TO: Mayor and Members  
General Issues Committee  

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: January 10, 2011

SUBJECT/REPORT NO:  
Infrastructure Stimulus Projects Implementation Update  
(FCS09052(i)/PW10034(b)/CS10039(b)) (City Wide)

SUBMITTED BY:  
Roberto Rossini  
General Manager  
Finance and Corporate Services

Gerry Davis, CMA  
General Manager  
Public Works

Joe-Anne Priel  
General Manager  
Community Services

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

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
RECOMMENDATION:

(a) That report FCS09052(i)/PW10034(b)/CS10039(b) “Stimulus Infrastructure Projects Implementation Update” be received as information; and

(b) That copies of report FCS09052(i)/PW10034(b)/CS10039(b) be forwarded to local MP’s and MPP’s.

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the status of Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada Program in Ontario and Ontario Recreation Programs (RInC/REC) projects.

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(i)/PW10034(b)/CS10039(b) provides a listing of the ISF approved projects totalling $194 million for the City:
### TABLE 1

#### City of Hamilton Approved Infrastructure Stimulus Fund Projects

<table>
<thead>
<tr>
<th>ISF Project #</th>
<th>Project Title</th>
<th>Approved ISF Funding</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>
<td></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>
<td></td>
</tr>
<tr>
<td>672</td>
<td>Ferguson Pumping Station Upgrades</td>
<td>6,666,667</td>
<td>6,666,667</td>
<td>6,666,667</td>
<td>20,000,000</td>
<td></td>
</tr>
<tr>
<td>714</td>
<td>Hillcrest Water Reservoir Upgrades</td>
<td>2,866,667</td>
<td>2,866,667</td>
<td>2,866,667</td>
<td>8,800,000</td>
<td></td>
</tr>
<tr>
<td>687</td>
<td>Kenilworth Water Reservoir and Pumping Station Upgrades</td>
<td>2,266,667</td>
<td>2,266,667</td>
<td>2,266,667</td>
<td>6,800,000</td>
<td></td>
</tr>
<tr>
<td>700</td>
<td>Stone Church Water Reservoir and Pumping Station Upgrades</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>4,500,000</td>
<td></td>
</tr>
<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>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-total Water, Wastewater &amp; Storm Projects</strong></td>
<td><strong>38,800,001</strong></td>
<td><strong>38,800,001</strong></td>
<td><strong>38,799,998</strong></td>
<td><strong>116,400,000</strong></td>
<td></td>
</tr>
<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>
<td></td>
</tr>
<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>
<td></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>
<td></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>
<td></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>
<td></td>
</tr>
<tr>
<td>2400</td>
<td>Sir Allan MacNab Rehabilitation Project</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>1,000,000</td>
<td>3,000,000</td>
<td></td>
</tr>
<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>
<td></td>
</tr>
<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>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-total Tax Projects</strong></td>
<td><strong>25,991,666</strong></td>
<td><strong>25,991,666</strong></td>
<td><strong>25,991,668</strong></td>
<td><strong>77,975,000</strong></td>
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</tr>
</tbody>
</table>

**Total Infrastructure Stimulus Fund Projects**

<table>
<thead>
<tr>
<th></th>
<th><strong>Federal</strong></th>
<th><strong>Provincial</strong></th>
<th><strong>Municipal</strong></th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>64,791,667</td>
<td>64,791,667</td>
<td>64,791,666</td>
<td>194,375,000</td>
</tr>
</tbody>
</table>

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(i)/PW10034(b)/CS10039(b) identifies the approved projects and the associated funding.

### TABLE 2

#### City of Hamilton Approved RInC/REC Projects

<table>
<thead>
<tr>
<th>RInC Project #</th>
<th>Project Title</th>
<th>Approved RInC Funding</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>
<td></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>
<td></td>
</tr>
<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>
<td></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>
<td></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>
<td></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>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Sub-total</strong></td>
<td><strong>3,416,667</strong></td>
<td><strong>3,416,667</strong></td>
<td><strong>3,416,666</strong></td>
<td><strong>10,250,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

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Council approved the financing of the City portion of the ISF and RInC/REC projects on September 30, 2009 (refer to report FCS09052(c) “Infrastructure Stimulus Project Financing”).

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.

These terms relative to the need for incrementality, generated concern from staff and created a challenge to allocate and manage these funds in a timely fashion. There are a number of factors outside of municipal control that may contribute to projects potentially not being substantially completed by March 31, 2011:

- Although stimulus funding plans were announced in the January 2009 Federal Budget, most ISF project announcements in Ontario occurred on June 5, 2009, which effectively provided only a single construction season which is extremely challenging given the nature and extensiveness of many of the approved projects, to substantially complete projects that involved new construction with greater associated pre-construction requirements.

- Relatively late approval of the Morgan Firestone Arena Twinning (September 25, 2009) results in an extremely tight short-time frame to complete this project.

- With the large influx of stimulus funding programs all with the same completion deadline to various MUSH recipients, there has been difficulty in obtaining contractors, particularly for specialized construction, such as, large-scale pool construction which is directly impacting two of Hamilton’s ISF projects.

- The mild winter of 2009 - 2010 certainly was helpful for projects that were able to be under active construction during that timeframe, however, those projects that were still in the pre-construction phase, may not be so fortunate should severe winter weather occur in the winter of 2010 – 2011 which could interfere with the completion of certain projects.

- Some projects require approvals from various ministries, consulting and/or regulatory agencies and their review and approval processes have delayed project construction. An example would be the Hillcrest Water Reservoir Upgrades project construction schedule being at risk due to the delays in obtaining Ministry of Natural Resource (MNR) approval for the removal of 7 endangered species Butternut trees. Efforts are ongoing with the MNR to expedite the required approvals.
In April 2009, Council approved a list of 149 projects with priority ranking for submission to the ISF program. The priority ranking to some extent reflected the project’s state of shovel readiness. Of the 15 ISF projects that were approved for funding, 9 ISF approved projects were in the top 50 of the submission list and 6 ISF approved projects were ranked at 129th or lower – it should be noted of the lower ranked group, 2 projects have risk of not being completed by October 31, 2011, (refer to Table 3 of report FCS09052(i)/PW10034(b)/CS10039(b)). The City had no control over which projects would be ultimately selected by the Federal and Provincial governments.

The Federal government 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

- For projects that are not completed by October 31, 2011, agreement signatories will be responsible for project completion, as well as, all costs incurred after this date

- Amended Contribution Agreements with the federal government, as well as (where applicable) Contribution Agreements between provincial/territorial
governments and their recipients, must be signed no later than February 28, 2011.

Staff continue to communicate with the Provincial ISF administrators at the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to ensure that the terms and conditions of the deadline extension will be met.

The completion deadline extension has reduced the City’s financial exposure but has not fully eliminated the potential exposure outlook. As noted in Table 3 of report FCS09052(i)/PW10034(b)/CS10039(b), the City potentially may have as many as 2 of the 15 ISF projects for which funding was approved, that will not fully meet the substantial completion deadline date of October 31, 2011. Should the federal funding cease as of October 31, 2011, the City’s exposure of loss of federal ISF funding is estimated to be approximately $4.8 million and this amount could double to $9.6 million should the Ontario government take the equivalent position of the Federal government on this matter. Relative to the potential financial exposure outlook provided in an August 2010 project update to Council 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.

**TABLE 3**

<table>
<thead>
<tr>
<th>City of Hamilton - Risk Exposure to Stimulus Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure Stimulus Fund (ISF) Projects</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Eligible Expenditures to Date (Nov 29, 2010)</th>
<th>Commitments including Contingency (as per PeopleSoft)</th>
<th>ISF Approved Eligible Budget</th>
<th>Current % Paid Out</th>
<th>Committed as % of Budget</th>
<th>% Complete at Oct. 31, 2010</th>
<th>Estimated % of ISF Budget Spent at March 31, 2011</th>
<th>Estimated % of ISF Budget Spent at October 31, 2011</th>
<th>Exposure as of October 31, 2011</th>
<th>Exposure as of October 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodward WTP Upgrades</td>
<td>$16,225,012</td>
<td>$25,012,457 $25,012,457</td>
<td>$42,000,000</td>
<td>39%</td>
<td>39%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Woodward Energy Retrofit</td>
<td>$149,488</td>
<td>$4,073,917 $4,073,917</td>
<td>$4,500,000</td>
<td>3%</td>
<td>91%</td>
<td>3%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Biogas/Digester</td>
<td>$2,721,079</td>
<td>$40,180,889 $40,180,889</td>
<td>$30,000,000</td>
<td>9%</td>
<td>134%</td>
<td>9%</td>
<td>63%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Ferguson Pumping Station</td>
<td>$5,899,853</td>
<td>$16,014,374 $16,014,374</td>
<td>$20,000,000</td>
<td>29%</td>
<td>80%</td>
<td>77%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Kenilworth Pumping Station</td>
<td>$394,000</td>
<td>$4,102,242 $4,102,242</td>
<td>$6,800,000</td>
<td>6%</td>
<td>60%</td>
<td>6%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Stonechurch Reservoir &amp; Pumping Station</td>
<td>$478,940</td>
<td>$6,031,724 $6,031,724</td>
<td>$4,500,000</td>
<td>11%</td>
<td>134%</td>
<td>11%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Hillcrest Reservoir Upgrades</td>
<td>$485,998</td>
<td>$11,831,964 $11,831,964</td>
<td>$8,600,000</td>
<td>5%</td>
<td>138%</td>
<td>5%</td>
<td>85%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Woodward WTP Upgrades</td>
<td>$17,981,201</td>
<td>$25,509,687 $25,509,687</td>
<td>$25,000,000</td>
<td>72%</td>
<td>102%</td>
<td>71%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Lister Energy Expansion</td>
<td>$1,088,311</td>
<td>$1,269,884 $1,269,884</td>
<td>$1,200,000</td>
<td>91%</td>
<td>100%</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Lower Stoney Creek Recreation Centre</td>
<td>$1,049,936</td>
<td>$12,425,520 $12,425,520</td>
<td>$13,000,000</td>
<td>8%</td>
<td>96%</td>
<td>22%</td>
<td>25%</td>
<td>65%</td>
<td>$1,516,667</td>
<td>$1,516,667</td>
</tr>
<tr>
<td>Morgan Firestone Twinning</td>
<td>$2,589,117</td>
<td>$9,412,422 $9,412,422</td>
<td>$10,275,000</td>
<td>25%</td>
<td>92%</td>
<td>30%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Sir Allen MacNab Rehabilitation</td>
<td>$807,090</td>
<td>$2,978,054 $2,978,054</td>
<td>$3,000,000</td>
<td>27%</td>
<td>99%</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Sir Wilfred Laurier Rehabilitation</td>
<td>$1,474,772</td>
<td>$1,624,830 $1,624,830</td>
<td>$1,500,000</td>
<td>98%</td>
<td>108%</td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Coronation Rehabilitation</td>
<td>$2,057,417</td>
<td>$2,708,124 $2,708,124</td>
<td>$3,000,000</td>
<td>69%</td>
<td>90%</td>
<td>70%</td>
<td>100%</td>
<td>100%</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Total</td>
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<td>$181,751,494 $181,751,494</td>
<td>$194,375,000</td>
<td>Total Exposure</td>
<td>$4,876,667</td>
<td>$4,876,667</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Alternatives for Consideration – Not Applicable**

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

Financial: The contribution agreements for both the ISF and RInC/REC programs indicate the approved projects funded by the programs must be substantially completed by a deadline of March 31st, 2011.

On December 2, 2010, the Federal government nonetheless granted a seven-month extension under certain conditions 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.

As noted in Table 3 of report FCS09052(i)/PW10034(b)/CS10039(b), should the federal funding cease as of October 31, 2011, the City’s exposure of loss of federal ISF funding is estimated to be approximately $4.8 million and this amount could double to $9.8 million should the Ontario government take the equivalent position of the Federal government on this matter.

Staffing: Not Applicable.

Legal: Not Applicable.

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(i)/PW10034(b)/CS10039(b) 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(i)/PW10034(b)/CS10039(b) identifies the approved projects and the associated funding.

Council approved the financing of the City portion of the ISF and RInC/REC projects on September 30, 2009 (refer to report FCS09052(c) “Infrastructure Stimulus Project Financing”).
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.

It was recognized from the onset of the ISF program announcement that the March 31st, 2011, substantial completion deadline would represent a significant challenge given the very narrow construction window that was remaining for 2009. In many respects, only one full construction season would have existed to complete the stimulus funded projects.

Staff, having concerns regarding the tight construction timeline, reviewed internal policies and processes to identify where special consideration may be in order to expedite stimulus funded capital projects. As such, exemptions to the City’s Purchasing Policy were brought forward that Council approved in May 2009 before any stimulus funding was even announced. The exemptions allowed for stimulus funded projects to be “fast-tracked” through the tendering process and for the selection of contractors (refer to report FCS09052(a) “Purchasing Policy Exemptions for Infrastructure Stimulus Fund and Recreational Infrastructure Canada Projects”). Additionally, staff undertook other proactive measures and ensured that required Federal and Provincial construction signage have been installed for all stimulus funded projects as required by the program contribution agreements (refer to report FCS09052(e)/PW10034/CS10039 “Stimulus Infrastructure Project Implementation Update”).

Staff have continued to communicate with the Provincial ISF administrators at the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) and with the RInC/REC administrators at the Federal Economic Development Agency for Southern Ontario (FedDev Ontario), to ensure that the terms and conditions of the contribution agreements are implemented and associated reporting, communications and other requirements are met. Staff have been providing ongoing reporting as required by the contribution agreements that include project status, expenditure and job creation, claim submissions and final completion reports.

A number of projects have been delayed due to a number of factors that are beyond the municipality’s control as detailed in the Executive Summary of this report.

On December 2, 2010, the federal government nonetheless granted a seven-month extension under certain conditions 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.
The funding complications for the City are significant; as noted in Table 3 of FCS09052(i)/PW10034(b)/CS10039(b), the City may have 2 of the 15 ISF projects not meet the revised substantial completion deadline date of October 31, 2011. Should the federal funding cease as of October 31, 2011, the City’s exposure of loss of federal ISF funding is estimated to be approximately $4.8 million and this amount could double to $9.8 million should the Ontario government take the equivalent position of the Federal government on this matter.

Staff continue to communicate with OMAFRA to ensure that the conditions of the deadline extension will be met (as outlined in the Executive Summary of this report). In order to take advantage of the deadline extension, municipalities will be required to enter into an amending agreement. It is expected that this amending agreement will be provided in early 2011 and at that time, staff will provide Council a further update on the projects that may be challenged regarding the October 31, 2011 deadline.

**POLICY IMPLICATIONS**

Not applicable.

**RELEVANT CONSULTATION**

Hamilton Emergency Services
Public Works - Transportation, Energy and Facilities Division

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The Economic Action Plan Stimulus Fund is supporting 15 ISF and 6 RInC/REC projects. The RInC/REC projects are significantly smaller in scope than the ISF projects and are all proceeding well with substantial completion expected in advance of the March 31st, 2011, deadline. The ISF projects overall are progressing well with some experiencing challenges and are summarized as follows:
### ISF 1728 – Emergency Services Training Facility/Emergency Operations Centre

**Project Description:** Construction of a multi-agency training complex (Fire, EMS & Police). Project consists of four buildings: a combined multi-storey building and indoor training facility, an outdoor training tower, a three-storey training support building and a career Fire station.

<table>
<thead>
<tr>
<th>Project Budget: $27M</th>
<th>ISF Approved Budget: $25M</th>
</tr>
</thead>
</table>

**Current Status:**
- An additional 2.0M of funding has been secured through the City of Hamilton’s capital budget and approved through the 2010 Tax Supported Capital Budget
- Extensive value engineering efforts have taken place to maintain the current project budget of 27.0M
- Construction commenced in Dec 2009
- All buildings have been enclosed including roofing and glazing and majority siding.
- Mechanical, electrical and drywall rough-ins are well underway with finishing starting in some areas.
- Site work, concrete, landscaping and base coarse asphalt substantially complete.
- As of October 31, 2010 $25.7M of work has been committed and $16.1M invoiced.

**Outstanding Issues:**
- Top coat asphalt has been postponed to the spring due to cold weather conditions and quality concerns. This will not have an impact on substantial completion or ISF funding.

**Comments:**
- Construction Management approach has been implemented on this project, allowing construction to commence prior to completion of the final design documents.
- It is estimated this approach has compressed the project schedule by approximately four months.
- Substantial completion scheduled on or before March 15, 2011.

### ISF 2296 – Lower Stoney Creek Recreation Centre

**Project Description:** This project includes the construction of a 24,000 square foot community centre, complete with wellness and abilities centre for older adults, program youth area, and indoor pool.

<table>
<thead>
<tr>
<th>Project Budget: $13M</th>
<th>ISF Approved Budget: $13M</th>
</tr>
</thead>
</table>

**Current Status:**
- Contract Awarded: October 13, 2010
- Construction underway.
- Anticipated Date of Substantial Performance: June 2012

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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
### ISF 2344 – Coronation Arena

**Project Description:**

Arena – Mechanical renovation of existing arena including compressors and condensation units, replacing existing Freon refrigeration system to ammonia and new dehumidification units. Interior refurbishments include a low e ceiling over the ice surface, T8 lighting, reconfiguring of mechanical room to meet code requirements. Accessibility issues to be addressed are fully accessible public washrooms, new accessible spectator seating, and improvements to change room facilities.

Pool – New outdoor recreational pool with change rooms and guard house. Facility will be fully accessible with beach entry. Site improvements include new access route to main entrance for emergency vehicles and additional parking including new barrier free parking.

**Project Budget:**  $3M  
**ISF Approved Budget:**  $3M

**Current Status:**

- The project has been tendered. Construction to begin in August 2010.

**Outstanding Issues:**

- Budget may be an issue as there is an escalation of construction cost as the season progresses.

**Comments:**

Change of project scope approved by Council on February 10, 2010 (refer to report CS10015).

Despite the changes to the scope of work the project is still on schedule and expected to be completed by March 2011.

**Comments:**

None at this time.
### ISF 2380 – Westmount Recreation Centre

**Project Description:**
This facility was built in 1965 and was closed in September 2008 as it no longer met health, safety and accessibility standards. Rehabilitation of the pool and facility is required, including pool walls, tank and roof repairs and overall building amenities. A study commissioned in 2008 recommended that a new facility be built which consists of two indoor pool tanks, gymnasium and youth area, a wellness and abilities centre for older adults and community active space. The project includes the construction of 48,000 square foot recreation centre complete with a fully accessible indoor pool (25m competitive pool, and leisure pool), full gymnasium, and programming space for both youth and seniors.

**Project Budget:** $21M  
**ISF Approved Budget:** $21M

**Current Status:**
- Contract Awarded: September 21, 2010
- Construction underway.
- Anticipated Date of Substantial Performance: August, 2012

**Outstanding Issues:**
- N/A

**Comments:**
The current recreation centre is connected to the existing Secondary School who will be using the centres multi-purpose rooms for classrooms. The demolition of the existing facility will be completed in July 2011. The size on the new facility would not allow for it to be located where the existing recreation centre currently stands and a lease agreement for the land (School Board) was required. The negotiations of the land lease and other school board related delays have impeded the progress of this project.

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### ISF 2411 – Sir Allen MacNab Recreation Centre

**Project Description:**
This project involves the rehabilitation of this pool/community centre, including necessary upgrades, capital repairs and accessibility improvements identified in the building assessment.

**Project Budget:** $3M  
**ISF Approved Budget:** $3M

**Current Status:**
- The project started construction on July 12, 2010
<table>
<thead>
<tr>
<th>Outstanding Issues:</th>
<th>None at this time.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comments:</td>
<td>A new rain water harvesting system was added to the new design including new concrete cistern and the plumbing required to all washrooms&lt;br&gt;• New energy efficient electrical and mechanical units and fixtures used in the new design to improve the energy efficiency of the building&lt;br&gt;• Construction on target to be completed in March 2011</td>
</tr>
</tbody>
</table>

**ISF 2400 – Sir Wilfrid Laurier Rehabilitation**

<table>
<thead>
<tr>
<th>Project Description:</th>
<th>Rehabilitation of this community centre including necessary upgrades, capital repairs and accessibility improvements identified in the building assessment. Work will include replacing the pool filtration system, repairs and paving of the parking lot, replacing the HVAC system, dehumidification system, air conditioning in the community room and administrative area, exterior wall work and interior upgrades to the pool, removing and replacing the ceiling, replacing tiles in the change rooms and replacing the fitting and equipment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget:</td>
<td>$1.75M</td>
</tr>
<tr>
<td>ISF Approved Budget:</td>
<td>$1.5M</td>
</tr>
<tr>
<td>Current Status:</td>
<td>• Only minor deficiencies left to be completed.&lt;br&gt;• Project close-out Dec. 31, 2010</td>
</tr>
<tr>
<td>Outstanding Issues:</td>
<td>None</td>
</tr>
<tr>
<td>Comments:</td>
<td>• The project is over budget by $250K, additional funds have been secured within the City of Hamilton’s capital budget for Recreation (approved in the 2010 Tax Capital Budget)&lt;br&gt;• Project is on schedule at this time.</td>
</tr>
</tbody>
</table>

**ISF 2425 – Morgan Firestone Arena Twinning**

<table>
<thead>
<tr>
<th>Project Description:</th>
<th>This project involves the construction of a second ice surface within the Morgan Firestone Arena (the Ancaster Rotary Centre Complex). The new ice pad would be similar to existing ice rink (except for seating). A major study was commissioned in 2008 which recommended that the arena be twinned.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget:</td>
<td>$10.275M</td>
</tr>
<tr>
<td>ISF Approved Budget:</td>
<td>$10.275M</td>
</tr>
<tr>
<td>Current Status:</td>
<td>• the project started construction in August 2011. Currently the project team is working with the contractor to accelerate the construction. Substantial completion of the project is estimated to be March 31, 2011</td>
</tr>
<tr>
<td>Outstanding Issues:</td>
<td>None at this time.</td>
</tr>
</tbody>
</table>
**ISF 898 – Energy Retrofit – Lister District Energy Expansion**

**Project Description:** The Lister Block is a prominent downtown building that is part of the City’s short-term accommodation strategy. The building requires an expansion of district heating and cooling piping systems, using energy efficient technologies.

**Project Budget:** $1.2M  
**ISF Approved Budget:** $1.2M

**Current Status:**
- Piping to the Lister Site is complete.
- Heat Exchangers have been installed.
- The Chillers located at the Hamilton Central Library that will supply cooling to the Lister Block have been installed.
- The project was delayed awaiting building infrastructure (installed by others).
- Substantial completion is expected by December 31, 2010.

**Outstanding Issues:**
- Controls are currently being installed and commissioned.
- Commissioning of systems to be done in conjunction with other Lister Block Building systems when completed and under load.

**Comments:**
- Other than delays beyond our control, the project has moved well, and will be substantially complete by Dec 31, 2010. The project is expected to come in slightly over budget (8%) due to unforeseen issues crossing under James Street.

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**ISF 672 – Ferguson Avenue Pumping Station Upgrades**

**Project Description:** Construction of a new water pumping station to replace the existing Ferguson Avenue Pumping Station, which has reached the end of its useful life.

**Project Budget:** $21.8M  
**ISF Approved Budget:** $20.0M

**Current Status:**
- Project will be completed under two contracts.
- First contract was completed in September 2010; the second contract was awarded in October 2010 and is currently under construction.
- Major, long-delivery equipment is currently in the shop drawing / fabrication phase.

**Outstanding Issues:**
- Extensive planning, coordination and risk management
measures are ongoing for several critical, large diameter trunk watermain tie-ins.
- Tight schedule during winter conditions.

### Comments:
- There are risks associated with project schedule due to long delivery times for some major pieces of equipment (e.g., vertical turbine pumps and AC induction motors); every effort has been made to expedite delivery through equipment pre-purchase contracts.
- There are also project schedule risks associated with making several critical, large diameter trunk watermain tie-ins; this work is the subject of an ongoing formal risk management planning exercise that will identify the best mitigation approach to be carried forward to construction.

### ISF 687 – Kenilworth Water Reservoir and Pumping Station Upgrades

#### Project Description:
The Kenilworth Water Reservoir and Pumping Station is an approximately 45-year-old facility that services portions of the City of Hamilton with drinking water. As a result of a condition assessment, required works have been identified primarily to the reservoir’s pumping station which includes Civil, Structural, Architectural, Mechanical, Process and Electrical.

#### Project Budget:
- Project Budget: $13M
- ISF Approved Budget: $6.8M

#### Current Status:
- Pre-purchase of equipment with long delivery time is underway
- General Contract tender period completed October 2010 and awarded in November 2010.

#### Outstanding Issues:
- Pre-purchase equipment for replacement pumps with long delivery times
- Tight schedule during winter conditions.

#### Comments:
- There are risks associated with project schedule due to long delivery times for some major pieces of equipment (e.g., split case pumps and AC induction motors); every effort is being made to expedite delivery through equipment pre-purchase contracts.

### ISF 700 – Stone Church Water Reservoir and Pumping Station Upgrades

#### Project Description:
The Stone Church Reservoir/Pumping Station was constructed over a number of years, beginning in 1968 and ending in 1973. As a result of a condition assessment, required work has been identified primarily to the reservoir’s pumping station which includes Civil, Structural, Architectural, Mechanical, Process...
### ISF 714 – Hillcrest Water Reservoir Upgrades

#### Project Description:
The Hillcrest Reservoir is an approximately 80-year-old facility that services large portions of the City of Hamilton with drinking water and fire protection. As a result of a condition assessment, required work has been identified primarily to the reservoir’s operational fabric, which includes Civil, Structural, Architectural, Mechanical, Process and Electrical elements.

#### Project Budget:
- **$10.8M**
- **ISF Approved Budget: $8.6M**

#### Current Status:
- Project will be completed under two contracts. The First contract (Site Preparation) is complete and the second contract was awarded in October 2011 and construction is under way.
- The second contract will restore the largest reservoir cell and will be largely completed by March of 2011.

#### Outstanding Issues:
- Seven (7) Butternut trees, which are an endangered species, must be removed for construction of the project; a lengthy special approval is being sought from the Ministry of Natural Resources (MNR). History as follows:
  - First application was submitted (by City / prepared by Consultant) to MNR in February 2010.
  - City was advised by MNR that the application was rejected in May 2010.
  - As a result of the rejection, additional field work was completed by MNR in July and Aug 2010.
  - The application was resubmitted in September 2010.
  - MNR entered into EBR (Environmental Bill of Rights) in October 2010.
  - EBR requires a 45 day public review period which ended
November 12, 2010. MNR indicated that the project passed this review period milestone.

- A new condition was applied after the review period by MNR. One butternut tree requires archiving in the spring of 2011 (i.e., when in leaf). By not removing this tree by late November 2010, this may impact access for construction activities, thus potentially hold up the project progress.
- The City’s Consultants are discussing with MNR ways to work around this archiving notification.

Comments:

- There are risks associated with project schedule due to approvals required from the MNR for the removal of endangered species Butternut trees; efforts are being made through the Regional MNR office to expedite the required approvals, with contingency plans being made to work around several of the trees until approval is granted.

### ISF 1212 – Woodward Water Treatment Plant Upgrades

**Project Description:** The City of Hamilton’s Water Treatment Plant (WTP) was originally constructed in the early 1930’s with an expansion to double its capacity in the late 1950’s. The architectural and structural components of the WTP have reached the end of their useful life requiring a complete rehabilitation. As such, the scope of work for this project includes a complete architectural and structural rehabilitation of the City of Hamilton’s Water treatment facility. Other process / upgrades include the reconstruction of Filter #5, the upgrade of the fluoride system, replacement of valves, piping and electrical upgrades to the high lift pumping station, along with the installation of new pumping equipment.

**Project Budget:** $44.0M  
**ISF Approved Budget:** $42.0M

**Current Status:**
- Project will be completed under 2 contract(s). The main architectural and structural restoration work has been awarded to Alberici Constructors.
- Construction is in progress and on schedule for substantial completion by March 31, 2011 which includes upgrades to the fluoride building and Filter #5.
- The second contract for the High Lift Pumping Station upgrades was awarded in September 2010 and construction is currently underway.

**Outstanding Issues:** None

**Comments:**
- The risks of restoring an old facility are mainly associated
with encountering unexpected site conditions; however, we
do not foresee these items to delay the substantial
completion date.

<table>
<thead>
<tr>
<th>ISF 660 - Biogas/Digester (Energy Recovery)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Description:</strong> The proposed scope of the work involves rehabilitating existing digesters, implementing a sludge pre-conditioning process including sludge thickening, and constructing a new gas purification process. The biogas will be used to operate either cogeneration engines, to generate electricity and will be purified in the new plant to natural gas pipeline quality, and will be used a fuel to the City’s fleet vehicles (to be retrofitted or replaced with dual fuel system).</td>
</tr>
<tr>
<td><strong>Project Budget:</strong> $40.0M</td>
</tr>
<tr>
<td><strong>Current Status:</strong> The ISF funding for the project was announced on June 5, 2009 and the following is a summary of work completed and key project milestones since the announcement.</td>
</tr>
<tr>
<td>• June 2009 to Dec 2009. Prepared tender package for clean-out of existing digesters to facilitate the investigative work required for design of the digester upgrade.</td>
</tr>
<tr>
<td>• December 2009 to June 2010. Award tender and complete clean-out of existing digesters. Commence the digester condition assessment.</td>
</tr>
<tr>
<td>• August 2009. Award of conceptual engineering services. Deliverable included a memo issued January 2010.</td>
</tr>
<tr>
<td>• March 2010. Peer review of conceptual design.</td>
</tr>
<tr>
<td>• April 2010 to June 2010. Technology validation based on the outcome of the peer review.</td>
</tr>
<tr>
<td>• July 2010: Initiate engineering, procurement and construction management (EPCM) contract.</td>
</tr>
<tr>
<td>• August 2010: Pre-purchase of major equipment under way.</td>
</tr>
<tr>
<td>• October/November 2010: Construction packages for Site Preparation and Building Structures released.</td>
</tr>
<tr>
<td><strong>Outstanding Issues:</strong> Should expansion of existing cogeneration facility be required, it will be completed under a separate contract (not included in funding).</td>
</tr>
<tr>
<td>• Location of natural gas filling station to be determined.</td>
</tr>
</tbody>
</table>
Discussions on-going with Union Gas on ability to inject Natural Gas into their distribution system and transported to location of use.

Comments: None


<table>
<thead>
<tr>
<th>Project Description:</th>
<th>The Energy Retrofit work at the Woodward Avenue Water and Wastewater Treatment Plant involves significant cost savings to be realized by replacing the current outdated pumps and motors with new pumps, motor with variable frequency drives and associated electrical equipment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Budget:</td>
<td>$4.5M</td>
</tr>
<tr>
<td>ISF Approved Budget:</td>
<td>$4.5M</td>
</tr>
</tbody>
</table>
| Current Status:      | • A contract has been issued for the pumps and motors.  
                       • A contract has been issued for the Variable Frequency Drives.  
                       • The shop drawing / fabrication phases are currently under way. |
| Outstanding Issues:  | • Long delivery of pumps and motors may affect Substantial Performance by March, 2011.                                               |
| Comments:            | None                                                                                                                                   |

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

Not Applicable.

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
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

**Intergovernmental Relationships**
- Maintain effective relationships with other public agencies

**Environmental Stewardship**
- Natural resources are protected and enhanced

**APPENDICES / SCHEDULES**

Not applicable.