



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 2
Halifax Regional Council
October 18th, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

Original Signed by Director

SUBMITTED BY:

Phillip Townsend, Director, Planning and Infrastructure

DATE: September 16, 2011

SUBJECT: 2011/12 Gas Tax Funding Allocation

INFORMATION REPORT

ORIGIN

Municipal Funding Agreement between the Province of Nova Scotia and the Halifax Regional Municipality.

BACKGROUND

On September 23, 2005, the Province of Nova Scotia and the Government of Canada signed a bi-lateral agreement to transfer a portion of federal gas tax revenues to the municipalities. In turn, a Municipal Funding Agreement outlining program criteria and requirements must be signed in order for the municipalities to receive those funds.

On December 13, 2005, Halifax Regional Council signed the first agreement which spanned the years 2005/2006 to 2009/2010 inclusive. This agreement had expired and HRM approved an agreement extension on October 12, 2010, which spans the years 2010/2011 to 2013/2014 inclusive.

The Federal/Provincial transfers are based on the distribution of population across Canada, and the transfers to the Municipalities are based on population distribution within the Province. Amounts that will be transferred in 2011/2012 to 2013/2014 have yet to be determined.

The Gas Tax Funding (GTF) program is a very important source of funding for the capital budget, and approximately \$64 million has been transferred to HRM over the five year period of the previous agreement.

Generally speaking, the GTF program funds sustainable projects such as transit, water, wastewater, solid waste, and community energy programs. The GTF program is not application based, rather a sum of money is transferred to a municipality which is allocated to eligible projects approved by Council in the Capital Budget. The Gas Tax Funds are identified in the approved capital budget as a “block” of funds, similar to “debt” and “capital from operating”. The Province in turn requires that the funds be allocated to a group of projects that are approved by Council and are eligible to receive gas tax funding (refer to Attachments 1).

The program has very rigorous reporting requirements. The most significant requirement is that a municipality must have an integrated community sustainability plan (ICSP), as well as a capital investment plan, for eligible projects that support the ICSP. The Regional Plan has been accepted by the Province as HRM’s integrated community sustainability plan.

DISCUSSION

As previously mentioned, the Municipal Funding Agreement between the Province of Nova Scotia and the Halifax Regional Municipality spans the years 2010/2011 to 2013/2014 inclusive. The province will receive \$55.9M from the federal government in each of those years. HRM receives an allocation of those funds based on a formula which considers population, dwelling units and expenditures, in each municipal unit across the province. HRM’s portion will differ slightly from year to year as the factors in the formula change; however, HRM anticipates it will receive approximately 45% of the provincial share.

HRM has included \$24,000,000 in the 2011/2012 Project Budget. The actual amount of Gas Tax funds received for 2011/2012 was \$24,927,417. Any accumulated surplus will remain in the reserve and be applied to 2012/13 projects.

The estimated gas tax revenues has been included in HRM's 2011/12 Project Budget and five year capital plan as block funding and was not allocated to specific capital projects. The purpose of this report is to identify which specific projects staff recommends for funding.

BUDGET IMPLICATIONS

HRM's approved 2011/12 project budget has an estimate of \$24M of funding from gas tax. This funding will be allocated to various gas tax eligible projects as shown in attachment A.

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

ATTACHMENTS

Attachment A – Projects selected for Gas Tax Funding 2011/12

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: Mike Matheson, Senior Financial Consultant, Asset & Transportation Planning, 490-5338

Original Signed

Report Approved by:

Peter Duncan, Manager, Asset & Transportation Planning, 490-5449

Attachment A

Projects selected for Gas Tax Funding in 2011/12		
Number	Name	
CB200428	Transit Terminals Upgrade & Expansion	4,450,000
CMX01104	Rural Community Transit (MetroX)	3,070,000
CMU00981	MetroLink	1,760,000
CBX01171	Ferry Terminal Pontoon Protection(Bndl)	330,000
CVD00436	Biennial Ferry Refit	330,000
CBX01164	Transit Facilities Upgrades(Bundle)	280,000
CYX01345	Street Recapitalization	9,860,000
CKU01084	Sidewalk Renewals	1,220,000
CTU01086	Intersection Improvement Program	1,090,000
CJU01083	New Sidewalks	680,000
CRU01077	Bridges	490,000
CYU01076	Curb Renewals	440,000
	Total	24,000,000