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Item No. 1
Halifax Regional Council
January 19, 2010

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 
Phillip Townsend, Director Infrastructure & Asset Management

DATE: January 4, 2010

SUBJECT: Status of funding for the Woodside Ferry

INFORMATION REPORT

ORIGIN

At the Council meeting of November 24, 2009 (item number 11.2), a motion was made by Councillor Barkhouse to request a staff report regarding the status of funding for the Woodside Ferry as it did not qualify for Federal funding under the Building Canada Fund.

It was requested that the report include the following:

- whether funding from the Building Canada Fund was out of the question,
- where the Woodside Ferry places in the capital process,
- where Transit places in the capital process,
- reasons why this project did not meet Building Canada funding criteria,
- information on bus scheduling in relation to ferry scheduling to enable provision of a incorporated and cohesive service, and,
- where the ferry service places in the Five-Year Strategic Operations Metro Transit Plan.

BACKGROUND

The Building Canada Fund has two components: the Communities Component; and the Major Infrastructure Component which are described below:

- The Communities Component (CC) will focus on projects in communities with populations of less than 100,000; and
- The Major Infrastructure Component (MIC) will target larger, strategic projects of national and regional significance, and will support investments in Cape Breton and Halifax.

The priority funding categories for the Building Canada Fund are the National Highway System, Drinking Water, Wastewater, Public Transit, and Green Energy. Projects must be completed by March 31, 2014.

DISCUSSION

Is funding from the Building Canada Fund out of the question?

\$25 million is estimated to be the Federal contribution to all of Nova Scotia from this fund (Provincial and Municipal cost-sharing required). There is no formal application process.

Municipalities are to submit their priority projects, and Federal and Provincial governments will decide which projects will receive funding. In April 2009, HRM submitted the new Central Library and the Woodside Ferry as priority projects under this program, and assumed equal cost-sharing among Federal, Provincial, and Municipal partners.

The Federal Government has announced funding for the new Central Library, and it is anticipated that any “notional” or assumed share for HRM has been allocated to this one project.

No announcement has been made for the Ferry. It is reasonable to expect that no funding for the Woodside Ferry will be forthcoming under this program, as the entire estimated Federal contribution for HRM has been announced for the Library.

Why this project did not meet Building Canada funding criteria?

The project met the criteria for consideration under the Building Canada Program but simply was not selected for funding, and municipalities are not informed why projects are not selected. From the Building Canada website, it is indicated that Building Canada will promote public transit infrastructure investments designed to:

- improve mobility, reduce travel times and increase safety and efficiency,
- expand public access and ridership,
- reduce the growth of GHG and other emissions; and,
- contribute to sustainable Municipal development and land-use planning.

Although we do not have knowledge of any further eligibility criteria, we understand that "mobile" infrastructure was not desirable, as the public transit fund is intended for this purpose.

Where does the Woodside Ferry place in the capital process?

A new conventional ferry is included in the 2009/10 Capital Budget, and is estimated to cost \$11,000,000. The approved budget assumes that HRM will receive 50% funding, so the net budget is \$5,500,000. Since no external funding has been received, staff is preparing the 2010/11 plan for Council's consideration without any external funding. These discussions are currently being carried out by the Capital Budget Steering Committee.

It is important to note that procurement, construction, commissioning and delivery of such a vessel takes two - three years. The \$11 million expenditure that was identified in 2009/10 would have been carried forward to future years. Budgeting over multiple years more accurately reflects the timing of the expenditure; this is important because all funding will likely be through HRM sources if approved by Regional Council.

Where does Transit place in the capital process?

On February 1, 2007, a Transit Funding Agreement between Halifax Regional Municipality and the Province of Nova Scotia was signed, providing for the transfer of federal funding to the municipality. It is expected that approximately \$47.3 million in federal grants will be received when the agreement expires next year. In previous years the majority of federal funds have been allocated to expansions and replacements of conventional buses, and in recent years the bulk of the grants have been allocated to the satellite garage facility which is under construction.

Information on bus scheduling in relation to ferry scheduling to enable provision of an incorporated and cohesive service

Current bus schedules are timed to meet the Woodside Ferry during the morning and afternoon peak periods. These services are coordinated and managed on a daily basis by mobile Service Supervisors through the Transit Communications Centre to ensure that, if necessary, the ferry is held in the dock for a late arriving bus. A primary consideration is the need to stagger ferry arrivals and departures at the Halifax Terminal to mitigate wave action.

Where does the ferry service place in the Five-Year Strategic Operations Metro Transit Plan?

Council recently approved an additional study to be undertaken by IBI Group, the consultants who prepared Metro Transit's Five-Year Strategic Operations Plan, to investigate a number of issues related to the planning and operation of the ferries. The current vessels are between 25 and 30 years of age, and Transport Canada regulations have changed significantly since these ferries were designed and built.

The work by IBI Group will be integrated with the Five-Year Plan to ensure ferry and bus services are optimized and that every effort is made to capitalize on capacity of the ferry service. The study will also make recommendations on enhancing customer amenities in the terminals and on board the vessels. The study will get underway early in 2010 and is expected to take approximately five months.

BUDGET IMPLICATIONS

There are no budget implications at this time.

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.

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.

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