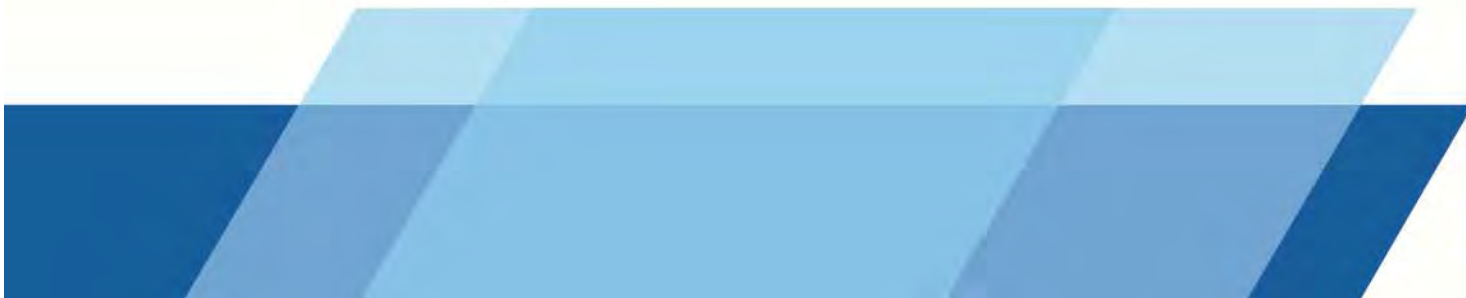




New Federal Gas Tax Fund Program Changes 2014-2024



Department of Municipal Affairs



New Gas Tax Agreement

- Negotiations complete and Canada-NS Agreement signed
 - In effect as of April 1, 2014 administered by DMA
 - <http://www.infrastructure.gc.ca/prog/agreements-ententes/gtf-fte/2014-ns-eng.html>
- Municipal Funding Agreements (MFAs) sent to municipalities
- 10 year Program – 2014-2024
- Transfer Based – 100% Federally Funded
 - Stacking Rule: New Building Canada Fund Projects max 33.33% from all Federal Sources
- 2013-14 Funds in reserve carry forward to new GTF
- Coordinating with UNSM/AMA on Program Delivery

New NS Gas Tax Allocations

Fiscal Year	GTF Funding for NS
2014-15	\$53.2M
2015-16	\$53.2M
2016-17	\$55.9M
2017-18	\$55.9M
2018-19	\$58.5M
2019-2024*	*based on 2016 census

Eligible Recipient

- (a) a **Municipality** or its agent (including its wholly owned corporation); and
- (b) a **non-municipal entity**, including for profit, non-governmental and not-for profit organizations, on the condition that the Municipality(ies) has (have) indicated support for the project through a formal resolution passed by its (their) council(s).

See MFA for specifics

Expanded Gas Tax Categories

- Drinking Water
- Wastewater
- Solid Waste
- Community Energy Systems
- Local Roads and Bridges
- Public Transit
- Capacity Building
- Highways
- Regional/Local Airports
- Short-Sea Shipping
- Short-Line Rail
- Broadband Connectivity
- Brownfield Redevelopment
- Cultural Infrastructure
- Tourism Infrastructure
- Sport Infrastructure
- Recreational Infrastructure
- Disaster Mitigation

Note: New Category expenditures eligible only after April 1st , 2014

Gas Tax Accounting

- Record, **separately and distinctly**, GTF funding it receives from Nova Scotia, including any interest accrued, in advance of it paying Eligible Expenditures.
- Municipal interest accrued on reserves **can no longer be used on administration**
- Gas Tax accounting on AER is '**cash-based**' vs. 'accrual based.' Report on 'actual' expenditures incurred in a given fiscal year.

Project Eligibility

- Municipalities are encouraged to contact the Department of Municipal Affairs **in advance** of incurring costs on a project to determine broad eligibility.
- The municipality incurs the risk of project ineligibility or ineligible costs.

Eligible Expenditures

- The expenditures associated with **acquiring, planning, designing, constructing or renovating a tangible capital asset**, as defined by generally accepted accounting principles, and any related **debt financing** charges specifically identified with that asset.
- The expenditures directly associated with joint communication activities and with federal **project signage** for GTF-funded projects.

Capacity Building

For capacity building category only, the expenditures related to strengthening the ability of Municipalities to improve local and regional planning including Capital Plans, integrated community sustainability plans, life-cycle cost assessments, and Asset Management Plans. The expenditures could include developing and implementing:

- i. studies, strategies, or systems related to asset management, which may include software acquisition and implementation;
- ii. training directly related to asset management planning; and,
- iii. long-term infrastructure plans.

Ineligible Expenditures

- The cost of **leasing of equipment** by the Recipient, any **overhead costs**, including salaries and other employment benefits of any employees of the Municipality, its direct or indirect **operating or administrative costs** of the Municipality, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its staff, except in accordance with Eligible Expenditures;
- **Taxes** for which the Municipality is eligible for a tax rebate and all other costs eligible for rebates
- Purchase of **land** or any interest therein, and related costs
- **Legal fees**
- **Routine repair and maintenance** costs.

Incremental Costs

- The use of internal staff or leasing of equipment must be incremental and be approved in advance by the Department of Municipal Affairs prior to incurring costs.
- Please contact us in advance if you wish to pursue using GTF to fund internal staff on a project.

Annual Expenditure Report (AER)

- AER template will be updated for 2014-15 reporting period (new categories and outcomes)
- AER requires **certification by an authorized senior official** of the Municipality that it is in compliance with the terms and conditions of this Agreement (i.e. Director of Finance).
- The Province will conduct AER **compliance audit** on sample of municipalities annually.
- Interim is due May 30 and Final July 31 annually

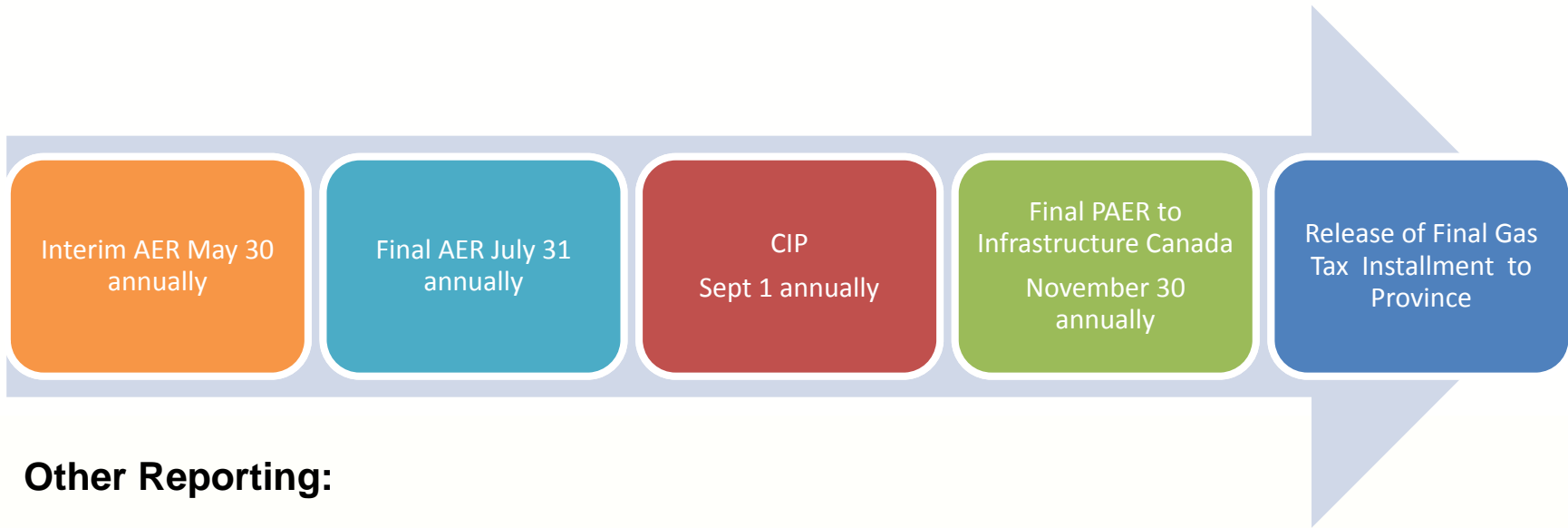
Capital Investment Plan (CIP)

- Online CIP is due Sept 1 annually.
- Projects within CIP must be approved by council. If your municipality is completing a separate capital budget format that was approved by council, the CIP must reflect the same information as in the approved capital budget.
- The CIP is a separate requirement from capital budget. Five year budget is required.
- Project Ranking and Scoring is not mandatory, but will support Asset Management Process. Debt financing schedules were removed.
- Form will not prepopulate existing data in 2014-15, but will thereafter.

Outcome Measures

- Currently working on the new outcome measures. They will be available soon.
- The Province is required to provide Infrastructure Canada with an Outcomes Report by March 31, 2018.

Gas Tax Reporting Deadlines



Other Reporting:

- Communications Report (March)
 - In place of 3 Forecast Surveys
- FIR (Sept 30)
- SOE (Sept 30)
- Audited Financial Statements (Sept 30)

Process to Receive Allocation

- Gas Tax Funds are distributed to municipalities in two allocations
 - To receive 1st allocation (usually November):
 - All departmental reporting from the previous fiscal year;
 - Annual Expenditure Report;
 - Capital Investment Plan; and
 - Other Reporting Requirements (i.e. FIR, SOE and audited Financial Statements)
 - To receive 2nd allocation (March):
 - 1st allocation requirements must be met;
 - Current year departmental reporting must be submitted; and
 - PAER accepted by Infrastructure Canada.
- The release of other DMA funding (i.e, Equalization, Grant In Lieu & Fire Protection) is also subject to meeting the above

Asset Management Plan

- **“Asset Management Plan”** means documents that support integrated, lifecycle approaches to effective stewardship of infrastructure assets in order to maximize benefits, and manage risk
- Demonstrate progress towards development/implementation of AM Plan (i.e. Cont’d CIP, LCC, AM Plan development)
 - To be shown in Outcomes Report (Due 2018)
- Provincial consultation (MFC / UNSM / AMANS / MPWANS / Municipal Partners)

Communications Protocol

- UNSM will be collecting information on planned gas tax projects in the Spring.
 - Communications Report to INFC
- Project Signage required as per previous program (currently on hold)
- Project announcements required as deemed by INFC
- If Municipality wishes to hold an event, it must notify DMA Communications and proceed accordingly

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