

For Information

DATE: April 25, 2011

REPORT TITLE: **UPDATE ON INFRASTRUCTURE STIMULUS FUND (ISF) PROGRAM -  
MARCH 31, 2011**

FROM: Norma Trim, Chief Financial Officer and Commissioner of Corporate Services

**OBJECTIVE**

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

**REPORT HIGHLIGHTS**

- Peel's 30 ISF projects are progressing rapidly and are on track for completion by the October 31, 2011 deadline.
- 22 projects have been completed as at March 31, 2011. The 8 projects remaining will be completed by October 31, 2011.
- As at March 31, 2011 total expenditure was \$142.1 million or 82 percent of the \$173.9 million updated program budget.
- 8 claims for refund of eligible expenditure totalling \$115.7 million were submitted.
- Peel received payments from federal and provincial governments totalling \$49.8 million.
- Peel complied with all the deadlines for Holdback Claims required by March 31, 2011.

**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 Infrastructure Stimulus Fund (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 \$98.6 million for 26 of the 27 ISF applications consisting of \$49.3 million in Federal ISF funding and \$49.3 million in Provincial ISF funding.

**2. ISF Recycling of Funds**

On September 23, 2010, the Federal government announced changes to the ISF program guidelines with an option to recycle ISF funds by making additional applications for new ISF projects. The Federal and Provincial contribution for the new projects must be fully funded

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by savings that have been or will be realized in implementing previously approved ISF projects hence the term 'recycled'. New projects are subject to the same criteria as the original ISF projects.

Regional staff identified savings and four new optional projects valued at \$4.29 million. The Chief Financial Officer (CFO) subsequently sought Council's authority to submit applications for these projects on October 18, 2010 and on November 19, 2010 the Region received approval from both the Federal and Provincial governments for all four applications. This increased the Regional ISF Program to 30 projects.

**3. Extension of ISF Completion Deadline**

On December 2, 2010 the Federal government announced changes to the ISF program guidelines which gave municipalities an option to extend their ISF projects' completion date from March 31, 2011 to October 31, 2011. The Federal government announced that this one-time extension is expected to allow sufficient time for virtually all the remaining projects to be completed, at no additional cost to the Federal government.

On December 21, 2010 the Region received the respective guidelines and documentation required to submit the necessary applications. Regional staff immediately identified projects that were at risk of completion within the original March 31, 2011 deadline and other projects that would benefit from this extension. Council approval was obtained on January 13, 2011 and 8 applications for the extension of completion dates were submitted by the January 17, 2011 deadline.

The Region received approval for the extension request on February 25, 2011 followed by an 'ISF Amending Agreement' which was authorized and returned to the Ontario Ministry of Agriculture Food and Rural Affairs (OMAFRA) on April 1, 2011.

**4. Peel ISF Program Update**

The 26 original projects and 4 new recycled ISF projects are progressing rapidly and are on target for completion within the revised program timelines. As of March 2011, all remaining projects were beyond 50 per cent implementation and total expenditure was \$142.1 million. The attached Appendix 1 provides a summary of the projects' status.

**a) Project Completion Date** - 22 projects have been completed as of March 31, 2011 with the remaining 8 projects on schedule for the October 31, 2011 completion date.

**b) Project Expenditure** - As of March 31, 2011 the total expenditure was \$142.1 million or 82 percent of the updated ISF program budget. The greater portion of this expenditure is eligible for grant refunds and claims have been submitted to OMAFRA for refund.

All 8 remaining projects are scheduled for completion on or before the October 31, 2011 and they are far beyond their 50 per cent implementation stage. The extension of completion dates by the Federal government provide the opportunity for construction works to be completed to the Region's satisfaction and for activities not permitted during the winter season.

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- c) **Project Budget** - The ISF program does not entitle and has no provision for additional ISF funding for approved projects for completion. Further, the program does not allow for the transfer of funds between projects.

As at March 31, 2011 the updated ISF program budget was \$173.9 million of which \$49.3 million is funded by the Provincial government, \$49.3 million funded by the Federal government and \$75.3 million by the Region.

The updated budget represents a \$20.3 million increase above the ISF program original budget and a \$10.1 million increase above the \$163.8 million budget in the January 13, 2011 Council report, as shown in columns E, F and G of appendix 1 attached. This increase is largely attributed to the \$9.5 million budget increase to project 09-1346S; Repairs and Replacement of Watermains – Mississauga. The additional funding for this project was attained through the reallocation of funds from other related watermains replacement budgets approved in the 2010 budget for design and contingencies. The funding reallocation was necessary to facilitate on-time construction of the watermains replacement. Also, during implementation of the project it was recognized that there were many economic and engineering benefits to be realised by replacing more watermains at specific locations once the construction teams were mobilized and in the ground. This action will significantly benefit the Region's capital plan and water system customers.

- d) **Claims for Refunds** - To date the Region has submitted 8 claims for refunds with a total eligible expenditure of \$115.7 million. Claim No. 8, comprising of statutory and maintenance/warranty holdbacks relating to projects completed in 2009 to 2011 have been processed and submitted by the March 31, 2011 deadline. Claims No. 9 and No.10 comprising of eligible expenses (paid and unpaid) incurred between April 1, 2010 and March 31, 2011 are currently being processed and have been submitted by the April 30, 2011 deadline. The Region has received payments totaling \$49.8 million. Further payments are outstanding on claims currently being processed at OMAFRA.

## **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 critical development of new or retrofit of existing public infrastructure. Staff will continue to provide Council with updates on the progress and other issues related to the Peel ISF program in supplemental reports.

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Approved for Submission:



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D. Szwarc, Chief Administrative Officer

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c. Legislative Services

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APPENDIX I

Peel Region ISF Projects Monitoring - March 31, 2011

Peel Project ID	Project Name	Completion Date	Project Budgets				Expenditure		Grant Revenue Received
			Project Budget (Original)	Project Budget (Updated Jan. 2011)	Project Budget (Updated March 2011)	Change from Original Budget decrease)	Total Expenditure + Accrual*	% of Budget Spent	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
			\$	\$	\$	\$	\$	%	\$
<b>Transportation</b>									
09-4691S	10-4630 Airport - Steeles to Queen;	Completed	3,327,000	3,295,469	3,295,469	-31,531	3,166,297	96%	1,727,888
09-4692S	10-4680 Dixie - 401 to Derry;	Completed	6,723,000	4,923,000	4,923,000	-1,800,000	4,306,882	87%	2,702,172
09-4693S	10-4690 Cawthra - Lakeshore to N. Service Rd.	Completed	3,031,000	1,018,189	1,018,189	-2,012,811	999,459	98%	527,922
09-4694S	Hwy. 50 - Countryside to Coleraine	Completed	1,204,580	1,204,580	1,204,580	0	1,202,664	100%	686,386
09-4695S	King Street - Creditview Road to Mississauga Road	Completed	429,390	396,032	396,032	-33,358	379,268	96%	207,760
09-4696S	Mayfield Road - McLaughlin Road to Mississauga Road	Completed	900,000	895,061	895,061	-4,939	868,290	97%	540,000
09-4697S	Forks of the Credit River - Hurontario Street to approximately 6 km westerly	31-Jul-11	3,900,000	3,900,000	3,900,000	0	3,914,917	100%	1,493,486
<b>New ISF Projects</b>									
10-4667S	Gore Rd from Mayfield to approx. 1000M North *	Completed	250,000	250,000	250,000	0	226,922	91%	-
10-4698S	Restructuring Dixie Rd. from Howden to Bovaird *	Completed	740,000	740,000	740,000	0	849,888	115%	-
			<b>20,504,970</b>	<b>16,622,331</b>	<b>16,622,331</b>	<b>-3,882,639</b>	<b>15,914,587</b>	<b>96%</b>	<b>7,885,613</b>
<b>Water</b>									
09-1912S	Replacement of Roof Membrane at Beckett Sproule Reservoir	Completed	1,500,000	1,500,000	1,500,000	0	1,323,589	88%	832,388
09-1913S	Reservoir Rehabilitation - East Brampton Cells 1&2	Completed	1,000,000	644,720	644,720	-355,280	644,720	100%	381,580
09-1914S	Reservoir Rehabilitation - East Brampton Cells 3&4	Completed	1,200,000	1,200,000	1,200,000	0	1,180,168	98%	720,000
09-1915S	Reservoir Rehabilitation Project - Silverthorn Reservoir	Completed	1,500,000	1,500,000	1,500,000	0	1,443,002	96%	900,000
09-1980S	Meadowvale North Pumping Station Expansion **	31-May-11	7,467,000	7,467,000	8,142,000	675,000	7,487,385	92%	1,493,400
09-1981S	Silverthorn Pumping Station Improvements & Upgrades	Completed	3,271,000	3,271,000	3,271,000	0	3,338,486	102%	1,873,322
<b>Distribution System - Rehabilitation and Upgrades</b>									
09-1346S	Repair and Replacement of Watermains- Mississauga	Completed	36,786,050	36,786,050	46,247,283	9,461,233	43,957,027	95%	12,158,807
09-1375S	Repair and Replacement of Watermains- Brampton	31-Oct-11	25,129,762	25,129,762	25,129,762	0	20,792,290	83%	8,557,789
09-1396S	Palgrave-Caledon East Interconnection	Completed	4,184,590	5,310,000	5,310,000	1,125,410	4,479,193	84%	2,510,754
09-1397S	Water Servicing for Campbell's Cross and Victoria	Completed	5,151,300	5,151,300	5,151,300	0	4,141,566	80%	1,561,933
<b>New ISF Projects</b>									
10-1941S	Meadowvale North Reservoir, Cells 1&2 *	31-May-11	1,100,000	1,100,000	1,170,000	70,000	898,031	77%	-
10-1942S	Hanlan runs Main C1 2 *	Completed	2,200,000	2,200,000	2,070,000	-130,000	1,994,378	96%	-
			<b>90,489,702</b>	<b>91,259,832</b>	<b>101,336,065</b>	<b>10,846,363</b>	<b>91,679,837</b>	<b>90%</b>	<b>30,989,972</b>
<b>Wastewater</b>									
09-2205S	Clarkway Drive Trunk Sewer	Completed	4,738,249	7,000,000	7,000,000	2,261,751	5,748,171	82%	1,103,453
09-2210S	McVean Drive Trunk Sewer	Completed	4,485,775	8,000,000	8,000,000	3,514,225	4,913,607	61%	1,182,484
09-2406S	Port Credit Trunk Sewer and Forcemain	31-Aug-11	8,832,800	8,000,000	8,000,000	-832,800	5,384,207	67%	2,481,938
09-2901S	Intermodal Sewage Pumping Station Pump Replacement	Completed	550,000	2,000,000	2,000,000	1,450,000	1,599,666	80%	330,000
09-2902S	Lionhead Pumping Station Decommissioning and Gravity Sewer Connection	Completed	1,500,000	1,400,000	1,400,000	-100,000	998,028	71%	300,000
			<b>20,106,824</b>	<b>26,400,000</b>	<b>26,400,000</b>	<b>6,293,176</b>	<b>18,643,678</b>	<b>71%</b>	<b>5,397,874</b>
<b>Heritage</b>									
09-5172S	Peel Heritage Centre	30-Jun-11	10,000,000	13,536,400	13,536,400	3,536,400	7,725,546	57%	3,144,367
<b>Health</b>									
09-7816S	Malton Paramedic Satellite Station (S10)	Completed	900,000	900,000	900,000	0	675,697	75%	160,000
<b>Police</b>									
09-8340S	New Police - Fleet Garage and Inventory Stores Facility	15-May-11	10,000,000	13,500,000	13,500,000	3,500,000	6,972,236	52%	2,019,554
<b>Operations Support</b>									
09-9060S	Major Repairs and Rehabilitation works to Municipal Facilities at Copper Rd.	31-Jul-11	1,596,000	1,596,000	1,596,000	0	522,066	33%	255,360
<b>TOTAL</b>			<b>153,597,496</b>	<b>163,814,563</b>	<b>173,890,796</b>	<b>20,293,300</b>	<b>142,133,646</b>	<b>82%</b>	<b>49,852,740</b>

\* - Includes Accrual in the financial system and Payment Certificates currently in process