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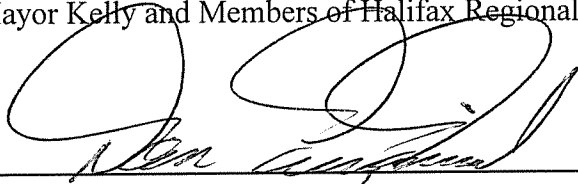


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Halifax Regional Council
September 4, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Geri Kaiser, Deputy Chief Administrative Officer - Corporate Services
and Strategy

DATE: August 24, 2007

SUBJECT: CNSIP Funding Reallocation

ORIGIN

This report originates with staff.

RECOMMENDATION

It is recommended that Regional Council approve the CNSIP funding reallocation as per the Discussion Section of this report; and

BACKGROUND

The purpose of this report is to ensure that HRM leverages the maximum amount of federal and provincial funds possible under the Canada-Nova Scotia Infrastructure Program (CNSIP). To do this, it is necessary to reallocate funding amongst already approved projects to align funding with actual spending opportunities/project timelines.

The Mainland Common Recreation Facility is a project within the Canada-Nova Scotia Infrastructure Program (CNSIP). Under the current agreement, approved Federal and Provincial funding is \$2.7 million. HRM needs to spend just over \$4 million to receive this funding. The program requirements state that all funds must be spent by March 31, 2008. This is no longer possible for the Mainland Common Project, which has been progressing at a slower pace than anticipated due to extra time requirements to ensure the facility design supports community expectations and to bring the building program into line with the needs of the 2011 Canada Winter Games.

Community Development and Transportation and Public Works staff currently estimate that HRM can spend approximately \$2.1 million on this project by March 31, 2008, allowing a maximum Federal and Provincial contribution to the project of \$1.4 million.

In addition, as all other projects within CNSIP complete, HRM staff are currently estimating that an additional \$762,000 of funding will need to be reallocated within the existing CNSIP project list due to some projects being delivered with savings (this program closed to new projects on December 31, 2005).

DISCUSSION

CNSIP

To maintain CNSIP involvement in the Mainland Common Project, staff are recommending that the project be segregated into two phases:

Phase 1 Site Development: to provide for site design and site construction for a new recreation facility in the Clayton Park area of HRM.

Phase 2 Facility Construction: to provide for the design and construction of a new recreation facility in the Clayton Park area of HRM. In addition to replacing the existing Northcliffe Recreation Facility which is too small for the growing population of this area, this facility will include a swimming pool, a fitness centre, a gymnasium, community meeting space, a café, and other amenities. The Mainland Common Recreation Centre will be a significant part of the 2011 Canada Winter Games legacy.

Upon receiving appropriate approvals from Regional Council and the CNSIP Management Committee, staff will execute a series of funding swaps. These swaps will provide HRM with the flexibility to retain all available CNSIP funding and maintain the overall integrity of the projects on the approved CNSIP list.

Proposed Funding Reallocation:

Funding From:	Funding To:	Amount	Funding Source
Mainland Common	Highway 111	\$1,176,318	Mainland Common Funds to be replaced with Debt Funding from Highway 111
Mainland Common	Artificial Turf	\$107,364	Mainland Common Funds to be replaced with Capital from Operating funding from the Artificial Turf
Other Projects' Surplus	Herring Cove Water and Sewer	\$400,000	Additional funding as approved by Council on February 20, 2007.
Other Projects' Surplus	Artificial Turf	\$362,451	CNSIP funding to be moved into the project, allowing Capital from Operating Funding to be closed to Crespool supporting the 2008/09 Capital Budget.

It is important to note that this is not new funding, nor does it add funding to any of the projects, with the exception of the Herring Cove Water and Sewer Project. This reallocation will maintain the integrity of the Mainland Common Recreation Centre as currently approved in the HRM Capital Budget.

It is also important to note that the exact amount of CNSIP funding surplus to be reallocated will be adjusted as projects are finalized and closed. As amounts are finalized, staff will adjust the funding reallocation appropriately while adhering to the principles presented in this report.

BUDGET IMPLICATIONS

There are no budget implications associated with the recommendations. The recommendation reallocates existing funding to support the requirements of the existing 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


There are no viable alternatives. If funding is not reallocated, HRM faces significant risk of losing the funding. The funding lost would then have to be allocated from other projects within the HRM Capital Budget to maintain the integrity of the Mainland Common Recreation Facility.

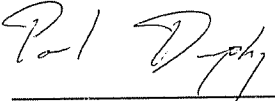
ATTACHMENTS

Attachment A: CNSIP Project Status as presented to Council on May 15, 2007

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: Debbi McCaig, CMA, A/Manager, Budget and Financial Analysis

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Report Approved by: 
Paul Dunphy, Director, Community Development 490-4933

Attachment A
Canada Nova Scotia Infrastructure Program
Project List and Status

Project Name	Total Budget	Approved CNSIP	Projected Final Cost Mar 31/07	Project Variance	Projected CNSIP Mar 31/07	CNSIP Variance	Status
Completed Projects							
Little Salmon River	1,132,000	754,666	1,127,330	-4,670	751,948	2718*	Project complete, final payment received
Maplewood Water, Phase I	450,000	277,977	416,925	-33,075	277,977	0	Project complete, final payment received
Miller Lake Water	200,000	133,333	200,000	0	133,333	0	Project complete, final payment received
North Preston Community Centre	2,972,000	1,981,333	3,115,993	143,993	1,981,333	0	Project complete, received final payment
Moser River Fire Station	876,022	416,666	876,022	0	416,666	0	Project complete; proceeding with administrative requirements to close project.
Harbour East Artificial Turf	4,000,000	1,600,000	4,000,000	0	1,600,000	0	Project complete; proceeding with administrative requirements to close project.
MacIntosh Run - Sanitary Sewer Upgrade	1,000,000	517,477	739,552	-260,448	493,035	24,442	Project complete; proceeding with administrative requirements to close project.
Maplewood Water, Phase II	615,000	410,000	643,000	28,000	410,000	0	Project complete; proceeding with administrative requirements to close project.
Prince's Lodge Water & Sewer	1,620,000	1,080,000	1,350,000	-270,000	900,000	180,000	Project complete; proceeding with administrative requirements to close project.
Herring Cover Water and Sewer	3,706,200	2,470,800	3,706,200	0	2,470,800	0	Project complete; proceeding with administrative requirements to close project.
Highway 111/Woodside Connector	12,100,000	2,500,000	12,100,000	0	2,500,000	0	Project complete; proceeding with administrative requirements to close project.
Sub Total Completed Projects	28,671,222	12,142,252	28,275,022	-396,200	11,935,092	207,160	
Projects in Progress							
Mainland Commons Rec Facility - Phase I	7,912,000	2,683,682	14,500,000	6,588,000	2,683,682	0	Project deadline has been extended to March 31, 2008.
Sub Total Projects in Progress	7,912,000	2,683,682	14,500,000	6,588,000	2,683,682	0	
Beaver Bank Group							
Beaver Bank Road Trunk Sewer Upgrade	750,000	500,000	749,796	-204	496,439	3561*	Project complete, received final payment May 10/05
Beaver Bank Sewer - Phase IV AB & C	4,411,500	2,941,000	4,368,106	-43,394	2,894,006	46994*	Project complete, received final payment Mar 6/06
Beaver Bank Water - Phase IV, BC	2,250,000	1,500,000	2,177,405	-72,595	1,450,126	49874*	Project complete, awaiting final payment
Beaver Bank Water, Phase IV, A	428,200	285,467	426,250	-1,950	284,138	1329*	Project complete, received final payment May 10/05
Beaver Bank Sewer Service - Phase IV, DE	3,492,650	2,328,433	3,300,000	-192,650	2,200,000	128,433	Project complete, proceeding with administrative requirements to close project.
Beaver Bank Water Service - Phase IV, DE	2,717,650	1,811,767	2,550,000	-167,650	1,700,000	145,100	Project complete, proceeding with administrative requirements to close project.
Beaver Bank Water Reservoir	3,000,000	2,000,000	2,693,292	-306,708	1,795,528	180,000	Construction underway, completion in July 2007
Sub Total Beaver Bank Group	17,060,000	11,366,667	16,264,849	-795,151	10,820,237	555,291	
Total CNSIP	53,633,222	26,192,601	59,039,871	5,406,649	25,439,011	762,451	

* These CNSIP variances have been confirmed by the CNSIP office. All other variances are estimates until the final claim has been processed by the CNSIP office.