

# Town of Riverview

## COUNCIL REPORT FORM



Presented to: Mayor and Council

Department: Finance

Date: July 8, 2019

**Agenda Item:**

**Meeting Date:**

For use by Office of the Town Clerk only

**Subject: Gas Tax Fund (GTF) Five Year Capital Investment Plan**

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### **BACKGROUND**

The Federal Government has historically provided funding for municipal infrastructure projects through the GTF program which is managed and monitored in conjunction with the Provincial Government. The current GTF program is for the five year period from 2019-2023.

One of the program requirements is the submission of a Five Year Capital Investment Plan (CIP) to provide information to senior levels of government describing the nature of planned capital projects to be financed, in whole or in part, with money from the GTF. The Provincial Government requires the Town to provide a list of generalized categories of capital projects for which they are planning to utilize GTF funding to finance. With the additional Gas Tax funding to be received in 2019 and recent revision(s) to the overall Ten Year Capital Plan (see COW meeting of June 24), the Town is in a better financial position to construct the first phase of the Bridgedale Boulevard in 2020.

This update to the Gas Tax Capital Investment Plan is unique in that it is required to include the additional Gas Tax funding announced earlier this year in the amount of \$1,425,073 for the Town. Inclusive of this additional funding there is a total of approximately \$9.3 million of Gas Tax Funding available over the five (5) year term (2019-2023) of this capital plan.

As such, the Town of Riverview Finance Department has prepared a Five Year GTF CIP reflecting the above. Please note that the Five Year CIP is required to include only the capital projects for which GTF money is planned to help finance. It does not include numerous other capital projects that will be financed through other sources such as the Capital from Operating (*"pay as you go"*) budget, reserves, long term debt and/or other government grants and funding programs.

### **CONSIDERATIONS**

Legal: N/A

Financial:

The GTF program is an integral component of overall sources of financing for the long term infrastructure/capital plan. There is significant flexibility in how these funds are utilized based upon Council priorities along with staff advice. The attached CIP demonstrates the decision to use GTF dollars to fund Utility

Infrastructure and Local Roads/Streets. Amendments are permissible at any time during the term of the Agreement. An annual review of this Gas Tax plan will take place simultaneously with the annual review of the broader *Ten (10) Year Financial and Capital Plan*.

Policy:

The Town must follow the terms set out in the GTF Agreement which includes submission of a CIP.

The exercise of preparing and submitting a Capital Investment Plan is largely a formality. **It does not absolutely bind Council** to utilize the GTF money as shown in the Plan. It merely gives the senior levels of government an indication of the municipality's intended use for this funding over the five year term of the Agreement.

Stakeholders:

This plan increases the ability to fund capital projects which are vital to the Town being able to provide safe and reliable drinking water to the residents. It will reduce utility fund maintenance costs and contribute to keeping increases in water and sewer bills to a minimum. As well, the plan includes partial funding for local roads/streets.

Strategic Plan:

Maintaining and improving existing infrastructure is a pillar of the Strategic Plan.

Interdepartmental Consultation:

Discussion and review with the CAO and Director of Engineering on the contents of the amended CIP has taken place.

Communication Plan:

Upon formal adoption by Council a final copy shall be provided to the GTF Administration team at the Province.

**OPTIONS**

- 1) Approve
- 2) Amend

**RECOMMENDATION FROM STAFF**

**Staff recommends the adoption of the 2019-2023 Gas Tax Fund Capital Investment Plan as presented.**

**CRF Prepared by: Robert Higson, CPA**

**CAO Approval:** \_\_\_\_\_

**Date of Approval:** \_\_\_\_\_