**CITY OF HAMILTON**

**CORPORATE SERVICES DEPARTMENT**

*Financial Planning and Policy Division*

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**TO:** Mayor and Members  
General Issues Committee  

**WARD(S) AFFECTED:** City Wide

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**COMMITTEE DATE:** January 10, 2011

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**SUBJECT/REPORT NO:** Stimulus Project Substantial Completion Deadline Extensions (FCS09052(j)) (City Wide)

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**SUBMITTED BY:** Roberto Rossini  
General Manager  
Finance and Corporate Services

**PREPARED BY:** John Savoia (905) 546-2424 Ext. 7298

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**SIGNATURE:**

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**RECOMMENDATION:**

(a) That requests for the substantial completion deadline extension to October 31, 2011 be approved, in accordance with the terms and conditions as set forth by the Federal and Ontario Governments, for the following Infrastructure Projects:

- ISF#2380  Westmount Recreation Centre
- ISF#2296  Lower Stoney Creek Recreation Centre – Phase One
- ISF#2425  Morgan Firestone Arena Twinning
- ISF#1212  Woodward Water Treatment Plant Upgrades
- ISF#660  Biogas/Digester
- ISF#672  Ferguson Pumping Station Upgrades
- ISF#714  Hillcrest Water Reservoir Upgrades
- ISF#687  Kenilworth Water Reservoir and Pumping Station Upgrades
- ISF#700  Stonechurch Water Reservoir and Pumping Station Upgrades
- RlnC/REC#R1154  Turner Park Sports Field Lighting and Washroom Facility
- RlnC/REC#R1170  Inch Park Outdoor Pool Rehabilitation

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**Vision:** To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.  
**Values:** Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
(b) That the Mayor and Chief Administrative Officer (City Manager) be authorized and directed to execute all necessary documentation to implement subsection (a), in a form satisfactory to the City Solicitor;

(c) That the appropriate By-Law, Request for Extensions for Infrastructure Stimulus Fund Projects By-Law be passed and enacted attached as Appendix “A” to Report FCS09052(j) with a certified copy of this By-Law be forwarded to the Canada Ontario Infrastructure Secretariat upon Council approval;

(d) That the appropriate By-Law, Request for Extensions for Recreational Infrastructure Canada/Ontario Recreation Program Projects By-Law be passed and enacted attached as Appendix “B” to Report FCS09052(j) with a certified copy of this By-Law be forwarded to the Ministry of Tourism and Culture Sports, Culture and Tourism Partnership Secretariat upon Council approval;

(e) That a request be submitted for consideration to the Ministry of Tourism and Culture Sports, Culture and Tourism Partnership Secretariat to permit the flexibility of reallocating funding from RInC/REC project number R1167 Inch Park Arena Rehabilitation which is expected to be completed at less than the budget total estimate to offset increased costs to complete RInC/REC project number R1170 Inch Park Outdoor Pool Rehabilitation in accordance with the project scope as approved on July 2, 2009;

(f) That the Purchase Order for ISF Project # 2425 - Morgan Firestone Arena Twinning be increased by $700,000 to complete additional paving and interior renovations with the additional $700,000 to be funded from the remaining portion of the approved $10,275,000.00 project budget;

(g) That copies of report FCS09052(j) be forwarded to local MP’s and MPP’s.

**EXECUTIVE SUMMARY**

On June 5, 2009, the Federal and Ontario Governments approved approximately 14 projects within the City of Hamilton amounting to $184 million of stimulus funding under ISF. These projects include disaster mitigation, water and wastewater, recreation and energy management initiatives. A 15th ISF project was announced for the City on September 25, 2009, to fund the twinning of the Morgan Firestone Arena at a cost of nearly $10.3 million. Table 1 of Report FCS09052(j) provides a listing of the ISF approved projects totalling $194 million for the City:
Subject: Stimulus Project Substantial Completion Deadline Extensions  
(FCS09052(j)) (City Wide)  

Page 3 of 8

Table 1

<table>
<thead>
<tr>
<th>ISF Project #</th>
<th>Project Title</th>
<th>Federal</th>
<th>Provincial</th>
<th>Municipal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1212</td>
<td>Woodward Water Treatment Plant Upgrades</td>
<td>14,000,000</td>
<td>14,000,000</td>
<td>14,000,000</td>
<td>42,000,000</td>
</tr>
<tr>
<td>660</td>
<td>Biogas/Digester (Energy Recovery)</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>30,000,000</td>
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<tr>
<td>672</td>
<td>Ferguson Pumping Station Upgrades</td>
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<td>6,666,667</td>
<td>6,666,666</td>
<td>20,000,000</td>
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<tr>
<td>714</td>
<td>Hillcrest Water Reservoir Upgrades</td>
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<td>2,866,667</td>
<td>2,866,666</td>
<td>8,800,000</td>
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<tr>
<td>687</td>
<td>Kenilworth Water Reservoir and Pumping Station Upgrades</td>
<td>2,266,667</td>
<td>2,266,667</td>
<td>2,266,666</td>
<td>6,800,000</td>
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<tr>
<td>700</td>
<td>Stone Church Water Reservoir and Pumping Station Upgrades</td>
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<td>1,500,000</td>
<td>1,500,000</td>
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<tr>
<td>968</td>
<td>Energy Retrofit - 700 Woodward Ave</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>4,500,000</td>
</tr>
</tbody>
</table>

Sub-total Water, Wastewater & Storm Projects: 38,800,001 38,800,001 38,799,998 116,400,000

<table>
<thead>
<tr>
<th>RINc Project #</th>
<th>Project Title</th>
<th>Federal</th>
<th>Provincial</th>
<th>Municipal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1728</td>
<td>Emergency Services Training Facility /Emergency Operations Centre</td>
<td>8,333,333</td>
<td>8,333,333</td>
<td>8,333,334</td>
<td>25,000,000</td>
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<tr>
<td>2344</td>
<td>Westmount Recreation Centre</td>
<td>7,000,000</td>
<td>7,000,000</td>
<td>7,000,000</td>
<td>21,000,000</td>
</tr>
<tr>
<td>2296</td>
<td>Lower Stoney Creek Recreation Centre - Phase One</td>
<td>4,333,333</td>
<td>4,333,333</td>
<td>4,333,334</td>
<td>13,000,000</td>
</tr>
<tr>
<td>2425</td>
<td>Morgan Firestone Arena Twinning</td>
<td>3,425,000</td>
<td>3,425,000</td>
<td>3,425,000</td>
<td>10,275,000</td>
</tr>
<tr>
<td>2380</td>
<td>Coronation Arena Redevelopment</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>3,000,000</td>
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<tr>
<td>2400</td>
<td>Sir Allan MacNab Rehabilitation Project</td>
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<td>1,000,000</td>
<td>3,000,000</td>
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<tr>
<td>2411</td>
<td>Sir Wilfrid Laurier Rehabilitation</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>1,500,000</td>
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<tr>
<td>898</td>
<td>Energy Retrofit - Lister District Energy Expansion</td>
<td>400,000</td>
<td>400,000</td>
<td>400,000</td>
<td>1,200,000</td>
</tr>
</tbody>
</table>

Sub-total Tax Projects: 25,991,666 25,991,666 25,991,666 77,975,000

Total Infrastructure Stimulus Fund Projects: 64,791,667 64,791,667 64,791,666 194,375,000

On July 2, 2009, the Federal and Ontario Governments approved approximately $3.4 million each towards $10.3 million of stimulus funding to improve community recreational infrastructure under the RInC/REC programs. Table 2 of Report FCS09052(j) identifies the approved projects and the associated funding.

Table 2

<table>
<thead>
<tr>
<th>RINc Project #</th>
<th>Project Title</th>
<th>Federal</th>
<th>Provincial</th>
<th>Municipal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Turner Park Ball Sports Field Lighting and Washroom Facility</td>
<td>550,000</td>
<td>550,000</td>
<td>550,000</td>
<td>1,650,000</td>
</tr>
<tr>
<td>9</td>
<td>Chedoke Arena Twin Pad Rehabilitation</td>
<td>550,000</td>
<td>550,000</td>
<td>550,000</td>
<td>1,650,000</td>
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<tr>
<td>13</td>
<td>Carlisle Arena Rehabilitation</td>
<td>550,000</td>
<td>550,000</td>
<td>550,000</td>
<td>1,650,000</td>
</tr>
<tr>
<td>16</td>
<td>Inch Park Arena Rehabilitation</td>
<td>550,000</td>
<td>550,000</td>
<td>550,000</td>
<td>1,650,000</td>
</tr>
<tr>
<td>18</td>
<td>Rosedale Arena Rehabilitation</td>
<td>550,000</td>
<td>550,000</td>
<td>550,000</td>
<td>1,650,000</td>
</tr>
<tr>
<td>19</td>
<td>Inch Park Outdoor Pool Rehabilitation</td>
<td>666,667</td>
<td>666,667</td>
<td>666,666</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

3,416,667 3,416,667 3,416,666 10,250,000

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.
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The eligibility guidelines for ISF and RInC/REC require that the proposed projects be:

- substantially completed by March 31, 2011;
- incremental (i.e., would not otherwise have been constructed by March 31, 2011, were it not for this funding); and
- shovel-ready.

The Federal Government in its continued support of municipalities, on December 2, 2010, announced the completion deadline shall be extended to October 31, 2011. The deadline extension is available for ISF and RInC/REC funded projects under the following conditions:

- Projects must have begun work and incurred eligible costs by March 31, 2011.
  - For these projects, the agreement signatories must submit a claim for all eligible costs incurred up to March 31, 2011, by April 30, 2011. Projects for which no claims are received will not be eligible for an extension.

- Agreement signatories will be required to submit the following documentation by January 31, 2011, for projects requiring an extension:
  - A list of projects that require an extension beyond March 31, 2011;
  - A forecast of project expenses that will be spent and federal funding that will be claimed by March 31, 2011, and a forecast of how much will be incurred between April 1, 2011, and October 31, 2011;
  - A detailed construction schedule for each project signed by a professional engineer;
  - A letter from the responsible Minister for provincial/territorial projects, a Council resolution for municipal projects or a resolution from the Board of Directors for Non-profit organizations committing to finish the projects, and accepting responsibility for any costs incurred beyond October 31, 2011.

- Project progress reports will be required at two-month intervals during the extension period.

- All final claims for extended projects must be received by January 31, 2012.

The Federal Government has mandated that specific documentation be submitted for all projects seeking an extension. In order to receive an extension, the following must be submitted in writing:

- A list of all of the projects that require an extension, including the relevant funding program, project title and project identification number;
A revised financial forecast for the project with estimated costs to be incurred up to March 31, 2011;
A forecast of project expenses and federal and provincial funding required from April 1, 2011, to October 31, 2011;
A detailed construction schedule for the completion of the project, signed by an engineer or architect; and

A council resolution committing to finish the project and accepting responsibility for any costs incurred beyond the October 31, 2011, date.

The deadline to submit extension requests is January 17, 2011. All contribution agreements must be amended by all parties no later than February 28, 2011.

Those stimulus projects for which extension applications are not completed for will not receive an extension and the original March 31, 2011, deadline will continue to apply to those projects.

The senior governments have noted that the extension being granted is an exceptional, one-time measure and further extensions will not be considered. Any costs incurred after October 31, 2011, will not be reimbursed by the Federal or Ontario Governments.

The following tables outline the ISF and RInC/REC funded projects that are recommended for deadline extensions:

<table>
<thead>
<tr>
<th>Program</th>
<th>Project number</th>
<th>Project title</th>
<th>Total eligible cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISF</td>
<td>2380</td>
<td>Westmount Recreation Centre</td>
<td>$21,000,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>2296</td>
<td>Lower Stoney Creek Recreation Centre – Phase One</td>
<td>$13,000,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>2425</td>
<td>Morgan Firestone Arena Twinning</td>
<td>$10,275,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>1212</td>
<td>Woodward Water Treatment Plant Upgrades</td>
<td>$42,000,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>660</td>
<td>Biogas/Digester</td>
<td>$30,000,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>672</td>
<td>Ferguson Pumping Station Upgrades</td>
<td>$20,000,000.00</td>
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<td>ISF</td>
<td>714</td>
<td>Hillcrest Water Reservoir Upgrades</td>
<td>$ 8,600,000.00</td>
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<td>687</td>
<td>Kenilworth Water Reservoir and Pumping Station Upgrades</td>
<td>$ 6,800,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>700</td>
<td>Stonechurch Water Reservoir and Pumping Station Upgrades</td>
<td>$ 4,500,000.00</td>
</tr>
</tbody>
</table>
TABLE 4

<table>
<thead>
<tr>
<th>Program</th>
<th>Project number</th>
<th>Project title</th>
<th>Total eligible cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>RInC/REC</td>
<td>R1154</td>
<td>Turner Park Sports Field Lighting and Washroom Facility</td>
<td>$1,650,000.00</td>
</tr>
<tr>
<td>RInC/REC</td>
<td>R1170</td>
<td>Inch Park Outdoor Pool Rehabilitation</td>
<td>$2,000,000.00</td>
</tr>
</tbody>
</table>

Those projects not submitted for deadline extensions are expected to be complete within the original March 31, 2011, completion timeline. Two ISF projects (Sir Wilfred Laurier Rehabilitation and Lister District Energy Expansion) and three RInC/REC projects (Carlisle, Chedoke and Rosedale Arena rehabilitations) have reached substantial completion with the associated final reports in process as required under the respective funding agreements.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

**Financial:** Obtaining completion extensions to October 31, 2011, for those ISF and RInC/REC projects not expected to be complete by March 31, 2011, ensures that the City will be reimbursed for the eligible costs associated with these projects on the equivalent one-third basis from each level of government with the City bearing one-third of the total project cost. As noted in Report FCS09052(j)/PW10034(b)/CS10039(b), the deadline extensions substantially lowers the potential loss of funding by more than $20 million. The updated potential loss of $9.6 million from 2 projects is substantially lower than the $29 million related to 6 previously identified projects (refer to report FCS09052(e)/PW10034(a)/CS10039(a)). Staff will make every effort possible to complete the 2 projects that face challenges in meeting the October 31, 2011, deadline.

**Staffing:** No impact.

**Legal:** The bylaws attached as Appendices “A” and “B” to Report FCS09052(j) are required to be approved by Council in order for a stimulus funded project to have its completion deadline extended to October 31, 2011. Consequently, all contribution agreements must be amended by all parties no later than February 28, 2011, with recommendation (b) of Report FCS09052(j) providing the authority to execute same within the stipulated timeframe.
HISTORICAL BACKGROUND (Chronology of events)

On June 5, 2009, the Federal and Ontario Governments approved approximately $184 million of stimulus funding under ISF. The 14 projects included disaster mitigation, water and wastewater, recreation and energy management initiatives. A 15th ISF project was announced for the City on September 25, 2009, to fund the twinning of the Morgan Firestone Arena at a cost of nearly $10.3 million. Table 1 of Report FCS09052(j) provides a listing of the ISF projects approved for the City.

On July 2, 2009, the Federal and Ontario Governments approved approximately $3.4 million each towards $10.3 million of stimulus funding to improve community recreational infrastructure under the RInC/REC programs. Table 2 of Report FCS09052(j) identifies the approved projects and the associated funding.

The eligibility guidelines for ISF and RInC/REC required that the proposed projects be:

- substantially completed by March 31, 2011;
- incremental (i.e., would not otherwise have been constructed by March 31, 2011, were it not for this funding); and
- shovel-ready.

On December 2, 2010, the Federal Government granted a seven-month extension under certain conditions, as outlined in the Executive Summary of this report, to October 31, 2011, in order to provide municipalities an extra construction season to complete projects. The government has indicated that it would not pay any costs for stimulus projects that are not fully completed by October 31, 2011.

Report FCS09052(j) seeks Council's support to request extension deadlines for a number of ISF and RInC/REC funded projects.

POLICY IMPLICATIONS

N/A

RELEVANT CONSULTATION

Community Services – Recreation Division: Identified projects for extension deadline submission and will provide supporting documentation as required.

Public Works - Environment and Sustainable Infrastructure Division: Identified projects for extension deadline submission and will provide supporting documentation as required.
ANALYSIS / RATIONALE FOR RECOMMENDATION
(include Performance Measurement/Benchmarking Data, if applicable)

N/A

ALTERNATIVES FOR CONSIDERATION:
(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

N/A

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Financial Sustainability
• Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
• Address infrastructure deficiencies and unfunded liabilities

Intergovernmental Relationships
• Acquire greater share of Provincial and Federal grants (including those that meet specific needs)

Environmental Stewardship
• Natural resources are protected and enhanced

APPENDICES / SCHEDULES

Appendix “A” - Request for Extensions for Infrastructure Stimulus Fund Projects By-Law

Appendix “B” - Request for Extensions for Recreational Infrastructure Canada/Ontario Recreation Program Projects By-Law
CITY OF HAMILTON

BY-LAW NO. __________

To Authorize the Request for Extensions for Infrastructure Stimulus Fund Projects.

WHEREAS the federal and provincial governments are providing a one-time extension of the deadline for funding of projects under the Infrastructure Stimulus Fund from March 31, 2011 to October 31, 2011;

AND WHEREAS all funding from the Government of Canada and Ontario will cease after October 31, 2011;

AND WHEREAS the City Of Hamilton has asked the provincial government for an extension to federal and provincial funding to October 31, 2011 for the following projects:

<table>
<thead>
<tr>
<th>Program</th>
<th>Project number</th>
<th>Project title</th>
<th>Total eligible cost</th>
</tr>
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<td>Hillcrest Water Reservoir Upgrades</td>
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<td>687</td>
<td>Kenilworth Water Reservoir and Pumping Station Upgrades</td>
<td>$6,800,000.00</td>
</tr>
<tr>
<td>ISF</td>
<td>700</td>
<td>Stonechurch Water Reservoir and Pumping Station Upgrades</td>
<td>$4,500,000.00</td>
</tr>
</tbody>
</table>
THEREFORE BE IT RESOLVED THAT the City Of Hamilton attests that it will continue to contribute its share of the required funding for the aforementioned projects;

AND BE IT FURTHER RESOLVED THAT actual claims for all eligible costs incurred by March 31, 2011, for the aforementioned projects must be and will be submitted no later than April 30, 2011;

AND BE IT FURTHER RESOLVED THAT City Of Hamilton will ensure that the project will be completed.

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. This bylaw shall come into effect upon its passing.

3. This bylaw may be cited for all purposes as “City of Hamilton Request for Extensions for Infrastructure Stimulus Fund Projects Bylaw XX-XXX.”

PASSED and ENACTED this ______ day of ______, 2011.

_________________________________  _______________________________________
MAYOR                                      CLERK
CITY OF HAMILTON

BY-LAW NO. __________

To Authorize the Request for Extensions for Recreational Infrastructure Canada/Ontario Recreation Program Projects.

WHEREAS the federal and provincial governments are providing a one-time extension of the deadline for funding of projects under the Recreational Infrastructure Canada/Ontario Recreation Program from March 31, 2011 to October 31, 2011;

AND WHEREAS all funding from the Government of Canada and Ontario will cease after October 31, 2011;

AND WHEREAS the City Of Hamilton has asked the provincial government for an extension to federal and provincial funding to October 31, 2011 for the following projects:

<table>
<thead>
<tr>
<th>Program</th>
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<tbody>
<tr>
<td>RInC/REC</td>
<td>R1154</td>
<td>Turner Park Sports Field Lighting and Washroom Facility</td>
<td>$1,650,000.00</td>
</tr>
<tr>
<td>RInC/REC</td>
<td>R1170</td>
<td>Inch Park Rehabilitation Outdoor Pool</td>
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</tbody>
</table>

THEREFORE BE IT RESOLVED THAT the City Of Hamilton attests that it will continue to contribute its share of the required funding for the aforementioned projects;

AND BE IT FURTHER RESOLVED THAT actual claims for all eligible costs incurred by March 31, 2011, for the aforementioned projects must be and will be submitted no later than April 30, 2011;
AND BE IT FURTHER RESOLVED THAT City Of Hamilton will ensure that the project will be completed.

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1. This bylaw shall come into effect upon its passing.

3. This bylaw may be cited for all purposes as “City of Hamilton Request for Extensions for Recreational Infrastructure Canada/Ontario Recreation Program Projects Bylaw XX-XXX.”

PASSED and ENACTED this day of , 2011.

__________________________________  _________________________________
MAYOR                                CLERK