

Questions and Answers - Canada Community-Building Fund Renewal, 2024-2034

September 2024

Canada Community-Building Fund Program Questions and Answers September 2024

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1. What is the Canada Community-Building Fund Program?

- The Canada Community-Building Fund (CCBF) Program, formerly known as the Gas Tax Fund, is a federal funding program established by the Government of Canada in 2005.
- Canada and Saskatchewan have renewed the program for the period April 1, 2024, to March 31, 2034, inclusive.
- The program provides funding to municipalities on a per capita basis to help build and revitalize local public infrastructure.

2. How can municipalities participate in the CCBF Program?

- Each municipality is required to enter into a Municipal Funding Agreement (MFA) with the province.
- The [MFA](#) and the [Municipal Compliance Strategy](#) set out the requirements that municipalities must fulfill to be eligible for each transfer of CCBF funding.
- Failure to comply with these requirements can result in a municipality's payment being withheld until compliant.

3. Can the content of the MFA be shared with the public, or is it restricted to council members?

- The MFA can be shared with the public. A [template agreement](#) has been made public and is posted on the Government of Saskatchewan website.

4. Will municipalities that previously chose not to participate or were removed for non-compliance have the opportunity to participate in the renewed CCBF Program?

- Yes, non-participating municipalities or municipalities that were previously removed will have the opportunity to enter the program.
- Municipalities that are required to repay some of their CCBF allocations will need to repay those funds first to participate in the renewal.

5. What is the Municipal Compliance Strategy?

- The Oversight Committee established the Municipal Compliance Strategy to ensure that municipalities comply with the terms and conditions set out in their agreement.
- This strategy ensures the fair and accountable treatment of all municipalities and mitigates any unnecessary risk to the CCBF.
- Municipalities must fulfil the requirements to be eligible to participate and receive funding from the CCBF program.
- Further information and timelines respecting the [compliance strategy](#) can be found on saskatchewan.ca.

6. Is there a deadline for the submission of the Infrastructure Investment Plan (IIP) under the new agreement?

- Yes. In accordance with Schedule A of the MFA, a participating municipality must submit at least one IIP by **October 31, 2025**, establishing the use of some or all of its allocations from 2024-25 to 2028-29 on Eligible Projects; and at least one IIP by **October 31, 2030**, utilizing some or all of its allocations from 2029-30 to 2033-34 on Eligible Projects.

7. When will municipalities receive their CCBF funding?

- To receive funding, municipalities must:
 - enter into a [Municipal Funding Agreement](#), including any amendments
 - submit an [Infrastructure Investment Plan](#) for each project
 - adhere to [Saskatchewan's Municipal Compliance Strategy](#)
- Grant funding is provided to municipalities upfront, twice per year, allowing municipalities to pool, bank, and borrow against this funding.
- The funding will be transferred to municipalities in two equal payments as follows:
 - The first payment is contingent on the municipality indicating their commitment by signing the MFA.
 - The second payment is contingent on the municipality meeting the reporting requirements outlined in the MFA and the Municipal Compliance Strategy.

- Should the municipality's signed agreement be received during the provincial election campaign, the agreement and the first payment will be processed and sent shortly after the provincial election has concluded.
- As long as Saskatchewan receives the CCBF from Canada, installment payments will be made biannually to participating municipalities.

8. How much will the municipality receive under the new agreement from 2024-25 to 2028-29?

- The [estimated allocations](#) for each municipality are posted on [saskatchewan.ca](https://www.saskatchewan.ca).

9. Is it possible to receive the payment allocations in a lump sum?

- No. Saskatchewan receives CCBF funds from the federal government in biannual installments. Saskatchewan distributes the funding to compliant municipalities in the same format.

10. Can the municipality carry over any remaining funds from the previous CCBF Agreement and apply them to the new agreement? Can the deadline for all projects be extended beyond December 31, 2024?

- In accordance with section 3.1 of the MFA, the municipality must spend:
 - Its unspent funds and the estimated five-year allocation from 2024-25 to 2028-29, and any interest earned thereon, by December 31, 2030.
 - Its estimated five-year allocation from 2029-30 to 2033-34 and any interest earned by December 31, 2034.
- The municipality must complete all approved projects by December 31, 2034, without exception. Any costs incurred after that date are not considered eligible expenditures.

11. What types of projects does the CCBF support?

- Municipalities are best positioned to select how to invest the CCBF funds in their community within 19 different project categories, which include:
 1. local roads and bridges
 2. highways
 3. short-sea shipping
 4. short-line rail

5. regional and local airports – airport-related infrastructure
 6. broadband connectivity
 7. public transit
 8. drinking water
 9. wastewater
 10. solid waste
 11. community energy systems
 12. brownfield redevelopment
 13. sport infrastructure
 14. recreational infrastructure
 15. cultural infrastructure
 16. tourism infrastructure
 17. resilience
 18. capacity building
 19. fire halls
- The CCBF is intended to cover capital costs only and may not be used for maintenance or operating costs, debt reduction or replacement of existing local infrastructure expenditures.

12. Municipalities were previously required to implement and report on progress made in Asset Management in their community. Does this mean Asset Management will be a mandatory requirement to access infrastructure program funding?

- Yes, asset management will continue to be a requirement under the CCBF agreement and expenditures for asset management planning are eligible under the capacity building project category.
- The CCBF Asset Management Subcommittee established tiers, targets, and measures for municipalities to work towards in developing their asset management plans and report on the progress made.
- Also, municipal annual financial statements must comply with PSAB 3150-Tangible Capital Assets.

13. What reports/information are municipalities required to submit?

- **Infrastructure Investment Plan:** The municipality must submit an Infrastructure Investment Plan (IIP) to the ministry for projects to be approved. The IIP outlines the details of the proposed project and the amount of CCBF funding that will be used. An IIP form and guide can be found at <https://www.saskatchewan.ca/government/municipal-administration/funding-finances-and-asset-management/funding/canada-community-building-fund/about-the-canada-community-building-fund#infrastructure-investment-plans>.

- **Municipal Annual Expenditure Report:** The municipality must submit a Municipal Annual Expenditure Report (MAER) to the ministry and provide information on interest earned, approved project expenditures, project status, and estimated completion date by March 31 of each year. More details can be found at <https://www.saskatchewan.ca/government/municipal-administration/funding-finances-and-asset-management/funding/canada-community-building-fund/maer>.
- **Capital Plan:** If the community is considered a city or has a population greater than 5,000, they are required to provide Saskatchewan with a five-year Capital Plan that has been approved by Council. The plans must be submitted annually to the ministry by March 31.
- **Outcomes Report:** Municipalities must submit an annual Outcomes Report to the ministry outlining the outcomes achieved on each completed project. This information assists the province in submitting the provincial outcomes report. The ministry identifies completed projects through the submission of the MAER and sends those municipalities an outcomes report to be filled out for each completed approved project. The ministry will communicate directly with municipalities the details and timeline of this reporting.
- **Asset Management Report:** Municipalities are required to make progress towards developing and/or implementing an asset management plan. Upon request, municipalities are required to submit information to the ministry to ensure they make progress and continue to work towards achieving the asset management goals as approved by the Oversight Committee Co-chairs. Also, municipal annual financial statements must comply with PSAB 3150-Tangible Capital Assets. The ministry will communicate the details to the municipalities separately.
- **Financial Statements** – In accordance with *The Municipalities Act*, *The Northern Municipalities Act, 2010* and *The Cities Act*, all municipalities, except cities, must submit financial statements by July 1 each year for the previous calendar year. Cities must submit by September 1.
- **Housing Needs Assessment:** Municipalities with a 2021 census population of 30,000 or greater, as well as those mutually identified by both Canada and Saskatchewan, must complete a [Housing Needs Assessment](#) (HNA). Municipalities that identify infrastructure-related housing gaps in their HNA will be required to invest CCBF funding in projects that would improve housing outcomes. Municipalities must publish the HNA on their website and send the link to the ministry by March 31, 2025, and update their HNA every five years.
- **Project-Level Housing Report:** The municipality, if applicable, must submit a project-level housing report and a program-level housing outcome report to Saskatchewan annually. The housing reporting piece is incorporated into the existing CCBF Municipal Compliance Strategy.

- **Program-Level Housing Outcomes Report:** Saskatchewan shall provide Canada with a narrative report on program-level housing outcomes. This narrative report will be aligned with and incorporated into the annual CCBF Outcomes Report. The report should outline how CCBF has supported housing supply and affordability pressures over the reporting period and measures taken to improve housing supply and improve housing affordability for Canadians. It should also align with identified needs within Ultimate Recipients Housing Needs Assessments once they have been developed.

14. What are the changes under the new CCBF Administrative Agreement?

Statement of Priorities and Letter of Intent:

- The most substantive change to the agreement relates to the Government of Canada tying infrastructure funding to actions by provinces and municipalities to increase housing supply and affordability.
- As part of the new agreement, the federal government will provide Saskatchewan with a Statement of Priorities letter each year to set out the federal government's expectations respecting housing outcomes.
- Saskatchewan will then respond to Canada with a Letter of Intent indicating the commitment to improve housing outcomes.
- The municipality must comply with all applicable requirements contained in any Statement of Priorities sent by Canada to Saskatchewan. Saskatchewan will communicate the requirements contained in any Statement of Priorities received from Canada to municipalities, if applicable.

Housing:

- In addition to the existing reporting structure, municipalities will now be required to meet new housing reporting requirements.
- Communities with a population of 30,000 or over, as well as those mutually identified by both Canada and Saskatchewan, must complete a Housing Needs Assessment (HNA). They should use the [template](#) provided by Canada.
- Municipalities that identify infrastructure-related housing gaps in their HNA will be required to invest CCBF funding in projects that would improve housing outcomes. A project-level housing report will then be required annually and a Housing Narrative in the CCBF outcomes report.

Allocation Formula:

- Municipalities will continue to receive CCBF funds on a per capita basis, with the introduction of a minimum of \$2,000 in funding to small municipalities that are estimated to receive less than \$2,000 based on their population count.

15. Questions:

If you have any further questions or comments respecting the CCBF Program, please contact:

Ministry of Government Relations
Municipal Infrastructure and Finance
500 – 1855 Victoria Avenue
REGINA SK S4P 3T2

Phone: 306-787-8912

Email: ccbfprogram@gov.sk.ca

Website: <https://www.saskatchewan.ca/government/municipal-administration/funding-finances-and-asset-management/funding/canada-community-building-fund/>