



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 I 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 \$200,000 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).

$\frac{\text{January 1 Balance} + \text{Ending Balance as at Day before Receipt of New Grant Advance}}{2}$	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.

$\frac{\text{Total New Balance of Both New and Old Year Funds} + \text{Ending Balance at December 31}}{2}$	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.

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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.