



The Corporation of the Town of Tecumseh

Financial Services

To: Mayor and Members of Council

From: Tom Kitsos, Director Financial Services & Chief Financial Officer

Date to Council: July 23, 2024

Report Number: FS-2024-12

Subject: Canada Community-Building Fund Agreement

Recommendations

It is recommended:

That By-law No. 2024-059 authorizing the signing of the “Municipal Funding Agreement on the Canada Community-Building Fund” effective as of April 1, 2024, be approved.

Background

The Town previously entered into an agreement with the Association of Municipalities of Ontario (AMO) pursuant to By-law No. 2006-06 and with the County of Essex (Essex) pursuant to By-law No. 2006-17. These agreements facilitate the transfer of Federal Gas Tax Fund (GTF) revenues to Ontario Municipalities up to March 31, 2010.

In 2010, pursuant to By-law No. 2010-16, an Amending Agreement was approved to confirm Municipalities’ Gas Tax Fund allocations to 2014. In 2014, pursuant to By-law No. 2014-38, a Municipal Funding Agreement was approved, providing for allocations for a further ten years, 2014-2023. In 2021, the GTF was renamed as Canada Community-Building Fund (CCBF).

Comments

The Town is required to execute the Municipal Funding Agreement on the Canada Community-Building Fund (MFA) to continue receiving annual allocations from the fund. The MFA continues the provisions of the previous agreements to March 31, 2034. Changes to the MFA are outlined in Attachment 1 “Summary of Changes to the CCBF

MFA 2024-2033” as provided by AMO.

Highlights of significant changes include:

- Allocations are based on the 2021 Census for 2024-2028 while allocations for 2029-2033 will be based on the 2026 Census;
- New term of the agreement is April 1, 2024 to March 31, 2034, allowing for an agreement review June 30, 2027;
- Annual reporting required by April 30 (previously March 31);
- Added requirement of reporting housing outcomes where applicable;
- New requirement: Housing Needs Assessment to be submitted for single-tier and lower-tier municipalities with 2021 Census population above 30,000; and
- Allocations will grow 2% per year in \$100 million increments. First increases are expected in 2025 and 2027.

AMO continues to represent all Municipalities, excluding Toronto, and has signed an “Administrative Agreement on the Canada Community-Building Fund”, which governs the transfer and use of the CCBF in Ontario. AMO in turn executes agreements with all municipalities.

The MFA continues to emphasize the need for municipalities to have an Asset Management Plan (AMP) in accordance with legislation and regulation established by the Government of Ontario, while adding that CCBF recipients (Town) will continue to improve data describing the condition of, long-term cost of, levels of service provided by, and risks associated with infrastructure assets.

The MFA allows the CCBF to be invested directly in the ONE Investment Program. This option is meant to assist municipalities in investing surplus funds. The Town will explore this opportunity where appropriate, considering five-year capital plans and program requirement to spend CCBF funds within five years of allocation.

Consultations

None

Financial Implications

The CCBF allocations are calculated based on lower-tier municipal populations based on 2021 Census data, with those funds split 50/50 with the upper-tier. Since inception of the CCBF (formerly GTF), Essex County has reallocated 60% of their share back to the

lower-tier municipalities and has committed to continue doing so with this new MFA per County of Essex Council Report 2024-0717-FIN-R14-MR “2024 Canada Community-Building Fund Allocation (formerly Federal Gas Tax Fund)”.

The Town’s estimated share of CCBF for the 2024-2028 period is:

Source of Town’s CCBF	2024	2025 and 2026	2027 and 2028
Federal	732,555	763,078	793,601
County Share	439,533	457,847	476,161
Annual Total	1,172,088	1,220,925	1,269,762
Annual Change	(31,882)	48,837	48,837

The Town’s CCBF (formerly GTF) share has been reduced with each new census as the Town’s percentage share of the Ontario population has been declining. Our total GTF in the first year of full funding was \$1,305,184 (2009).

The 2024 CCBF used for budget purposes was estimated to be \$1,203,970 compared to the actual of \$1,172,088 resulting in a deficit of \$31,882.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and

recommended for submission by the Chief Administrative Officer.

Prepared by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Summary of changes to the CCBF MFA 2024-2033