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Halifax Regional Council
June 14, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Dale MacLennan, Director, HRM Financial Services

DATE: June 3, 2005

SUBJECT: Provincial Capital Assistance Program (PCAP)

INFORMATION REPORT

ORIGIN

Halifax Regional Council meeting of May 3, 2005, item 9.11.

BACKGROUND

The Government of the Province of Nova Scotia recognizes that the cost of undertaking water supply, sewer disposal and solid waste projects can place significant financial burdens on municipal governments and taxpayers alike. The Provincial Capital Assistance Program is designed to enable the Government of Nova Scotia to contribute financially towards the cost of high priority municipal infrastructure projects in order that this cost burden might be reduced to an affordable level.

HRM currently receives funding from PCAP for the Harbour Solutions Project (HSP) in the amount of \$2 million per year, administered over a fifteen year period, as agreed to in a Memorandum of Understanding with the Province. HRM has also received a commitment for funding from PCAP's 2004/05 budget for two other projects: Lively Subdivision Servicing, in the amount of \$200,000, and Glenmount/Millview Servicing, in the amount of \$200,000.

In a motion passed by Council on May 3, 2005, HRM has requested funding for the following projects from the 2005/06 PCAP budget:

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|---|-----------|
| 1. Riverwood Drive Pumping Station, Lakeside/Timierlea: | \$250,000 |
| 2. Whimsical Lake Pumping Station, Halifas: | \$490,000 |
| 3. Uplands Park Sanitary and Storm Sewers: | \$250,000 |

DISCUSSION

The amount of funding available for distribution on an annual basis is limited. Program funding applications are ranked by the Government of Nova Scotia according to the severity of the problems being addressed, as well as other factors. Generally, funding requests for projects designed to eliminate serious environmental and health problems (actual and potential) are accorded priority attention in the allocation of program funding. Pollution abatement is a primary emphasis of the program.

Funding will not generally be available under this program for projects designed to open up land for new development (residential, commercial or industrial).

The following projects are eligible for funding assistance under this program:

- Construction or expansion of facilities for the treatment and disposal of sanitary sewage.
- Construction of sanitary sewage collection systems.
- Installation of individual and communal in-ground sewage disposal facilities within a Wastewater Management District.
- Construction of water intake, treatment, pumping and storage facilities.
- Installation of water transmission and distribution systems.
- Construction, acquisition, upgrading or expansion of solid waste management facilities and equipment.
- Municipal infrastructure engineering and research studies.

HRM staff is currently working on a framework for managing existing and potential infrastructure funds to ensure HRM is maximizing all available funding on priority projects. This framework is in the very early stage and will be progressing over the next several weeks.

BUDGET IMPLICATIONS

Budget implications will vary from year to year. Factors impacting the amount of funding received will include the amount of funding available from various funding programs, the number of priority projects that HRM is able to complete within the requirements of the program, and the total value of said projects.

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

None - information only

ATTACHMENTS

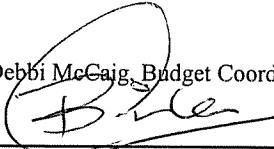
None

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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