

COUNCIL REPORT

To: Mayor and Council

From: Finance

Date: May 1, 2023

Subject: Growing Communities Reserve Fund

RECOMMENDATION:

THAT Council amends Council Policy 3.18 Reserve and Surplus Policy as attached to this report to include the Growing Communities Reserve Fund.

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.

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.

To ensure full transparency regarding the use of funds, local governments will be required to annually report on how they spend 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.

At the April 11, 2023 Council Meeting council approved staff's recommendation 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 projects(s) are identified.

To implement this change, the Reserve Fund Establishment Amendment Bylaw No. 1492, 2022, must also be amended. The policy guides the development, maintenance, and use of reserve funds, and the bylaw provides the purpose of the reserves. A copy of the proposed bylaw has been included in the Bylaw section of this agenda for consideration.

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