

For Information

DATE: June 23, 2010

REPORT TITLE: **UPDATE ON INFRASTRUCTURE STIMULUS FUND (ISF) PROGRAM**FROM: Norma Trim, Chief Administrative Officer
and Commissioner of Corporate Services**OBJECTIVE**

This report aims to update Regional Council on the progress of the Infrastructure Stimulus Fund (ISF) Program at the Region of Peel.

REPORT HIGHLIGHTS

- Peel's 26 ISF projects are progressing rapidly and are on track for completion by the March 31, 2011 deadline.
- All projects have started construction and five projects are completed.
- More than 60% of the program will be delivered during 2010 construction period.
- Total expenditure as at May 31, 2010 was \$49.052 million or 31% of the latest approved budget.
- 2 claims for refund of eligible expenditure totalling \$31.723 million were submitted and another claim for an estimated \$17 million will be submitted by June 30, 2010
- A Ground Breaking Event at Peel Heritage Center (PHC) is scheduled for June 28, 2010 at 11AM

DISCUSSION**1. Background**

On January 27, 2009, the Honourable Jim Flaherty, Federal Minister of Finance presented the Government's Budget for the 2009/10 fiscal year which announced a \$4 billion federal ISF, for which applications were due by May 1, 2009. The Region submitted applications for 27 projects. On June 5, 2009 it was announced that the Region of Peel was awarded \$98.592 million for 26 of the 27 ISF applications consisting of \$49.296 million in Federal ISF funding and \$49.296 million in Provincial ISF funding.

Regional funding requirements were identified in the amount of \$50.715 million. Of that, \$42.132 million had already been recognized within the Regional 10 Year (2009 to 2018) Capital Plan. However, there was additional funding required in the amount of \$8.584 million that had not been recognized within the 10 Year Capital Plan. All projects within the ISF Program assist to advance the Region of Peel 10 Year Capital Plan and the Regional

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Strategic Plan. Of the 26 projects approved, only eight were not in the 10 Year Capital Plan. Therefore the ISF Program will provide significant benefit to Peel residents and businesses.

Regional Council was provided with an ISF progress update report on March 4, 2010.

2. Project Monitoring

The 26 projects in the Region's ISF program are progressing rapidly. Appendix I provides a summary of their status.

- a) **Project Budget** - The ISF Program does not entitle and has no provision for additional funding to projects for completion. Further, the program does not allow for the transfer of financial assistance between projects without the expressed written consent of the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA).

As at May 31, 2010 the ISF program budget was \$159.875 million of which \$49.296 million is funded by the Provincial government, \$49.296 million funded by the Federal government and \$63.892 million by the Regional Municipality of Peel.

As of January 31, 2010 two projects have indicated that a total of \$3,952,530 was likely to be available after the projects were completed. These are (1) Port Credit Trunk Sewer and Forcemain (\$1,832,800) and; (2) Cawthra Road (\$2,081,269). These resources cannot be reallocated to other projects as per ISF program guidelines and represent a net loss to Peel of two thirds the total amount or \$2,635,020.

Regional staff will continue to monitor developments pertaining to the ISF Agreement and explore opportunities to advocate for the reallocation of any unspent funds, to further maximize ISF benefits within Peel.

- b) **Project Start Date** - All projects have started construction.
- c) **Project Completion Date** - All projects must be completed by March 31, 2011. Project completion is determined by "Substantially Completed" in *Subsection 2(1) of the Construction Lien Act, R.S.O. 1990, c. C.30*.

All projects are on schedule for completion by the March 31, 2011 deadline. All projects scheduled for completion in the month of March 2011 are classified in a higher risk category and receive additional scrutiny.

- d) **Project Expenditure** - As of May 31, 2010 the total expenditure was \$49.052 million or 31percent of the latest approved budget. The majority of this expenditure is eligible expenditure, and claims have been submitted to the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) for refund.

The latest expenditure forecast indicates that more than 60 percent of the total program budget was profiled for implementation during the March 2010 to December 2010 construction period. Thus, the program should be 90 percent implemented by end of December.

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3. Program Management Update

- a) **ISF Claims For Refund** - As at May 31, 2010 the Region submitted 2 claims for refund of eligible expenditure totalling \$31.723 million. Another claim for an estimated \$17 million will be submitted by June 30, 2010.

To date the Region has received grant payments totalling \$15.679 million. An outstanding amount of \$7.251 from the second claim is expected soon. The total payments of \$22.930 million once received, will represent 72 percent of expenditure submitted to date.

- b) **Site Visits** - A Ground Breaking Event at Peel Heritage Center (PHC) is scheduled for June 28, 2010 at 11AM. All Regional Councillors were invited and other attendees will include; Minister John Baird, Federal representative, Minister Brad Duguid, Provincial representative, Ministers of Energy &, Agriculture and Tourism and Culture, Peel M.P.'s and M.P.P.'s, the Region's Executive Management Team, PHC Stakeholders, the Architect and the Contractor.

- c) **Audit Report** - The Internal Audit Division has completed a process audit of the ISF Program and the Social Housing Renovation and Retrofit Program (SHRRP). The final report will be presented to Council on July 8, 2010.

The report highlights include:

- The Region is in compliance with the Infrastructure Stimulus Funding agreement.
- Management has allocated the resources to effectively manage the ISF program.
- ISF management team has processes in place to manage potential risks inherent in the ISF Contribution Agreement.
- The ISF management team has a sound relationship with the Ministry of Agriculture, Food and Rural Affairs.
- Communication within the ISF management team and other team members at the Region is good.

CONCLUSION

The Infrastructure Stimulus Fund offers an opportunity for significant investment and job creation to occur in the Region of Peel while at the same time allowing for the development of new or retrofit of existing public infrastructure.

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Staff will continue to provide Council with updates on the progress and other issues related to the ISF program in supplemental reports.



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Approved for Submission:



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APPENDIX I

ISF Monitoring Update - June 1, 2010		Construction Completion			Project Budget			Revised Financing							
Peel Project ID	Project Name	E	F	G	H	I	J	Peel Utility	Peel Tax	Peel DC	Total Peel	Total External Funding	Total Financing		
													Expenditure to May 2010	Total	
		Completed (March 10)	Change from Original Budget (+/-)	Total Project Budget (Updated Mar 2010)	Total Project Budget (Original)	Change from Original Budget (+/-)	Expenditure to May 2010								
A	B	E	F	G	H	I	J								
09-4691S	Transportation	Completed	0	3,327,000	3,327,000	0	2,315,118	-	1,109,000	-	1,109,000	2,218,000	-	-	3,327,000
09-4692S	10-4630 Airport - Steeles to Queen;	30-Sep-10	0	6,723,000	6,723,000	0	2,719,218	-	2,241,000	-	2,241,000	4,482,000	-	-	6,723,000
09-4693S	10-4680 Cawthra - Lakeshore to N. Service Rd.	Completed	-2,081,269	949,731	949,731	-2,081,269	977,214	-	316,577	-	316,577	633,154	-	-	949,731
09-4694S	Hwy. 50 - Countryside to Coleraine	Completed	0	1,204,580	1,204,580	0	1,202,684	-	401,526	-	401,526	803,054	-	-	1,204,580
09-4695S	King Street - Creditview Road to Mississauga Road	Completed	0	429,390	429,390	0	381,489	-	143,130	-	143,130	286,280	-	-	429,390
09-4696S	Mayfield Road - McLaughlin Road to Mississauga Road	Completed	0	900,000	900,000	0	870,302	-	300,000	-	300,000	600,000	-	-	900,000
09-4697S	Forks of the Credit River - Hurontario Street to approximately 6 km westerly - includes drainage improvements	30-Nov-10	-	3,900,000	3,900,000	-	1,865,674	-	1,300,000	-	1,300,000	2,600,000	-	-	3,900,000
				19,514,970	17,433,701	-2,081,269	10,331,680				5,811,233	11,622,468			17,433,701
09-1980S	Water														
09-1980S	Meadowdale North Pumping Station Expansion	1-Mar-11	0	7,467,000	7,467,000	0	886,841	-	-	2,489,000	2,489,000	4,976,000	-	-	7,467,000
09-1981S	Silverthorn Pumping Station Improvements & Upgrades	30-Jan-11	0	3,271,000	3,271,000	0	997,720	-	1,090,334	-	1,090,334	2,180,666	-	-	3,271,000
09-1912S	Replacement of Roof Membrane at Bockett Sproule Reservoir	30-Jul-10	0	1,500,000	1,500,000	0	476,831	-	500,000	-	500,000	1,000,000	-	-	1,500,000
09-1913S	Reservoir Rehabilitation - East Brampton Cells 1&2	Completed	0	1,000,000	1,000,000	0	644,720	-	333,334	-	333,334	666,666	-	-	1,000,000
09-1914S	Reservoir Rehabilitation - East Brampton Cells 3&4	30-Apr-10	0	1,200,000	1,200,000	0	738,656	-	400,000	-	400,000	800,000	-	-	1,200,000
09-1915S	Reservoir Rehabilitation Project - Silverthorn Reservoir	30-Sep-10	0	1,500,000	1,500,000	0	391,553	-	500,000	-	500,000	1,000,000	-	-	1,500,000
09-1996S	Distribution System - Rehabilitation and Upgrades														
09-1396S	Palgrave-Caledon East Interconnection	30-Nov-10	1,125,410	5,310,000	5,310,000	1,125,410	2,464,411	-	-	2,520,274	2,520,274	2,789,726	-	-	5,310,000
09-1346S	Repair and Replacement of Watermains - Mississauga	31-Mar-11	0	36,786,050	36,786,050	0	17,460,649	-	-	-	12,262,018	24,524,032	-	-	36,786,050
09-1375S	Repair and Replacement of Watermains - Brampton	31-Mar-11	0	25,129,762	25,129,762	0	7,232,408	-	-	-	8,376,588	16,753,174	-	-	25,129,762
09-1397S	Water Servicing for Campbell's Cross and Victoria	30-Sep-10	-	5,151,300	5,151,300	-	2,097,209	-	1,717,100	-	1,717,100	3,434,200	-	-	5,151,300
				87,199,702	88,315,112	1,125,410	33,391,097		0	5,009,274	30,188,648	58,126,464			88,315,112
09-2408S	Wastewater														
09-2408S	Port Credit Trunk Sewer and Forcemain	31-Dec-10	-1,832,800	7,000,000	7,000,000	-1,832,800	1,296,478	-	1,750,002	583,333	2,333,335	4,686,665	-	-	7,000,000
09-2901S	Intermodal Sewage Pumping Station Pump Replacement	31-Dec-10	1,450,000	2,000,000	2,000,000	1,450,000	299,787	-	1,633,333	-	1,633,333	366,667	-	-	2,000,000
09-2205S	Clarway Drive Trunk Sewer	31-Dec-10	2,261,751	7,000,000	7,000,000	2,261,751	937,234	-	-	3,841,167	3,841,167	3,198,833	-	-	7,000,000
09-2210S	McVean Drive Trunk Sewer	30-Nov-10	3,514,225	8,000,000	8,000,000	3,514,225	226,188	-	-	5,009,483	5,009,483	2,990,517	-	-	8,000,000
09-2902S	Limehead Pumping Station Decommissioning and Gravity Sewer Connection	31-Dec-10	-	1,500,000	1,500,000	-	501,243	-	500,000	-	500,000	1,000,000	-	-	1,500,000
				20,106,824	25,500,000	5,393,176	3,200,930		0	9,453,883	13,317,318	12,182,682			25,500,000
09-8060S	Operations Support														
09-8060S	Major Repairs and Rehabilitation works to Municipal Facilities at Copper Rd.	31-Mar-11	0	1,596,000	1,596,000	0	23,751	-	744,800	-	744,800	851,200	-	-	1,596,000
09-8340S	Police														
09-8340S	New Police - Fleet Garage and Inventory Stores Facility	28-Feb-11	3,500,000	13,500,000	13,500,000	3,500,000	928,303	-	805,000	6,695,000	7,500,000	6,000,000	-	-	13,500,000
09-7816S	Health														
09-7816S	Malton Paramedic Satellite Station (S10)	31-Mar-11	0	900,000	900,000	0	405	-	359,131	7,537	366,668	533,332	-	-	900,000
09-5172S	Heritage														
09-5172S	Peel Heritage Centre	31-Mar-11	2,630,260	12,630,260	12,630,260	2,630,260	1,576,002	-	5,963,593	-	5,963,593	6,666,667	-	-	12,630,260
				149,307,436	159,875,073	10,567,577	49,052,168		7,872,524	21,145,794	63,892,260	95,982,814			159,875,073
	TOTAL														