

**Region of Waterloo**  
**Corporate Services**  
**Corporate Finance**

---

**To:** Regional Council  
**Meeting Date:** August 28, 2024  
**Report Title:** Municipal Funding Agreement Canada Community Building Fund

---

**1. Recommendation**

That the Regional Municipality of Waterloo pass a By-law to authorize the Regional Chair and the Regional Clerk to execute the Municipal Funding Agreement for The Canada Community Building Fund (CCBF) between the Association of Municipalities of Ontario (AMO) and The Regional Municipality of Waterloo, with such Agreement to be to the satisfaction of the Regional Solicitor, as outlined in report COR-CFN-24-012 dated August 28, 2024.

**2. Purpose / Issue:**

The Region is required to enter into an Agreement with AMO to receive Canada Community Building Fund (CCBF) funding. AMO requires a By-law be passed by the municipality to authorize the Agreement.

**3. Strategic Plan:**

The Canada Community Building Fund is designed to help municipalities make investments in infrastructure to support the growth of strong cities and communities and promote investments in productivity and economic growth and a clean environment. The funding is used by the Region for asset renewal which in turn, supports both the Climate Aligned Growth and Equitable Services and Opportunities Strategic Initiative objectives.

**4. Report Highlights:**

- The Region is required to enter into an Agreement with AMO to receive CCBF funding. AMO requires a By-law passed by the municipality to authorize the Agreement.
- The Canada Community Building Fund (CCBF) will provide \$18,460,538 in 2024 and \$96,917,826 in total for 2024-2028.
- This funding is utilized to rehabilitate eligible infrastructure primarily within the Transportation portfolio.

## 5. Background:

The 2005 Federal Budget announced revenue sharing arrangements for the federal gas tax revenues for investment in environmentally sustainable municipal infrastructure, known as “The New Deal for Cities and Communities.” In Ontario, this program was administered by the Association of Municipalities of Ontario (AMO) on behalf of the federal government for all municipalities in the province except Toronto. This program was in effect until March 31, 2010, at which time an amending agreement came into effect extending the transfer of gas tax funds to March 31, 2014.

The 2014 Federal Budget announced up to \$2 Billion annually for municipal, regional and First Nations infrastructure beginning April 1, 2014. On April 1, 2014, AMO signed the “Canada-Ontario-AMO-Toronto” agreement that contained the framework for the transfer of federal gas tax funds to Ontario municipalities to provide stable, reliable and predictable funding for municipal infrastructure purposes for the next 10 years until 2024.

The Federal Budget Implementation Act 2021, No.1 renamed the program to Canada Community Building Fund (CCBF).

Over the next five years the CCBF will invest over \$4.7 billion in the province of Ontario with \$895 million in 2024/2025.

The Region is required to enter into an Agreement with AMO to enable this transfer and AMO requires a By-law be passed by the municipality to authorize the Agreement.

## 6. Communication and Engagement with Area Municipalities and the Public

Not applicable.

## 7. Financial Implications:

The new CCBF agreement will provide guaranteed funding for ten years, starting with \$18,460,538 in 2024 and will increase as outlined below. In 2028 the program will be reviewed and a schedule of estimated payments from 2029-2033 be provided to the Region by AMO. The allocations for fiscal years 2024-25 through 2028-29 are based on 2021 Census data. Funding distribution is adjusted every five years when new census data is available. Allocations for fiscal years 2029-30 through 2033-34 will be based on 2026 Census data.

Year	Estimated Schedule of Fund Payments		
	Payment #1	Payment #2	Total
2024	\$9,230,269	\$9,230,269	\$18,460,538
2025	\$9,614,864	\$9,614,864	\$19,229,728
2026	\$9,614,864	\$9,614,864	\$19,229,728
2027	\$9,999,458	\$9,999,458	\$19,998,916
2028	\$9,999,458	\$9,999,458	\$19,998,916

**8. Conclusion / Next Steps:**

The following By-law must be enacted to complete this agreement with AMO:

By-law Number 24-029: A By-law to Authorize the Municipal Funding Agreement for the Transfer of Federal Canada Community Building Fund Revenues between the Association of Municipalities of Ontario and the Region of Waterloo.

Once the By-law is approved and the agreement has been signed, AMO will review and sign. Once this process is complete, the Region will receive the first payment for 2024.

**9. Attachments:**

N/A.

**Prepared By:** Erin Gray, Financial Analyst Transportation

**Reviewed By:** Shane Fedy, Manager Infrastructure Financing

**Approved By:** Cheryl Braan, Interim Commissioner, Corporate Services/Chief Financial Officer