



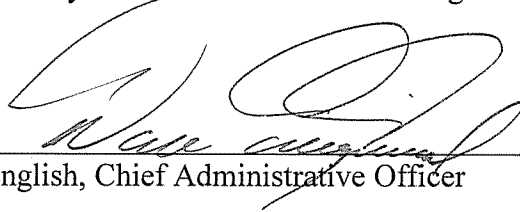
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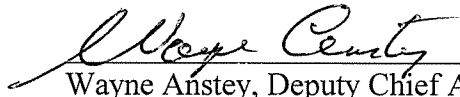
Halifax Regional Council
April 11, 2006

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer

DATE: April 11, 2006

SUBJECT: Community Energy Project #CDI00697

ORIGIN

- June 22, 2004, Regional Council approved the creation of a Sustainable Community Reserve
- November 30, 2004, Regional Council approved the amendment to the Reserve Business Case and approved an increase in the 04/05 Capital Budget.

RECOMMENDATION

It is recommended that Regional Council:

- Increase the 05/06 Capital Budget #CDI00697 in the amount of \$53,714 with previously approved funding from the Sustainable Community Reserve Q127. (A list of the allocation of Sustainable Community Reserve funding as approved by Regional Council on October 25, 2005 is attached.)

BACKGROUND

In June 2004 HRM Council approved the creation of the Sustainable Community Reserve. On November 30, 2004 HRM Council approved the allocation of funding to a detailed list of capital projects for 2004/05, including \$80,000 for District Energy Concept. On October 12, 2005 HRM Council approved a reallocation of funding to Sustainable Community Reserve capital projects, confirming the \$80,000 for the District Energy Concept.

On August 9, 2005 HRM Council approved a transfer of \$26,286 from Q127 (District Energy concept) to capital account CDI00697 Community Energy, leaving a balance of \$53,714 approved funding within Q127 under the District Energy Concept. There are some transactions (invoices and payments) pertaining to 2005/06 that must be processed within the 2005/06 fiscal year. In order to be compliant with policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, the balance of funding from Q127 regarding District Energy Concept (\$53,714) needs to be transferred to CDI00697 in order to enable the processing of these transactions.

DISCUSSION

To date HRM has been able to leverage the following funds toward development of a District Energy system on peninsula Halifax mainly using the Sustainable Community Reserve funding which originates from FCM, not from HRM's general revenues.

- \$27,411 NS Department of Energy (received)
- 10,000 Dalhousie University (received)
- 5,000 Saint Mary's University (received)
- 10,000 Capital District Health Authority (received)
- 10,719 FCM (received)
- 6,250 NS Energy (to be invoiced by March 31, 2005)
- 12,000 Environment Canada (to be invoiced by March 31, 2005)
- 40,000 Atlantic Canada Opportunities Agency (paid directly to vendor by ACOA)
- 20,000,000 NS Energy (funding contribution will likely be signed by Fall 2006)
- 20,000,000 Environment Canada (funding contribution will likely be signed by Fall 2006)

\$40,121,380 Total partnership funding received or committed

HRM's expenditures to date related to the Community Energy Project (district energy concept) total \$41,484. \$25,161 #CDI00697 (2005/06), with an additional \$16,323 remaining to be processed for (2005/06) from #CDI00697, for a total of \$41,484.

BUDGET IMPLICATIONS

There are some transactions (invoices and payments) remaining to be processed regarding Community Energy for fiscal year 2005/06, and a transfer of funding from the approved funding in Q127 to CDI00697 is required to enable this transactions to occur. The balance of the Community Energy funding from Sustainable Community Reserve Q127 will be expended during 2006/07 toward Stage Two Business Development of the Community Energy Project.

The Community Energy project long term budget implications for HRM are positive, as the municipality will eventually earn a share of the return on equity generated by the project and will benefit from increased tax revenues through the Province's natural gas tax model.

Budget Summary: Capital Account:CDI00697 District Energy Concept

Cumulative Unspent budget	\$ 2,572.00
Plus: Budget increase-Sustainable Community Reserve	53,714.00
Less: Increase adjustment to PO 2070268331	-12,073.12
Less: Tax Consulting Services	<u>-10,000.00</u>
Uncommitted budget	\$34,212.88

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the 05/06 Capital Budget.

ALTERNATIVES


None

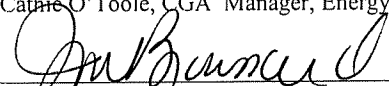
ATTACHMENTS

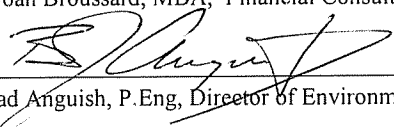
Community Energy Project Summary of Revenues & Expenditures to Date

October 25, 2005 Report to HRM Regional Council

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: 
Cathie O'Toole, CGA Manager, Energy & Utilities 490-7061

Financial Review: 
Joan Broussard, MBA, Financial Consultant EMS, 490-6267

Report Approved by: 
Brad Anguish, P.Eng, Director of Environmental Management Services 490-4825

Community Energy Project CDI00697
Funded by Sustainable Community Reserve Q127

	Budget	Projected Actuals for March 31, 2006
Budgeted in Q127 for Community Energy Project for 2005/06 \$80,000		
Aug 2005 Transfer from Q127 to CDI00697 (\$26,286 approved)	26,286.00	26,286.00
FVB Energy PO #2070268331	-75,000.00	-77,572.00
Actually Paid:		
Recoveries: NS Energy	26,286.00	27,411.00
Capital Health	10,000.00	10,000.00
DAL	10,000.00	10,000.00
SMU	5,000.00	5,000.00
Transfer of remaining balance from Q127 to CDI00697	53,714.00	53,714.00
Grant Thornton	-10,000.00	-10,000.00
FVB Energy re: Cooling work (add on to PO#2070268331)	-12,073.12	-12,073.12
Recovery (to be invoiced) NS Energy		6,250.00
Recovery (to be invoiced - Environment Canada)		12,000.00
Cumulative Uncommitted Budget at March 31, 2006	34,212.88	
Projected Actual Balance as at March 31, 2006		51,015.88

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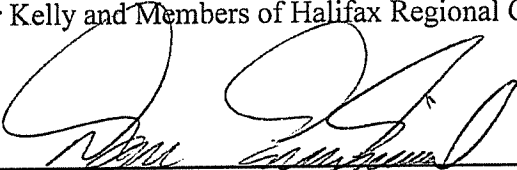


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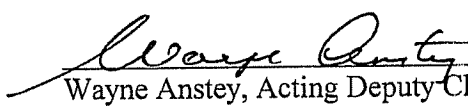
Halifax Regional Council
October 25, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Acting Chief Administrative Officer



Wayne Anstey, Acting Deputy Chief Administrative Officer

DATE: October 12, 2005

SUBJECT: Sustainable Community Reserve - Energy Performance Contract
Funding

ORIGIN

October 25, 2005, Report to Regional Council - Metro Transit Energy Performance Contract - Phase 1.

RECOMMENDATION

It is recommended that :

1. Halifax Regional Municipal Council authorize the reprioritizing of existing funding within the Sustainable Community (Green) Reserve Q127 as shown on the attached Project Matrix for years 04/05 and 05/06.

BACKGROUND

A report entitled, "Metro Transit Energy Performance Contract - Phase 1" is before Regional Council on October 25, 2005.

In the Budget Implications section of the report it includes funding to come from the Sustainable Community (Green) Reserve in the amount of 220K.

In order to take advantage of this important building energy efficiency opportunity some project reprioritizing is required within the Sustainable Community Reserve.

This includes modifying the original intent of Project CT100694 (please see matrix attached) to a more specific focus of energy performance contracting, and resubmitting project CT100695 Emission Reduction - Public Transit Buses for 06/07 consideration. The original project title for CT100694 was Bio-Fuels/ Recycled Fuels, however the Energy Performance Contracting is a much higher priority, due to significant energy cost savings, thus the revised focus.

This reprioritizing would free up 220K towards the EPC contract for the Metro Transit Facility and allow this project to proceed.

DISCUSSION

Real Property and Asset Management (RPAM) who maintain the Transit fleet have advised that they cannot commence the bus emission reduction retro-fits before 06/07 because of other priorities. This would allow the use of these funds (110K) to go towards the Metro Transit Facility EPC. Staff would resubmit this project for 06/07 consideration.

These proposed actions (project reprioritization) require pre-approval of the Federation of Canadian Municipalities as stipulated in the Green Municipal Investment Fund (GMIF) Reinvestment Agreement and staff now has this approval in principle from the FCM.

These proposed actions also require Regional Council's endorsement which staff has requested in the Recommendation section of this report.

BUDGET IMPLICATIONS

The budget implications (project reprioritization) are shown on the attached matrix.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

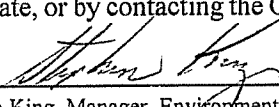
HRM Council could elect to not authorize the proposed project reprioritizing. This however would directly impact the Metro Transit Facility EPC project from proceeding with its identified energy and operational savings and environmental benefits. Therefore this alternative is not recommended.

ATTACHMENTS

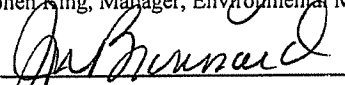
- Proposed Sustainable Community (Green) Reserve Project Matrix - October 2005
- Schedule B (Reinvestment Agreement) Criteria for Sustainable Community Project

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

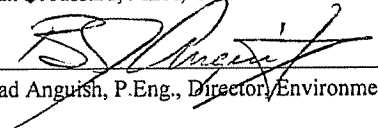
Report Prepared by:


Stephen King, Manager, Environmental Management Services, 490-6188

Financial Review:


Joan Broussard, MBA, Financial Consultant EMS, 490-6267

Report Approved by:


Brad Anguish, P.Eng., Director, Environmental Management Services, 490-4825

**HRM Sustainable Community (Green) Reserve Matrix (GMIF #1599)
Proposed Reprioritization (October 2005)**

Project #	Project Description	04/05 Funding	05/06 Funding
CS100692	P2 at Source (Pollution Prevention)	\$60,000	\$200,000
CT100693	Alternate Transportation and Connections	\$50,000	
CT100694*	Building EPC Project (Metro Transit)	\$50,000	\$60,000
CT100695**	Emission Reduction - Public Transit Buses	\$50,000	\$60,000
CT100696	Commuter Trip Reduction Program	\$50,000	\$40,000
CT100697	District Energy Concept	\$80,000	
	Whole Systems Methodology		\$40,000
CS100691	Anti-Idling Program	\$40,000	
Estimated Reserve Total		\$380,000	\$400,000
Adjusted Yearly Project Costs		\$380,000	\$400,000

Notes:

- * Project CT100694 refocused to EPC program (originally titled Bio-Fuels/ Recycled Fuel) - 110K total
- ** Project CT100695 funding to be used towards EPC program and the Emission Reduction project to be resubmitted for 06/07 - 110K total

SAK
10/05/05

Schedule B

Criteria for Candidate Projects

Project Selection Process (Project Review Panel)

Environmental Management Services will put in place a project review and approval process and will establish project application requirements, procedures and time lines. This could be carried out through the existing Environmental Initiatives Group. It is planned to put in place a redefined Terms of Reference for this committee, including an internal governance role regarding the Sustainable Community Reserve (please see Attachment).

General Criteria for Project Consideration:

1. The HRM Sustainable Community Reserve is not intended to support ongoing HRM operating and capital infrastructure programs.
2. Projects must support the corporate theme of healthy, sustainable vibrant communities.
5. Project applications are encouraged that benefit all of HRM and representative (wherever possible) of all districts, rural, urban, suburban.
6. Proposed projects must clearly demonstrate the direct environmental benefits to HRM. This includes specific deliverables, targets and measurable results.
7. In any one fiscal year no single project shall access more than 50% of the total available funding from the Reserve for that fiscal year (April 1 - March 31).
8. Recognizing the importance of proper planning and actual implementation of projects, every effort will be made to maintain a balance between planning and implementation projects. The Project Review Panel will establish some general guidelines and parameters around this matter.
9. A Project Review Panel will be established to review and select project proposals that meet the criteria for funding from the Sustainable Community Reserve.

Based on the Environmental Issues Statement of Principles in the Federation of Canadian Municipalities' Ten Point Action Plan for Sustainable Communities, projects will be selected that to the maximum extent possible:

1. Encourage long-term sustainable community planning,
2. Take a pollution prevention approach to use resources more efficiently and minimize polluting emissions,
3. Promote the principles of user-pay and full cost accounting,
4. Integrate planning between municipal departments to achieve maximum benefits,
5. Include strong consultation with relevant stakeholder groups and the public at large, and
6. Achieve measurable reductions in the use of non-renewable resources or the production of greenhouse gases and other priority pollutants to air, water, and soil.

**Halifax Regional Municipality - Environmental Management Services
Attachment "K"
Sustainable Community Reserve**

Project Name:	
Project Sponsor:	
Brief Overview:	
Specific Deliverables: (concise)	
Project Location and Impact on HRM:	
Links to Healthy, Vibrant, Sustainable Community:	
Project Innovation:	
Systems Approach:	
Replicability:	
Management Plan: (Milestones, activities, dates)	
Financial Plan: (budgets, dates, phases)	
Environmental Targets to be met:	
Environmental Performance Measures:	
Summary Notes:	
Date:	Applicant:
Title:	Business Unit: