

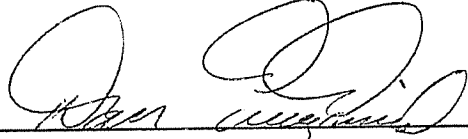


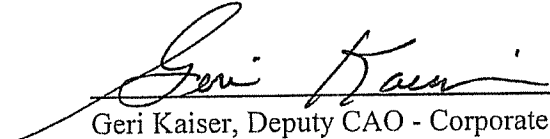
PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

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Halifax Regional Council  
May 15, 2007

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**   
Dan English, Chief Administrative Officer

  
Geri Kaiser, Deputy CAO - Corporate Services and Strategy

**DATE:** May 9, 2007

**SUBJECT:** Gas Tax: Update and Funding Allocation

**ORIGIN**

On December 13, 2005, the Gas Tax Agreement between Halifax Regional Municipality and the Province of Nova Scotia was signed. This agreement provides for the transfer of federal gas tax revenues to the municipality. Under the terms of the agreement, HRM must submit, each year, a list of capital projects selected for funding under the program, along with a list of all capital projects eligible for funding. On July 4, 2006, Regional Council approved a 3-year funding allocation to eligible projects.

**RECOMMENDATION**

It is recommended that Regional Council:

1. Approve the 2007/08 funding allocation of Gas Tax projects as per Attachment A; and
2. Approve the 2008/09 and 2009/10 funding allocation of Gas Tax projects in principle as per Attachment A.

## **BACKGROUND**

On September 23, 2005, the Province of Nova Scotia and the Government of Canada signed a bilateral agreement to transfer a portion of federal gas tax revenue to municipalities. On December 13, 2005, HRM signed a municipal funding agreement with the Province. That agreement formalized the eligibility criteria, the reporting requirements and the responsibilities of each party.

Under the terms of the agreement, gas tax funds must be directed at environmentally sustainable municipal infrastructure such as public transit, water and wastewater systems, community energy systems, solid waste management, rehabilitation of roads and bridges, and capacity building.

On July 4, 2006, Council approved a list of projects for the three years 2006-07, 2007-08, and 2008-09. The list must now be revised in keeping with HRM's 2007-08 Capital Budget and 3 yr Capital Plan.

## **Gas Tax Agreement Highlights**

The following is a brief summary of terms and conditions contained within the Municipal Funding agreement.

### **Municipal Requirements:**

- funds must result in net incremental capital spending on environmentally sustainable infrastructure from April 1, 2005 to March 31, 2010
- funds will not claw back any current capital funding
- average annual capital spending on Municipal infrastructure will not fall below \$58 m
- to provide access to records related to funded projects as requested
- to comply with the communications protocol outlined
- to retain title to the resulting infrastructure for at least 10 years
- to invest any funds received in advance of the Municipality incurring and paying Eligible Costs in accordance with Section 100 of the Municipal Government Act

### **Eligible Projects include:**

- public transport (rapid transit, transit buses, tracking systems, etc.)
- water (drinking water supply, distribution, metering)
- wastewater (wastewater and stormwater)
- solid waste (diversion, recovery facilities, organics management, landfills, etc.)
- community energy systems (co-generation, district heating)
- active transportation infrastructure (bicycle lanes, local roads, bridges, tunnels)
- capacity building (collaboration, knowledge, integration)

Eligible Costs include:

- capital costs
- fees to professionals
- environmental assessments

Ineligible Costs include:

- services normally provided
- land
- leasing equipment
- routine repair and maintenance

Reporting:

- HRM will provide an integrated multi-year capital investment plan and an integrated community sustainability plan
- HRM will provide a capital budget, including a list of proposed capital projects, with eligible projects identified prior to fund transfer
- HRM will provide a summary of actual expenditures on other capital projects
- an annual expenditure report will be provided each year by July 31, which must include a report on the amounts held at year end by the Municipality to be spent on eligible projects.
- HRM will provide an outcomes report by March 31, 2009, highlighting investments made and the degree they contributed to program objectives - cleaner air, cleaner water, reduced greenhouse gas emissions

Communications:

- all communications acknowledge federal contributions
- permanent signage at the location of projects receiving investment

**DISCUSSION**

HRM is expecting to receive approximately \$60 million over a 5 year period commencing with fiscal year 2005/06. HRM received \$7.2 million in 2005/06 and \$7.6 million in 2006/07. Project spending for those two years is shown in Attachment B. HRM is expecting to receive \$10.2m in 2007/08, \$12.7m in 2008/09 and \$21.6m in 2009/10. The estimated gas tax revenue is included in HRM's 2007-08 Capital Budget and three year capital plan.

**BUDGET IMPLICATIONS**

The 2007-08 capital budget, as approved by Council, includes projected revenue of \$10.1m under the Gas Tax Agreement. The inclusion of Half Closure Cell 3 - Otter Lake in the Gas Tax program necessitates the reallocation of funds between Capital and Reserves. As such, there will

be an increase in the net capital budget, with funding reallocated to Capital from Operating (“Pay as you go”).

Approved 2007/08 Net Capital Budget	\$85,794,000
CWI00965 Half Closure Cell 3 - Otter Lake	<u>1,694,000</u>
Net Capital Budget	\$87,488,000
Approved Capital Reserve Withdrawals	\$61,745,000
Reduced withdrawal Q120	<u>(1,694,000)</u>
Net Capital Reserve Withdrawals	\$60,051,000
Approved 2007/08 Capital from Operating	\$28,525,000
Operating funding reallocated	<u>1,694,000</u>
2007/08 Capital from Operating	30,219,000
Approved Reserve Contributions (Q120)	\$2,241,000
Contribution no longer required (R327)	<u>(1,694,000) *</u>
Net Reserve Contribution	\$547,000

\* The operating budget required for this reserve contribution will be transferred to Fiscal Services to offset the increased requirement in Capital from Operating.

### **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. Approval of this report will increase the net capital budget. It will also reduce reserve withdrawals and contributions, with a net impact of zero.

### **ALTERNATIVES**

Council could select different projects from the eligible projects list (Attachment C) for inclusion under this program. This is not recommended. Selected projects have been recommended to ensure alignment with Federal, Provincial, and Municipal priorities

### **ATTACHMENTS**

- Attachment A: Recommended Capital Projects for Gas Tax Funding
- Attachment B: Capital Projects Funded in 2005/06 and 2006/07
- Attachment C: Capital Projects Eligible for Gas Tax Funding

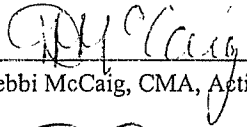
**Gas Tax Allocation  
Council Report**

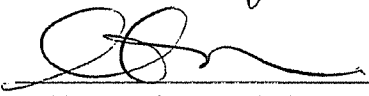
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**May 15, 2007**

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 : Keith Macdonald, CFA, Acting Budget Coordinator, 490-4280

Financial Review :   
Debbi McCaig, CMA, Acting Manager, Budget & Financial Analysis, 490-7203

Approved by :   
Cathie O'Toole, CGA, Acting Director -Finance, 490-6308

## Attachment A

### Recommended Gas Tax Funding Allocation

<b>Project Number</b>	<b>Project Description</b>	<b>2007-08 (000' \$)</b>	<b>2008-09 (000' \$)</b>	<b>2009-10 (000' \$)</b>
<b>Community &amp; Property Development</b>				
CDV00721	Watershed Environmental Studies	\$ -	\$ -	\$ 100
<b>Metro Transit</b>				
CBT00432	Bus Stop Accessibility			296
CBU00938	200 Ilsley Avenue - Safety Upgrades			330
CBU00951	Transit Facilities Upgrades (Bundle)			400
CBU00959	Ferry Terminal Pontoon Protection(Bundle)			350
CIU00875	Scheduling Software Upgrades			200
CMU00975	Peninsula Transit Corridor			1,900
CMU00981	MetroLink			2,000
CVD00434	Conventional Transit Bus Expansion			4,000
<b>Parks &amp; Playgrounds</b>				
CPG00954	Trails & Active Transportation	600		1,200
CPU00936	Regional Trails Development (Bundle)	150		300
CPU00937	Walkways-HRM Wide Program (Bundle)	100		150
<b>Roads &amp; Streets</b>				
CRU00684	Bridge Repair Program	1,000		1,000
CXU00585	New Paving Subdivision St's outside core			1,642
CXU00715	New Paving Inside Core Area	735		1,000
<b>Solid Waste</b>				
CWI00963	Additional Green Carts			735
CWI00965	Half Closure of Cell 3 - Otter Lake	1,694		
CWI00782	Construction of Cell 5 - Otter Lake		7,624	
<b>Stormwater &amp; Wastewater</b>				
CGI00617	Street Drainage - Various Locations	100		
CGI00614	Eastern Passage WWTF Upgrade	2,200		
CGI00914	Nightingale Dr. - Sanitary Sewer	400		
CGU00461	Sewer Laterals Replacement	500		
CGU00575	Uplands Park - Sanitary & Storm Sewers	550		
CGI00915	Old Oakes Road - Drainage Improvements	50		
CGI00916	Rowe Ave - Scot St. - Sewer Separation	200		
CGI00958	Elliot St. - Dartmouth - Sewer Renewal	100		
CSI00768	SCADA Study & Upgrade	500		
CGU00458	Crescent Ave - Storm Sewer Rehabilitation	500		
-	Stormwater & Wastewater Projects		5,100	5,100
<b>Traffic Improvements</b>				
CTR00908	Transportation Demand Management Prog	400		400
CTU00420	Bikeway Master Plan Implementation	400		460
	<b>Total</b>	<b><u>\$10,179</u></b>	<b><u>\$12,724</u></b>	<b><u>\$21,563</u></b>

## Attachment B

### Capital Projects Funded in 2005/06 and 2006/07

<b>Project</b>	<b>2005-06</b>	<b>2006-07</b>
<b>Number    Project Description</b>	<b>(000' \$)</b>	<b>(000' \$)</b>
<b>Metro Transit</b>		
CHA00160 Vehicle Tracking & Communication	\$ -	\$ 1,493
CVD00434 Conventional Transit Expansion	3,223	
<b>Parks &amp; Playgrounds</b>		
CPV00735 Trails, Active Transport	42	
<b>Stormwater &amp; Wastewater</b>		
CGU00688 Greenhead Rd. PS	6	50
CGU00579 Crescent Ave. PS	3	50
CSI00762 Frame Subdivision STP		50
<b>Solid Waste</b>		
CWI00446 Otter Lake - Cell 4	3,943	
CWI00782 Otter Lake - Cell 5		6,000
	<hr/>	<hr/>
<b>Total Metro Transit</b>	<b><u>\$ 7,217</u></b>	<b><u>\$ 7,643</u></b>

## Attachment C

### Capital Projects Eligible for Gas Tax Funding

<b>Project Number</b>	<b>Project Description</b>	<b>2007-08 (000' \$)</b>	<b>2008-09 (000' \$)</b>	<b>2009-10 (000' \$)</b>
<b>Community &amp; Property Development</b>				
CDV00721	Watershed Environmental Studies	\$ 0	\$ 100	\$ 100
<b>Metro Transit</b>				
CDM00989	Coin Room	60	0	0
CBT00432	Bus Stop Accessibility	296	296	296
CBT00437	Bus Shelters-Replacement	60	75	75
CBU00876	200 Ilsley Upgrades	500	0	0
CBU00938	200 Ilsley Avenue - Safety Upgrades	320	320	330
CBU00951	Transit Facilities Upgrades (Bundle)	746	421	400
CBU00959	Ferry Terminal Pontoon Protection(Bundle)	50	350	350
CHA00160	Vehicle Tracking & Communication	300	0	0
CIU00875	Scheduling Software Upgrades	0	100	200
CMU00973	Rural Express Transit	3,100	1,300	0
CMU00974	Downtown Shuttle	0	3,400	0
CMU00975	Peninsula Transit Corridor	0	0	1,900
CMU00981	MetroLink	0	1,220	2,000
CMU00982	Transit Security	200	200	0
CV300751	HarbourLink	0	20,000	0
CVD00429	Access-A-Bus Expansion	400	0	0
CVD00430	Access-A-Bus Replacement	440	440	440
CVD00431	Midlife Bus Rebuild	655	655	655
CVD00433	Service Vehicle Replacement	0	60	60
CVD00434	Conventional Transit Bus Expansion	3,100	3,200	4,000
CVD00435	Conventional Transit Bus Replacement	4,667	7,699	8,748
CVD00436	Bi-annual Ferry Refit	420	550	470
<b>Parks &amp; Playgrounds</b>				
CDG00983	Regional Trails: Maintenance	200	0	0
CPG00954	Trails & Active Transportation	600	600	1,200
CPU00936	Regional Trails Development (Bundle)	150	300	300
CPU00937	Walkways-HRM Wide Program (Bundle)	100	150	150
<b>Roads &amp; Streets</b>				
CRU00584	Other Related Road Works	97	97	97
CRU00683	Concrete Curb Repair Program	1,048	1,000	1,000
CRU00684	Bridge Repair Program	1,000	1,000	1,500
CRU00701	Other Related Road Works (D&C)	994	894	994
CXU00585	New Paving Subdivision St's outside core	2,500	2,500	2,500
CXU00715	New Paving Inside Core Area	1,470	1,470	2,000
CYU00784	Paving Renewal	5,155	5,260	6,000
CRU00999	Main Artery Patching-Various Locations	1,265	1,200	1,500
CZU00782	Resurfacing	10,064	10,617	12,635



Attachment C (continued)

Project Number	Project Description	2007-08 (000' \$)	2008-09 (000' \$)	2009-10 (000' \$)
<b>Solid Waste</b>				
CWI00963	Additional Green Carts	235	735	735
CWI00965	Half Closure of Cell 3 - Otter Lake	1,862		
CWI00966	Half Closure of Cell 4 - Otter Lake			4,625
CWI00782	Construction of Cell 5 - Otter Lake	0	15,745	0
<b>Stormwater &amp; Wastewater</b>				
CGI00610	Bedford Sackville Trunk Sewer	200	0	0
CGI00614	Eastern Passage WWTF Expansion/Upgrade	30,000	0	0
CGI00615	Ellenvale Run - Drainage Improvements	650	0	0
CGI00616	Fairfield Holding Tank, Halifax	100	0	0
CGI00617	Street Drainage Systems-Variou Location	100	0	0
CGI00912	Jamieson St-Comb Trunk Sewer Replace	1,000	0	0
CGI00914	Nightingale Drive - Sanitary Sewer	400	0	0
CGI00915	Old Oakes Drive - Drainage Improvements	50	0	0
CGI00916	Rowe Avenue/Scot Street-Sewer Separation	200	0	0
CGI00958	Elliot Street, Dartmouth - Sewer Renewal	100	0	0
CGR00788	Studies & Investigations - Various Locations	80	0	0
CGU00458	Crescent Ave - Storm Sewer Rehabilitation	500	0	0
CGU00461	Sewer Laterals Replacements(Paving Proj.)	500	0	0
CGU00575	Uplands Park - Sanitary & Storm Sewers	550	0	0
CGU00688	Greenhead Road Pumping Station	100	0	0
CGU00690	Aerotech Lagoon Decommissioning	100	0	0
CSI00762	Frame Subdivision STP	100	0	0
CSI00768	SCADA Study & Upgrade	500	0	0
CSI00809	Springfield Lake STP	100	0	0
CSI00874	Kearney Lake Road Twin Culverts	300	0	0
CSI00875	Stormwater & Wastewater General Rehab	2,620	0	0
CSU00110	Wastewater Treatment Plants-Upgrades	300	0	0
-	Stormwater & Wastewater Projects	0	11,400	11,400
CSU00146	North Preston STP Upgrade	0	1,000	0
<b>Traffic Improvements</b>				
CTI00696	Commuter Trip Reduction Program	50	0	0
CTR00908	Transportation Demand Management Prog.	400	400	400
CTU00420	Bikeway Master Plan Implementation	400	695	460
CTU00972	Roadway Oversizing	2,000	2,000	0
CTV00725	Lacewood 4 Lane/Fairview Interchange	1,000	3,500	0
CTV00732	Rotary Conversion/Chebucto Reverse Lane	2,700	0	0
<b>Total Eligible Capital Projects</b>		<b>\$ 87,154</b>	<b>\$ 100,949</b>	<b>\$ 67,520</b>

**From:** Chris Newson  
**To:** coxpe@gov.ns.ca; Jmerrick@ns.sympatico.ca; m0...  
**Date:** 6/18/2008 11:37 am  
**Subject:** Security on buses for bus operators / Dartmouth Bridge transit terminal

These items were before Council yesterday. 1 was deferred and the 2nd was dealt with. YOU may click on the links to see what was on the Council Agenda.

<http://www.halifax.ca/council/agendasc/documents/080617ca816.pdf>

**8.16 Councillor McInroy - Request for Report re: Metro Transit Special Constable Security**

*Deferred to June 24, 2008.*

**11.1.4 Municipal Government Act Amendment - Dartmouth Bridge Transit Terminal**

*Staff recommendation approve, with the amendment to include the Wilderness Park area between Nantucket and Thistle Streets (area west of Dartmouth High School).*

<http://www.halifax.ca/council/agendasc/documents/080617ca1114.pdf>

***Chris Newson***  
***Legislative Assistant***  
***Municipal Clerk's Office***  
***1841 Argyle Street***  
***PO Box 1749***  
***Halifax, NS***  
***B3J 3A5***  
***490-6732***  
***newsonc@halifax.ca***