

MUNICIPAL AFFAIRS AND ENVIRONMENT

GAS TAX OUTCOMES REPORT

March 31 2018



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Overview

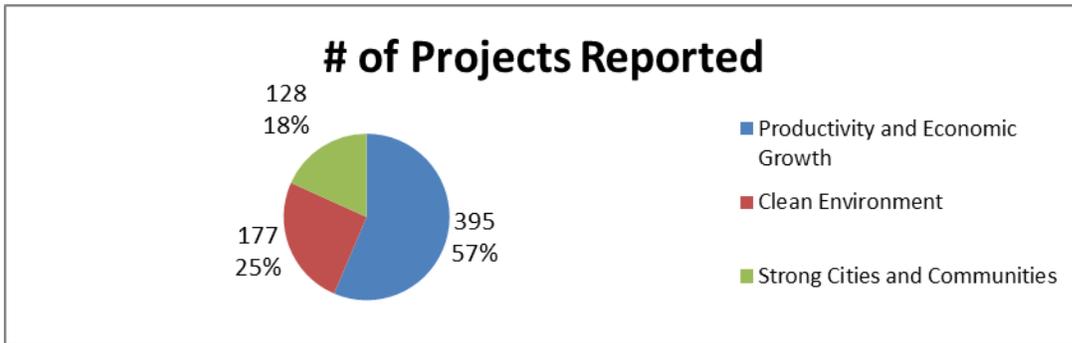
The Federal Gas Tax Fund provides all municipalities and Inuit Community Governments in Newfoundland and Labrador with a permanent, stable and indexed source of infrastructure funding. In July 2014, the Province signed the Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund.

Included in this Administrative Agreement was a requirement that by March 31, 2018, the Province would provide Canada and make available publically, an outcomes report that will report in aggregate on the degree to which investments are supporting progress in Newfoundland and Labrador towards achieving the following program benefits:

- Beneficial impacts on communities of completed eligible projects;
- Enhanced impact of gas tax funds as a predictable source of funding, including incrementality as described in Section 4 of Annex B (Terms and Conditions); and
- Progress made on improving local government planning and asset management.

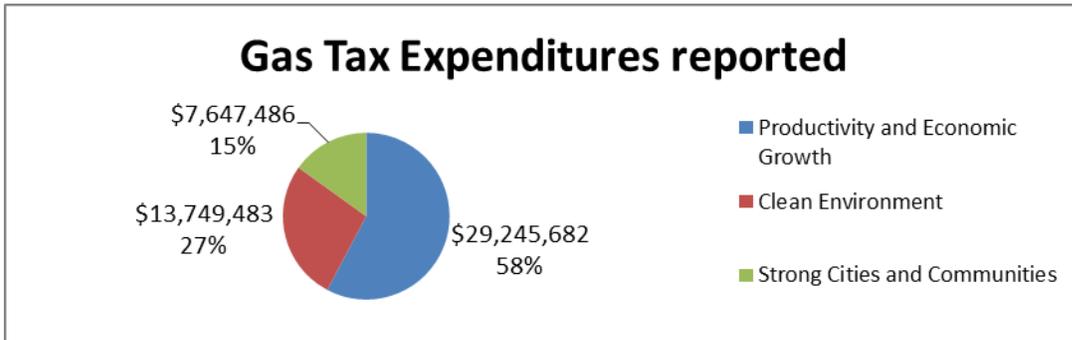
This report provides information on how the investment of federal gas tax funds in 700 eligible projects completed between April 1, 2014 and December 31, 2016 has contributed to the national outcome objectives of productivity and economic growth, cleaner environment, and stronger cities and communities. The figure below shows the number and percentage of completed projects that supported each of the national outcome objectives.

Figure 1: Completed projects and percentage by national outcome objective



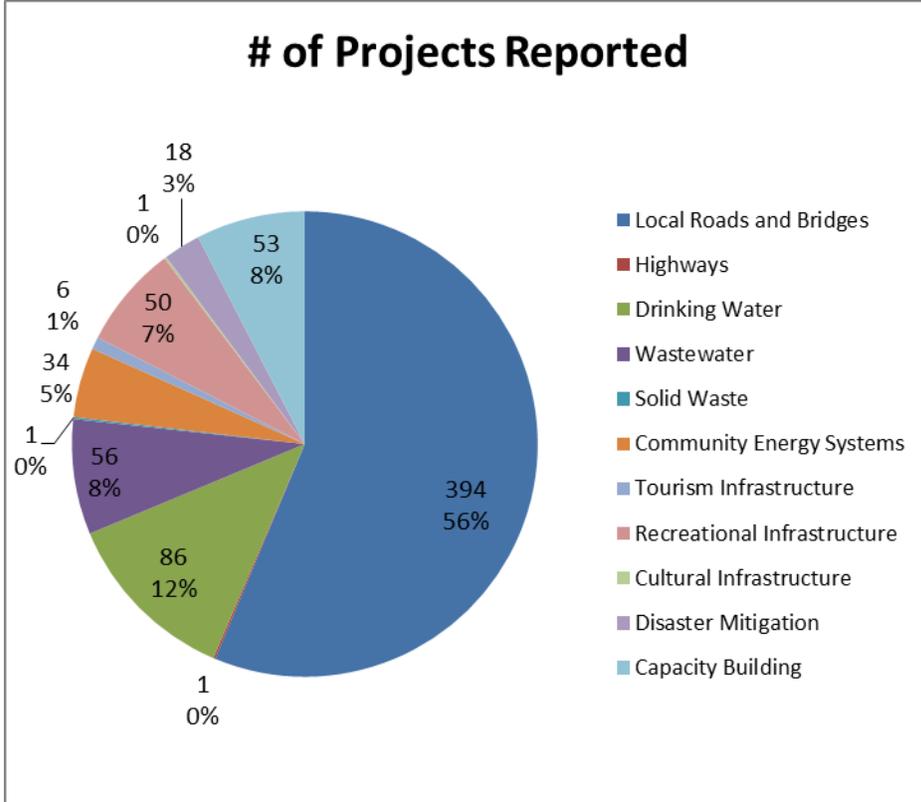
The figure below indicates the gas tax funds spent and the percentage for each national outcome objective.

Figure 2: Gas tax expenditures and percentage by national outcome objective



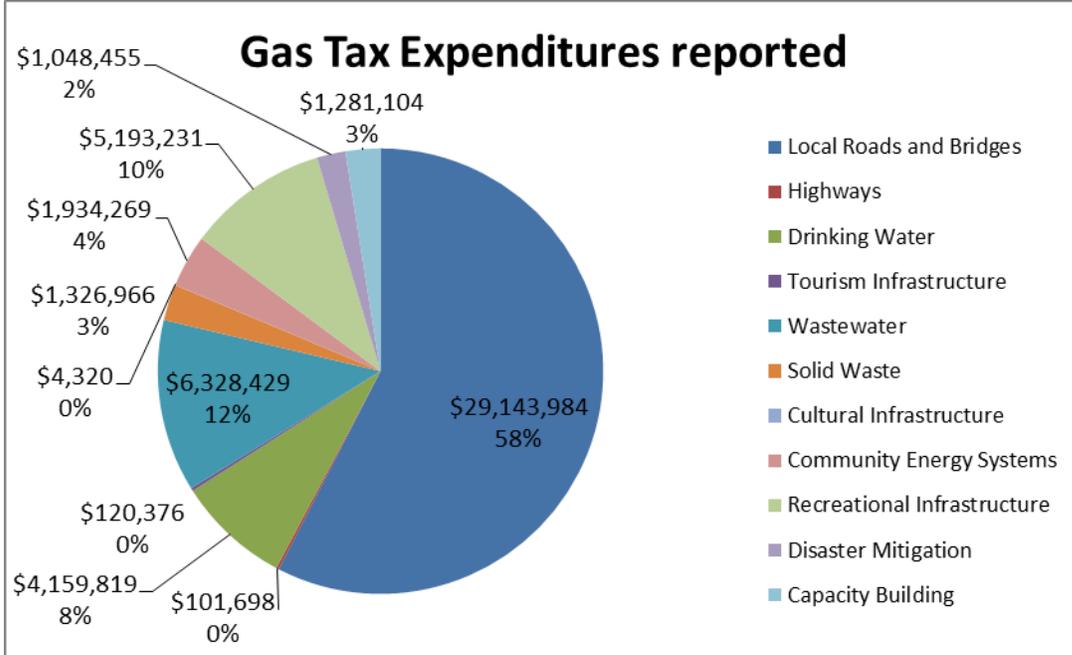
The 700 completed projects utilized \$50,642,651 in gas tax funds (Appendix A), and the figure below shows the number and percentage of completed projects by project category.

Figure 3: Gas Tax projects and percentage by project category



The chart below shows the gas tax expenditures and percentage for the 700 completed projects by project category.

Figure 4: Gas Tax Expenditures and percentage by project category



Introduction

The Gas Tax Fund and Eligible Recipients

The Administrative Agreement on the Federal Gas Tax Fund committed \$155.3 million in federal gas tax revenues for the period 2014-2019. The funds received are shown in Appendix B. Gas Tax funds were allocated among four categories of recipients:

- Municipal Allocations (\$107 million) – 271 municipalities and 5 Inuit Community Governments
- Provincial Waste Management Strategy (\$44.3 million) – Regional Service Boards or communities on behalf of regions.
- Provincial Water and Wastewater Initiative Fund (\$2.2 million) – application based
- Government of Newfoundland and Labrador (\$1.8 million) for administrative expenses.

How Eligible Recipients Access Gas Tax Funds

In order to access gas tax funds, an eligible recipient must enter into an agreement with the Province and submit a Capital Investment Plan and a detailed cost estimate, supported by a resolution of Council or Board. The project must be selected from one of the 18 eligible categories and have eligible costs.

Methodology and Approach

The outcome indicators were developed for each eligible category. See Appendix C for the entire list. This list is reviewed and revised throughout the course of the second agreement, as projects are approved. The project category and quantitative outcome measure was included in the Capital Investment Plans

submitted by eligible recipients and were reviewed against the Audited Annual Expenditure Reports which are received from eligible recipients.

Development of the Outcomes Report required the following:

- Indicator development, review and update;
- Indicator data measurement and reporting by recipients;
- Gathering and compilation of data;
- Preparation of the environmental outcomes for each project category;
- Compilation of municipal infrastructure funding spent by the Province and recipients;
- Tracking and monitoring the progress of capital asset management plans.

Any gas tax funding remaining at March 31, 2014, from the first agreement (Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues) was transferred to the second agreement (Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund) and is subject to the terms and conditions of the second agreement.

Collection of Data

Information in this report was primarily assembled from eligible recipients' Capital Investment Plans, Audited Annual Expenditure Reports and submitted Outcomes Reports and was supplemented through discussions with recipients.

This Outcomes Report will provide the Government of Canada and the general public with comprehensive and verifiable information related to the results of the beneficial impacts of its investments, the enhanced impact of gas tax as a predictable source of funding, including incrementality, and the progress on capital asset management plans in Newfoundland and Labrador.

Results – Beneficial Impacts by Project Category

A total of 700 gas tax projects using \$50,642,651 in gas tax funds were reported by recipients as completed between April 1, 2014 and December 31, 2016. As of December 31, 2017, there were 20 recipients that had not submitted a 2016 Audited Annual Expenditure Report containing their outcomes information. For these, the recipients' 2015 Audited Annual Expenditure Report was used to report outcome information on completed projects. As a result, 39 projects were not confirmed as completed during the period and, therefore, not included in this report. These will be included in the 2023 Outcomes Report. This report shows that the construction, upgrade and reconstruction of sustainable municipal infrastructure had a positive impact on the national outcome objectives of productivity and economic growth, clean environment, and stronger cities and communities.

For seven of the 18 eligible categories, there were no projects completed using gas tax funds between April 1, 2014 and December 31, 2016: Short Sea Shipping, Short-line Rail, Regional and Local Airports, Broadband Connectivity, Public Transit, Sport Infrastructure and Brownfield Redevelopment. Projects completed in the remaining 11 eligible categories are summarized below.

Local Roads and Bridges

A total of 394 projects under the Local Roads and Bridges category were completed between April 1, 2014 and December 31, 2016 using \$29,143,984 in gas tax funding. Of these projects, 388 utilized \$28,054,157 to improve 210 kilometres of roads and/or sidewalks, and six recipients upgraded bridges utilizing an additional \$1,089,827.

The Local Roads and Bridges category includes roads, bridges and active transportation infrastructure. Active transportation includes investments that support active methods of travel – cycling lanes, paths, sidewalks and hiking and walking trails.

These investments had many other secondary benefits, including anticipated boosts to the local economy by improving road transport so that more people, including tourists, will have better access to road networks, economic activities and public infrastructure and services that will improve their livelihoods. Improved roads and bridges will also help improve access to jobs, health centers and educational facilities in rural areas and regional service centers.

Local Roads and Bridges – Productivity and Economic Growth

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of km improved/resurfaced	210	388	\$28,054,157
# of bridges constructed/upgraded	6	6	\$1,089,827
		394	\$29,143,984

Testimonial: Local Roads and Bridges Projects in the Town of Brigus:

The Town of Brigus in Conception Bay North has an active tourism sector. The town is approximately 22 kilometres from the Trans-Canada Highway with a newly upgraded access road and a one hour drive from the City of St. John's.

The historic town of Brigus has become a popular place to visit, attracting visitors from far and wide with a number of unique and popular attractions, including Hawthorne Cottage, the John N. Leamon Museum, the historic Tunnel, and the annual Blueberry Festival which has gained international recognition.

In 2015, the town invested \$19,700 in gas tax funding to upgrade and pave 494 feet of Cemetery Road and 110 feet of Church Hill. With the help of this funding, the Town has been able to pave almost all its gravel roads to benefit the residents, visitors and the environment.

Highways

The Highways category includes highway infrastructure. One recipient completed one project, investing \$101,698 in gas tax funds. As a result, three kilometres of highway was improved and/or resurfaced.

Highways – Productivity and Economic Growth

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of km improved/resurfaced	3	1	\$101,698
		1	\$101,698

Testimonial: Highways Project in the Town of Long Harbour Mount Arlington Heights:

The Town of Long Harbour Mount Arlington Heights is located in southeast Newfoundland and Labrador. Long Harbour is an active industrial hub. It is approximately 11 kilometres from the Trans-Canada Highway with a newly upgraded access road and an hour drive from the City of St. John's. In 2016, the town used \$101,700 in gas tax funds to resurface three kilometres of the Main Road through the community. The project cost \$324,430 and was financed in partnership with the Province.

Drinking Water

The Drinking Water category includes infrastructure that supports drinking water conservation, as well as collection, treatment, and distribution systems

Gas tax recipients completed 86 projects between April 1, 2014 and December 31, 2016 with an investment of \$4,159,819 in gas tax funds. Examples of projects include installation/upgrade or construction of potable water dispensing units, pumps, pump houses, chlorination systems and waterlines.

There were 75 projects that utilized \$3,157,193 in gas tax funds to provide 31,285 citizens and 4,141 households with access to cleaner drinking water. In addition, 11 recipients invested \$1,002,626 to install 5,599 metres of water main.

Drinking Water – Clean Environment

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
Population served	31,285	50	\$1,695,531
# of new households (and/or non-residential properties) connected to a municipal water system	174	11	\$665,599
# of households (and/or non-residential properties) with improved water quality	3,967	14	\$796,063
# of metres of water main installed	5,599	11	\$1,002,626
		86	\$4,159,819

Testimonial: Drinking Water Project in the Town of Fleur De Lys:

The Town of Fleur De Lys is located on the Baie Verte Peninsula. In 2016, The Town spent approximately \$50,000 in gas tax funding to upgrade its pumphouse and associated infrastructure (cribbing, wharf and fencing). This project enabled the Town to better provide drinking water to its 220 residents.

Wastewater

The Wastewater category is for infrastructure that supports wastewater and storm collection, treatment and management systems.

Newfoundland and Labrador recipients completed a total of 56 wastewater projects with a financial contribution from gas tax funds of \$6,328,429. Examples of projects include sewer extensions, sewer and outfall upgrades, pumps, lift stations and wastewater flow monitors.

There were 49 projects completed that invested \$5,278,419 in gas tax funds to connect 59,875 citizens and 176 households to a municipal wastewater system. Four recipients used \$340,210 in gas tax funds to provide 803 households with improved wastewater treatment and/or services. Three projects invested \$709,800 in gas tax funds to install 495 metres of sanitary sewer and 300 metres of storm sewer.

Wastewater – Clean Environment

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
Population served	59,875	42	\$3,761,498
# of new households (and/or non-residential properties) connected to a municipal wastewater system	176	7	\$1,516,921
# of households (and/or non-residential properties) with improved wastewater treatment and/or services	803	4	\$340,210
#metres of sanitary sewer installed	495	2	\$257,729
#metres of storm sewer installed	300	1	\$452,071
		56	\$6,328,429

Testimonial: Wastewater Project in the Town of Glovertown:

The Town of Glovertown, located in Central Newfoundland and Labrador, is an active/industrial center serving Traytown, Culls Harbour and the Eastport Peninsula. The Town has a K-12 school, stadium, marina, grocery stores, building supplies stores, shipyard, fish plant and many other businesses. The Town is two kilometres from the Trans-Canada Highway, eight kilometres from the Terra Nova National Park and approximately sixty kilometres from Gander.

In 2015, the Town used \$138,255.18 in gas tax funds to upgrade the Riverside Road West lift station which serves 132 houses and four businesses. In 2016,

the Town used \$114,391 in gas tax funding to upgrade the Riverside Road East lift station, which services 84 houses. These upgrades will save the Town thousands of dollars in repairs over the next few years and will decrease the chance of sewer failures.

Solid Waste

The Solid Waste category provides recipients with new ways to dispose of their garbage such as composting, recycling and landfill cleanup, thereby reducing its environmental impact. Some examples of projects are waste diversion; material recovery facilities, organics management, collection depots, waste disposal landfills, thermal treatment and landfill gas recuperation, and regional waste management systems relating to items mentioned above, including waste transport, onsite equipment and transfer stations.

As noted earlier, regional service boards or communities on behalf of regions also carry out solid waste projects in support of the Provincial Waste Management Strategy. The Clarendville Transfer Station was completed between April 1, 2014 and December 31, 2016. More information on the Provincial Waste Management Strategy is contained in Appendix D.

Solid Waste – Clean Environment

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of projects that resulted in improved solid waste practices		1	\$1,326,966
		1	\$1,326,966

Testimonial: Solid Waste Project under the Provincial Waste Management Strategy by the Eastern Regional Service Board:

The Clarendville Transfer Station is a modern waste management facility that began operations in January, 2016. The site processes municipal solid waste,

commercial solid waste, residential bulk waste and recycling materials for transfer to the Eastern Regional Facility at Robin Hood Bay. This facility currently serves communities in the Clarenville area and will also serve the neighboring Discovery Region, which includes all communities on the Bonavista Peninsula, once that region fully implements its curbside collection program. This facility provides access to modern waste management services, including recycling, to over 20,000 residents in the area. The construction of the Clarenville Transfer Station is an important step in protecting the environment and improving waste management processes in the two regions. In 2016, the Eastern Regional Service Board received a Silver Excellence Award from the Solid Waste Association of North America for the Clarenville Transfer Station's innovative and modern waste management practices, which includes a "clean floor" concept that allows waste and recyclables to be efficiently loaded directly from collection vehicles onto an electric conveyor system.

The total cost for the Clarenville Transfer Station, including the building, site work and supply of equipment, was over \$4 million. This total included \$1,326,966 from gas tax funds for the main building construction.

Community Energy Systems

The Community Energy System category includes infrastructure that generates or increases the efficient use of energy. The majority of the projects completed under this category focused on the installation of energy efficient doors, windows, heating, lighting and insulation that help improve energy efficiency for numerous buildings and facilities throughout the province.

Newfoundland and Labrador recipients completed 34 community energy systems projects between April 1, 2014 and December 31, 2016. These projects utilized \$1,934,269 in gas tax funding and contributed to a cleaner environment by decreasing greenhouse gas emissions.

Community Energy Systems – Clean Environment

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of projects that resulted in decreased GHG emissions	34	34	\$1,934,269
		34	\$1,934,269

Testimonial: Community Energy Systems Project in the Town of Baytona:

The Town of Baytona is a small rural community with a population of 262. It is situated off of route 340, which runs from Lewisporte to Twillingate Island, aptly named "Road to the Isles". A bay separates Baytona from the neighboring Town of Birchy Bay.

Baytona owns and operates the Fire Hall and Family Centre. Formerly, these buildings were heated with oil furnaces which were very energy inefficient. In 2015, approximately \$102,000 of gas tax funding was invested to supply and install a four-tonne ground source heat pump in the fire hall and a five-tonne ground source heat pump in the Family Centre. This provided full capacity heating for both buildings and reduced energy consumption which resulted in approximately a 66 per cent reduction in operating costs for the town, along with promoting a cleaner environment.

Recreational Infrastructure

The Recreational Infrastructure category includes recreational facilities or networks. Examples of projects completed under this category focused on upgrades to recreation centers, parks and community centres.

Newfoundland and Labrador recipients invested \$5,193,231 in gas tax funds to complete 50 projects between April 1, 2014 and December 31, 2016. These projects provided 164,346 residents with increased access to new or upgraded recreational facilities or networks.

Recreational – Strong Cities and Communities

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of residents who will benefit from increased access to new or upgraded recreational facilities or networks	164,346	50	\$5,193,231
		50	\$5,193,231

Testimonial: Recreational Infrastructure Project in the Town of Gambo:

The Town of Gambo is the birthplace of Joey Smallwood, Newfoundland and Labrador's first premier. It is a community of approximately 2000 residents located in Central Newfoundland. It features three scenic walking trails, a rich logging and raiing history, and wide variety of beautiful natural attractions.

In 2015-2016, the Town of Gambo allocated approximately \$200,000 in gas tax funding for the construction of a Splash Pad and Service Building. The Town

identified this project as a priority that would further the Town's goal of promoting a healthy, active community. Furthermore, given that the Splash Pad would be the only one in the area, it was seen as a potential opportunity for economic growth by attracting individuals and families who live outside the municipality.

The Splash Pad is located in the recreational center of the community alongside the recently updated playground, outdoor rink, basketball court, volleyball court and outdoor swimming area. Since its addition, the Town has seen a significant increase in users, particularly among young families of Gambo and its surrounding communities.

The implementation of a service building was also instrumental in providing a more comfortable user experience as it hosts indoor washrooms/change-rooms, replacing the previously existing outdoor, un-serviced washrooms. In addition to the washrooms, the service building also houses a canteen which has become a staple of the many community events the area has since hosted. While initially thought to provide children with a place to have fun and cool down on a hot summer's day, the Splash Pad has brought new life to the area that surrounds it. This area has now become a place where families can come to spend an entire day, providing variety and something for children of all ages.

Cultural Infrastructure

The Cultural Infrastructure category includes infrastructure that supports arts, humanities and heritage.

One gas tax recipient in Newfoundland and Labrador completed a project between April 1, 2014 and December 31, 2016, utilizing \$4,320 in gas tax funds. This project provided 465 residents with increased access to an upgraded registered heritage building.

Cultural Infrastructure – Strong Cities and Communities

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of residents who will benefit from increased access to new or upgraded infrastructure that supports arts, humanities, and heritage	465	1	\$4,320
		1	\$4,320

Testimonial: Cultural Infrastructure Project in the Town of Ferryland:

The Historic Ferryland Museum, located in the Town of Ferryland, is an important community space and serves as a reminder of a time when Ferryland was the administrative center of the Southern Shore region. There is a great sense of community ownership and pride in the building, which is among the oldest community museums in the province. In 2014, the Town of Ferryland utilized gas

tax funds to upgrade the exterior of this registered heritage building, including clapboard and staircases.

Tourism Infrastructure

The Tourism Infrastructure category includes infrastructure that attracts travellers for recreation, leisure, business or other purposes. These projects included the upgrading or construction of campgrounds, tourism sites, trailways and day parks.

Newfoundland and Labrador recipients completed six projects between April 1, 2014 and December 31, 2016. These projects utilized \$120,376 in gas tax funds and provided six new or upgraded attractions.

Tourism Infrastructure – Strong Cities and Communities

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of projects that provided new/upgraded attractions	6	6	\$120,376
		6	\$120,376

Testimonial: Tourism Infrastructure Project in the Town of New-Wes-Valley:

The Town of New-Wes-Valley is a municipality that was formed in 1992 after the amalgamation of the towns of Newtown, Templeman, Pound Cove, Wesleyville, Brookfield, Badger's Quay, Pool's Island and Valleyfield. New-Wes-Valley is a central hub of the Gander Loop area and provides regional Fire Safety services to a large portion of the loop. The former Brookfield Cottage Hospital now called the Dr. Y.K. Jeon Kittiwake Healthcare Centre provides health and emergency services to the region.

New-Wes-Valley offers a variety of stores including artist studios and crafts stores, pharmacies, dry goods and hardware stores. The Town also has a variety of restaurants, accommodation options and is home to the Reach Museum and Art Gallery and the Barber Living Heritage Village.

South West Pond Municipal RV Park is owned and operated by the Town and situated on South West Pond on Route 320-33. The park is surrounded by nature and adjacent by the pristine South West Pond, an ideal location for fishing and boating in the summertime and ice fishing and snowmobiling in the winter.

In 2016, using \$82,425 in gas tax funding, the Town provided upgrades and serviced 42 of the 46 sites with hydro connections. As a result of this project, seasonal sites are fully booked from year to year with a waiting list of potential new campers. The Town is now able to offer exceptional value to tourists traveling in RV's.

Disaster Mitigation

The Disaster Mitigation category includes infrastructure that reduces or eliminates long-term impacts and risks associated with natural disasters. Examples of these projects include seawalls, retaining walls, breakwaters, and the relocation of storm sewers.

Newfoundland and Labrador recipients invested \$1,048,455 in gas tax funds in 18 projects between April 1, 2014 and December 31, 2016. Gas tax funding of \$986,857 was invested in 14 projects to protect at-risk infrastructure. Another \$61,598 in gas tax funds was invested in four projects that provided protection to 17 properties or infrastructure.

Disaster Mitigation – Strong Cities and Communities

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of projects that provided at-risk infrastructure better protection	14	14	\$986,857
# of properties or infrastructure protected due to the project	17	4	\$61,598
		18	\$1,048,455

Testimonial: Disaster Mitigation Project in the Town of Ramea:

Ramea is a small island community of approximately 450 people located on the southwest coast of Newfoundland. In 2015, the Town used \$87,480 in gas tax funds for an Erosion Prevention Project to preserve the shoreline by building a

new breakwater to prevent the section of road that leads to the cemetery from washing away.

Capacity Building

Capacity Building includes investments related to strengthening the ability of local governments to develop long-term planning practices.

There were 49 capacity building projects totalling \$1,157,902 in gas tax funds completed between April 1, 2014 and December 31, 2016. Examples of capacity building projects completed in Newfoundland and Labrador were: the development of municipal plans, integrated community sustainability plans, and asset management plans.

Included in the figures below are the final four capacity building projects reported by Municipalities Newfoundland and Labrador who was a recipient under the first agreement. These projects were approved under the first agreement; however, the projects were completed after April 1, 2014.

Capacity Building - Strong Cities and Communities

Outcome Indicator	Quantitative Outcome Measure	# of Projects Completed	Gas Tax Expenditures
# of capacity building projects investing in asset management and/or long term municipal planning	53	53	\$1,281,104
		53	\$1,281,104

Testimonial: Capacity Building Project in the Town of Marystown:

The Town of Marystown is located on the Burin Peninsula, approximately a three-hour drive from the City of St. John's. The town, with a population of 5,316, prides itself on being the service center for the southern Burin Peninsula and on being the nucleus for a skilled workforce that has played an integral role in all major offshore fabrication projects in the province.

The Town of Marystown collaborated with four neighbouring towns (Grand Bank, Fortune, St. Lawrence and Burin) and a private sector information technology company to develop an online geographic Regional Asset Management System (RAMS). This system not only provides a map of assets, it also provides intelligence to enable end users to update their respective asset inventory as time progresses. Assets were evaluated in accordance with standardized Public Sector Accounting Policies to assist with such things as life cycle analysis and infrastructure improvement strategies. All assets are viewable against best available mapping and/or municipal land use zones, thereby enabling the town's workforce to make informed infrastructure management decisions based on reliable information.

The Town of Marystown completed this project in 2016 and invested \$149,963 in gas tax funds to ensure their data entry was relevant. This enabled the Town to: more closely conduct a life-cycle analysis of its assets; react to infrastructure problems such water shut-offs; more fairly evaluate land use applications; strategically plan for future land use requirements; track amendments to its municipal plan; proactively engage in better environmental stewardship by making best use of existing infrastructure systems; and identify any gaps in its infrastructure systems.

Predictability and Incrementality

Gas Tax funds provide predictable long-term funding for municipalities and Inuit Community Governments in Newfoundland and Labrador. The flexibility of the second agreement permits recipients to choose and prioritize projects and allows them to complete projects that may not have been done otherwise. It permits flexibility in cash flows and allows recipients to better plan the timing of projects to best suit the age and condition of the infrastructure.

The Administrative Agreement on the Federal Gas Tax Fund requires that “Any gas tax funding that Newfoundland and Labrador may receive from Canada is not intended to replace or displace existing sources of funding for local government tangible capital expenditures. For the purposes of this Administrative Agreement tangible capital expenditure for the provincial and all local governments in aggregate, will not be less than either the lesser of: an average \$2.76 million annually, or \$27.6 million in total municipal and provincial expenditures over the ten-year term of this Administrative Agreement.”

In the first two years of the second agreement, provincial expenditures alone have exceeded \$227 million (Appendix E). The Province does not currently have a comprehensive data collection system that reports all sources of municipal infrastructure spending. However, the provincial expenditure itself has been sufficient to achieve the incrementality requirement under the second agreement.

Asset Management Capacity Building Plan

The Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund includes approved funding for a Capacity Building Plan for asset management. The funding is sourced from interest earned and unspent administrative funds under the first Agreement, which expired on March 31, 2014. The Capacity Building Plan was approved in 2015 and includes a total commitment of \$750,000 up to March 31, 2018. Initiatives to be funded under the Capacity Building Plan include: assessing current asset management practices across the province: jurisdictional research; and identifying best practices to assist with the development of asset management templates and/or guidelines for local governments, as required under the second Agreement.

The Capacity Building Plan's primary goal was to develop an asset management framework, subject to availability of adequate resources, timely participation of key stakeholders, and minimal changes to the Province's local governance landscape.

As of December 31, 2016, the province had launched an initiative to develop its asset management framework and engaged external consulting services to develop a work plan to implement that framework. Over that same period, however, parallel federal initiatives announced in Budget 2016 and led by the Federation of Canadian Municipalities, including the Municipal Asset Management Program, introduced new information-sharing, skills development, and funding opportunities that warranted further consideration and consultation with stakeholders. Accordingly, an extension to the timeframes outlined in the originally-approved Capacity Building Plan is being sought to fully achieve its intended outcomes in a manner that is consistent with these national initiatives.

Appendix A: Gas Tax Expenditures: 2014-2016

Investment Category	Number of projects completed	Project Cost	Gas Tax Funds Spent
Local Roads and Bridges	394	\$29,910,061	\$29,143,984
Highways	1	\$101,698	\$101,698
Drinking Water	86	\$7,077,479	\$4,159,819
Wastewater	56	\$6,800,845	\$6,328,429
Solid Waste (including the Provincial Waste Management Strategy)	1	\$4,194,253	\$1,326,966
Community Energy Systems	34	\$1,934,269	\$1,934,269
Recreational Infrastructure	50	\$5,193,231	\$5,193,231
Cultural Infrastructure	1	\$4,320	\$4,320
Tourism Infrastructure	6	\$120,376	\$120,376
Disaster Mitigation	18	\$1,048,455	\$1,048,455
Capacity Building (including Municipalities Newfoundland and Labrador)	53	\$1,302,608	\$1,281,104
Totals	700	\$57,687,595	\$50,642,651

Notes:

“Project Cost” is the total cost of the project from all sources including gas tax as reported by recipients. “Gas Tax Funds Spent” is the total amount of the gas tax funds spent on projects completed between April 1, 2014 and December 31, 2016.

Appendix B: Gas Tax Funding: 2014 -2019

Funding Year	Newfoundland and Labrador's Allocation
2014-2015	\$29,865,058
2015-2016	\$29,865,058
2016-2017	\$31,739,243
2017-2018	\$31,358,312
2018-2019	\$32,852,000
Total	\$155,679,671

Notes:

Newfoundland and Labrador received Gas Tax funding in semi-annual payments. Actual amounts received are reported 2014-2018. The year 2018-2019 is estimated.

The year 2016-2017 includes legacy funding of \$380,931 which was received but not allocated. Newfoundland and Labrador received \$91,088,428 from Canada during the reporting period April 1, 2014 to December 31, 2016.

Appendix C: National Outcomes and Outcome Measures by Project Category

Project Category	Indicators	National Objective
Local Roads and Bridges	# of km improved/resurfaced # of bridges constructed/upgraded # of projects that decrease the rate of accidents/fatalities or injuries	Productivity and Economic Growth
Highways	# of km improved/resurfaced	Productivity and Economic Growth
Short Sea Shipping	# of projects that resulted in improvements with short-sea shipping	Productivity and Economic Growth
Short Line Rail	N/A	Productivity and Economic Growth
Regional and Local Airports	N/A	Productivity and Economic Growth
Broadband Connectivity	# of households (and/or non-residential properties) with internet access as a result of the project # of households (and/or non-residential properties) with enhanced broadband services as a result of the project	Productivity and Economic Growth
Public Transit	# of projects that resulted in improvements with the public transit system	Productivity and Economic Growth
Drinking Water	# of new households (and/or non-residential properties) connected to a municipal water system	Clean Environment

Project Category	Indicators	National Objective
	<p># of households (and/or non-residential properties) with improved water quality</p> <p># of projects that resulted in reduced greenhouse gas emissions from energy-efficiency improvements to the municipal water system</p> <p># of metres of water main installed</p> <p>Population served</p>	
Wastewater	<p># of new households (and/or non-residential properties) connected to a municipal wastewater system</p> <p># of households (and/or non-residential properties) with improved wastewater treatment and/or services</p> <p># of projects that resulted in reduced greenhouse gas emissions from energy-efficiency improvement to the municipal wastewater system</p> <p># of metres of sanitary sewer installed</p> <p>Population served</p> <p># of metres of storm sewer installed</p>	Clean Environment
Solid Waste	<p># of projects that resulted in increased capacity of site</p> <p># of projects that increased quantity of solid waste diverted from disposal through compost and/or recycling</p> <p># of projects that resulted in improved solid waste practices</p>	Clean Environment

Project Category	Indicators	National Objective
Community Energy Systems	# of projects that resulted in decreased greenhouse gas emissions	Clean Environment
Brownfield Redevelopment	Area (m2) of remediated site # of new residential units, businesses and/or institution on redeveloped site	Clean Environment
Sport Infrastructure	# of residents who will benefit from increased access to new or upgraded sport facility	Strong Cities and Communities
Recreational Infrastructure	# of residents who will benefit from increased access to new or upgraded recreational facilities or networks	Strong Cities and Communities
Cultural Infrastructure	# of residents who will benefit from increased access to new or upgraded infrastructure that supports arts, humanities, and heritage	Strong Cities and Communities
Tourism Infrastructure	# of projects that provided new/upgraded attractions	Strong Cities and Communities
Disaster Mitigation	# of projects that provided at-risk infrastructure better protection # of properties or infrastructure protected due to the project	Strong Cities and Communities
Capacity Building	# of capacity building projects investing in asset management and/or long term municipal planning	Strong Cities and Communities

Note: This list will be reviewed and revised throughout the course of the second agreement as projects are approved. Last updated: January 2018

Appendix D: Provincial Waste Management Strategy

The Canada-Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund includes a Waste Management Allocation. The current allocation includes a total commitment of \$44.25 million over the five year period 2015-2019. Projects to be funded under the Waste Management Allocation include those which advance the goals of the Provincial Waste Management Strategy, and approvals are based on regional needs and priorities. The goals of the strategy include: diversion of 50 per cent of material going into the landfills; reduction in the number of local waste disposal sites by 80 per cent; elimination of open burning and the use of incinerators; phase out of unlined landfill sites; and province-wide implementation of modern waste management by 2025.

The strategy was developed after an extensive public consultation process and outlined a new approach to waste management for the province. The consultation process determined that past practices could not continue and that communities would need to work collaboratively to develop regional waste management systems in order to move forward with environmentally sustainable and cost-effective waste management solutions. The strategy envisions a regional approach to waste management in which “host” regions would house large-scale waste diversion facilities and lined landfills for final waste disposal. The remaining “non-host” regions on the island-portion of the province continue to develop systems to transport waste to the two regional “host” sites for final disposal.

Regional service boards have been established in the “host” regions of eastern and central, which includes 65 per cent of the population of the province. Regional sites, including recycling facilities and other modern waste management infrastructure, were developed for these two host regions with the

assistance of gas tax funds of \$62.5 million under the first agreement. Work is currently being planned for each of the remaining six non-host regions on the island, which will require regional waste management infrastructure such as local drop off facilities, transfer stations and composting facilities.

The strategy recognizes that Labrador and the province's various isolated and remote communities have unique challenges and that these areas need to be addressed on an individual basis with emphasis on: improving waste disposal practices, increasing waste diversion, and eliminating incineration where possible.

To date, seven of the eight regional service boards planned for the island portion of the province have been established. Approximately two-thirds of the province's population is now disposing of waste in one of the two regional landfill sites with access to regional materials recycling facilities. As well, 161 of the 236 local landfill sites have been closed (68 per cent).

Since 2015, five projects have received approval through the Gas Tax Committee under the current Waste Management allocation. The construction of the Clarenville Transfer Station building was the first of these projects to be completed. The Clarenville facility will allow for the closure of 11 local unlined waste sites and facilitate the transfer of waste to the Robin Hood Bay Regional Waste Management Facility, located in the Eastern Region.

Appendix E: Provincial Infrastructure Funds spent 2014-2016

Funding Year	Provincial funding spent on municipal infrastructure projects
2014-2015	\$107,576,706
2015-2016	\$119,709,905
Total	\$227,286,611

Source: Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund 2014-2015 and 2015-2016.

