



STAFF REPORT

Title: Capital Budget Amendment - Investing in Canada Infrastructure Program (ICIP) Grant

Meeting Date: August 13, 2019

Executive Summary:

The City of Cold Lake has learned that it is still being considered for an Investing in Canada Infrastructure Program (ICIP) grant for the Phase 3 Kinosoo Beach Project.

The ICIP Grant allows for a 40% - 33.33% - 26.67% funding split between the Federal Government, the Provincial Government and Municipalities, respectively. The previous Government of Alberta, however, had not secured the matching funds it required for municipalities to access the federal money, and it was uncertain as to whether many, if any, of the grants would be awarded to municipalities.

In its' 2019 Capital Budget, the City of Cold Lake allocated the money required for its municipal contribution (\$800,100), with an estimated total project cost of \$3 million, and the rest of the funding to come from grants, pending a successful application.

Administration has since confirmed with the Government of Alberta that the Municipal Sustainability Initiative money can be used towards the 33.33% matching provincial portion of the grant needed to access the federal grant money (as the province of alberta will not match any funds for the federal program).

Administration is recommending that Council consider allocating an additional \$199,800 in MSI grant money towards the project, bringing the total provincial funding for the project to \$999,900 and allowing the Government of Alberta to send the City of Cold Lake's ICIP grant application to the federal government for final approval. If the application is successful, council will need to allocate the municipal portion of the funding formula in the 2020 budget. Other grants, including MSI, can be used toward the municipal portion of the funding formula.

Background:

In 2018 the City of Cold Lake applied for grants under the Investing in Canada Infrastructure Program under various program funding streams.

Municipal Affairs recently contacted the City of Cold Lake requesting to confirm whether or not the City would allocate MSI grant towards the project to fulfill the requirement of



having 33.33% provincial money included in the funding formula. This is a requirement under the ICIP bilateral agreement between Alberta and the Government of Canada.

Because of fiscal constraints in 2018, the Government of Alberta did not have the funds available to allow municipalities to apply for both federal and provincial funds under the program. Rather, the government encouraged municipalities to work with various ministries to secure funding in the provincial budget which could then be leveraged under the ICIP program.

Administration worked with Municipal affairs to ensure that they understood that the project could easily be scaled to match available grant money, and inquired as to the use of MSI as the provincial portion of the funding program.

Whether any Alberta municipal applications under the ICIP program would be forwarded to the federal government for consideration was unclear, however, the recent inquiries from Municipal Affairs suggests that Alberta applications under this program will soon be forwarded to the federal government for consideration.

If successful, the final funding split would likely be as follows (It should be noted that additional MSI could potentially be used towards the municipal contribution as well):

Total Project Cost = \$3,000,000

Federal ICIP Grant (40%) = \$1,200,000

Provincial MSI (33.33%) = \$999,900

Municipal (26.67%) = \$800,100

Alternatives:

- Council may pass a motion to allocate an additional \$189,900 in MSI grant money towards the Phase 3 Kinosoo Beach project.
- Council may decline to pursue the ICIP grant using MSI as the provincial contribution towards the project.

Recommended Action:

Administration recommends that Council pass a motion allocating an additional \$199,800 in MSI grant money towards the Phase 3 Kinosoo Beach Project.

Budget Implications (Yes or No):

Yes

Submitted by:

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