
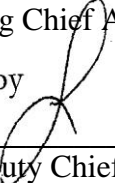


Item No. 12.1
Halifax Regional Council
January 25, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Wayne Anstey, Acting Chief Administrative Officer
Original Signed by 
Mike Labrecque, Deputy Chief Administrative Officer

DATE: January 25, 2011

SUBJECT: Infrastructure Stimulus Fund – Re-allocation of Surplus Funds

ORIGIN

In November, 2010 the Federal Government allowed municipalities to apply for a one-time re-allocation of ISF funds that could not be spent prior to March 31, 2011.

RECOMMENDATION

1. It is recommended that Halifax Regional Council approve the resolution to request an extension to the March 31, 2011 deadline for funding a reallocation of \$640,000 to the HRM Building Upgrade Project, under the Infrastructure Stimulus Fund, included with this report as Attachment A.
2. It is further recommended that Halifax Regional Council approve requesting an extension to the March 31, 2011 deadline for funding a reallocation of up to \$1,000,000. to the HRM Building Upgrade Project under the Infrastructure Stimulus Fund, as outlined in the Discussion section of this report, and subject to a detailed funding plan.

BACKGROUND

The Government of Canada's Economic Action Plan (EAP) provided funding for projects that were construction ready and could be substantially completed by March 31, 2011.

The Infrastructure Stimulus Fund (ISF) targeted \$4-billion for the rehabilitation and construction of new projects. An additional \$500 million was approved under the Recreational Infrastructure Canada Program (RInC).

HRM has applied for and received \$22 million in Federal and Provincial contributions for 11 projects under ISF, and \$4.5 million in Federal contributions for 6 projects under RInC. The total value of the work including HRM contributions is \$39.7 million.

Under the terms of the Contribution Agreements for both ISF and RInC, all projects need to be completed by March 31, 2011.

DISCUSSION

In November, 2010 the Federal Government allowed municipalities to apply for a one-time reallocation of ISF funds that could not be spent prior to March 31, 2011. The Deadline for application was November 30, 2010 and at the time the only surplus that could be identified related to the Sheet Harbour Sidewalk project.

Phase 1 of the Sheet Harbour sidewalk is complete, and Phase 2 was cancelled because the community could not raise the necessary matching funds. As a result, \$426,667 in Federal and Provincial contributions will be un-spent.

Funds could only be re-allocated to projects that were previously approved under the ISF program and which could be complete by March 31, 2011. Of the eleven projects that received ISF funds, only the HRM Buildings re-capitalization project could spend funds prior to March 31, 2011. On this basis, and after discussions with the Councillor for District 1 and the Sheet Harbour Development Corporation, staff made informal inquiries to understand if these funds could be re-allocated to the HRM buildings project.

On January 24, 2011, staff was advised to submit a resolution requesting an extension for the re-allocation to the buildings re-capitalization project, to allow for construction beyond March 31, 2011, **in the event that the reallocation is approved**. If approved, HRM must provide funds in the amount of \$213,333 for a total amount of \$640,000.

To qualify for an extension, projects must have begun work and incurred eligible costs by March 31, 2011, and a Council resolution is required which commits to finish the projects, and accepts responsibility for any costs incurred beyond October 31, 2011. **In this case, the resolution is subject to project approval by Infrastructure Canada.**

Amended Contribution Agreements will be prepared by the Canada/Nova Scotia Infrastructure Secretariat and must be signed no later than February 28, 2011.

As stated above, Phase 1 of the Sheet Harbour Sidewalk project is complete, and a report will be tabled with Regional Council in the coming weeks to finalize the funding plan. The surplus which is the subject of this report arises because phase 2 was not completed. Re-allocating unspent federal and provincial funds from phase 2 will not impact or limit Council's decision on the phase 1 funding plan.

It is possible that the amount of funds that are available to be re-allocated will exceed \$640,000 and may be as much as \$1,000,000. If this is the case, staff is suggesting that Council approve requesting an extension to spend a maximum amount of \$1,000,000. In this instance, staff will return with a detailed funding plan for the incremental HRM share in the amount of \$120,000 or less.

BUDGET IMPLICATIONS

HRM's matching funds in the amount of \$213,333 to match the Federal and Provincial contributions, exists within current budget allocations as follows:

Account	Description	Required	Available
CPX01185	New Parks and Playgrounds (Capt. Spry Centre Greenspace)	\$25,000	\$31,074.21
CBX01151	All Buildings Program – Bundle (Capt. Wm Spry Locker Room Renos)	\$125,000	\$125,231.47
CBX01164	Transit Facility Upgrades (Dartmouth Ferry Terminal Exterior Glazing)	\$40,000	\$46,014.89
CBX01161	Energy Efficiency Projects (Dartmouth Ferry Terminal Geothermal)	\$35,000	\$433,676.20
Total		\$225,000	\$635,996.77

Remaining monies within the above projects will fund other work meeting the respective project descriptions.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

N/A

ALTERNATIVES

Council could decide to not request an extension. This is not recommended for the reasons outlined in this report.

ATTACHMENTS

Attachment A – Motion to Request an Extension for Infrastructure Projects Under Canada's Economic Action Plan

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: Peter Duncan, P.Eng. Manager Infrastructure Planning Office, 490-5449

Financial Approval by: _____
For/Cathie O'Toole, CGA, Director of Finance, 490-6308

Report Approved by: _____
Phillip Townsend, Director Infrastructure & Asset Management, 490-7166

Attachment A
MOTION TO REQUEST AN EXTENSION FOR INFRASTRUCTURE
PROJECTS UNDER CANADA'S ECONOMIC ACTION PLAN

Moved by
Seconded by

WHEREAS the federal and provincial governments will make a one-time extension of the deadline for funding of projects under the Infrastructure Stimulus Fund and the Building Canada Fund – Communities Top-Up from March 31, 2011 to October 31, 2011;

AND WHEREAS all funding from the Government of Canada and the Province will cease after October 31, 2011;

AND WHEREAS the Halifax Regional Municipality has asked the provincial government for an extension to federal and provincial funding to October 31, 2011 for the following project, subject to project approval by the Government of Canada and the Province:

Project number	Project title	Total eligible cost (\$)	Federal contribution (\$)
	Municipal Buildings Upgrades	640,000	213,333

THEREFORE BE IT RESOLVED THAT the Halifax Regional Municipality attests that it will continue to contribute its share of the required funding for the aforementioned projects;

AND BE IT FURTHER RESOLVED THAT actual claims for all eligible costs incurred by March 31, 2011, for the aforementioned projects must be and will be submitted no later than April 30, 2011 to the Province of NS;

AND BE IT FURTHER RESOLVED THAT Halifax Regional Municipality will ensure that the project will be completed.

[CARRIED]