



REGIONAL
DISTRICT
OF NANAIMO

2023 Community Works Fund Update

RECOMMENDATION

That the Board receive the 2023 Community Works Fund Project List (Attachment 1).

BACKGROUND

A list of Board-approved Community Works Fund (CWF) projects and information on eligible project categories is provided. Attachment 1 provides a list of all current and future CWF funded projects by electoral area, Attachment 2 provides a list of eligible project categories, and Attachment 3 provides a list of completed CWF projects from 2014 to 2022.

The renewed Gas Tax Agreement (GTA) between Canada, British Columbia and the Union of British Columbia Municipalities (UBCM), and the 2014-2024 CWF Agreement between the Regional District of Nanaimo (RDN) and UBCM took effect April 1, 2014. Under these agreements, local governments receive annual transfers which may be used for local priorities to improve public infrastructure. The current Agreement is in place until 2024. In 2023, based on per capita amounts for the electoral area population, \$1,902,863 before interest is expected for the RDN.

At this time, the final payment of the agreement is expected in 2023 and the full balance of the funds should be utilized or allocated to specific projects before the conclusion of the agreement in early 2024. Unused existing funding may indicate to the federal government that an extension of the funding agreement is not required.

As a result of the Board decision made in 2007, each RDN electoral area is allocated funds based on population. Municipalities within the RDN receive funds separately from UBCM under the CWF program. The CWF program is separate from the application-based Strategic Priorities Fund, which provides funding for projects that are larger in scale, regional in impact, or innovative in nature.

The projects listed in Attachment 1 include the development of community water and sewer systems, recreation and parks infrastructure, building upgrades and the implementation of official community plan initiatives.

Some of the projects include a transfer of funding to third parties such as improvement districts and not-for-profit associations. In those cases, agreements are completed with the recipients to ensure compliance with the overarching GTAs signed by the RDN with UBCM and by UBCM with British Columbia and Canada.

Costs such as land purchases, legal costs and operating/administrative costs remain ineligible for funding under the gas tax funding program. There is an expectation included in the agreements by the federal and provincial

governments that the ultimate recipients (local governments and other eligible entities) are required to “work to strengthen” asset management during the term of the Agreement.

CWF projects that have been completed between 2014 to 2022 totaling \$4,975,955 are shown in Attachment 3.

FINANCIAL IMPLICATIONS

In 2023, the RDN will receive the final payment of \$1,902,863 in CWF base funding, which is added to the existing balance and will accrue interest during the year. The Board previously decided to allocate \$50,000 of the funding annually for cross-area projects and the remaining balance to the electoral areas on a per capita basis. Allocations are based on 2021 census data.

The following table sets out estimated balances available by area.

	Jan 1, 2023 Opening Balance	2023 Allocation	2023 - 2025 Estimated Interest	2023 - 2025 Budget	Dec 31, 2025 Projected Closing Balance
Base Funding	\$397,276	\$50,000	\$16,237	\$250,000	\$213,513
Electoral Area A	\$2,839,285	\$324,574	\$97,637	\$2,348,346	\$913,150 ¹
Electoral Area B	\$427,184	\$195,239	\$14,918	\$624,665	\$12,676
Electoral Area C	\$1,255,779	\$145,084	\$30,651	\$1,412,669	\$18,845
Electoral Area E	\$1,094,081	\$293,510	\$30,951	\$1,184,981	\$233,561 ²
Electoral Area F	\$1,181,727	\$356,463	\$39,489	\$1,677,160	(\$99,481) ³
Electoral Area G	\$3,209,391	\$351,821	\$105,235	\$3,579,550	\$86,897
Electoral Area H	\$1,112,451	\$186,171	\$30,779	\$1,260,239	\$69,162
Total	\$11,517,174	\$1,902,862	\$365,897	\$12,337,610	\$1,448,323

From 2023 to 2025, \$12,337,610 is budgeted to be spent. Use of CWFs allows for projects to be completed which would not otherwise be feasible without significant tax increases.

STRATEGIC PLAN ALIGNMENT

Growth Management - Fully develop our Asset Management Plan.

Community Works Funds and capital parks planning supports the Value of Fiscal Responsibility and is used towards supporting other key strategic areas such as Growth Management.

¹ Unallocated funds pending required need for the South Wellington Community Centre upgrade project.

² Unallocated funds pending required need for the Jack Bagley project.

³ Board Resolution 20-148 from March 24, 2020 was not included in the 2023 – 2027 Financial Plan resulting in overallocation of CWF. Included in the 2023 – 2027 Financial Plan is \$225,000 of unspecified Community Park Capital Improvements.

REVIEWED BY:

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ATTACHMENTS

1. 2023 - 2025 Community Works Fund Projects
2. Community Works Funds Eligible Project Categories
3. Community Works Funds Completed 2014 – 2022