

DATE: February 22, 2019**FILE:** 1855-05/Gas Tax**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer**R. Dyson****RE: Final 2018 Community Works Fund Status Report**

Purpose

To provide the Committee with the final 2018 Community Works Fund (CWF) status report.

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 December 31, 2018 of \$2,728,054.88.
- The current gas tax agreement between the CVRD and UBCM allocates funding to the end of 2018 only. The UBCM has not yet announced any funding allocations for 2019 to the end of the agreement in 2024.
- 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 final 2018 Community Works Funds balances, allocated by electoral area as well as funds expended in 2018 and remaining commitments.

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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 renewed gas tax agreement funding program, effective April 1, 2014, was 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 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 \$2,728,054.88. There are current commitments of \$3,423,035.55.

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

Under the current CWF agreement which expires 2024, 2018 is the last year that funds have been allocated through the UBCM gas tax agreement. There has not been an announcement to date of ongoing funding to 2024.

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. 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 December 31, 2018 (Final)

Comox Valley Regional District

APPENDIX A

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

038

030

031

032

As at December 31, 2018

	Area A		Area A		Area B	Area C	
	Total	Denman-Hornby Islands	Baynes Sound	Lazo North	Puntledge - Black Creek		
Balance forward - December 31, 2017	5,646,007.21	238,522.64	1,441,155.79	1,945,601.12	2,020,727.66		
2018 Approved funding							
2018 New funds received	\$ 1,045,507.14	99,465.70	229,487.11	323,571.35	392,982.98		
2018 Interest from investment	116,789.90	6,593.47	26,665.05	43,988.66	39,542.72		
	1,162,297.04	106,059.17	256,152.16	367,560.01	432,525.70		
2018 Funds Available	6,808,304.25	344,581.81	1,697,307.95	2,313,161.13	2,453,253.36		
2018 Eligible Expenses to date							
Electoral Areas master sewer strategy	(6,320.24)		(3,160.13)		(3,160.12)		
Sandwick waterworks infrastructure	(247,343.93)			(247,343.93)			
CVRD Corporate Office Relocation	-		-	-	-		
Regional water supply strategy	(25,000.00)			(12,500.00)	(12,500.00)		
Hornby Island water treatment system	(27,184.99)	(27,184.99)					
Seal Bay Park trail improvements	-			-			
Nob Hill Greenway	(113,229.19)			(113,229.19)			
CV Sustainability Strategies-implementation phase	(225.00)		(75.00)	(75.00)	(75.00)		
Lower Lazo watershed drainage assessment	(20,728.67)			(20,728.67)			
Saratoga Beach access	(108,931.37)					(108,931.37)	
Tsolum River Agricultural Watershed Planning	(34,698.10)					(34,698.10)	
On-site septic management plan	(3,948.04)	(987.01)	(987.01)	(987.01)	(987.01)	(987.01)	
Denman Water - Water Master Plan	(11,914.57)	(11,914.57)					
Rainwater management strategy implementation	-			-			
King Coho waste water treatment project	(50,314.70)			(50,314.70)			
Denman Island ferry trail	10,716.66	10,716.66					
One Spot trail improvements	(18,091.69)					(18,091.69)	
	(657,213.83)	(29,369.91)	(4,222.14)	(445,178.50)	(178,443.29)		
CWF Balance as at December 31, 2018	\$ 6,151,090.42	\$ 315,211.90	\$ 1,693,085.82	\$ 1,867,982.63	\$ 2,274,810.08		
Commitments							
Electoral Areas master sewer strategy	\$ (1,255,264.84)	\$ -	\$ (846,390.59)	\$ -	\$ (408,874.25)		
Sandwick waterworks infrastructure	-			-			
CVRD corporate office relocation	(1,500,000.00)		(500,000.00)	(500,000.00)	(500,000.00)		
Nob Hill Greenway	(163.55)			(163.55)			
Denman Water - Water Master Plan	(13,729.04)	(13,729.04)					
Saratoga Beach access	(48,968.63)					(48,968.63)	
On-site septic management plan	(15,700.06)	(3,925.02)	(3,925.02)	(3,925.02)	(3,925.02)	(3,925.02)	
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	(100,000.00)			(100,000.00)			
Rainwater management strategy implementation	(91,806.02)			(91,806.02)			
Jackson Drive sewer upgrade	(60,223.39)			(60,223.39)			
Hornby Island water treatment system	(231.04)	(231.04)					
Lower Lazo watershed drainage assessment	(59,271.33)			(59,271.33)			
Comox Valley sustainability strategies-implementation phase	(11,048.03)		(3,683.02)	(3,683.00)	(3,682.01)		
Tsolum River Agricultural Watershed Planning	(301.90)				(301.90)		
King Coho waste water treatment project	(6,856.79)			(6,856.79)			
	(3,423,035.55)	(176,148.00)	(1,353,998.63)	(866,922.82)	(1,025,966.11)		
Current available funding	\$ 2,728,054.88	\$ 139,063.91	\$ 339,087.19	\$ 1,001,059.81	\$ 1,248,843.97		
Proposed funding - 2019 - 2024	-	-	-	-	-		
Available Funding as at December 31, 2018	\$ 2,728,054.88	\$ 139,063.91	\$ 339,087.19	\$ 1,001,059.81	\$ 1,248,843.97		