

ADMINISTRATIVE PROCEDURES FOR THE

FEDERAL GAS TAX FUND

(Formerly New Deal for Cities and Communities)

(FGTF)

1. Definitions

Within this program the following apply, unless the context requires otherwise:

- a) "TRANS" means Alberta Transportation.
- b) "**Environmentally Sustainable Infrastructure**" means municipal roads, bridges, public transit, water and wastewater systems, storm drainage systems, community energy systems, and solid waste management. Schedule 1 provides a more detailed description.
- c) "**Capital**" means a fixed asset having an expected life of many years. "Capital cost" includes the cost of planning, design, construction, purchase, or rehabilitation of a fixed asset.
- d) "**Rehabilitation**" means any activity intended to extend the useful life of a fixed asset beyond its original expected or design life.
- e) "**Maintenance**" means any routine, recurring, superficial, or cosmetic activity necessary to ensure that a fixed asset reaches its normal design life and/or retains an acceptable appearance through out its life.
- f) "**Municipality**" means a community that is a city, town, village, summer village, municipal district, specialized municipality, improvement district, special area, or Metis Settlement. First Nations communities do not fall within this program.
- g) "**Project**" means any undertaking by a Municipality that results in the purchase, rehabilitation, upgrading, or construction of Environmentally Sustainable Infrastructure as defined above in clause l and in Schedule 1.
- h) "**Infrastructure Management System**" means a system which is capable of recording and retrieving information on various types of infrastructure, including key infrastructure characteristics and condition, on a consistent basis to assist systematic infrastructure planning and management.
- i) "**Infrastructure Deficit**" means capital projects that are necessary to expand, upgrade, or rehabilitate the municipal infrastructure system and that have been deferred as they exceed the current funding capacity of the Municipality.
- j) "**Integrated Community Sustainability Plan**" means any existing or new long-term plan developed in consultation with community members, for the community to realize sustainability it has for the environmental, cultural, social and economic dimensions of its identity.

- k) **“Multi-Year Capital Infrastructure Plan”** means a document created through a public process, with approval from locally elected officials, providing a detailed understanding of anticipated investments into tangible capital assets, including environmentally sustainable infrastructure, that are considered “priorities”.

2. PROGRAM PRINCIPLES

The major guiding principle of the Federal Gas Tax Fund Program (FGTF) is that the Government and the Municipality work together in partnership in support of the development of environmentally sustainable municipal infrastructure to maintain or enhance economic, social and cultural opportunity and well being, while protecting and improving the quality of our environment upon which people and economies of Alberta depend.

Under this program, the Government sets the criteria by which projects qualify for funding under this program and the municipality sets the individual priorities for those projects that meet the eligibility criteria.

The funding provided under this program is in addition to other grant and non-grant funding of capital municipal infrastructure.

The funding provided under this program is intended to cover capital costs only and may not be used for maintenance costs, operating costs, debt reduction, or replacement of existing municipal infrastructure expenditures.

3. OBJECTIVES

The objectives of the FGTF are:

- To work in partnership with the Municipalities to provide safe, sustainable, and cost-effective municipal infrastructure recognizing broad municipal, regional, and provincial priorities.
- To provide financial assistance to municipalities for Environmentally Sustainable Infrastructure projects, such as public transit vehicles and facilities, water and wastewater systems, solid waste management facilities, and community energy systems that will lead to the desired outcomes of cleaner air, cleaner water, and lower green-house gas emissions.
- To assist municipalities with the implementation of required sustainable municipal infrastructure projects that have been deferred or delayed due to insufficient funding availability.

These objectives are met by:

- Providing conditional per capita grants to municipalities subject to annual budget availability.
- Utilizing the program criteria and the environmentally sustainable municipal infrastructure needs and priorities to establish eligible projects and project limits,
- Taking a cooperative approach to reviewing program applications, establishing priorities, scheduling implementation, and timing of conditional grant payments.

4. TIME FRAME

This program was implemented May 14, 2005 as a five year, \$476,900,000 program with an option to renew or extend the program. In December 2008, the Federal Government extended the Agreement on the Transfer of Federal Gas Tax Revenues for an additional four years. This extension will provide \$199.503 million annually to Alberta Municipalities or \$798 million for the four fiscal years 2010/11 to 2013/14.

Grants are to be provided annually or semi-annually to eligible municipalities, subject to the transfer of sufficient funds from the Federal Government to the Provincial Government.

5. GRANT FUNDING AVAILABLE

The funding allocation to a municipality is essentially a total program per capita amount spread over the duration of the program.

2005/06 – 2009/10

For Summer Villages there is a base allocation of \$7,948 plus the program per capita funding. For all other municipalities there is a minimum allocation of \$79,483 over five years. The grant payment instalments for the first three years will be based on population estimates for 2006. Allocations for the subsequent two years of the program will be adjusted according to the federal census numbers when they become available in 2007, or the 2007 Official Population as published by Alberta Municipal Affairs.

2010/11 – 2013/14

For Summer Villages there is a base allocation of \$5,000 plus the program per capita funding. For all other municipalities there is a minimum allocation of \$50,000 over four years. The grant payment instalments are based on the 2009 Official Population as published by Alberta Municipal Affairs.

In addition:

The maximum total per capita grant depends on the amount of the Federal Government funds transferred to the Provincial Government.

Grants provided and not expended in one year may be carried forward to the next year and subsequent years until the end of the program in March 2014.

The Municipality will need to substantiate through a Multi-Year Capital Infrastructure Plan that it can utilize the funds within the program time period. This plan will facilitate the accumulation of grant funds by the Municipality in order to accommodate larger projects requiring more than one year's grant allocation.

A Municipality may initiate new eligible projects in advance of receiving sufficient grant funds with reasonable assurance that the grants up to their program limit will be available in future years provided that they advise TRANS of their intention to do so. Financing charges incurred by the Municipality as a result of this process are not eligible under the program.

6. PROVISION OF GRANTS

TRANS will provide the FGTF grant in installments following receipt of an Application for Program Acceptance for the current year and a Statement of Funding and Expenditures for the previous year (see Section 12 GRANT APPLICATION PROCEDURES). The Statement of Funding and Expenditures must be submitted on or before June 30 of each year beginning in 2006. Commencing in April 2008, these applications and reports are to be generated using the Municipal Grant Management System (MGMA).

If requested by the Municipality, TRANS may defer payment of the grant for any year to any subsequent year within the nine years of this agreement.

The chart in Section 11 depicts the various steps that are performed in sequence and gives a perspective of the overall process.

7. PROJECT ELIGIBILITY CRITERIA

The types of capital projects eligible for provincial funding under this program are:

Schedule 1 contains a listing of typical eligible **Sustainable Infrastructure**.

Projects under each of the following general categories:

1. Public Transit
2. Water Supply, Treatment, and Distribution Systems
3. Wastewater Collection and Treatment Systems
4. Solid Waste Management Systems
5. Community Energy Systems
6. Roadways and Bridges

Schedule 2 contains a copy of the Canada-Alberta agreement Schedule 2.

All projects must respect eligible project categories listed in Schedule 2 of the Canada-Alberta Agreement

Schedule 3 contains a listing of typical eligible and ineligible project costs.

Schedule 4 contains a list of credit items to be applied to all FGTF Projects.

Where any credit item results in net proceeds to the Municipality, such proceeds shall be credited to the municipality's FGTF accounts so as to be available for allocation to other accepted FGTF projects.

8. CO-FUNDING UNDER OTHER GRANT PROGRAMS

The intent of co-funding is to accommodate those situations where a municipality proposes the initiation of a high priority environmentally sustainable project under another TRANS grant program where the magnitude of the project is such that there is little chance that the municipality would be able to generate its share of the project cost within a reasonable time.

Projects initiated or committed under other TRANS grant programs prior to the signing of the FGTF agreement are not eligible for co-funding under the FGTF.

For a new project being initiated under another TRANS grant program after the signing of the FGTF, the municipality may request approval to utilize funding under FGTF to replace the required municipal contribution. The Municipality must contact the TRANS Regional Office for approval of the proposal well in advance of any co-funding expenditure.

In all cases the municipality is required to maintain its normalized historical non-grant expenditures on capital municipal infrastructure prior to utilizing FGTF funds. The municipality may be requested to substantiate this fact.

9. SPECIAL CONDITIONS

Work Outside the Municipal Limits

Where the cost of the project is to be shared with other municipalities, the lead municipality must apply in MGMA for project acceptance of the total project and indicate the other municipality's financial contribution to the project. Acceptance by TRANS of the lead municipality's project application will include the supporting municipalities as if they had filed separate MGMA applications.

Work on adjoining Provincial Highways

Whenever a project is proposed to include work on a highway under provincial jurisdiction, the Municipality must first enter a separate agreement with TRANS to permit the Municipality to carry out the work within the highway right-of-way. The agreement will include, but is not limited to, the following items:

- The proposed project must meet all relevant design standards as determined by TRANS.
- For purposes of budget allocation and reimbursement by the Government for work within the highway right-of-way, the Municipality is to advise TRANS, at least one year in advance of any contemplated construction and provide a cost estimate of the portion of the construction work occurring on the Provincial Highway
- The Municipality will indemnify TRANS of any liability arising from the work by the municipality or any contractor engaged by the municipality.
- Following completion of construction, the actual final cost of the project is to be determined and submitted to TRANS. This final cost will be used to confirm the actual reimbursement amount due to the Municipality.

10. Award of Contracts and Use of Municipal Forces

Where projects are undertaken by the Municipality and those projects are accepted by TRANS as qualifying for provincial funding under FGTF, the projects should be carried out by the private sector.

All calls for proposals or tenders for Projects to be funded under this program must be advertised consistent with the guidelines in the Agreement on Internal Trade.

The Municipality may award contracts for planning, design, engineering, and architectural services for a municipal capital infrastructure project based on best overall value consistent with the Municipality's policies.

The Municipality may award contracts for construction, or purchase of a municipal capital infrastructure project by public tender based on either unit prices, or lump sum amounts.

Where the Municipality recommends that any tender other than the low tender be accepted, the Municipality must submit its recommendation respecting such awarding, together with details of all tenders received to TRANS for written approval.

In some cases where highly specialized services or equipment are required, or where generally available alternatives would create compatibility issues with existing infrastructure, a Municipality may request approval from TRANS to sole-source the

project. The request must include an evaluation documenting the reasons and justifications for following this procedure.

In those cases where the Municipality proposes to utilize its own forces on Projects under this program, the Municipality is required to submit an economic analysis to TRANS to substantiate that this will result in a lower cost or more cost-effective Project.

11. ANNUAL APPLICATION, STATEMENT, AND GRANT CYCLE FLOW CHART

The following chart outlines, in general terms, the various stages and actions necessary to successfully complete one grant cycle. This process is repeated annually.

Commencing in April, 2008, all Application and Reporting is via the internet-based Municipal Grant Management Application (MGMA)

<u>STEP</u>	<u>DOCUMENTATION</u>	<u>NOTES AND ACTION BY</u>
	Program Agreement	<ul style="list-style-type: none"> Prepared by TRANS and signed by the municipality and TRANS at the beginning of the program.
1.	Project Profile	<ul style="list-style-type: none"> Submitted by municipality using MGMA at any time during the program for review by TRANS Where possible, new profiles should be submitted in groups prior to April 1 of each year Provides general project information Project Status is updated in MGMA by TRANS
2.	Application for Program Acceptance	<ul style="list-style-type: none"> Assembled in MGMA from Project Profiles Provides updated summary project and/or program budget information for coming year. Response from TRANS optional.
3.	Multi-Year Capital Infrastructure Plan	<ul style="list-style-type: none"> Assembled in MGMA from Project Profiles. Provides a summary of all accepted and proposed projects in MGMA for the next 10 years. Response from TRANS optional.
4.	Project Acceptance and Grant Commitment	<ul style="list-style-type: none"> Letter sent to municipality from TRANS. Project "Status" in MGMA updated by TRANS
5.	Previous Years Statement of Funding and Expenditures	<ul style="list-style-type: none"> Assembled / Submitted in MGMA Signed hard copy submitted by municipality as a supplementary document, before June 30. Represents the previous years actual grant expenditures. Response letter from TRANS.
6.	Payment of Grant Allocation	<ul style="list-style-type: none"> Sent by TRANS to municipality via electronic transfer (EFT).
7.	Repeat from Step 2 for each calendar year	

12. GRANT APPLICATION PROCEDURES

The FGTF is administered through a conditional agreement with each eligible municipality. Under this agreement grant funds will be advanced to each municipality following review in MGMA and acceptance by TRANS of the municipality's program. Each municipality will be required to enter into an FGTF Agreement with the Province prior to any funds being transferred to the municipality under this program.

There are four basic requirements in the application process for this program:

- Submission of a Project Profile for each project using MGMA.
- Submission of an annual summary Application for Program Acceptance using MGMA.
- Submission of a Multi-Year Capital Infrastructure Plan using MGMA.
- Development and implementation of an Integrated Community Sustainability Plan as supplementary document attached in MGMA.

To facilitate the submission and early processing of any project profile, application, capital plan, statement, or any other required supplementary documentation; the documentation should be submitted electronically via MGMA.

Any document requiring a signature is not considered to be officially submitted until the signed hard copy is received by TRANS.

a) Project Profile

For each project proposed under this program, the municipality is to submit a Project Profile for review and acceptance by TRANS prior to commencing the project.

The objective of the profile is to provide basic project information and anticipated annual cash-flow for the proposed project. This information will assist in determining the eligibility of the proposed project under this program.

Project Profiles may be submitted to TRANS at any time through MGMA, however, submission of new profiles before April 1 each year is preferred.

Whenever possible the profiles should be submitted in groups to minimize the amount of follow-up correspondence for both TRANS and the municipality.

Upon completion of the project review, the project acceptance status will be updated in MGMA by TRANS and the municipality will be notified by letter of the new project acceptance status.

Where an accepted project includes proposed cash-flows in more than one year, the subsequent years cash-flows are also accepted.

Where the cost of a project is being shared between two or more municipalities, each municipality is responsible for updating its own Cash-Flow items in MGMA.

If during the normal course of events the project changes significantly in either scope or scale, this profile should be updated in MGMA so that it realistically represents the project being undertaken.

The MGMA Training Guide is available to assist municipalities in entering project information into MGMA.

If required by the municipality, MGMA can be used to create hard copies of the Project Profiles for filing or other municipal uses.

b) Application for Program Acceptance

The objective of the Application for Program Acceptance (APA) is to provide on an annual basis a list of all projects to be undertaken by the municipality under the program in that year.

With the implementation of MGMA in April 2008, the APA is generated based on the Project Profile information as entered in MGMA.

Formal submission of the APA is not required, however, the report can be printed from MGMA if needed for municipal purposes and filing.

TRANS may print the APA using MGMA on or about April 1 of each year for review and record purposes.

c) Multi-Year Capital Infrastructure Plan (the plan)

The plan is a listing of all proposed capital municipal expenditures over a five to ten year planning period. This plan should be based on the outcome of municipal infrastructure condition reports and/or other planning studies and reports substantiating the need, priority, and timing for the projects.

The objective of the plan is to provide a high level overview of the anticipated capital municipal expenditures for all grant supported, non-grant supported, and unfunded capital municipal expenditures over the planning period.

A major objective of the FGTF is that the funds be directed to projects that are in excess of the municipality's normal capital expenditure in order to reduce the backlog of deferred and delayed high-priority capital municipal infrastructure projects. This plan will help demonstrate that the municipality is continuing to spend its normalized historical amount on capital municipal infrastructure.

Commencing in 2008, the plan can be generated using MGMA based on the projects entered in MGMA. A municipality may include non-grant supported or unfunded projects on the plan by assigning a "None" or "Draft" status to the Project Profile entered in MGMA. Profiles with a "None" or "Draft" status are not reviewed by TRANS with respect to project eligibility under this or any other grant program and are not included in APA or SFE reports generated by MGMA.

It is accepted that this plan is an estimate only and that it will likely change from time to time as the condition of the existing municipal infrastructure and the needs and priorities of the municipality change. Periodic updating of the plan by updating the Project Profiles in MGMA is highly recommended.

d) Integrated Community Sustainability Plan

This plan is the long term blueprint developed by the community that will lead to the realization of sustainable environmental, cultural, social, and economic dimensions of the community.

Information regarding the necessary content of this plan is being developed in conjunction with other provinces and is expected to be available in early 2006.

Municipalities will have until December 2008 to develop this plan. The plan should be implemented and integrated into its Multi-Year Capital Infrastructure Plan by March 2010.

FGTF funds may be utilized to develop the plan.

13. PROGRAM APPLICATION REVIEW AND APPROVAL PROCESS

- a) Upon review of the municipality's Project Profiles in MGMA, letters advising of the acceptance status and conditions, if any, will be sent to the municipality. When these letters are sent out, the project status in MGMA will be updated by TRANS.
- b) In some instances, the Minister may wish to review and accept various major or provincially significant projects separately, or may request an official sod-turning or ribbon-cutting ceremony. In these cases, the municipality will be asked to coordinate its official start-up or opening of the project with any public event or announcement by the Minister.
- c) In some instances, included in program acceptance may be a condition that project funding signs be erected at particular projects to inform the public that this project is being funded by the Government of Canada. In addition, the municipality is required to annually advertise in a local newspaper a summary of the infrastructure projects to be initiated or continued in the current year and to include in the advertisement an acknowledgement of the Government funding for those projects.

The "Canada" wordmark shall be incorporated in the sign or advertisement as appropriate.

14. FINANCIAL REPORTING

At the end of each calendar year, the municipality is required to provide a Statement of Funding and Expenditures (SFE) summarizing the grant amounts received and expended during the year. The statement is generated using MGMA.

The objective of the SFE is to provide documentation of the actual grant amounts received, the income earned on the grants, other credits to the program, the actual amounts applied to accepted projects, and the year end grant and interest balances. The SFE also includes a certification by the municipality that the municipality is in compliance with the terms of the agreement for the program and with these Administrative Procedures.

An SFE report is required for each calendar year and must be submitted to TRANS by June 30 of the following year.

Commencing in 2008, the SFE is generated by MGMA based on the actual project expenditures as recorded in MGMA. It includes all projects accepted under FGTF for the calendar year of the report.

Income on grant funds is to be the actual income earned. Where the actual income earned is not available through the municipality's normal accounting procedures, TRANS may direct that the notional income calculation method is to be applied. In this case the appropriate income rate will be provided by TRANS. The notional method is outlined in Schedule 5.

All supporting documentation including reports, drawings, invoices, etc. for each project must be retained by the Municipality for a minimum of three years following completion of the project.

The SFE is not considered to be final until a signed hard copy is received and accepted by TRANS.

The SFE and supporting documentation may be subject to a review by the Provincial Auditor.

15. SUPPLEMENTARY INFORMATION

In addition to the general regulatory and permitting procedures that may be applicable to any particular capital project, there are a number of supplementary information sources and design guides available that may also be of assist in the development of acceptable projects. A partial summary of supplementary information sources and design guidelines is included in Schedule 6.

SCHEDULE 1

Sections 1 through 9 of this Schedule contain a listing of the general types of capital Infrastructure Projects that may be funded under the Canada-Alberta Agreement on the Transfer of Federal Gas Tax Revenues under the Federal Gas Tax Fund Agreement. The lists are not intended to be all inclusive. However, **all projects must respect eligible project categories listed in Schedule 2 of the Canada-Alberta Agreement.**

1. PUBLIC TRANSIT

- Construction and major rehabilitation of Light Rail Transit (L.R.T.) Lines, station structures, park and ride facilities, and L.R.T. Maintenance facilities. L.R.T. Lines must be designated in the municipality's transportation system bylaw.
- Construction, reconstruction and rehabilitation of L.R.T. grade separations.
- Construction and rehabilitation of major public transit terminals and transit garages.
- Purchase of L.R.T. vehicles, "low-floor" standard 40-foot buses, "low-floor" articulated buses, and accessible community public transit vehicles as well as specialized transit vehicles for seniors and/or persons with disabilities.
- Major rehabilitation of public transit vehicles.
- Major comprehensive transit-stop retrofit programs to achieve a "barrier free path of travel" to accessible transit services.
- System-wide capital improvement or upgrading projects.
- Purchase, development, and rehabilitation of major capital security devices, communication equipment, and other public safety enhancements.
- Implementation of Municipal Infrastructure Management Systems including software and the collection of Core Infrastructure data to the limits outlined in the program guidelines.
- Significant enhancements or improvements for the safety of users of the transportation systems.

2. WATER SUPPLY AND TREATMENT SYSTEMS

- Raw-water supply lines to storage facilities.
- Raw-water storage facilities.
- Raw-water supply lines from storage facilities to treatment facilities.
- Water treatment facilities.
- Water pumping facilities.
- Treated-water supply lines.
- Treated-water storage facilities and related works.
- Distribution system upgrades and replacements, including individual services to the property line.
- Implementation of Water Infrastructure Management Systems, including the purchase of software and collection of data to the limits outlined in the program guidelines.

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3. WASTEWATER TREATMENT SYSTEMS

- Outfall sewer from the collection system to the wastewater treatment facilities.
- Wastewater treatment facilities.
- Wastewater pumping facilities.
- Outfall sewers from the wastewater treatment facilities to the point of discharge or disposal and related works.
- Sewage collection system upgrades and replacements, including service mains to the property line.
- Implementation of Wastewater Infrastructure Management Systems, including the purchase of software and collection of data to the limits outlined in the program guidelines.

4. WASTEWATER (STORM SEWER DRAINAGE SYSTEMS AND FACILITIES)

- Storm sewer line replacement or rehabilitation.
- Construction of new storm sewer retention ponds.
- Construction of new storm sewer treatment facilities.
- Replacement or rehabilitation of storm sewer collection lines including service lines, and catch basins.
- Outfall storm sewers to the point of discharge or disposal and related works.
- Implementation of Storm Sewer Infrastructure Management Systems, including the purchase of software and collection of data to the limits outlined in the program guidelines.

5. SOLID WASTE MANAGEMENT

- Waste diversion - Material Recovery Facilities.
- Organics management.
- Collection depots.
- Waste disposal landfills.
- Thermal treatment.

6. COMMUNITY ENERGY SYSTEMS

- Retrofits of local government-owned buildings.
- Energy systems such as renewable energy, combined heat and power (CHP), cogeneration and district energy.
- Street lighting retrofits.
- Other capital energy Projects as may be deemed appropriate by the Minister.

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7. ROADWAYS AND BRIDGES (Except Edmonton and Calgary) that enhance sustainability outcomes for municipalities.

- Reconstruction and rehabilitation of roadways.
- Reconstruction and rehabilitation of road structures.
- Construction, reconstruction and rehabilitation of railway and other grade separations.
- Construction, reconstruction and rehabilitation of bridges.
- Other ancillary works such as sidewalks, commuter bikeways, lighting, traffic control signals, pedestrian signals, storm drainage and utility relocations.
- Construction or implementation of major transportation systems management projects such as major intersection improvements, major traffic signal coordination, etc.
- Construction of noise attenuation devices as a part of an eligible project, and rehabilitation of existing noise attenuation devices on an eligible roadway or transitway, consistent with the municipality's approved noise attenuation policy.

8. CAPACITY BUILDING

Funds can be used to undertake the following:

- Develop and implement a Integrated Community Sustainability Plan
- Collaboration: building partnerships and strategic alliances; participation; and consultation and outreach;
- Knowledge: use of technology; research; and monitoring and evaluation;
- Integration: planning, policy development and implementation.
- Municipality-wide or regional transportation planning studies and major systems planning reviews.
- Transportation studies to address specific environmental and/or safety concerns including environmental impact assessments.

9. GENERAL

This section includes items that may be stand-alone projects or may be an integral part of a project eligible under sections 1 through 8.

- System-wide reviews where such reviews will have an impact on capital Infrastructure expenditures.
- Relocation & adjustment of associated utilities.

SCHEDULE 2

This Schedule is a reproduction of Schedule 2 from the Canada-Alberta AGREEMENT ON THE TRANSFER OF FEDERAL GAS TAX REVENUES UNDER THE NEW DEAL FOR CITIES AND COMMUNITIES dated May 14, 2005. All items in Schedule 1 are further refined by this schedule.

ENVIRONMENTALLY SUSTAINABLE MUNICIPAL INFRASTRUCTURE (ESMI)

ELIGIBLE PROJECT CATEGORIES

1) ESMI Projects include the following:

- a) Public transit, e.g.:
 - i) Rapid Transit: tangible capital assets and rolling stock (includes light rail, heavy rail additions, subways, ferries, transit stations, park and ride facilities, grade separated bus lanes and rail lines);
 - ii) Transit Buses: bus rolling stock, transit bus stations;
 - iii) Intelligent Transport System (ITS) and Transit Priority Capital Investments;
 - iv) ITS technologies to improve transit priority signalling, passenger and traffic information and transit operations;
 - v) Capital investments, such as transit queue-jumpers and High Occupancy Vehicle (HOV) lanes.
- b) Water, e.g.:

Drinking water supply; drinking water purification and treatment systems; drinking water distribution systems; water metering systems.
- c) Wastewater, e.g.:

Wastewater systems including sanitary and combined sewer systems; and separate storm water systems.
- d) Solid waste, e.g.:

Waste diversion; material recovery facilities; organics management; collection depots; waste disposal landfills; thermal treatment and landfill gas recuperation.

SCHEDULE 2

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- e) Community Energy Systems, e.g.:
 - i) Cogeneration or combined heat and power projects (where heat and power are produced through a single process);
 - ii) District heating and cooling projects where heat (or cooling) is distributed to more than one building.

 - f) Active transportation infrastructure (e.g, bike lanes), local roads, bridges and tunnels for Municipalities that are not Large Municipalities, that enhance sustainability outcomes.
- 2) Large Municipalities, as defined below, can use gas tax funding for two (2) Eligible Project Categories. Calgary and Edmonton have indicated that the majority of their gas tax funding will be used for public transit.
- 3) Capacity Building includes the following activities:
- a) Collaboration: building partnerships and strategic alliances; participation; and consultation and outreach;
 - b) Knowledge: use of new technology; research; and monitoring and evaluation;
 - c) Integration: planning, policy development implementation (e.g., environmental management systems, life cycle assessment).

Large Municipalities means Calgary and Edmonton.

SCHEDULE 3

This Schedule contain a summary of typical items that may be included as eligible components of capital projects listed in Schedules 1 and 2.

GENERAL

- Engineering and Architecture including planning, design, tender preparation and advertising, and construction supervision.
- Significant enhancements or improvements for the safety of users of the transportation or other municipal infrastructure systems.
- Restoration of grass-standard landscaping in areas disturbed by construction or reconstruction of Infrastructure facilities.
- Enhanced landscaping where necessary for the mitigation of the environmental impacts of eligible infrastructure facilities (landscaping that is primarily aesthetic or beautification is not eligible).
- Functional planning and design studies for eligible capital infrastructure Projects.
- System-wide reviews where such reviews will have an impact on capital infrastructure expenditures.
- Project signs for major Projects where requested by TRANS.
- Relocation and adjustment of associated utilities.
- Other capital Infrastructure Projects as may be deemed appropriate by TRANS.

SCHEDULE 4

This Schedule contains a listing of the credit items that are to be applied to any Project accepted under the Federal Gas Tax Fund:

CREDIT ITEMS

- I) The net salvage value on disposal of any material obtained from removal or demolition of any structure or any part of the facility or goods acquired for construction and not used.
- II) The actual sale price of any residual lands and improvements and, if sold prior to construction, the accrued income at rates earned by the Municipality.
- III) The appraised value, at the time of Project construction, of any residual land and improvements purchased but not sold prior to construction.
- IV) The net income from all land purchased until sale of the land or time of construction, whichever comes first.
- V) The income from the sale or trade-in of buses or other capital items that previously received a financial contribution from the Province.
- VI) The funding from other sources such as developers, railway companies, private sector organizations, and other government agencies (including other provincial government departments) where such funding has been provided for a Project funded under FGTF.
- VII) Donations or contributions in-kind including all goods and services.
- VIII) The Goods and Services Tax.

SCHEDULE 5

This Schedule contains an outline of the Income Calculation procedure under the Federal Gas Tax Fund Agreement:

The municipality is encouraged to invest and earn income on all grant funds being held by the municipality. The amount of income so earned on grant funds is to be applied to reduce the net eligible cost of one or more projects. The total income earned and the income allocated to each project is to be shown on the SFE.

The amount of income earned on grant funds may be calculated by one of two methods:

- I. the actual income earned on the funds being held by the Municipality directly investing such funds so as to maximize the income on such monies, subject to the provisions of Section 250 of the Municipal Government Act, being Chapter M-26, Statutes of Alberta 2000, and amendments thereto;

OR

- II. the notional income earned calculation based on the following two-part formula:

(Part 1) Average Unexpended Funds on Hand for the period January 1 through to, and including, the day before receipt of the new grant advance (normally in the April/May period).

$\frac{\text{Ending Balance as at January 1 + Day before Receipt of New Grant Advance Balance}}{2}$	X	$\text{Average Prime Interest Rate} \times \frac{*x \text{ days}}{365} = \text{Interest}$
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PLUS

(Part 2) Average Unexpended Funds on Hand for the period in which the new grant funds were received through to and including December 31.

$\frac{\text{Total New Balance of Both New and Old Year Funds + Ending Balance at December 31}}{2}$	X	$\text{Average Prime Interest Rate} \times \frac{*y \text{ days}}{365} = \text{Interest}$
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and where the Prime Interest Rate is the average interest rate of the year determined using the Prime Lending Rate in effect on the first banking day of each month during the year as set by the Canadian Imperial Bank of Commerce:

* x + y = 365 (366 on leap year)

NOTE: In the event of multiple grant advances and/or periodic payments to contractors throughout the year, the formula would need to be adjusted by calculating multiple Part 2 interest amounts.

In some instances, TRANS may determine the interest calculation method to be used and will advise the Municipality accordingly.

SCHEDULE 6

This Schedule contains a partial listing of supplementary information sources and design guidelines that may be of assistance in developing acceptable and sustainable infrastructure projects.

<ul style="list-style-type: none">• Guide for Implementation of Capital Projects http://www.transportation.alberta.ca/Content/docType369/Production/capitalguide.pdf
<ul style="list-style-type: none">• Geometric Design Guides for Canadian Roads http://www.transportation.alberta.ca/951.htm
<ul style="list-style-type: none">• Recommended Standards for Access Control on Arterial Roadways http://www.transportation.alberta.ca/2744.htm
<ul style="list-style-type: none">• Recommended Standards for Protection of Roadway Infrastructure http://www.transportation.alberta.ca/2745.htm
<ul style="list-style-type: none">• Design Guidelines for Pedestrian Accessibility http://www.transportation.alberta.ca/Content/docType369/Production/pedaccdesigng.pdf
<ul style="list-style-type: none">• Let's Plan On It! A Guide to Providing Transportation Services in Rural Areas for Seniors and Persons With Disabilities http://www.transportation.alberta.ca/2748.htm
<ul style="list-style-type: none">• Recommended Standards for Transit Buses http://www.transportation.alberta.ca/2747.htm
<ul style="list-style-type: none">• Canadian Building Code http://www.fedpubs.com/subject/housing/natbuilding.htm
<ul style="list-style-type: none">• Alberta Building Code http://irc.nrc-cnrc.gc.ca/pubs/codes/abc_2006_e.html
<ul style="list-style-type: none">• Technical Design Requirements for Alberta Infrastructure Facilities http://www.infrastructure.alberta.ca/Content/docType486/Production/redbook-14thedition.pdf
<ul style="list-style-type: none">• Cost-Shared Project Sign Specifications http://www.transportation.alberta.ca/Content/docType369/Production/signspecs.pdf
<ul style="list-style-type: none">• Guidelines for Billboards Adjacent to Provincial Highway Extensions Within Alberta Cities http://www.transportation.alberta.ca/2746.htm
<ul style="list-style-type: none">• InfraGuide – Innovations and Best Practices http://sustainablecommunities.fcm.ca/infraguide/
<ul style="list-style-type: none">• Agreement on Internal Trade http://www.ait-aci.ca/index_en/ait.htm

SCHEDULE 7

This Schedule contains the Communications Protocol that establishes the principles and practices that will guide all announcements and events related to the FGTF program, and funding to municipalities under this program. Communications activities may include, without limitation, major public events or announcements, or communications products such as speeches, press releases, websites, advertising, promotional material or signage.

The Municipality and Alberta agree that Canadians have a right to transparency and public accountability, which is best served by full information about the benefits of the Federal Gas Tax Fund.

The Parties agree that:

1. They will make periodic announcements, through public events, press releases and/or other mechanisms, of the transfer of federal gas tax revenues allocation to municipality.
2. They will make regular announcements, on a city or regional basis, of projects that have benefited from federal gas tax investments. Key milestones may be marked by public events, press releases and/or other mechanisms.
3. At the invitation of the province, the Municipalities and/or their municipal association(s) will work cooperatively in developing these communications materials and events, which will allow for the communication of the results and outcomes of investments, as well as the importance of working in partnership.
4. In addition to joint communications activities, they may include messaging in their own communications products and activities, around their commitment to the Federal Gas Tax Fund and other initiatives and investments in cities and communities.
5. They will keep each other informed on a regular basis and in a timely fashion of any possible communications activity related to the Memorandum of Agreement.
6. They will work together to ensure clear and consistent messages and information are available to the public.

SCHEDULE 7

This Schedule contains the Communications Protocol that establishes the principles and practices that will guide all announcements and events related to the FGTF program, and funding to municipalities under this program. Communications activities may include, without limitation, major public events or announcements, or communications products such as speeches, press releases, websites, advertising, promotional material or signage.

The Municipality agrees that:

1. All communications referring to projects funded under this Memorandum of Agreement will clearly acknowledge the contributions made by Canada.
2. All communications materials referring to the sharing of federal gas tax revenues with municipalities will recognize that this initiative forms part of the Federal Gas Tax Fund through the use of the Canada wordmark and of a tagline.
3. Municipalities will ensure permanent signage at the location of projects receiving investments under this Memorandum of Agreement, prominently identifying the Government of Canada's investment and including the Canada wordmark. Where there is no fixed location for signage, such as a transit vehicle, a prominent marker will recognize the Government of Canada's contribution. All signage/plaques will be located in such a way as to be clearly visible to users, visitors and/or passersby.

General

1. The timing of public events shall be sufficient to allow for all orders of government to plan their involvement. Either Party shall provide a minimum of 21 days notice of an event or announcement.
2. The Parties agree that they and/or their Municipal Association(s) will each receive appropriate recognition in joint communications materials.
3. Joint communications material and signage will reflect Government of Canada communications policy and federal-provincial/territorial identity graphics guidelines. Costs related to announcements and signage in the French language will be the responsibility of the Government of Canada.

Assessment

Communication results will be assessed as part of the Canada/Alberta program evaluation process.

2013

**MUNICIPAL SUSTAINABILITY INITIATIVE
CAPITAL PROGRAM GUIDELINES**

MUNICIPAL AFFAIRS

Effective January 1, 2013
www.municipalaffairs.alberta.ca/msi.cfm

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1. What's New?

- The 2013 MSI Capital Guidelines come into effect January 1, 2013.
- Changes to the payment conditions have been made to better align payments with the terms of the funding agreements (Section 4.4).

2. General Information

2.1) Key Dates

Activity	Timeline
2013 Project Application Submission	Submit anytime between January 1, 2013 and December 31, 2013
2013 Grant Allocation Payment	By approximately June 30 following budget approval (see Section 4.4 for payment conditions)
Statement of Funding and Expenditures (SFE) submission	2012 SFE: due May 1, 2013 2013 SFE: due May 1, 2014

2.2) Contact Information

All correspondence and questions should be directed to the contact information below. Signed project applications and SFEs may be submitted by mail, email or fax.

Alberta Municipal Affairs
Grants and Education Property Tax Branch
Municipal Grants Unit
17th Floor, 10155 – 102 Street
Edmonton, AB T5J 4L4

Ph: (780) 427-2225 (or toll-free: 310-0000)

Fax: (780) 422-9133

Email: ma.msicapitalgrants@gov.ab.ca

MSI website: www.municipalaffairs.alberta.ca/msi.cfm

For program specific information, ask for a Grant Policy Advisor and for compliance reporting requirements, ask for a Grant Compliance Advisor.

Electronic file templates for the project application and SFE are available on the program website. Older versions of these forms will not be accepted.

3. Program Description

3.1) Overview

The MSI is the Province of Alberta's commitment to provide significant long-term funding to enhance municipal sustainability and to enable municipalities to meet the demands of growth.

Municipalities determine projects and activities to be funded by the MSI based on local priorities, within the general qualification criteria set out in these guidelines.

3.2) **Program Objectives**

The objectives of the MSI are:

- To work in partnership with municipalities to manage growth pressures;
- To provide municipalities with sustainable funding; and
- To support infrastructure needs.

Municipalities are strongly encouraged to consider these program objectives, as well as their long-term infrastructure needs, when determining their MSI project priorities. Municipalities are also strongly encouraged to support their communities by working together.

3.3) **Program Eligibility**

Only eligible municipalities may submit applications for MSI capital funding. For the purposes of this program, an eligible municipality means any municipality (city, town, village, summer village, specialized municipality, municipal district, improvement district, and special area), Métis settlement, or the Townsite of Redwood Meadows Administration Society.

Contributions to Other Entities

Municipalities may choose to contribute MSI capital funding to eligible projects that involve assets or land owned by other municipalities, provincially- or municipally-controlled entities, or non-profit organizations defined as follows:

- a municipality as defined in Section 1 of the *Municipal Government Act*;
- a non-profit organization, as defined in Section 241 of the *Municipal Government Act* (see Schedule 3);
- a regional services commission established under Part 15.1 of the *Municipal Government Act*;
- a controlled corporation as defined in Section 241 of the *Municipal Government Act*; and
- provincial agencies, crown-controlled school jurisdictions, universities, colleges, technical institutes, the Alberta Health Services Board, and other health boards, excluding charter schools and school societies that are included in the Government of Alberta annual report.

If a municipality chooses to contribute MSI capital funding to one of the above entities, the municipality is responsible for submitting the project application and ensuring that the contribution is being used to acquire, construct, develop, better, or rehabilitate a capital asset that will be used to provide or deliver municipal services. Projects involving contributions to these other entities must provide a municipal service, and use of the resulting asset must not be limited to cultural or religious groups.

Municipalities contributing funding to a non-profit organization are required to complete a Supplementary Certification Form (found on the MSI website) certifying that they will:

- bind the non-profit organization to all MSI conditions and obligations that apply to the municipality with respect to the project, including adherence to provincial regulations/standards and departmental access to project records; and
- maintain adequate control over public access to the asset, or over the municipal service that it provides.

In order to protect the municipal interest in the asset or facility and to meet the obligations of the certification, the municipality should enter into a binding legal agreement with the non-profit organization. Municipal Affairs does not require a copy of the agreement.

3.4) MSI Funding Allocation Formula

The annual program budget for MSI is subject to legislative approval. Municipalities will be advised of their annual MSI funding allocations after the provincial budget has been announced and specific funding allocations have been authorized by the Minister of Municipal Affairs. The annual allocations are available on the MSI website.

Of the total MSI funding allocated in 2013, \$50 million is provided in the form of operating funding to municipalities. Operating funding is a designated portion of each municipality's overall MSI funding allocation. This includes a base amount and, if applicable, sustainable investment funding. The remainder of the funding will be for qualifying capital projects that meet the criteria described in these guidelines.

The total MSI (capital and operating) allocation is based on the following formula:

- the majority of MSI funding – 48 per cent allocated on a per capita basis; 48 per cent allocated based on education property tax requisitions; and four per cent allocated based on kilometres of local roads;
- municipalities will receive \$120,000 in base funding, with the exception of summer villages, which will receive \$60,000 in base funding; and
- municipalities with populations under 10,000 and limited local assessment bases also receive sustainable investment funding, and a total of \$15 million will be allocated in each budget year to qualifying municipalities.

4. Funding Conditions

4.1) Project Eligibility

An MSI capital project must be for the purpose of providing good government, services, facilities or other items that are necessary or desirable for all or part of the municipality, or to develop and maintain safe and viable communities. The project must clearly align with the objectives, criteria, and general types of projects set out in these guidelines.

In order to be eligible for program funding, costs must be incurred for projects that result in, or directly relate to and support, the acquisition, construction, development, betterment, rehabilitation, or non-routine maintenance of a capital asset (see Schedule 3) owned by a municipality or one of the other entities identified in Section 3.3.

The project must be limited to a single building, facility, or piece of equipment, unless the project involves a group of assets that are of the same type of equipment (e.g., maintenance equipment or computer equipment or emergency services equipment) or are in the same project category (e.g., fire truck, fire hall). If the project includes a roadway, walkway, water, wastewater, or storm water system, the project application must be for related portions of that system.

Schedule 1 provides a list of eligible and ineligible project costs.

Schedule 2 provides a list of general types of capital projects by category. All projects must align with the general types of projects listed.

4.2) Memorandum of Agreement

MSI funding is administered through a long-term Memorandum of Agreement (funding agreement). This funding agreement covers capital and operating funding under the program from 2008 through 2016. A separate agreement covered the 2007 MSI capital funding.

Under the terms of the funding agreement, the municipality is required to provide Municipal Affairs with:

- a project application for each project (previously referred to as a Project Profile);
- a Multi-Year Capital Plan (MYCP) showing all projects receiving MSI capital funding (if requested); and
- an annual SFE for the previous year.

4.3) Minimum MSI Amount for Projects

For all project applications, the total MSI-funded amount must be at least five per cent of the municipality's annual MSI capital funding allocation for the year of the application.

For municipalities with annual MSI capital allocations over \$20 million, the minimum project threshold is \$1.0 million.

The minimum project threshold **does not apply** to projects that involve:

- eligible costs associated with infrastructure management systems; and/or contributions to qualifying projects carried out by:
 - neighbouring municipalities (excluding maintenance equipment);
 - regional entities that are controlled by two or more municipalities; or
 - non-profit organizations.

For a project geographically located in a dissolved municipality, the total MSI-funded amount must be at least five per cent of the dissolved municipality's annual MSI capital funding allocation for the year of the application (see Section 4.9). This exemption remains in place for the five years following the year of dissolution.

4.4) Payment of Funds

2013 MSI capital funding allocations will be paid following legislative approval of the provincial budget and are conditional on the following:

- submission and Municipal Affairs' certification of the 2011 SFE;
- submission of the 2012 SFE;
- submission of sufficient project applications that commit all 2013 MSI capital funding and the balance of any uncommitted capital funding from prior years; and
- the total reported expenditures (on submitted and certified SFEs) must equal or exceed the total of a municipality's 2007 capital allocation.

A payment of half of a municipality's 2013 MSI capital funding allocation will be made based on submission of the 2011 and 2012 SFEs as above, and the submission of project applications that commit at least half of the 2013 MSI capital funding and the full balance of any uncommitted capital funding from prior years. Payment of the balance of the 2013 MSI allocation will be based on submission of applications that commit this balance.

As indicated in Section 4.5, project applications can be submitted for projects that will start in future years.

4.5) *Time Period to Use Allocated Funds*

To provide flexibility in scheduling capital projects, and to accommodate larger projects requiring more than one year's grant allocation, capital funding provided and not expended or committed in one year may be carried forward to the next five subsequent years. The funding must be expended on an accepted project before December 31 of the fifth subsequent year. This provides a total of six years in which to use allocated funding. For example, the 2008 allocation must be expended before December 31, 2013. Funding that is not expended within this period must be returned to the Government of Alberta.

Where a municipality intends to carry MSI funding forward to a future project, a project application must be submitted to receive future annual funding allocations (see Sections 4.4 and 5.1).

4.6) *Application of MSI Funding to Project Expenses*

A municipality may initiate projects that will be funded wholly, or in part, by estimated future year MSI capital funding allocations. A municipality may allocate up to 75 per cent of its estimated MSI capital funding allocation for the remaining years of the program to one or more projects.

If a municipality chooses to borrow to finance a project, MSI funding should be applied to the actual project costs in the year(s) they are incurred, rather than to the debt payments. For example, if a piece of equipment is purchased in 2013 for \$150,000 and the municipality chooses to finance the purchase over several years, the project application (financial grid) and the SFE report (see Section 6.1) must still reflect the full project cost of \$150,000 in 2013. A municipality choosing to use MSI funding for borrowing costs should refer to Section 4.7.

MSI capital funding is subject to program changes and the availability of provincial funding for the program. Acceptance of a project on the basis of estimated future funding allocations does not guarantee program continuance or the timing and amount of future funding.

4.7) *MSI Funding and Borrowing Costs*

Borrowing costs (see Schedule 3) on the amount borrowed in advance of receiving annual MSI funding, commonly known as bridge financing, qualify for capital funding, subject to the following conditions:

- interest costs must have been incurred after January 1, 2009;
- borrowed funds must be used to fund qualifying costs incurred on or after January 1, 2009;
- interest costs do not qualify if incurred after sufficient MSI funds (excluding funding committed or expended on other projects) have been received to fully fund the MSI-funded portion of the project;
- at any time, the MSI-funded borrowing amount for all projects must not exceed one-half of a municipality's estimated ten-year allocation;
- a maximum of seven per cent of a municipality's estimated ten-year allocation may be applied to interest costs across all of a municipality's projects;
- declaration on the project application that the municipality anticipates cost savings and/or efficiency gains from completing the project using debt financing;

- submission of a current three to five year capital plan that includes anticipated expenditures by year for all of the capital projects the municipality intends to complete; and
- submission of a business case for each project that includes, at a minimum, the following:
 - the total amount borrowed;
 - the term of the borrowing;
 - the amount of principal to be funded by MSI **per year**, over the term of the borrowing;
 - the amount of interest to be paid on the MSI-funded principal **per year** over the term of the borrowing;
 - the amount of principal to be funded by sources other than MSI **per year**, over the term of the borrowing; and
 - the amount of interest to be paid on the principal funded by sources other than MSI **per year**, over the term of the borrowing.

Municipalities are strongly encouraged to contact a program advisor prior to submitting an application involving MSI-funded borrowing costs.

4.8) Application of Other Provincial and Federal Grant Funds

MSI capital funds may be used to fund the municipal contribution of provincial-municipal grant programs and the municipal or provincial contribution of federal-municipal grant programs that require a municipal contribution, unless doing so is prohibited by that program. For example, if a municipality is purchasing accessible transit vehicles for \$1.0 million, and is receiving Basic Municipal Transportation Grant funding of \$500,000, MSI capital funds may be used to fund the remaining \$500,000 of transit vehicle costs.

MSI permits the use of multiple grant funding sources for an MSI project, however if a municipality chooses this approach, it is the municipality's responsibility to understand the separate requirements of each grant program.

Application of Alberta Transportation Project-Specific Funding

Project-specific funding is one-time funding based on the cost of a project. Alberta Transportation has indicated that in order to receive project-specific funding under their programs (such as the Alberta Municipal Water / Wastewater Partnership (AMWWP) program and the Water for Life (W4L) program), the project-specific funding should be approved before utilizing allocation-based funding such as MSI. Therefore, MSI applications that are also reporting project-specific funding under Alberta Transportation programs will only be accepted if they include copies of:

- an award letter from the Minister of Transportation approving the project-specific funding; or
- a letter from Alberta Transportation indicating that proceeding with the project under the MSI will not jeopardize future funding of that project under their program(s).

More information about the requirements of Alberta Transportation's project-specific grant funding can be found on the Municipal Grants Web Portal at <http://municipalaffairs.alberta.ca/municipalgrants.cfm>

4.9) Municipal Restructuring and Funding Allocations

Municipal restructuring will not negatively affect funding allocations to municipalities for a defined period under the MSI. In cases where amalgamation or dissolution has occurred, the unexpended portion of the funding allocation will be transferred to the amalgamated/receiving municipality.

Restructured municipalities will receive a funding allocation equivalent to that which would have been calculated pre-restructuring for the subsequent five years of the program. This does not apply to municipalities that underwent restructuring prior to April 1, 2007.

For example, if two municipalities amalgamated on June 1, 2011, the restructured municipality will receive the benefit of an MSI allocation calculated as if the two municipalities had not amalgamated, until December 31, 2016. Municipalities that amalgamate in 2013 will receive the same benefit for the five years following amalgamation or until the end of the MSI program, whichever is earliest.

The restructured municipality will receive the combined total of the two calculated amounts. The amalgamated/receiving municipality should be aware that the funding allocation being transferred, or portions thereof, may have been committed to previously approved projects.

Project location will determine the five percent minimum threshold for projects submitted by a restructured municipality. The threshold for a project geographically located in a former (dissolved) municipality will be based on the allocation amount that would have been calculated for the dissolved municipality, pre-restructuring. This will be in place for a maximum of five years plus the year of restructuring. Similarly, the five per cent minimum for projects located outside the geographic area of the dissolved municipality will be based on the allocation amount that would have been calculated pre-restructuring for this same time period.

Municipalities involved in an amalgamation or dissolution should contact a Municipal Affairs program representative for assistance in preparing project applications and confirming their MSI funding amounts.

4.10) Requirements for Award of Contracts

All calls for proposals or tenders for projects to be funded under this program shall be carried out in accordance with the rules, regulations and laws governing such activities and in accordance with the best current practices. They must also be advertised in accordance with the guidelines of the New West Partnership Trade Agreement (NWPTA) (www.newwestpartnershiptrade.ca), effective July 2010, and the Agreement on Internal Trade (AIT) (www.ait-aci.ca).

The municipality may award contracts for planning, design, engineering, and architectural services for a municipal capital infrastructure project based on best overall value consistent with the municipality's policies.

The municipality may award contracts for the construction or purchase of a municipal capital infrastructure project by public tender based on either unit prices or lump sum amounts. The MSI capital program does not require municipalities to award projects to the lowest tender, and does not prohibit municipalities from using a process that qualifies suppliers prior to the close of call for tenders where the process is consistent with the AIT and NWPTA.

Where a municipality has been unable to secure appropriate or cost-effective private sector services, or anticipates that this will be the case, the municipality may propose to utilize its own forces, including municipal staff and equipment, in accordance with Section 4.11.

4.11) Use of Municipal Forces

Where a municipality has been unable to secure an appropriate or cost-effective private sector response to a proposal or tender for a capital project, or anticipates that it will be able to carry out the project on a more efficient or cost-effective basis itself, project costs can include the cost of municipal forces (staff and equipment) used to carry out the project. Costs can include all labour costs, including benefits, attributable to work carried out on- and off-site (see Schedule 1). Labour costs associated with general municipal administration are excluded.

The municipality must declare on the project application that the use of municipal forces and/or equipment will result in a more efficient, timely, or cost-effective project. Municipalities are not required to submit a business case to Municipal Affairs.

4.12) Provincial Standards

It is expected that MSI projects will comply with provincially regulated standards. For example, MSI projects involving regional water distribution and wastewater collection systems should appropriately fit within the Alberta Water for Life strategy (www.waterforlife.gov.ab.ca). Where an MSI project includes work on a highway under provincial jurisdiction, the municipality must enter into a separate agreement with Alberta Transportation to carry out the work and/or receive permission to access the highway right-of-way.

5. Application Process

5.1) Project Applications

The municipality must submit a separate project application to Municipal Affairs for each proposed project. As outlined in Section 4.1, a project must be limited to a single building, facility, or piece of equipment, unless the project involves a group of assets that are of the same type of equipment or are in the same project category.

The objective of the project application is to provide basic information regarding the proposed project asset(s), activities, and affected parties; to provide an estimate of annual project costs and funding sources; and to demonstrate that costs assigned to the project are eligible.

If, during the normal course of events, a project changes significantly, an application form should be updated and re-submitted in accordance with the amendment process described in Section 6.6.

5.2) Joint Projects

Projects that involve joint funding from two or more municipalities should identify all contributing parties in the project description of the application.

Each municipality must submit an application for its own portion of the project. The municipality that is directly responsible for the project should include the complete financial information (total project costs), while a contributing municipality should only include its own portion of these costs.

All funding contributions from municipalities other than the applicant should appear on Line J (Ineligible Costs) of the financial grid on page 3 of the project application form.

5.3) Multi-Year Capital Plan

Municipalities must declare on page 4 of the project application form that an MYCP has been prepared and includes the project for which MSI funding is being applied. Municipalities are no longer required to submit the MYCP, unless requested to do so by Municipal Affairs.

The objective of the MYCP is to provide a high level overview of anticipated municipal capital expenditures for all grant supported and non-grant supported capital projects over the planning period. Completion of the plan provides the municipality with a structured basis for prioritizing capital projects, facilitates the development of financial strategies, ensures that critical long-term needs are considered in current planning documentation, and supports the community sustainability plan.

The MYCP should be based on the outcome of municipal infrastructure condition reports and/or other planning studies and reports substantiating the need, priority, and timing for the projects. Ideally, the MYCP should list all proposed capital expenditures for the municipality, and cover, at minimum, a three-year planning period. The plan should be in the most practical format available to the municipality, and does not have to be in a prescribed format for MSI program purposes.

It is acknowledged that the MYCP is an estimate only, and that it will likely change as the condition of existing municipal infrastructure and the needs and priorities of the municipality change. Periodic updating of the plan is recommended.

5.4) Review Process

Project applications submitted to Municipal Affairs will be reviewed to ensure they meet the requirements set out in the program guidelines. A recommendation will then be forwarded to the Minister. All decisions by the Minister regarding project acceptance are final.

It is anticipated that project applications will be processed and municipalities advised of project acceptance status within ten to twelve weeks.

A municipality may proceed with a project that is expected to be wholly or partially funded with an MSI allocation(s) prior to receiving notification of acceptance from the Minister if it believes that the project will be eligible under these guidelines. However, if the Minister should deem a project to be ineligible, the municipality will be responsible for bearing the cost of the project and must apply the MSI funding to a different eligible project.

6. Compliance

6.1) Statement of Funding and Expenditures

The municipality must submit an SFE for the previous calendar year's expenditures in the prescribed format, summarizing the following:

- the MSI capital carry-forward amount from the previous year;
- the grant allocation in the reporting year, whether or not it was received;
- income earned and credit items;
- project name and expenditures;
- the actual MSI amounts applied to accepted projects; and
- MSI funds to be carried forward to the next year.

Income earned on the MSI capital funding allocation becomes part of the total capital funding available to apply to eligible projects, up to the Minister's accepted amount for each project.

The SFE must be signed by the Chief Administrative Officer, who certifies that the municipality is in compliance with the terms of the funding agreement and the program guidelines. The projects listed on the SFE must correspond with project applications that have been accepted by the Minister. All supporting documentation, such as reports, drawings, and invoices for each project must be retained by the municipality for a minimum of three years following completion of the project.

SFEs must be submitted by May 1 of each year, via mail, fax, or email to Municipal Affairs (refer to Contact Information, Section 2.2).

The SFE may be subject to a review by the Provincial Auditor General.

Once the municipality's SFE has been certified by Municipal Affairs for a reporting year, costs for that reporting year included on new project applications will not qualify for MSI funding.

6.2) Credit Items

Where there was a financial contribution from the Province and where any credit item results in net proceeds to the municipality, such proceeds shall be credited to the municipality's MSI allocation amounts so as to be available for allocation to other eligible projects.

Credit items shall be reported on the current year SFE, and can include:

- Income earned on deposited or invested MSI grant funds.
- Rent and other income derived from capital assets (including land) purchased with provincial funds for a capital project before project completion.
- Proceeds from the sale of land purchased with provincial funds for a capital project and included in project costs but not required for the project.
- The appraised value of unsold land purchased with provincial funds for a capital project and included in project costs but not required for the project.
- The net salvage value on disposal of any material obtained from removal or demolition of any structure or any part of the facility or goods acquired using provincial funding for construction and not used.
- The income from the sale, trade-in, or proceeds from an insurance claim of other capital assets that previously received a financial contribution from the Province.
- The funding from other sources such as developers (excluding off-site levies), railway companies, private organizations, and other government agencies (including other provincial government departments) where such funding has been provided for a project funded under the MSI.
- Donations or contributions in-kind, including all goods and services.

6.3) Calculation of Income Earned

The municipality must maintain separate accounting records for the grant funds.

The municipality is encouraged to invest and earn income on all unexpended grant funds, subject to the provisions of Section 250 of the *Municipal Government Act*. The amount of income earned on the funds is to be reported on the SFE and becomes part of the total MSI capital funding available for eligible projects.

The amount of income earned on grant funds may be calculated by one of two methods:

- the actual income earned on the funds being held; or
- the estimated (notional) income earned on the funds. For example, multiply the average MSI funding balance over one or more months that the grant funds were held in an account by the average interest rate over those months.

6.4) Project Communication Requirements

Municipalities are required to make public a list of all MSI-funded projects (possible options include council minutes, annual reports, or local newspaper).

Other types of recognition of MSI-funded projects such as temporary construction signs, permanent plaques, special events and media activity should also be considered as

opportunities to highlight the provincial-municipal partnership supporting key municipal infrastructure projects in Alberta communities.

Signage and Plaques: When producing temporary construction signs or plaques to recognize MSI funding support to projects, there are specific corporate identity guidelines on the use of the Government of Alberta (GOA) logo. As you work with your local signage company, a standard GOA temporary construction sign template is available for your use, and includes space for municipal and project details.

Special Events and Media Activity: Municipalities should provide the provincial government opportunities to be represented at any special events celebrating the start or completion of an MSI funded project. The Minister of Municipal Affairs and local MLA(s) or designates should be invited to attend these events and participate in any ceremony, which may include activities such as funding announcements, speeches and ribbon cuttings.

Any news releases announcing or referencing funding of the project should acknowledge the provincial government contribution and include a quote from the Minister or other GOA representative as determined by the province.

When requesting official provincial government representation (Minister of Municipal Affairs, MLAs or others) at an event to promote your MSI project, please provide at least 15 working days notice to Municipal Affairs to make arrangements. In addition to scheduling government representation, advance notice of events also provides the government sufficient time to provide input into planned activities and promotional materials (e.g. news releases, advertising).

Advertising: Any advertising of MSI-funded projects should include a reference to MSI and the provincial government.

Note: In some cases, MSI-funded projects may also have received funding from other GOA programs. When pursuing enhanced recognition activities it is helpful to identify other provincial funding in order to coordinate recognition requirements across these programs and administering ministries.

To discuss options for enhanced recognition of MSI projects or guidelines around use of the GOA logo please contact Municipal Affairs Communications by emailing ma.msicommunications@gov.ab.ca.

6.5) Site Visits

On an annual basis, Municipal Affairs program representatives may select and visit a number of municipalities to discuss the MSI program specific to a completed project(s).

The main objectives of a site visit are to share a municipality's overall experiences with the program including project selection, application process, project implementation, expenditure reporting process, and to highlight the resulting benefits impacting the community.

A site visit offers an opportunity for municipal and program representatives to discuss how the program operates, explore suggestions for improvement, and to view completed projects where applicable.

6.6) Amendment Process

In some cases, a municipality may find that a previously accepted project cannot be completed as originally planned. It is Municipal Affairs' intent to accommodate project changes where possible. However, to meet program accountability and reporting conditions, a project amendment is required where there is significant change to project scope, total project budget, or funding sources. A project scope change occurs when the activities described in the original

project application are different than the activities that actually occur. Scope changes may or may not impact project costs or timing.

An amendment is not required when the MSI funding applied to a project exceeds the accepted project amount **in the year the project is reported as completed on the SFE**. Amendments must be submitted for ongoing projects where the MSI funding will increase beyond the accepted project amount.

A decrease in the amount of MSI funding applied to an accepted project does not require an amendment. However, an amendment can be submitted for a decrease in the MSI amount, should the municipality need these funds to apply to other eligible projects.

Increases and decreases to the amount of MSI funding applied to an accepted project should be reported on the annual SFE form.

Amendment requests should be submitted using the project application found on the program website, indicating in Question 1 that this is an amendment to a previously accepted project. The amended application should include:

- the original project number (e.g., CAP-9999);
- the reason for the change;
- the revised project description, if applicable; and
- the revised financial information for the entire project, if applicable.

Upon receipt of such a request, a program representative will review the application and provide recommendations to the Minister. Municipalities will be advised in writing of the outcome of the request.

Schedule 1 – Eligible and Ineligible Capital Costs

1.a) *Eligible Project Costs*

- Costs directly related to and in support of, the acquisition, construction, development, betterment, rehabilitation, or non-routine maintenance of a capital asset.
- Purchase of equipment that is a capital asset and that will be used primarily to maintain an asset or system that would qualify as a capital project under these guidelines.
- The purchase or replacement of ancillary or small equipment used to provide services in connection with an infrastructure asset, such as appliances, furniture, remote data access terminals, meter reading devices, radios, equipment location devices, and geographic positioning systems.
- Purchase cost of land required for the specific capital project or the appraised value of land owned by the municipality which is to be used for the specific capital project. Where land is purchased for a capital project, the project must be completed within five years from the date of the land purchase. If the land is purchased for transportation or utility corridors, the project must be completed within ten years.
- Purchase cost of rights-of-way, including legal and survey fees.
- Energy efficiency upgrades to qualifying infrastructure assets.
- Relocation and adjustment of associated utilities, including gas and electric utilities.
- Significant enhancements or improvements for the safety of users of transportation or other municipal infrastructure system.
- Beautification and cosmetic activities, including fixed permanent artistic components of buildings and facilities, community welcome signs, and decorative lighting.
- Restoration of grass-standard landscaping in areas disturbed by construction or reconstruction of infrastructure facilities.
- Enhanced landscaping where necessary for the mitigation of the environmental impacts of qualifying infrastructure facilities.
- Engineering and architecture, including functional planning, design, tender preparation and advertising that are directly related to specific qualifying capital infrastructure projects.
- System-wide reviews where such reviews will have an impact on capital infrastructure expenditures.
- Construction supervision.
- Where capital projects are constructed or developed using municipal staff, all labour costs, including benefits, attributable to work carried out on and off the construction site, as follows:
 - On-site costs: site supervision; operating, leasing, maintenance, and insurance costs attributable to municipal construction equipment used at the construction site; and equipment mobilization and demobilization costs.
 - Off-site costs: staff and space costs associated with off-site design and construction of project components that are subsequently installed on site; off-site construction supervision, material requisitioning and site monitoring; and off-site general project management including contract management, purchasing and procurement of materials and services, project scheduling, and budget monitoring.

- Where capital projects are constructed or developed using construction equipment that is owned or leased by the municipality, the following costs:
 - costs of locating the equipment at and removing the equipment from the construction site (mobilization and demobilization).
 - all operating, leasing, maintenance, and insurance costs attributable to the use of the construction equipment at the construction site.
- Borrowing costs on the amount that is to be funded by the MSI, subject to the conditions in Section 4.7.
- Communications costs when requested by the Minister of Municipal Affairs.
- Installation and maintenance of temporary construction signage on MSI-funded projects.
- Municipal contributions to the types of entities defined in Section 3.3 to enable those entities to carry out eligible projects.
- Other capital infrastructure project costs as may be deemed appropriate by Municipal Affairs.

1.b) Ineligible Project Costs

The following costs are **not eligible** for MSI capital project funding:

- Routine maintenance of a capital asset such as vehicle servicing or oil changes, cleaning of buildings or facilities, and the operation of facility mechanical systems;
- Purchase of new and replacement heavy equipment to be used primarily for construction;
- Costs associated with the following activities:
 - Public relations, stakeholder relations, partnership and governance development, communication/media services, and grant funding application and reporting activities.
 - Management of programs to monitor and maintain existing facilities and components of facilities.
 - General municipal administration activities.
- Costs of constructing or developing subdivisions. However, some of the costs that are incurred as part of the typical subdivision development process may be eligible under Schedule 2, such as road and sidewalk construction, water and wastewater lines to the property lines, and purchase of transportation and utility corridor rights-of-way;
- Cars and other fleet vehicles;
- Operating costs;
- Planning expenditures not directly related to specific capital infrastructure;
- Loan fees;
- Goods and Services Tax (GST);
- Costs funded under other grant programs; and
- Depreciation or amortization.

Some of these costs, including costs for operating, routine maintenance, the purchase of small capital assets, and general planning activities, may be eligible under other provincial grant programs, including the MSI Operating Program.

Schedule 2 – Capital Project Categories

The following sections provide lists of general types of capital projects that are eligible for MSI capital funding by category. Eligible costs are directly related to and in support of, the acquisition, construction, development, betterment, rehabilitation, or non-routine maintenance of a capital asset (see Schedule 1).

2.a) *Municipal Roadways, Bridges, and Related Facilities and Equipment*

- Roadways, bridges, and related structures
- Gravel roads where new gravel is applied and non-routine re-grading of existing gravel back onto roadways
- Railway or Light Rail Transit (LRT) grade separations and roadway crossings
- Other ancillary works such as sidewalks, commuter bikeways, lighting and energy efficient retrofitting, traffic control signals, pedestrian signals, storm drainage, and utility relocations
- Traffic management projects such as major intersection improvements, major traffic signal coordination, etc.
- Noise attenuation devices as a part of a qualifying project, and rehabilitation of existing noise attenuation devices on qualifying roadways or transitways, consistent with the municipality's noise attenuation policy
- Transportation planning studies and major infrastructure systems planning reviews (municipality-wide or regional)
- Pedestrian trail systems along roadways
- Parking facilities
- Transportation studies to address specific environmental and/or safety concerns including environmental impact assessments
- Gravel pits
- Snow dump sites and snow storage facilities

2.b) *Public Transit Vehicles and Facilities*

- LRT lines, station structures, park and ride facilities, and LRT maintenance facilities. LRT lines must be designated in the municipality's transportation system bylaw
- Major public transit terminals and transit garages
- Public transit vehicles, LRT vehicles, "low-floor" standard buses, "low-floor" articulated buses, and accessible community public transit vehicles as well as specialized transit vehicles for seniors and/or persons with disabilities
- Comprehensive transit-stop retrofit programs to achieve a "barrier free path of travel" to accessible transit services
- System-wide capital transit improvement or betterment projects
- Major capital transit security devices, communication equipment, and other public safety enhancements

2.c) Water Supply, Treatment, and Distribution Systems

- Raw-water supply lines and storage facilities (reservoirs)
- Water treatment facilities
- Water quality management and monitoring systems (e.g. SCADA system)
- Water pumping facilities
- Treated-water supply lines, storage facilities and related works
- Water distribution system extensions, betterment, and replacements, including individual services to the property line and municipally owned water meters

2.d) Wastewater Collection and Treatment Systems

- Sewage collection system extensions, betterment, and replacements, including service mains to the property line
- Wastewater pumping facilities and lift stations
- Sewer lines from the collection system to the wastewater treatment facilities
- Wastewater treatment facilities
- Outfall sewers from the wastewater treatment facilities to the point of discharge or disposal and related works

2.e) Storm Sewer Drainage Systems and Facilities

- Storm water ditches and major relocation of existing storm water ditches
- Storm water or waterway flooding containment structures
- Storm sewer collection lines including service lines, and catch basins
- Storm water retention ponds and treatment facilities
- Outfall storm sewers to the point of discharge or disposal and related works

2.f) Solid Waste Management Facilities and Equipment

- Waste collection depots
- Solid waste and recycling collection container systems
- Recycling and material recovery facilities
- Organics management systems
- Thermal treatment systems
- Waste disposal landfills
- Waste transfer vehicles, landfill compactors, loaders, and material handlers

2.g) Police

- Police stations
- Police training facilities

- Fixed central communications and computerized information management hardware and software that is integral to the delivery of police services

2.h) Fire

- Fire halls
- Fire training facilities
- Specialized fire fighting and rescue vehicles, including the basic on-board equipment necessary to make the vehicle functional, such as:
 - pumper trucks
 - rapid attack trucks
 - aerial trucks
 - water delivery tankers (or tanker shuttles)
 - dangerous goods spill recovery tankers and related equipment
 - mobile command post vehicles (excluding cars and pickup trucks)
 - equipment vehicles and personnel carriers
 - wildland equipment trailers
- Specialized fire fighting and rescue protective equipment
- Fixed central communications and computerized information management hardware and software that is integral to the delivery of fire services

2.i) Disaster and Emergency Services

- Emergency operations centres
- Emergency vehicle storage and administration facilities
- Multi-service emergency response facilities
- Emergency response telephone systems
- Portable emergency power generators
- Rural signage systems
- Fixed central communications and computerized information management hardware and software that is integral to the delivery of emergency services

2.j) Ambulance and First Aid

- Ground ambulances, as well as the basic on-board equipment necessary to make the vehicle functional
- Ambulance stations
- Fixed central communications and computerized information management hardware and software that is integral to the delivery of ambulance services

2.k) Other Protective Services

- Protective services vehicle garages

2.l) Regional and Community Airport Facilities and Equipment

- Primary runway, cross-wind runways, secondary runways and taxiways, and runway extensions

- Aprons
- Primary taxiway from main/terminal apron to runway
- Airport buildings, including terminals and storage areas/sheds
- Development areas, access roads, fencing and drainage
- Lighting and navigation equipment

2.m) Common and Equipment Pool

- Equipment that is a capital asset and that will be used primarily to maintain an asset or system that would qualify as a capital project under these guidelines such as:
 - backhoe loaders
 - excavators
 - skid steer loaders
 - gravel trucks
 - loaders
 - motor graders
 - sanding trucks
 - sewer cameras
 - snowplows
 - street sweepers
 - tandem trucks
 - tractors
 - tractor-mounted equipment
 - vacuum trucks
 - ice resurfacers
 - pickup trucks
- Small and ancillary equipment used to provide services in connection with an infrastructure asset, such as:
 - furniture
 - appliances
 - meter reading equipment
 - radios
 - geographic positioning systems

2.n) Infrastructure Management Systems

- Infrastructure management systems capable of recording and retrieving information on various types of infrastructure, including key infrastructure characteristics and condition, on a consistent basis to assist systematic infrastructure planning and management, including:
 - purchase of computer hardware and software to facilitate the Municipal Infrastructure Management System (MIMS) or other infrastructure management systems
 - collection and input of data

2.o) General Government and Administration

- Municipal halls or administrative buildings
- Public works facilities
- Maintenance equipment buildings
- Sand and salt storage sheds
- Animal control facilities and shelters

- Fuel storage tanks
- Operational services buildings
- Telecommunication infrastructure such as fibre optic or copper cable, radio, cell towers, or satellite links
- Community entrance/welcome signs

2.p) *Public Health and Welfare*

- Daycare centres
- Seniors' centres
- Family and community support facilities
- Youth centres
- Cemeteries

2.q) *Parks, Recreation and Sports Facilities*

- Recreational and sports facilities, including baseball diamonds, swimming pools, ski areas
- Campground facilities
- Playgrounds and equipment
- Permanent park facilities
- Public wharves, docks, and piers
- Trail systems

2.r) *Libraries*

- Library buildings

2.s) *Other Community and Recreation*

- Cultural or community centres
- Convention or trade centres
- Exhibition buildings
- Performing arts facilities
- Museums
- Art galleries
- Tourist facilities
- Designated local heritage sites
- Zoo facilities

2.t) *Other*

Schedule 3 – Glossary

Betterment: the enhancement of the service potential of a capital asset, including an increase in physical output or service capacity, lowering of associated operating costs, extension of the useful life, or improvement in the quality of output.

Borrowing costs: interest expenses related to project financing arrangements.

Capital asset: an asset that has an expected life of more than one year.

Routine maintenance: any routinely scheduled, recurring, or superficial activity necessary to ensure that an asset reaches its normal design life and/or retains an acceptable appearance throughout its life, such as vehicle servicing or oil changes, cleaning of buildings or facilities, and the operation of facility mechanical systems.

Non-routine maintenance: any non-routine, but recurring activity necessary to ensure that an asset reaches its normal design life and/or retains an acceptable appearance throughout its life, such as painting or refinishing of building components; and repair or replacement of individual parts of an infrastructure asset's major components or systems, such as repairing cracks and holes in a road, repairing or replacing sections of water or sewer lines, replacing the compressor in a building's air conditioning system.

Non-profit organization: an organization defined as

- a society, credit union or co-operative established under a law of Canada or Alberta;
- a corporation that is prohibited from paying dividends to its members and distributing the assets to its members on a winding up; or
- any other entity established under a law of Canada or Alberta for a purpose other than to make a profit.

Rehabilitation: the complete replacement or rebuilding of a major component of a capital asset to extend its useful life beyond the original expected or design life. Examples of qualifying rehabilitation projects include:

- repaving or re-gravelling a road surface;
- replacing or re-lining a section of water or sewer line between logical system nodes or intersections;
- replacing the roof or air conditioning system of a building; or
- substantial reconstruction of the interior of a building.

System: a group of independent but interrelated elements that share functional or structural relationships, which comprise a unified capital asset, and where the function of an independent component impacts the functioning of the entire system.

GAP-01
FUNDING GUIDELINES FOR MUNICIPAL BRIDGE STRUCTURES

GENERAL:

The Municipal Government Act and the Public Highways Development Act are the legislation under which a Municipality and Alberta Transportation operate regarding bridge structures on public municipal roads. Like the roads on which they are located, bridge structures on municipal roads are under the control and management of the Municipality (there are exceptions such as some irrigation and drainage structures). This means that the construction and maintenance of municipal bridge structures are the responsibility of the Municipality.

The legislation permits the Minister of the Department of Transportation to provide assistance to municipalities for their bridge structures. Therefore, the Department may provide funding assistance to municipalities to the extent that budgets approved by the Provincial Legislature allow.

This guideline outlines the funding which a Municipality may receive for their municipal bridge structures. The funding arrangements in these guidelines are based on a cost share arrangement whereby the Department will reimburse the Municipality for eligible bridge items on approved projects and the Municipality will pay for the remaining items, primarily the road related items but also including minor repair items.

The Department will prioritize the requests for funding from the municipalities on a regional and provincial basis and will provide funding in accordance with this guideline according to the priorities which are assigned.

To qualify for funding, it is expected that municipalities will meet the requirements of GAP-03 - "ENGINEERING STANDARDS FOR MUNICIPAL BRIDGE STRUCTURES".

DEFINITIONS:

Municipality	For the purposes of this guideline, a Municipality is taken to be a municipal district, county, regional Municipality, village, town, summer village, special area or metis settlement.
Bridge Structure	Includes bridge culverts, standard bridges, major bridges, major bridge culverts, low level crossings and sign bridges. The type of structure is as defined by the Department's Bridge Inventory System (BIS).

EXCLUSIONS:

The following are not eligible for funding under this guideline:

- Structures or work funded under the Secondary Highway Partnership Program.
- Structures to accommodate pedestrian or livestock traffic only.
- Structures which are constructed to serve local developments or subdivisions only. (After the Municipality has assumed control of the structure from the developer, it may be considered for funding under this guideline.)
- Structures in towns and villages which are not located on main access routes from outside the corporate limits.
- Ferries.
- Right-of-way or easements and any associated costs.
- Utility removal, relocation or mitigation costs.
- Any legal costs.

FUNDING ASSISTANCE GUIDELINES:

A. DEPARTMENT

For projects approved by the Department, the Department will provide funding for the following eligible items:

- Engineering services for the eligible bridge items including preliminary engineering, detailed design, contract tender preparation and contract management including materials fabrication inspection and construction inspection.
- Construction costs for bridge structures including supply of materials (see Appendix A for examples of eligible items).
- Removal and salvage costs of major bridges.
- Rehabilitation, major repair and major maintenance costs for bridge structures including supply of materials (see Appendix A for examples of eligible items). Generally, the types of work eligible for assistance are:
 - > major structural repairs to standard bridges and bridge culverts, and
 - > rehabilitation, repair and maintenance of major bridges and major bridge culverts.

B. MUNICIPALITY

The Municipality is responsible for all other costs including:

- All engineering services for non-eligible items.
- Surveying and preparation of survey plans.
- Traffic accommodation.
- Grading and road related items.
- Removal or salvage of existing structures except for major bridges.
- Non-structural or minor structural repairs to standard bridges and bridge culverts.
- Specified minor maintenance and repair of major bridges and major bridge culverts.

See Appendix B for examples of items for which the Municipality is responsible.

MODIFICATIONS TO FUNDING:

Where a Municipality elects to carry out a bridge culvert installation with its own forces, the Department funding for the construction costs will be limited to payment of a Bridge Culvert Installation Contribution and reimbursement of the cost for the supply of the culvert material. "Own forces" includes any non-contracted arrangement whether using municipal forces, rented equipment or day labor (hourly rate) forces. Where the Culvert Installation Contribution applies, it would also cover all construction supervision costs, whether by municipal staff or a consultant. The Bridge Culvert Installation Contribution will be based on the rate schedule approved by the Department and currently in effect at the time of the installation.

Bridge structures which serve for land access only will not be eligible for full funding under this guideline. Where the Department agrees to provide funding for a land access structure, the funding will be limited to 50% of the cost of the eligible items under this guideline. Land access structures are those that serve to access to farm land only, do not serve to access residences, and there is no alternative access. A structure will not be considered as a land access structure where, in the opinion of the Department, it is required to provide "reasonable" access to farm land. Structures required for "reasonable access" will not be subject to this funding limitation. "Reasonable access" will consider the cost of the structure relative to the user benefit, including the number of users, the amount and value of land being accessed and the alternate travel distance. "Reasonable access" will also consider the cost of constructing an alternate access.

Bridge structures which are within road projects which are receiving funding from other sources, including other Department or Provincial Government sources are expected to be funded to the same extent as the road work from those sources.

The Municipality shall make all reasonable efforts to recover the cost of accident damage

repairs from the party at fault. If such costs are not recoverable due to no fault of the Municipality, the Department may fund the cost of the eligible items under this guideline.

REQUIREMENTS:

To be eligible for funding on a project, a Municipality must:

- Provide a prioritized list of projects for the Department's consideration containing the information requested by the Department to substantiate the need and priority.
- Undertake the work in accordance with engineering terms of reference, detailed plans and specifications as approved by the Department.
- Utilize competent engineering consultants registered and licensed to practice in the Province of Alberta.
- Schedule the work to be completed by date agreed to with the Department.
- Utilize its own employees for general administration of this project.
- Provide the Department with quantity and quality control information and test results as requested.
- Provide the Department with copies of all reports, drawings, design notes, final details and as-constructed information.

Department funding of engineering services is subject to the Department's review and approval of the terms of reference and the consultant's proposal, including the upset fee. Department funding of construction/repair work is subject to the Department's review and approval of the design, specifications, tendered/quoted prices and the completed work. Such approvals are to be obtained prior to proceeding with the next phase of the project.

The Department shall have the right at all times to inspect the cost records of the Municipality and the work performed and shall have the right to require any modification or alteration in the work performed to ensure its completion in accordance with the engineering terms of reference, detailed plans and specifications as approved by the Department. The Municipality is to keep the Department informed as to the work schedule in order that the Department can audit the work in progress and inspect the completed work.

Upon completion of the work, the Municipality shall allow free and complete use of the said bridges to and by any lawfully licensed vehicle operated in accordance with the Motor Vehicle Administration Act and the Motor Transport Act.

The Municipality shall indemnify and hold harmless the Minister of the Department, his employees and agents from any and all claims, demands, actions and costs or what ever may arise, directly or indirectly, out of any act or omission of the Municipality, its employees or agents, in the performance by the Municipality of any work funded under this guideline.

PAYMENT PROCEDURE

Costs incurred for this project will be based on the approved consultant rate schedule and for actual hours worked or disbursements made by the consultant, contract unit bid prices and actual quantities utilized, and other approved eligible items, to the maximum amounts to which the Department has agreed.

Where there is a mobilization cost or other cost covering both eligible and non-eligible items, such costs will be prorated to the Department and Municipality on the basis of the costs of the eligible and non-eligible which are covered.

The Municipality agrees to provide written notice and advise the Department of anticipated costs in excess of the amounts agreed to by the Department immediately upon becoming aware of the potential cost increases. Cost over-runs above the amounts agreed to by the Department will only be accepted if approved by the Minister.

The Municipality will receive and pay all progress and other billings, inclusive of applicable Goods and Services Taxes. The Municipality will certify the costs eligible for funding in the manner prescribed by the Minister as valid costs of the project and will render to the Minister at the end of each month a billing, with sufficient detail and explanation, equal to the sum of the progress and other billings received during that month less Goods and Services Taxes. The Department, upon receipt of the billing from the Municipality, will remit funds to the Municipality equal to the amount of the billing, subject to the Department's review and approval of the billing.

The Municipality will submit its final invoice to the Department within 120 days of the scheduled completion date, after which no further invoices will be accepted by the Department.

The Department certifies that the goods and/or services ordered/purchased are being purchased by Alberta Transportation which is an Alberta Government department and are therefore not subject to the Goods and Services Tax.

APPENDIX A - EXAMPLES OF ELIGIBLE BRIDGE ITEMS

CONSTRUCTION ITEMS

- Construction costs of the bridge structure only, including related items done at the time of construction such as:
 - > excavation to effect construction of the structure (excluding the removal of existing highway embankment or for removal of existing structures)
 - > temporary streamflow accommodation through the site (excluding the cost of accommodation through a detour)
 - > environmental mitigation related to temporary streamflow accommodation
 - > supply and installation of fish baffles
 - > structural backfill for culverts
 - > scour protection works
 - > bank protection works, and
 - > sidewalks for bridges only, where the sidewalk is part of the bridge and where the Department has agreed that there is a need for a sidewalk.

REHABILITATION, MAJOR REPAIR AND MAJOR MAINTENANCE

- Concrete overlays on standard bridges
- Repair or replacement of piles, caps or girders for standard bridges
- Full replacement of subdeck for standard bridges
- Partial or full curb replacement for standard bridges
- Partial or full liners, shotcrete repairs or concrete lining of bridge culverts
- Major structural repairs only for sidewalks on vehicular bridge structures
- Major repairs to bank protection and scour protection works for major bridges and major bridge culverts
- Painting of major bridges
- Rehabilitation, major repair and major maintenance of major bridges and major bridge culverts except as listed in Appendix B

APPENDIX B - EXAMPLES OF MUNICIPAL FUNDED ITEMS

CONSTRUCTION ITEMS

- Grading and road related items such as:
 - > roadway and bridge approach fills,
 - > fill outside the culvert structural backfill envelope,
 - > roadway surfacing including base course, ACP and gravelling,
 - > guardrail (bridgerail attached to the structure, including bridgerail terminals on the approaches, is funded),
 - > lighting, and
 - > permanent signing.
- Traffic accommodation items such as:
 - > signing
 - > all detour construction costs, including streamflow accommodation through the detour, and
 - > maintenance of the detour.
- Excavation of existing highway embankment or for removal of existing structures.
- Channel improvements including diversions.
- Permanent environmental and navigable waters mitigation or approval requirements.

APPENDIX B - EXAMPLES OF MUNICIPAL FUNDED ITEMS

REPAIR AND MAINTENANCE ITEMS

- Strutting of standard bridges and non-major bridge culverts.
- Partial or full replacement of stripdeck on standard bridges.
- Minor replacement of subdeck on standard bridges.
- Minor replacement of stripdeck and subdeck on major bridges.
- Repair or replacement of railing on standard bridges and all bridge culverts.
- Repair, replacement, or addition of timber sheeting or bracing.
- Cleaning and washing of all bridges.
- All bank protection and scour protection work for standard bridges and bridge culverts where required after initial construction.
- Minor repairs to bank protection and scour protection works for major bridges and major bridge culverts.
- Roadway, headslope and approach fill maintenance or repairs for all bridge structures.
- Approach guardrail maintenance or repairs for all bridge structures.
- Minor concrete repairs for all bridge structures.
- Banding split piles for all bridge structures.
- Removal of drift and debris from standard bridges or bridge culverts.
- Minor removal of drift and debris from major bridges or major bridge culverts.
- Maintenance and repairs to sidewalks on all vehicular bridge structures.

