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Report 2024-091

Report Title: Municipal Funding Agreement – Canada Community Building Fund

Committee Name: Finance and Audit

Committee Meeting Date: July 30, 2024

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Finance

Reviewed by: Denise Marshall
Director of Public Works
Public Works

Approved by: Jennifer Moore, CAO

Council Meeting Date: August 14, 2024

Strategic Plan Priorities: Innovate for Service Excellence
 Ignite Economic Opportunity
 Foster a Thriving Community
 Propel Sustainable Growth
 Champion a Vibrant Future

Recommendation

That the Finance and Audit Committee, having considered Report 2024-091 ‘Municipal Funding Agreement – Canada Community Building Fund’, recommend that County Council direct staff to execute the agreement between the Association of Municipalities of Ontario (AMO) and the County of Northumberland (County) to make Canada Community Building Fund (CCBF) funding available to the County in accordance with the terms outlined in the agreement; and

Further That the Committee recommend that County Council enact a By-law authorizing the Municipal Funding Agreement at the August 14, 2024 County Council meeting.”

Purpose

The purpose of this report is to provide an update on the Canada Community Building Fund and for County Council to pass a by-law authorizing the Municipal Funding Agreement (MFA).

Background

The Canada Community Building Fund (CCBF), formerly known as the Federal Gas Tax Fund, is renewing agreements with municipalities to access funding. As of April 1, 2024, the Government of Canada, the Association of Municipalities of Ontario (AMO), and the City of Toronto are signatories to the Administrative Agreement on the CCBF which governs the transfer and use of the CCBF. AMO is responsible for administration for the CCBF funding made available to Municipalities in Ontario under the Administrative Agreement, therefore, to access the funding, the County must enter into an agreement with AMO which outlines the terms, responsibilities and activities required by each party.

Consultations

N/A

Legislative Authority / Risk Considerations

The County will be required to comply with the terms of the agreement to access the funding. As described further below, many requirements of the program remain unchanged with some changes. The CCBF accounts for approximately 21% of the annual funding for the County's transportation capital construction program (excluding development charge (DC) projects and funding), so by not executing an agreement with AMO to continue to receive this funding, the implementation of the County's Asset Management Plan for capital infrastructure would be at risk by further deferral of projects due to lack of funding.

Discussion / Options

As per the previous agreement, the following items remain similar or unchanged:

- Allocations – follow existing model
- Eligibility – criteria unchanged
- Funds – terms for use, transfer, and retention of funds unchanged
- Insurance and Indemnification – unchanged
- Asset management – continue to use AMP's to guide CCBF investment
- Records and audit approach – risk-based audit continue to be used
- Communications – continues to be a focus for the Federal Government
- Default and termination – unchanged

The following are changes or new requirements:

- Resilience – the disaster mitigation category has been changed to the resilience category
- Staff costs – are now eligible, with limitations, in the Capacity Building Category only
- Equity – required to consider GBA+ lenses when undertaking projects
- Record retention – must retain records for at least six years (previously required to keep records in accordance with municipality's record retention policy)
- New requirements related to housing – single and lower tier municipalities require a Housing Needs Assessment (HNA) (Upper tiers exempt); project reporting to include housing outcomes resulting from CCBF investment; and, some housing related studies, etc. are eligible under the capacity building category

- Streamlining of reporting requirements and updated wording throughout document for clarification

Financial Impact

The existing allocation model for funding remains unchanged and is distributed on a per capita basis in accordance with the census population counts. The funding allocation typically represents approximately 21% of the annual transportation capital construction funding (excluding DC projects and funding). The funds will continue to be transferred in two installments each year, typically in July/August and November.

Member Municipality Impacts

N/A

Conclusion / Outcomes

It is recommended that County Council pass a by-law authorizing the MFA, and direct staff to execute the MFA, which will be in effect for a 10-year period and submit to AMO to ensure funds are distributed to the County for use in 2024 and beyond.

Attachments

1. Report 2024-091 ATTACH 1 'A By-law to Authorize the Execution of an Agreement to Enter into a Municipal Funding Agreement on the Canada Community Building Fund'
2. Report 2024-091 ATTACH 2 'Municipal Funding Agreement – Canada Community Building Fund'