

**DATE:** March 2, 2021  
**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 – February 28, 2021**

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### Purpose

To provide the committee with a Community Works Fund (CWF) status report for the period ending February 28, 2021.

### 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 CVRD CWF are allocated to the electoral areas based on population. The CWF ending balance at December 31, 2020 is \$8.0 million; \$3.6 million is committed to pending projects and \$4.4 million is uncommitted for future project allocation.
- Over the course of the 2021 – 2025 financial planning process commencing in January, further CWF allocations for thirteen (13) projects totalling \$2.95 million have been committed, resulting in \$1.45 million in uncommitted funding being available by the end of March 2021.
- There are three (3) remaining annual allocations of funding to CVRD forthcoming through UBCM until the end of the current agreement totalling \$3.28 million, resulting in an estimated uncommitted CWF balance currently being available of \$4.72 million prior to March 31, 2024. 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 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 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**

Appendix A shows the CWF allocations based on electoral area population as well as the committed funds. As at December 31, 2020 the total CWF balance was \$7,964,132 prior to commitments for projects of \$3,565,566 resulting in the CVRD having a CWF uncommitted balance of \$4,398,567.

Through the 2021 – 2025 financial planning process, a further \$2,951,627 in CWF funds have been committed to thirteen (13) projects, resulting in \$1,446,940 in uncommitted funding being available by the end of March 2021.

The current CWF agreement expires in 2024, with projected funding allocations remaining of \$3,276,531 for the 2021-22, 2022-23, and 2023-24 periods averaging \$1.1 million annually. As such, the current estimated uncommitted balance of CWF available prior to March 31, 2024 is \$4,723,471.

### **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.

**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 February 28, 2021

**Comox Valley Regional District**

COMMUNITY WORKS FUNDS (Agreement expiry: March 31, 2024)

As at December 31, 2020

**APPENDIX A**

	038		030	031	032
	Area A	Area A	Area A	Area B	Area C
	Denman-Hornby Islands	Baynes Sound	Lazo North	Puntledge - Black Creek	
<b>Total</b>					
<b>Balance forward - December 31, 2019</b>	<b>8,409,538</b>	<b>515,780</b>	<b>2,196,647</b>	<b>2,579,530</b>	<b>3,117,581</b>
<b>2020 Approved funding</b>					
2020 New Funds Received	1,029,891	97,980	226,059	318,738	387,113
2020 Funds uncommitted: Lower Lazo Watershed Drainage Assessment	35,959			35,959	
<b>2020 Funds Available</b>	<b>9,475,387</b>	<b>613,760</b>	<b>2,422,706</b>	<b>2,934,227</b>	<b>3,504,694</b>
<b>2020 Eligible Expenses to date</b>					
CVRD Corporate Office Relocation	(727,880)		(242,627)	(242,627)	(242,627)
Denman Island Ferry Trail	(116,478)	(116,478)			
EA Greenway Projects - Lazo Road Greenway Development	(2,646)			(2,646)	
Eagles Drive - Beach Stairs and Connector Trail	(13,953)				(13,953)
In Camera - BOD March 31, 2020/April 7, 2020	(542,791)		(542,791)		
King Coho waste water treatment project	(17,694)			(17,694)	
Lower Lazo watershed drainage assessment	(647)			(647)	
Morrison Creek Conservation Area	(15,770)				(15,770)
On-site septic management plan	(11,105)	(2,776)	(2,776)	(2,776)	(2,776)
Seal Bay Park trail improvements	(35,474)			(35,474)	
Tsolum River Agricultural Watershed Planning	(26,819)			(13,410)	(13,410)
<b>Total Expenditures at December 31, 2021</b>	<b>(1,511,255)</b>	<b>(119,254)</b>	<b>(788,194)</b>	<b>(315,273)</b>	<b>(288,535)</b>
<b>CWF Balance as at December 31, 2020</b>	<b>7,964,132</b>	<b>494,507</b>	<b>1,634,512</b>	<b>2,618,954</b>	<b>3,216,159</b>

	Area A	Area A	Area B	Area C
	Denman-Hornby Islands	Baynes Sound	Lazo North	Puntledge - Black Creek
<b>Commitments</b>				
Comox Valley sustainability strategies-implementation phase	(9,799)		(3,267)	(3,266)
CVRD Corporate Office Relocation	(561,076)		(187,025)	(187,025)
Denman Island Ferry Trail	(40,429)	(40,429)		
Denman Water - Water Master Plan	(7,422)	(7,422)		
EA Greenway Projects - Area B Community Connections	(300,000)		(300,000)	
EA Greenway Projects - Lazo Road Greenway Development	(197,354)		(197,354)	
EA Playgrounds - Fanny Bay Playground	(100,000)		(100,000)	
Electric Vehicle Charging Stations	(40,000)	(10,000)	(10,000)	(10,000)
In Camera - BOD March 31, 2020/April 7, 2020	(712,474)		(303,600)	(100,000)
Hornby Island Arts Council (HIAC) - Arts Centre	(175,000)	(175,000)		(308,874)
Jackson Drive sewer upgrade	(60,223)		(60,223)	
King Coho waste water treatment project	(83,556)		(83,556)	
Morrison Creek Conservation Area	(28,373)			(28,373)

Nymph Falls Park - Annual Capital Projects	(150,000)				(150,000)
One Spot trail improvements	(19,220)				(19,220)
On-site septic management plan	(4,595)	(1,149)	(1,149)	(1,149)	(1,149)
Rainwater management strategy implementation	(91,806)			(91,806)	
Regional water supply strategy	(81,988)			(40,994)	(40,995)
Seal Bay Park trail improvements	(443,418)			(443,418)	
Tsolum River Agricultural Watershed Planning	(7,833)			(4,090)	(3,742)
Watuco Water System - System Modifications and Meter Instal. (Subject to service expansion approval)	(451,000)				(451,000)
<b>Total Commitments at December 31, 2020</b>	<b>(3,565,566)</b>	<b>(234,000)</b>	<b>(605,040)</b>	<b>(1,522,882)</b>	<b>(1,203,644)</b>
<b>Total Uncommitted CWF Available at December 31, 2020</b>	<b>4,398,567</b>	<b>260,506</b>	<b>1,029,472</b>	<b>1,096,072</b>	<b>2,012,516</b>

	Area A Denman-Hornby Islands	Area A Baynes Sound	Area B Lazo North	Area C Puntledge - Black Creek
<b>Commitments pending as part of 2021 - 2025 Financial Plan</b>				
Lloyd Road Main replacement / upgrade (2022)	(200,000)		(100,000)	(100,000)
Black Creek / Oyster Bay Water Meter Replacement (\$17,500/year: 2021 - 2024)	(70,000)			(70,000)
Cross Denman Island Trail (2022)	(180,000)	(180,000)		
One Spot Trail - Bridge over Tsolum River planning & design (2022)	(200,000)			(200,000)
One Spot Trail - Trail construction beyond Endall Road (2025)	(200,000)			(200,000)
One Spot Trail - Bridge Construction (to support AT grant application) (2023)	(700,000)			(700,000)
Seal Bay Park - parking area and Coupland Road (2021 and 2022)	(220,000)		(220,000)	
Nymph Falls parking area assessment, design and planning (2022 and 2023)	(150,000)			(150,000)
Nymph Falls park upgrades (2024)	(200,000)			(200,000)
Morrison Creek Headwaters - additional funds (2021)	(41,627)			(41,627)
Dyke Road park (North and Lafarge) capital improvements (2025)	(150,000)		(150,000)	
Denman / Hornby Island Internet Connectivity (2021)	(140,000)	(140,000)		
Royston Water conversion to Comox Valley Regional Water supply (312) - TENTATIVE	(500,000)		(500,000)	
<b>Total Pending Commitments in 2021 - 2025 FP</b>	<b>(2,951,627)</b>	<b>(320,000)</b>	<b>(500,000)</b>	<b>(470,000)</b>
<b>Total Pending Uncommitted CWF Available upon approval of 2021 - 2025 FP</b>	<b>1,446,940</b>	<b>(59,494)</b>	<b>529,472</b>	<b>626,072</b>

	Area A Denman-Hornby Islands	Area A Baynes Sound	Area B Lazo North	Area C Puntledge - Black Creek
<b>Remaining Annual CWF Allocations from UBCM</b>				
Year 8: 2021 - 2022	1,076,625	102,387	236,319	333,215
Year 9: 2022 - 2023	1,076,625	102,387	236,319	333,215
Year 10: 2023 - 2024	1,123,282	106,824	246,560	347,656
<b>Total Remaining Annual CWF Allocations pending</b>	<b>3,276,531</b>	<b>311,598</b>	<b>719,199</b>	<b>1,014,086</b>
<b>Total Estimated Uncommitted CWF available through end of agreement</b>	<b>4,723,471</b>	<b>252,104</b>	<b>1,248,671</b>	<b>1,582,537</b>