



**Subject: Funding Agreement for the Renewed Canada Community-Building Fund, 2024-2034**

**Report Number:** FIN 24-039

Department: Finance Department

Submitted by: Renato Pullia, Interim Director of Finance / Treasurer

Meeting Type: Council Meeting

Meeting Date: Monday, July 8, 2024

**RECOMMENDATION**

- A. THAT report FIN-24-039 titled “Funding Agreement for the Renewed Canada Community-Building Fund, 2024-2034” be received as information; and
- B. THAT the Mayor and Clerk be delegated the authority to execute the Municipal Funding Agreement 2024-2034 on the Canada Community-Building Fund between the Association of Municipalities of Ontario and the Town of Tillsonburg; and
- C. THAT a by-law to authorize the execution of the said agreement be presented for consideration.

**BACKGROUND**

The Canada Community-Building Fund (CCBF) (formerly Federal Gas Tax Fund (GTF)) was first announced in the 2005 federal budget. It was originally established to share in the federal gasoline excise tax revenues with municipalities across the country over five years to support environmentally sustainable infrastructure.

In 2011, the CCBF was legislated as a permanent annual transfer of \$2 billion from the Consolidated Revenue Fund, and in 2013 it was indexed at two per cent per year, in \$100 million increments.

In 2014, the Government of Canada, the Province of Ontario, the City of Toronto, and the Association of Municipalities of Ontario (AMO) signed the first 10-yr administrative agreement that governed the flow of funds from 2014 to 2023. Canada transfers the CCBF directly to AMO, who in turn transfers the funds to municipalities in semi-annual instalments (July and November) through agreements between AMO and each municipality.

The funds are distributed on a per-capita basis per census counts, split 50/50 between upper and lower tiers. Funds can be banked for a maximum of 5 years, and must be invested in eligible projects to build, enhance or renew local infrastructure, remediate brownfields, or build capacity for long-term planning.

## DISCUSSION

The Town has received a copy of the renewed Municipal Funding Agreement (MFA) for the administration of the Canada Community-Building Fund (CCBF) between AMO and the Town of Tillsonburg, covering April 1, 2024 up to and including March 31, 2034.

Some changes to the agreement include:

1. Staff costs are now eligible – with limitations – under the capacity-building category
2. Municipalities are expected to consider GBA+ lenses when undertaking projects (GBA Plus is an intersectional analysis that goes beyond biological (sex) and socio-cultural (gender) differences to consider other factors, such as age, disability, education, ethnicity, economic status, geography (including rurality), language, race, religion, and sexual orientation)
3. Municipalities must retain records for at least six years
4. Municipalities with population of 30,000 or more must have a housing needs assessment
5. Incrementality - CCBF funds are still expected to supplement existing funding for municipal infrastructure
6. Sec. 7.1 requires prioritization of projects that address infrastructure needs in the community in accordance with the Town’s asset management plan, and meet provincial targets as set out in O. Reg. 588/17
7. Sec. 7.2 requires the improvement of asset data, particularly data describing asset conditions, costs, levels of service, and risks
8. There are no stacking limits on the CCBF – but CCBF funds are considered to be federal funds when combined with other federal funding programs
9. Funds can be used for costs associated with acquiring, planning, designing, constructing, or renovating a tangible capital asset and related debt financing charges
10. Communications (Schedule E) - must report projects in advance of construction (Se. 6.2), install federal infrastructure signage, alert AMO before holding media events or announcements, acknowledge federal funding

Costs Not Eligible:



### Health infrastructure and assets

Hospitals, long-term care facilities, convalescent centres, senior centres, ambulances, etc.



### Professional sports facilities

Arenas, stadiums, and other facilities used by professional and semi-professional teams

Some expenditures are explicitly **ineligible** ([Schedule C](#))

- **Routine repair and maintenance costs**  
i.e., operating costs and costs that do not result in the construction, material enhancement, or renewal of infrastructure
- **Internal costs**  
e.g., overhead, operating, and administrative costs
- **Land costs**  
e.g., land acquisition or expropriation costs
- **Rebated costs**  
e.g., rebated HST
- **Costs incurred before they were eligible**  
i.e., costs incurred before the creation of the Fund in 2005 and costs incurred before categories were added in 2014 and 2021
- **Investments in health infrastructure**  
As mentioned on a prior slide
- **Investments in professional and semi-professional sports facilities**  
As mentioned on a prior slide
- **Legal fees**

## CONSULTATION

N/A

## FINANCIAL IMPACT/FUNDING SOURCE

The CCBF provides a stable and predictable source of funding to support investments in municipal infrastructure. The CCBF’s flexibility and predictability allows municipalities to plan for the future and invest in projects that address local priorities.

Under the new agreement, estimated allocations for Tillsonburg for 2024-2028 are as follows:

2024	2025	2026	2027	2028
\$ 567,400	\$ 591,400	\$ 591,042	\$ 641,683	\$ 614,683

The funding is earmarked towards Roads capital infrastructure projects.

## CORPORATE GOALS

How does this report support the corporate goals identified in the Community Strategic Plan?

- Lifestyle and amenities
- Customer service, communication and engagement
- Business attraction, retention and expansion
- Community growth
- Connectivity and transportation
- Not Applicable

Does this report relate to a specific strategic direction or project identified in the Community Strategic Plan? Please indicate section number and/or any priority projects identified in the plan.

**Goal** – N/A

**Strategic Direction** – N/A

**Priority Project** – N/A

**ATTACHMENTS**

1. Appendix A – MUNICIPAL FUNDING AGREEMENT ON THE CANADA COMMUNITY-BUILDING FUND