

COUNCIL REPORT

To: Mayor and Council

From: Finance

Date: April 5, 2023

Subject: Growing Communities Fund

RECOMMENDATION:

THAT Council supports staff recommendations to utilize 100% of the funds for critical infrastructure project(s) such as water and sewer, as identified in the financial plan bylaw, or as capital project(s) are identified.

BACKGROUND:

In early March 2023, the Province of BC announced funding for local governments under the Growing Communities Fund (GCF). As a one-time grant, the GCF will provide up to \$1 billion through direct grants to local governments to support all BC communities, with a focus on those communities that need to increase the pace and scale of housing supply. The principal objective of the GCF is to increase the local housing supply with investments in community infrastructure and amenities. The funding provided through the GCF is limited to one-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities.

Examples of eligible costs include public drinking water supply, treatment facilities and water distribution; storm water management; solid waste management; local portion of affordable/attainable housing developments; local road improvements and upgrades; sidewalks, curbs, and lighting; and recreation-related amenities.

Under part 7 of the Local Government Grants Regulations, the amount of the grant to each local government is set by the Minister of Municipal Affairs. The determination of this amount was based on a formula that applies to all municipalities. The District of Mackenzie was the recipient of a \$1,723,000 grant.

As a condition of the funding, the grant must be placed in a segregated reserve fund established by bylaw under section 188 of the *Community Charter* for the Capital and Planning purposes of the GCF. This fund must be separate from other existing reserve funds. An amendment to Reserve and Surplus Policy 3.18 will be brought to Council at a future date. To ensure full transparency regarding the use of funds, local governments will be required to annually report on how it spends this grant. It will be part of the annual financial reporting

required under section 167 of the *Community Charter*. Local governments will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds and the year-end balance of unused funds. Annually reporting on the use of grant money until the funds are fully drawn down. The provincial government anticipates funds will be expended within approximately five years of receipt.

Beside the economic and environmental benefits it can provide, sustainable water resource management is critical for ensuring that all residents have access to safe and reliable drinking water. Wastewater from residential and commercial sources contains chemicals and micro-organisms which can threaten public health and damage the environment. Managing wastewater is a key aspect of developing a high-quality built environment that supports safe communities and protects ecological integrity. Many of the District's water and sewer infrastructure is over 50 years old and is reaching the end of its life cycle. Replacing or rehabilitating the aging infrastructure is a priority and the grant funds received provides the ability to accelerate the delivery of capital project(s), where current reserve funds are inadequate.

COUNCIL PRIORITIES:

Strong Governance and Finances

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

Respectfully Submitted,



Kerri Borne
Chief Financial Officer



Approved for Submission to Council