



Committee of the Whole Report

For the Meeting of May 25, 2017

To: Committee of the Whole **Date:** May 17, 2017
From: Susanne Thompson, Director of Finance
Subject: Gas Tax Strategic Priorities Fund Application Intake

RECOMMENDATION

1. That Council direct staff to submit the following applications under the Gas Tax Strategic Priorities Fund:
 - a. Two capital infrastructure applications in the following priority order:
 - i. Crystal Pool Replacement \$6 million
 - ii. Cycling Network Implementation \$6 million
 - b. One capacity building application for Asset Management Practices, Procedures, and Training Plan \$150,000
2. Authorize the Mayor and the City Clerk to execute any agreements related to a successful grant application

EXECUTIVE SUMMARY

The purpose of this report is to seek Council approval to submit three grant applications under the Gas Tax Strategic Priorities Fund current application intake and request Council's prioritization of the two capital infrastructure projects.

On May 22, 2014, the Government of Canada, the Province of British Columbia and the Union of BC Municipalities signed the renewed Gas Tax Agreement. This ten year funding program runs from 2014 to 2024. The objective of this program is to provide funding support for the capital costs of local government infrastructure projects that are larger in scale, regional in impact, or innovative and support the national objectives of productivity and economic growth, a clean environment and strong cities and communities.

The Gas Tax funding is delivered through three program streams: the Community Works Fund, the Strategic Priorities Fund and the Greater Vancouver Regional Fund. The program streams available to the City of Victoria are the Community Works Fund and the Strategic Priorities Fund. The Community Works Fund provides annual funding (\$3.4 million in 2017) to the City, which Council allocates through the Financial Planning process. The Strategic Priorities Fund is an application-based funding program available to local governments outside the Greater Vancouver Regional District.

The Strategic Priorities Fund has two funding streams: Capital Infrastructure and Capacity Building. Each eligible Local Government may submit two applications under the Capital Infrastructure

Projects stream and one application under the Capacity Building stream and must have Council approval. There is a total of \$180 million available in this round and this intake may be the last one under this program if sufficient eligible applications are approved.

Applications are due on June 1, 2017. It is anticipated that the funding decisions will be announced in late fall of 2017.

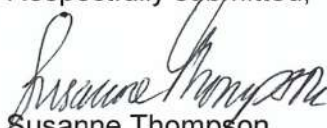
Staff have reviewed the Financial Plan and determined that there are four potential projects for the Capital Infrastructure Projects stream: Crystal Pool and Fitness Centre, Cycling Network Implementation, Belleville, and Ship Point. Upon an evaluation of each project against the selection criteria, staff recommend that Council approve the submission, as the first priority, for the replacement of Crystal Pool and Fitness Centre, and, as the second priority, for the Cycling Network Implementation. (Appendix A). Additional assessment and planning is required for Ship Point and the work for Belleville is scheduled to be undertaken by City staff, which is not an eligible cost under the grant program.

Starting in 2014, the City has made a significant commitment to the implementation of a comprehensive Enterprise Asset Management (EAM) system. After committing to integrate the Cartegraph software system, the City piloted the first stage of implementation for Facilities in 2015 and Underground Utilities in 2017. These pilots are providing valuable information that will inform the full implementation of the asset management system across all City functions in 2018 and 2019. It has been identified that for the organization-wide implementation to be successful, capacity needs to be increased to support the development of new asset management practices, procedures and training plans. This will ensure the long-term success of the program and will ultimately result in increased efficiencies and financial benefits to the City. Staff recommend that Council approve the submission of a \$150,000 grant application for the Capacity Building stream,

CONCLUSIONS

Based on funding timelines, Council priorities, program criteria and project readiness, the recommended projects received high rankings and have the greatest likelihood of being successful in this intake.


Respectfully submitted,


Susanne Thompson
Director of Finance


Chris Coates
City Clerk

Report accepted and recommended by the City Manager:

Date:


May 18, 2017

List of Attachments

Appendix A: Capital Project Selection Criteria Checklist

Appendix B: Gas Tax Strategic Priorities Fund Program Selection Process and Criteria