



Meeting Date: December 20, 2023

Submitted by: Tiffany Farrell, Director of Corporate Services

Report No: CPS-66-2023

Subject: Canada Community Building Fund 2024

Recommendation:

THAT Report CPS-66-2023, the Canada Community Building Fund 2024 be received.

Purpose:

To provide Council with an update on the Canada Community Building Fund.

Background:

As of June 29, 2021, the Gas Tax Fund has been renamed the Canada Community-Building Fund (CCBF). This name change better reflects the program's evolution over time and will not alter or modify the objectives or requirements of the program.

The Canada Community-Building Fund provides all municipalities across the country with a permanent, stable and indexed source of infrastructure funding. It was made permanent in 2011 at \$2 billion per year, and is indexed at 2 per cent per year, starting in 2014-15, with increases to be applied in \$100-million increments from 2014-15 to 2023-24. This represents \$21.8 billion in flexible, long-term funding for municipal infrastructure.

The Canada Community-Building Fund is allocated on a per-capita basis for provinces, territories, and First Nations, but provides a base funding amount of 0.75 per cent of total annual funding for Prince Edward Island and each territory. This funding will be administered through renewed bilateral agreements outlining the terms and conditions for the use of the Canada Community-Building Fund. Municipalities can pool, bank and borrow against this funding, providing significant financial flexibility. Communities select how best to direct the funds with the flexibility to make strategic investments across 19 different project categories.

Middlesex Centre has historically used this funding on bridges and culverts.

Analysis:

The current agreement in place with Association of Municipalities Ontario (AMO) ends in 2023. Staff have been waiting for the new updated agreement for the 2024-2028 term. This agreement is now expected in spring of 2024.

Staff have now received the estimated funding for this fund which is outlined below:

2024 - \$595,098.60

2025 - \$619,894.38

2026 - \$619,894.38

2027 - \$644,690.15

2028 - \$644,690.15

Middlesex Centre's formula-based allocation of funding under the CCBF in 2024 is \$595,098.60 (2023 - \$571,270) an increase of \$23,828.60 or 4.3%.

Financial Implications:

2024 formula allocation of \$595,098.60 was not included in the 2024 budget due to timing of receiving this information. The amount included was based on 2023 amount of \$571,270. The impact will be an overstatement of revenue received and an overstatement of the transfer to reserve funds of \$23,828.60 more than budget. This will have no impact on the tax levy required for 2024. However, it will impact the funding available for CCBF identified projects.

Strategic Plan:

This matter aligns with following strategic priorities:

The process of developing this report directly responds to:

- Sustainable Infrastructure and Services - Objective 4.3 – Continue with our asset management plan and apply a financial sustainability lens to all municipal assets and infrastructure
 - By progressively updating our asset management plan and building the reserve funds for the timely repair/replacement of our assets, and expanding our current practice of making annual reserve fund contributions toward the cost of projected asset management expenditures
 - By communicating our approach to capital projects and communicating clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.

Attachments:

N/A