

**RESIDUAL ISF - HUMANITY FIRST REQUEST**

**Recommendation**

The City Manager, the Commissioner of Finance/City Treasurer and the Director of Reserves and Investments recommend:

- 1) That the City of Vaughan advise the Federal and Provincial Governments its support for their request to confirm a re-allocation of residual funds in the amount of \$2,333,333 (Federal and Provincial Grant contribution) to other ISF approved projects in Vaughan that require additional funding.

**Contribution to Sustainability**

N/A

**Economic Impact**

The reallocation of a portion of Vaughan's residual Federal and Provincial ISF grant to Humanity First will not impact the City of Vaughan's funding of its own ISF projects and there will be no City of Vaughan funds allocated to the Humanity First complex.

**Communications Plan**

The Council recommendation will be communicated to both the Federal and Provincial Governments.

**Purpose**

The purpose of this report is to inform Members of Council that Humanity First is requesting that the City of Vaughan consider transferring a portion of the City of Vaughan residual ISF funding to the Humanity First Community Centre project. The Federal and Provincial governments have asked for confirmation of any transfer from the City.

**Background - Analysis and Options**

In March 2009 Council approved a prioritized list of "Shovel Ready" projects for application to the Federal Building Canada Program, Infrastructure Stimulus fund (ISF). Under the ISF program, the City obtained funding awards for 174 projects totaling approximately \$30 million (based on projected project costs) and funded 1/3<sup>rd</sup> Federal, 1/3<sup>rd</sup> Provincial and 1/3<sup>rd</sup> from the City.

The City of Vaughan, like many municipalities involved in the ISF program, will realize a residual of funds from our existing ISF project. The residual funds are the result of tenders/contracts being awarded at less than the projected costs. In response to this residual of grant funds which otherwise would not be dispersed by the Federal and Provincial governments, the Governments in August 2010 implemented the "Recycling of ISF Funds" initiative. This initiative provided an opportunity for local governments to submit new applications for funding, utilizing savings from their existing ISF projects.

On September 7, 2010, Council received a report from staff with projects to be re-submitted under the Recycling ISF program. These projects, with a total estimated cost of \$4 million, were chosen from the list of shovel ready projects previously approved by Council in 2009. These projects would be funded from the estimated \$12 million residual in ISF funds allocated to the City.

The applications for the City of Vaughan Recycled ISF projects were submitted in early September 2010. To the date of writing this report, staff has not received confirmation from the Provincial and Federal Governments that these projects have been approved for grant funding.

On October 1, 2010, the Director of Reserves and Investments and the Commissioner of Finance/City Treasurer met with Dr. Aslam Daud, Chairman of Humanity First, to discuss Humanity First's financial obligations to the City of Vaughan on the construction of the Humanity First community centre complex. Humanity First is a Canadian based non profit charitable international humanitarian relief organization established to provide relief support with the local community as well as communities across the globe. The Humanity First complex will be located on the Ahmadiyya Muslim Jama'al Canada Inc lands located in Maple. Humanity First submitted a funding request for their community complex project to the Federal Building Canada Program (part of the ISF program) and was successful in obtaining grant funding.

At the October 1, 2010 meeting with staff, Dr. Aslam Daud indicated that the cost of the Humanity First complex would exceed the amount approved under the ISF program and inquired whether the City would consider transferring a portion of the City's residual ISF funding to fund their community centre complex. Further to that discussion, on November 26, 2010, Dr. Daud submitted a formal request (Attachment 1) that the City of Vaughan consider transferring any residual ISF funding to the Humanity First Community Centre Project as both the Federal and Provincial governments would provide the necessary approvals provided that the City of Vaughan agreed to the transfer of residual ISF funds.

Our Provincial contact has confirmed that Humanity First is the only non municipal ISF applicant in the City of Vaughan/York Region and therefore is the only agency/community group/association that, having received ISF funding, could pose a request to the City for use of residual ISF funding.

#### Deadline Extension for ISF Project Completion

On December 2, 2010 the Federal Government formally announced an extension of the March 31, 2011 deadline to October 31, 2011. The intent is to ensure municipalities are able to deliver on their existing projects, which may not otherwise be completed, and fully utilize the grant funding.

The extension applies to all current ISF projects which either require an extension to complete or, were substantially completed under budget and therefore have residual funds/savings. The associated project's residual savings can therefore be applied through additional work identified in an increase in the project scope.

To be eligible for the extension the project(s) must have initiated work and incurred eligible costs on or before March 31, 2011, as well as submit the following documentation:

By January 31, 2011:

- A list of projects that require an extension with forecasted expenses to be claims by March 31, 2011 and expenses projected to be incurred between April 1, 2011 and October 31, 2011;
- A detailed construction schedule for each project and signed by an engineer;
- A Council Resolution committing to finish the projects, and accepting responsibility for any costs incurred beyond October 31, 2011; and
- All final claims must be received by January 31, 2012.

An amended Contribution Agreement will be provided to the City and must be signed no later than February 28, 2011.

### **Relationship to Vaughan Vision 2020/Strategic Plan**

This report recommends a change from the priorities previously set by Council and the necessary resources have not been allocated.

### **Regional Implications**

This report as written has no regional implication.

### **Conclusion**

Staff has now completed an analysis of residual ISF funding inclusive of adjustments to ensure existing and pending new "recycled" City projects will be funded. Based on this analysis, staff confirm that the re-allocation of \$2,333,333 of Federal and Provincial ISF grant funding will not impact the City's ability to complete the existing and potential "recycled" projects and recommend that the City of Vaughan support the reallocation of residual funds in the amount of \$2,333,333 (Federal and Provincial grant contribution) to other ISF approved projects in Vaughan that require additional funding.

### **Attachments**

#1 – Correspondence from Dr. Aslam Daud

### **Report prepared by:**

Ferruccio Castellarin, Director of Reserves & Investments Ext 8271  
Bonnie-Lyn Gow, Grants Specialist Ext 8425

Respectfully submitted,

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Clayton D. Harris, CA  
City Manager

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Barbara Cribbett, CMA  
Commissioner of Finance/City Treasurer

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Ferruccio Castellarin, CGA  
Director of Reserves & Investments

## ATTACHMENT 1

**Cribbett, Barbara**

**From:** aslamd@gmail.com on behalf of Dr. Aslam Daud [adaud@humanityfirst.ca]  
**Sent:** Friday, November 26, 2010 1:38 PM  
**To:** Cribbett, Barbara  
**Cc:** Castellarin, Ferruccio  
**Subject:** URGENT: Humanity First Community Center

**URGENT**

Barbara Cribbett  
Commissioner of Finance & City Treasurer  
City of Vaughan  
905-832-8585 Ext. 8475

Dear Barbara,

I want to thank you for talking to me this morning. With reference to our discussion couple of months ago and again today, regarding opportunity of transferring any unused available money from stimulus funding to Humanity First Community Center Project in City of Vaughan, I have now made the request to Federal and Provincial Ministries. It is currently being considered and we need your support for this.

We need to provide to OMAFRA that if there is any unused funds available, then City of Vaughan does not have any objection in transferring the unused funds to Humanity First Community Center Project and that we have the support of the City for this transfer of funds to this project.

As you will appreciate that it would be best to complete both phases (Phase 1: The Gym & related facility Phase 2: Office & Multipurpose Halls) together, to achieve economies of scale and it will result in considerable savings. Phase two of this project will help us serve the community in much better and efficient manner and we will be able to provide much needed additional services.

We require about \$3.5 million to complete phase two of this project (which is the office & Multi-Purpose Halls) of which Humanity First will be able to raise additional \$1.2 million through various fundraising campaigns and corporate sponsorships.

We have requested OMAFRA to consider the application for phase two of the project and provide Humanity First additional funding of \$2.3 million. With this money, we will be able to complete the project by March 31st, 2011.

With your letter of support and no objection to transfer this fund to HFCC project, we will be able to have the community center ready and serve the community in Vaughan efficiently and sooner.

It appears that deadline for any new request is today, therefore I urgently request you to consider this request. An email or letter of support today will help us to pursue this further.

I look forward to a positive consideration and thank you in advance.

Dr. Aslam Daud  
Chairman  
Humanity First  
Direct: 1-416-560-7933  
Tel/Fax: 416-440-0346 Ext 5

12/2/2010