



**Date:** 08/01/2020

**To:** Chair and Directors, Cariboo Regional District Board

**And To:** John MacLean, Chief Administrative Officer

**From:** Kevin Erickson, Chief Financial Officer

**Date of Meeting:** Cariboo Regional District Board\_Jan17\_2020

**File:** 1855-05

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## Short Summary:

2020 Status Update of Community Works Funds

## Voting:

Corporate Vote - Unweighted

## Memorandum:

The Community Works Fund program is administered by UBCM as a vehicle for disbursing Federal Gas Tax Funds to BC Local Governments. Funds are allocated on a per capita basis and are disbursed on a bi-annual basis. The attached report shows that since the inception of the program, the CRD has received \$21,199,869 in community works funds, has spent \$13,409,350 on qualifying projects and has committed another \$7,129,030 leaving an unallocated balance of \$2,791,372.

Over the course of the remaining allocation schedule, ending in 2024, the Cariboo Regional District is set to receive \$7,973,688.

## Attachments:

Summary of Community Works Funds for Board Presentation – January 2020

## Financial Implications:

none

## Policy Implications:

Policy No. 201606B-18 provides direction on how the Board should prioritize the allocation of Community Works Funds:

Policy No. 2016-06B-18

Purpose

The purpose of this Policy is to ensure that the Cariboo Regional District derives the maximum possible benefit from Community Works Funds (CWF) through an optimal and equitable allocation and disbursement policy.

## Background

Community Works Funds (CWF) are provided by way of a transfer of Federal Gas Tax Funds to Local Governments to provide them with a source of stable, predictable, and long-term funding towards environmentally sustainable infrastructure. The Cariboo Regional District receives an allocation of funds based on the total population residing in the Region's Electoral Areas, while each of the member municipalities receive Community Works Funds directly based on their respective populations.

Initial agreements required that CWF funds be directed towards projects aligned with three key environmental outcomes:

- Reduced Greenhouse Gas emissions, • Cleaner Water, and • Cleaner Air.

The New Administrative Agreement on the Federal Gas Tax Fund in British Columbia, effective April 1, 2014, expanded the eligible project categories to which CWF funds could be applied in order to help Local Governments build and revitalize public infrastructure, support regional productivity and economic growth, and promote and maintain a clean environment. Eligible categories under the new agreement include:

- Local roads and bridges,
- 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,
- Recreational infrastructure,
- Cultural infrastructure,
- Tourism infrastructure,
- Disaster mitigation, and
- Capacity building.

Under the terms and conditions of the earlier agreement, the Cariboo Regional District was able to identify projects sufficient to address local priorities with respect to greenhouse gas emissions, clean water, and clean air without over subscribing Community Works Funds. It is

expected, that with the newly relaxed criteria in the new agreement, the number of eligible projects identified, and the costs associated with them, will exceed Community Works Funding provided and available by way of Federal Gas Tax Transfers. As a result, more formal policy, process, and procedure are required to prioritize and allocate Community Works Funds going forward.

The Cariboo Regional District will receive Community Works Funds in the amount of \$1.6 million for the first two years, \$1.7 million for years three and four, and \$1.8 million in year five of the term covered by the new 10 agreement (funding levels for years 6 – 10 of the new agreement have not been published).

It is expected that by way of this policy, and any processes and procedures associated with it, the Regional District will continue to maximize the benefits received by residents through an optimal and equitable distribution of available Community Works Funds.

### Principles

- Community Works Funds should not replace or displace regular annual taxation.
- Community Works Fund allocations and disbursements should result in incremental value added capital spending.
- Community Works Funds should support the achievement of local rural priorities, while recognizing the associated benefits of supporting sub-regional and regional initiatives and ensuring that benefits accrue equitably across the Regional District.
- Community Works Fund allocations and disbursements should be transparent, and include public reporting of CWF allocations and actual expenditures.
- Community Works Funds should continue to emphasize projects aligned with key environmental outcomes, while recognizing newly eligible project opportunities associated with revitalizing public infrastructure and promoting economic growth.
  - Community Works Fund projects, for which the leveraging of funds available from additional alternative sources is possible, should be identified and pursued to maximize the benefits associated with the allocation and disbursement of CWF funds.
- Community Works Fund projects should, where applicable and possible, support the Regional District's Long Term Asset Management and Financial Planning programs.

### Alignment with Strategic Plan:

- Communication:** Facilitate communication strategies throughout the entire Cariboo Regional District that meet the needs of residents, community stakeholders, and other levels of government.
- Planning:** Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.
- Economic Sustainability:** Foster an environment to ensure the economic sustainability of CRD communities and the region.
- Governance:** Ensure that CRD governance policy and practices are intentional, transparent, and respectful.

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**CAO Comments:**

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**Options:**

- 1) Receipt
- 2) Receipt and other action

**Recommendation:**

That the agenda item summary from Kevin Erickson, Chief Financial Officer, dated January 8, 2020, regarding the status of the Cariboo Regional District Community Works Funds, be received.