

Canada-Nova Scotia Agreement on the Transfer of Federal Gas Tax Revenues Provincial Annual Expenditure Report (AER)

as of March 31, 2006

In accordance with the *Canada-Nova Scotia Agreement on the Transfer of Federal Gas Tax Revenues under the New Deal for Cities and Communities*, the Province of Nova Scotia made the following progress in meeting its commitments for the year ending March 31, 2006:

The Province of Nova Scotia jointly signed Municipal Funding Agreements with each of the 55 Nova Scotia Municipalities and ensured compliance with the terms and conditions during the 2005/06 fiscal year.

\$17,418,998 was transferred to Eligible Recipients of which \$10,970,346 was spent on 68 Eligible Projects. Contributions from other sources of financing included \$599,457 from future federal gas tax funds, \$434,416 from the Province of Nova Scotia, \$18,286,361 from municipal sources and \$21,805 from other sources resulting in a project value total of \$30,312,385. Nova Scotia Municipalities held \$6,453,662 for use in subsequent years. Of the 68 Eligible Projects: 56 are complete; 12 remain in progress.

A set of core indicators, to be developed, will measure the impact of the use of the funds and link to outputs as identified in Schedule E of the Agreement.

The outcomes achieved with the federal gas tax funds in 2005/06 were:

Cleaner Water	54 projects
Cleaner Air	5 projects
Lowered Greenhouse Gas Emissions (GHGs)	2 projects
Cleaner Air/Lower GHGs	2 projects
Cleaner Water/Lower GHGs	3 projects
Cleaner Air/Cleaner Water	2 projects

Project spending by Project Category:

\$ 4,557,241	was spent on 4 Solid Waste Projects
\$ 3,552,412	was spent on 2 Public Transit Projects
\$ 2,107,905	was spent on 50 Wastewater Projects
\$ 340,869	was spent on 5 Active Transportation/Local Road Projects
\$ 279,833	was spent on 5 Water Projects
\$ 132,086	was spent on 2 Water, Wastewater, Active Transportation /Local Road Projects

Nature of the Investment:

Gas Tax Funds allowed for investment in 28 New, 32 Renewal, 6 Expansion, and 2 New/Renewal projects. Individual community project benefits realized are provided in each of the attached 55 Municipal Annual Expenditure Reports.

All Incremental Spending of Gas Tax Funds will be measured and tested using data from April 1, 2005, to March 31, 2009, in the audited Provincial Annual Expenditure Report for the year ending March 31, 2010, as follows:

- a. The Provincial Base Amount is \$9.3 million dollars which represents a three year (2001/02, 2002/03, & 2003/04) average of funds spent on municipal infrastructure by the Province of Nova Scotia and includes money allocated through the Provincial Capital Assistance Program and the Canada Nova Scotia Infrastructure Program. The Province of Nova Scotia will ensure that over the period of April 1, 2005, to March 31, 2010, its average annual capital spending on Municipal Infrastructure will not be less than the Provincial Base Amount.

- b. The Province of Nova Scotia will ensure that the funding under the Agreement provides additional revenues for Municipalities rather than displacing other provincial infrastructure funding.
- c. The Halifax Regional Municipality (HRM) Base Amount is \$58 million dollars which represents a three year average (2001/02, 2002/03, & 2003/04) of capital asset acquisitions taken from the HRM financial statements less capital projects that were funded partially or totally by senior governments.

- d. A methodology for measurement of incremental federal gas tax transfer spending on municipal infrastructure for Nova Scotia communities other than Halifax Regional Municipality (HRM) is proposed by the Province of Nova Scotia. The Municipal Base Amount proposed is \$33.3 million dollars which represents a three year average (2001/02, 2002/03, & 2003/04) of tangible capital asset acquisitions less capital projects that were funded partially or totally by senior governments for the remaining 54 Nova Scotia Municipalities.

