

FEDERAL GAS TAX TRANSFER

June 2005

Financial Services

3 PARTY AGREEMENT IN PRINCIPLE

- ✓ Federal Government
- ✓ Province of BC
- ✓ UBCM

DISTRIBUTION OF FUNDS

2005 – 2009

Govt Of Canada - \$5 Billion

Prov of BC - \$635.6 Million

City of Kelowna - \$15.2 Million

PURPOSE

Provide a source of stable,
predictable and long-term
funding towards
environmentally sustainable
municipal infrastructure

OUTCOMES

- Reduced Greenhouse Gas Emissions
- Cleaner Water
- Cleaner Air

ALLOCATION

- Funding based on population
- Modified to promote local & regional strategic investments

ALLOCATION

- Community Works Fund
- Strategic Priorities Fund
- Innovations Fund

Meaning of Local Government

ESTABLISHMENT OF TIERS

<i>TIER</i>	<i>AREA</i>	<i>COMMUNITY WORKS FUND</i>	<i>STRATEGIC INVESTMENT FUND</i>
1	All other area of BC	75%	25%
2	CORD, RDOS, NORD, CRD, CVRD, RDN, FVRD, SLRD	50%	50%
3	GVRD	Up to 25%	Up to 100%
<i>% of total tier per capita allocation</i>			

KELOWNA'S FUNDING SHARE

Kelowna Allocation for the years 2005-9 based on a \$5 billion distribution

	2005/6 <u>@ .6 Billion</u>	2006/7 <u>@ .6 Billion</u>	2007/8 <u>@ .8 Billion</u>
Community Works Fund @ 50%	919,553	919,553	1,226,071
Strategic Priorities Fund @ 50%	919,553	919,553	1,226,071
Total Allocation	1,839,106	1,839,106	2,452,141
	2008/9 <u>@ 1.0 Billion</u>	2009/10 <u>@ 2.0 Billion</u>	Total <u>@ 5.0 Billion</u>
Community Works Fund @ 50%	1,532,588	3,065,177	7,662,942
Strategic Priorities Fund @ 50%	1,532,588	3,065,177	7,662,942
Total Allocation	3,065,177	6,130,353	15,325,883

USE OF FUNDS

- Projects in Schedule A
(eligible investment categories)
- Eligible Costs in Schedule B

ELIGIBLE INVESTMENT CATEGORIES

- Public Transit
- Community Energy Systems
- Water & Wastewater
- Solid Waste Management
- Capacity Building

ELIGIBLE COSTS

- Project Costs (Capital Costs)
- Employee & Equipment Cost
- Ineligible Capital Costs
- Capacity Building Costs

OTHER ISSUES

- Governance
- Final Contribution Agreement
- Reporting & Audits
- Amendments
- Review & Renewal