

DATE: October 3, 2019**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson, Chief Administrative Officer**FILE:** 1855-03/Gas Tax

Supported by:

R. Dyson**RE: Community Works Fund Status Report - September 30, 2019**

Purpose

To provide the committee with the quarterly Community Works Fund (CWF) status report for the period ending September 30, 2019.

Recommendation from the Chief Administrative Officer

This report is presented for information only.

Executive Summary

- The Comox Valley Regional District (CVRD) CWF program has an uncommitted balance at September 30, 2019 of \$4,173,804.07. This includes the 'bonus' payment for 2019/2020 announced by the federal government earlier this year.
- During the period, the Hornby Island Arts Council (HIAC) received conditional approval of CWF for \$175,000 towards the construction of a new arts centre on Hornby Island.
- During the period, the committed balances of the Nob Hill greenway project and the Hornby Island water treatment system project were returned to each electoral areas' uncommitted balances as both projects are complete.
- The 2014 CWF agreement provides for the funds to be spent by 2024 on eligible costs for expanded investment categories which includes bridges, broadband connectivity, public transit, drinking water, wastewater, solid waste, community energy systems, brownfield redevelopment, sport, recreation, cultural and tourism infrastructure, disaster mitigation and capacity building.

Appendix A provides details of 2019 Community Works Funds balances, allocated by electoral area, as well as funds expended in 2019 and remaining commitments.

Prepared by:

J. den Otter

Jason den Otter, CPA, CGA
Senior Accounting Technician

Concurrence:

K. Douville

Kevin Douville, B.COMM
Manager of Financial Planning

Concurrence:

B. Dunlop

Beth Dunlop, CPPB, CPA, CGA
Corporate Financial Officer

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, effective April 1, 2014, has been streamlined into three programs: the CWF (by allocation), the Strategic Priorities Fund (application-based), and the Greater Vancouver Regional Fund with the goals to achieve three national objectives: productivity and economic growth, a clean environment and strong cities and communities.

Under the CWF 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 plans/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

At this time, the CVRD CWF has an uncommitted balance of \$4,173,804.07. There are current commitments for projects of \$3,744,602.60

Appendix A shows the CWF allocations based on electoral area population as well as the committed funds.

The current CWF agreement expires 2024, and UBCM has released its projected funding allocations for 2020/21 to the end of 2024 which total \$4,304,581.

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

Not relevant.

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.

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 enabled the new infrastructure projects.

Pending CVRD priorities, CWF may be advanced under agreement to eligible third party organizations for projects that meet the gas tax program outcomes.

Attachments: Appendix A – CVRD – CWF Schedule as at September 30, 2019

Comox Valley Regional District
APPENDIX A
COMMUNITY WORKS FUNDS (Agreement expiry: March 31, 2024)
As at September 30, 2019

		038	030	031	032
		Area A	Area A	Area B	Area C
	Total	Denman-Hornby Islands	Baynes Sound	Lazo North	Puntledge - Black Creek
Balance forward - December 31, 2018	6,151,090.43	315,211.90	1,693,085.82	1,867,982.63	2,274,810.08
2019 Approved funding					
2019 New Funds Receivable - Year 5 Bonus Payment (2011 Census)	1,045,507.00	92,357.63	229,448.07	335,379.47	388,321.84
2019 New Funds Receivable - Year 6 Payment (2016 Census)	1,029,453.00	97,938.36	225,963.25	318,602.79	386,948.59
Projects Completed: Funds Returned to Area's Uncommitted Balance	394.59	231.04		163.55	
	2,075,354.59	190,527.03	455,411.31	654,145.81	775,270.44
2019 Funds Available	8,226,445.02	505,738.93	2,148,497.13	2,522,128.44	3,050,080.52
2019 Eligible Expenses to date					
Seal Bay Park trail improvements	(268,717.49)			(268,717.49)	
Lower Lazo watershed drainage assessment	(22,331.70)			(22,331.70)	
On-site septic management plan	(356.73)	(89.18)	(89.18)	(89.18)	(89.18)
King Coho waste water treatment project	(6,856.79)			(6,856.79)	
Tsolum River Agricultural Watershed Planning	(650.00)			(325.00)	(325.00)
Saratoga Beach Access	(4,825.65)				(4,825.65)
Eagles Drive - Beach Stairs and Connector Trail	(4,300.00)				(4,300.00)
Total Expenditures at Sep 30, 2019	(308,038.36)	(89.18)	(89.18)	(298,320.16)	(9,539.83)
CWF Balance as at Sep 30, 2019	\$ 7,918,406.67	\$ 505,649.75	\$ 2,148,407.95	\$ 2,223,808.28	\$ 3,040,540.68
		Area A	Area A	Area B	Area C
		Denman-Hornby Islands	Baynes Sound	Lazo North	Puntledge - Black Creek
Commitments					
Electoral Areas master sewer strategy	\$ (1,255,264.84)	\$ -	\$ (846,390.59)		\$ (408,874.25)
CVRD corporate office relocation	(1,500,000.00)		(500,000.00)	(500,000.00)	(500,000.00)
Denman Water - Water Master Plan	(13,729.04)	(13,729.04)			
Saratoga Beach access	(44,142.98)				(44,142.98)
On-site septic management plan	(15,343.33)	(3,835.83)	(3,835.83)	(3,835.83)	(3,835.83)
One Spot trail improvements	(19,219.57)				(19,219.57)
Denman Island ferry trail	(158,262.90)	(158,262.90)			
Regional water supply strategy	(81,988.46)			(40,993.73)	(40,994.73)
Seal Bay Park trail improvements	(81,282.51)			(81,282.51)	
Rainwater management strategy implementation	(91,806.02)			(91,806.02)	
Jackson Drive sewer upgrade	(60,223.39)			(60,223.39)	
Lower Lazo watershed drainage assessment	(36,939.63)			(36,939.63)	
Comox Valley sustainability strategies-implementation phase	(11,048.03)		(3,683.02)	(3,683.00)	(3,682.01)
Tsolum River Agricultural Watershed Planning	(34,651.90)			(17,175.00)	(17,476.90)
King Coho waste water treatment project	-			-	
Eagles Drive - Beach Stairs and Connector Trail	(65,700.00)				(65,700.00)
Lazo Road - Greenway Development	(100,000.00)			(100,000.00)	
Hornby Island Arts Council (HIAC) - Arts Centre	(175,000.00)	(175,000.00)			
Total Commitments at Sep 30, 2019	(3,744,602.60)	(350,827.77)	(1,353,909.44)	(935,939.11)	(1,103,926.27)
Total Uncommitted CWF Available at Sep 30, 2019	\$ 4,173,804.07	\$ 154,821.98	\$ 794,498.51	\$ 1,287,869.17	\$ 1,936,614.41