offer year-round service
<p>Short-sea Shipping</p>	<p>Infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean</p>	<ul style="list-style-type: none"> • Specialized marine terminal intermodal facilities or transshipment (marine to marine) facilities • Capitalized equipment for loading/unloading required for expansion of short-sea shipping • Technology and equipment used to improve the interface between the marine mode and the rail/highways modes or to improve integration within the marine mode including Intelligent Transportation Systems (ITS) <p><i>Note: The purchase of vessels, infrastructure that supports passenger-only ferry services, rehabilitation and maintenance of existing facilities such as wharves and docks, and dredging are not eligible for funding</i></p>
<p>Community Energy Systems</p>	<p>Infrastructure that generates or increases efficient use of energy</p>	<ul style="list-style-type: none"> • Renewable electricity generators • Electric vehicle infrastructure/fleet vehicle conversion • Hydrogen infrastructure (generation, distribution, storage) • Wind/solar/thermal/geothermal energy systems • Alternative energy systems that serve local government infrastructure • Retrofit of local government buildings and infrastructure not captured in any other eligible category.

Drinking Water	Infrastructure that supports drinking water conservation, collection, treatment and distribution systems	<ul style="list-style-type: none"> • Drinking water treatment infrastructure • Drinking water distribution system (including metering)
Wastewater	Infrastructure that supports wastewater and storm water collection, treatment and management systems	<ul style="list-style-type: none"> • Wastewater collection systems and or wastewater treatment facilities or systems • Separation of combined sewers and or combined sewer overflow control, including real-time control and system optimization • Separate storm water collection systems and or storm water treatment facilities or systems • Wastewater sludge treatment and management systems
Solid Waste	Infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage	<ul style="list-style-type: none"> • Solid waste diversion projects including recycling, composting and anaerobic digestion that are clearly linked to a solid waste management plan or sustainability plan. • Solid waste disposal projects including thermal processes, gasification, and landfill gas recovery • Solid waste disposal strategies that reduce resource use that are clearly linked to a solid waste management plan or sustainability plan
Sport Infrastructure	Amateur sport infrastructure (excludes facilities, including arenas, which would be used as a home of professional sports teams or major junior hockey teams)	<ul style="list-style-type: none"> • Sport infrastructure for community public use • Sport infrastructure in support of major amateur athletic events

Recreation Infrastructure	Recreational facilities or networks	<ul style="list-style-type: none"> • Large facilities or complexes which support physical activity such as arenas, gymnasiums, swimming pools, sports fields, tennis, basketball, volleyball or other sport-specific courts, or other facilities that have sport and/or physical activity as a primary rationale; • Community centers that offer programming to the community at large, including all segments of the population; • Networks of parks, fitness trails and bike paths
Cultural Infrastructure	Infrastructure that supports arts, humanities, and heritage	<ul style="list-style-type: none"> • Museums • The preservation of designated heritage sites • Local government owned libraries and archives • Facilities for the creation, production, and presentation of the arts • Infrastructure in support of the creation of a cultural precinct within an urban core
Tourism Infrastructure	Infrastructure that attract travelers for recreation, leisure, business or other purposes	<ul style="list-style-type: none"> • Convention centers • Exhibition hall-type facilities • Visitor centres
Disaster Mitigation	Infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters	<ul style="list-style-type: none"> • Construction, modification or reinforcement of structures that protect from, prevent or mitigate potential physical damage resulting from extreme natural events, and impacts or events related to climate change • Modification, reinforcement or relocation of existing public infrastructure to mitigate the effects of and/or improve resiliency to extreme national events and impacts or events related to climate change <p><i>Note: this category is related to disaster prevention (such as dykes, berms, seismic upgrades etc.) and <u>not</u> response (such as fire trucks, fire halls, etc.)</i></p>

Broadband Connectivity	Infrastructure that provides internet access to residents, businesses, and/or institutions in British Columbia	<ul style="list-style-type: none"> • High-speed backbone • Point of presence • Local distribution within communities • Satellite capacity
Brownfield Redevelopment	Remediation or decontamination and redevelopment of a brownfield site within municipal boundaries, where the redevelopment includes: the construction of public infrastructure as identified in the context of any other category under the GTF, and/or the construction of municipal use public parks and publicly-owned social housing.	<ul style="list-style-type: none"> • New construction of public infrastructure as per the categories listed under the Federal Gas Tax Agreement • New construction of municipal use public parks and affordable housing
Asset Management	Increase local government capacity to undertake asset management planning practices.	<ul style="list-style-type: none"> • Asset Management Practices Assessment • Current State of Assets Assessment • Asset Management Policy • Asset Management Strategy • Asset Management Plan • Long-Term Financial Plan • Asset Management Practices Implementation Plan • Asset Management Plan Annual Report
Integrated Community Sustainability Plans	Increase local government capacity to undertake integrated community sustainability plans	<ul style="list-style-type: none"> • Integrated community sustainability plans • Regional growth strategies • Community development plans • Community plans
Long-term Infrastructure Plans		<ul style="list-style-type: none"> • Transportation plans • Infrastructure development plans • Liquid waste management plans • Solid waste management plans • Long-term cross-modal transportation plans • Water conservation/demand management plans • Drought management contingency plans • Air quality plans • GHG reduction plans • Energy conservation plans

