

**DATE:** October 5, 2017

**FILE:** 1855-05/Gas Tax

**TO:** Chair and Directors  
Electoral Areas Services Committee

**FROM:** Russell Dyson  
Chief Administrative Officer

Supported by Russell Dyson  
Chief Administrative Officer

***R. Dyson***

**RE: Community Works Fund Status Report**

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### **Purpose**

To update the committee on the status of the Community Works Fund (CWF) interim balances in the various electoral area CWF reserves

### **Recommendation from the Chief Administrative Officer**

This report is presented for information only.

### **Executive Summary**

- The CVRD CWF program has an uncommitted balance at September 30, 2017 of \$1,115,777 including the second of two payments for 2017 not yet received in the amount of \$499,013.
- The CVRD is projected to receive an additional \$1,045,509 in 2018, pending federal budget appropriations, boundary expansions, population estimates, etc.
- The 2014 CWF agreement provides for the funds to be spent 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.
- Under the current CWF agreement, the funds must be spent by 2024.

Appendix A provides details of Community Works Funds allocated by electoral area as well as funds expended or committed.

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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 (GTA) 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 have been expanded and local governments can use CWF towards eligible costs in the following categories: 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.

### **Policy Analysis**

The CWF is a component of federal gas tax funding. In compliance with the Gas Tax Community Works Fund agreement between the Comox Valley Regional District (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. Under the CWF agreement, the funds, as well as the interest earned thereon, are to be expended on eligible projects no later than March 31, 2024.

All of the CWF projects are driven by the strategic priorities identified by the CVRD board of directors. Some are corporate initiatives such as the Comox Valley Civic Center 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.

### **Financial Factors**

Currently, the CVRD CWF has an uncommitted balance of \$1,115,777, including the 2017 funding, and commitments of \$4,682,056. Under the renewed CWF agreement, the CVRD is projected to receive an additional \$1,045,509 by the end of 2018 subject to budget appropriations, boundary expansions and population estimates, etc.

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

### **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.

### **Regional Growth Strategy Implications**

Not relevant.

**Intergovernmental Factors**

The CVRD forwarded the 2016 annual report to UBCM in June 2017, which provided details on the projects for which CWF were spent in the prior year, the interest earned and balance remaining unspent.

**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.

**Citizen/Public Relations**

The CWF agreement contains communication and signage requirements to assist in informing the public of the funding sources that enabled the new infrastructure projects. Pending other CVRD priorities, CWF may be advanced to eligible third party organizations for their projects that meet the gas tax program outcomes.

Attachments: Appendix A – CVRD – CWF Schedule as at September 30, 2017

As at September 30, 2017

	Total	Area A Denman-Hornby Islands	Area A Baynes Sound	Area B Lazo North	Area C Puntledge - Black Creek
Balance forward - December 31, 2016	4,929,391.07	317,597.41	703,792.03	2,153,832.75	1,754,168.87
2017 Approved funding (receivable)					
2017 New funds receivable	\$ 998,026.34	88,163.30	219,027.91	320,148.54	370,686.59
	5,927,417.41	405,760.71	922,819.94	2,473,981.29	2,124,855.46
2017 Expenses to date					
Electoral Areas master sewer strategy	(1,644.06)		(822.03)		(822.03)
Sandwick waterworks infrastructure	(7,997.90)			(7,997.90)	
Regional water supply strategy	(12,000.00)			(6,000.00)	(6,000.00)
Hornby Island water treatment system	(2,583.97)	(2,583.97)			
Nob Hill Greenway	(1,420.90)			(1,420.90)	
Driftwood Marine Park new trail	(9,896.92)				(9,896.92)
Lower Lazo watershed drainage assessment	(74,616.62)			(74,616.62)	
On-site septic management plan	(7,829.75)	(1,957.44)	(1,957.44)	(1,957.44)	(1,957.44)
Denman water THM Resolution	(4,886.86)	(4,886.86)			
King Coho waste water treatment project	(356.78)			(356.78)	
Denman Island ferry trail	(1,689.05)	(1,689.05)			
One Spot trail improvements	(4,662.06)				(4,662.06)
	(129,584.86)	(11,117.32)	(2,779.47)	(92,349.63)	(23,338.45)
Balance	5,797,832.55	394,643.39	920,040.47	2,381,631.66	2,101,517.01
Commitments					
Electoral Areas master sewer strategy	\$ (1,261,585.08)	\$ -	\$ (849,550.72)	\$	(412,034.37)
Sandwick waterworks infrastructure	(299,002.10)			(299,002.10)	
Sandwick - water meters (63%)	(320,040.00)			(320,040.00)	
Comox Valley Civic Center	(1,500,000.00)		(500,000.00)	(500,000.00)	(500,000.00)
Harvard Road Beach Access	(30,000.00)			(30,000.00)	
Nob Hill Greenway	(108,579.10)			(108,579.10)	
Denman water THM Resolution	(7,113.14)	(7,113.14)			
Denman Water - Water Master Plan	(8,000.00)	(8,000.00)			
Seaman Rd beach access	(160,000.00)				(160,000.00)
On-site septic management plan	(16,170.25)	(4,042.56)	(4,042.56)	(4,042.56)	(4,042.56)
One Spot trail improvements	(121,507.51)				(121,507.51)
Denman Island ferry trail	(296,570.25)	(296,570.25)			
Regional water supply strategy	(119,988.46)			(59,993.73)	(59,994.73)
Seal Bay Park trail improvements	(100,000.00)			(100,000.00)	
Rainwater management strategy implementation	(91,806.02)			(91,806.02)	
Driftwood Marine Park new trail	(41,680.18)				(41,680.18)
Jackson Drive sewer upgrade	(60,223.39)			(60,223.39)	
Brooklyn Creek watershed blueprint project	(33,400.00)			(33,400.00)	
Hornby Island water treatment system	(27,416.03)	(27,416.03)			
Lower Lazo watershed drainage assessment	(383.38)			(383.38)	
Comox Valley sustainability strategies-implementation phase	(18,189.65)		(6,063.56)	(6,063.54)	(6,062.55)
Hawkins Road trail project	(17,309.59)			(17,309.59)	
Wolf Lake Agricultural Planning	(35,000.00)				(35,000.00)
King Coho waste water treatment project	(8,091.79)			(8,091.79)	
	(4,682,055.92)	(343,141.98)	(1,359,656.84)	(1,638,935.20)	(1,340,321.90)
Current available funding	\$ 1,115,776.64	\$ 51,501.41	\$ (439,616.37)	\$ 742,696.47	\$ 761,195.12
Proposed funding 2018	\$ 1,045,509.00	\$ 99,466.00	\$ 229,487.00	\$ 323,572.00	\$ 392,984.00
Available funding including estimated funding for 2017/2018	\$ 2,161,285.64	\$ 150,967.41	\$ (210,129.37)	\$ 1,066,268.47	\$ 1,154,179.12