

MUNICIPAL INFRASTRUCTURE FUNDING APPLICATION GUIDELINE



Government of Newfoundland and Labrador
Department of Transportation and Infrastructure
Municipal Infrastructure Division

Funding for Fiscal Year 2024/25

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1 OVERVIEW

The Municipal Infrastructure Division (MI) of the Department of Transportation and Infrastructure (TI) supports the development of municipal infrastructure throughout Newfoundland and Labrador. Infrastructure projects are funded through cost shared funding agreements involving the Provincial Government and Municipal Governments (“Ultimate Recipients”). In order to solicit appropriate projects, a Call for Applications is issued on an annual basis. This guide will assist Ultimate Recipients in completing and submitting an application for the fiscal year 2024/25.

Selected applications will be funded through the Municipal Capital Works (MCW) program. The MCW Program is a Provincial cost shared funding program. Funding is to be used for the creation of new infrastructure or the capital renewal of existing but is not to be used for normal maintenance or operational costs. Applicants must submit all information before the Call for Applications end date, published in MI’s circular.

Incomplete or delayed applications delay may be rejected.

1.1 WHO CAN APPLY?

Ultimate Recipient	MCW Eligible
Municipalities* (cities, towns)	✓
Nunatsiavut & Inuit Community Governments	✓
Local Service Districts	✓

*MYCW funding Recipients are ineligible for MCW Funding

1.2 SUBMITTING AN APPLICATION

To submit an application, follow the usual procedure through MSIS. If you are new to the application process, there is a video on YouTube entitled “How to fill out an application in MSIS”, (available at <https://www.youtube.com/watch?v=T1foy1UMTT0>). The Following table provides some guidelines to follow for certain sections of the Application.

Do not use “See Attached” as the only entry in the Project Title, Problem Description or Project Description fields. This slows down review and may result in rejection.

Section	Guidelines for Completion
Project Title	<p>Project Title Requirement:</p> <p>A minimum of five to ten (5-10) words that briefly describe the project. Must be clear and concise.</p> <p>Good - Water and Sewer on Fowler's Road, Humber Community Center Retrofit, Waste Water Treatment Plant Expansion, Lift station #15 Upgrade</p> <p>Poor – Lift station upgrade, Paving roads</p>
Problem Statement	<p>Ensure the following questions are answered:</p> <ol style="list-style-type: none">1. What is the problem, and how long has it been an issue?2. What is the result if the problem is not addressed?3. Was anything done in the past to correct the issue? What was done?4. Age of existing infrastructure?5. Number of people impacted by the issue?6. Frequency of occurrence?
Project Description	<p>Use the following format for describing the project:</p> <p>Project consists of <u>(describe project)</u> in the municipality of <u>(insert municipality/LSD)</u>. The scope of the project includes <u>(describe scope)</u>. The project aims to <u>(describe aim when complete)</u>. The project will provide <u>(describe outcome of the project)</u>.</p>

1.3 MUNICIPAL SUPPORT INFORMATION SYSTEM

All applications must be submitted through the Municipal Support Information System (MSIS), available at <https://msis.gov.nl.ca/MSIS>. MSIS requires a User ID and Password. If you have used an account previously, it is still active.

If you need to set up a MSIS account, please contact the System Administrator at municipalinfrastructure@gov.nl.ca, or (709) 729-3068.

If you do not have Internet access, please contact your local Regional Office for assistance in submitting an application.

1.4 COST OF PREPARING APPLICATION

Applicants must bear any costs of preparing, submitting, or answering questions related to an Application. MI will not provide financial assistance for any costs associated with preparing project cost estimates, or preparing and submitting Applications.

It is advisable, though not required, to hire a consultant to assist in preparing an application for funding; specifically the scope of work and the construction estimate. MI Regional Offices can provide suggestions on firms throughout the province that can be contacted.

2 APPLICATION SUBMISSION REQUIREMENTS

All applications must include each of the documents outlined below. Templates and samples of these documents are found under the “Application Forms” section of our website at <https://www.gov.nl.ca/ti/mi/apply-for-funding/>. Once complete, these files are uploaded in MSIS to accompany the application.

If more than one Application is submitted, indicate the Priority of each. **Note that there can only be one Priority #1.**

Applications submitted without all of the required documents may be rejected.

Application Information to be Submitted	Where it is Found / How it is Created
1. Resolution from governing group (council/board/etc.) supporting the project	Applicant passes a Motion of Council. Sample provided online.
2. Letter from Financial institution confirming ability to fund the Applicant’s project share.	Provided if Applicant intends to borrow. Not needed if there is no intent to borrow. Applicant receives from their bank.
3. Financial Evaluation Form	Required for all Municipalities and LSDs. Templates provided online.
4. Map/ Drawings / Location Plan	Indicate the location and scope of the proposed project. Include Coordinates for Linear Infrastructure Start and End Points. Maps and Location Plans provided must clearly show the project location, including the start and end points for linear infrastructure. Include the map coordinates for a “point” project (e.g. building).
5. Project Estimate (Class D or better)	Applicant or Consultant creates the estimate. Template available online
6. Drinking Water Systems Capital Works Additional Information Form	For drinking water only. Form found online.
7. KML File	KML file is created using Google Earth. See Section 8 for details, or refer to the “Guide to Making a KML” available online. KML files are required for all Applications.
8. Provincial Climate Lens – Pre-Approval Checklist	Found online
9. Proof of land ownership, land lease, land use permission, regional cooperation	Land deed, Memorandum of Understanding

3 IMPORTANT CONSIDERATIONS FOR APPLICATIONS

Applicants must be aware of the following important considerations when submitting Applications.

3.1 SUITABILITY OF APPLICATIONS IS UP TO THE APPLICANT

Applicants are responsible for presenting Applications that are appropriate for their needs, and their particular financial capacity. Applicants should be aware that MI has no preconceived “ideal” project size or scope. Applications are reviewed based on the information presented outlining the need for a project, the merits, and the end result of the project. Submitting low cost estimates, for example, does not benefit an Application.

Applicants should provide information from an asset management program or other analysis that shows the importance of the infrastructure need.

3.2 DISTINCT SCOPES OF WORK MUST NOT BE BUNDLED

Distinct scopes of work must not be bundled together. **Applications with bundled scopes of work may be rejected outright.** Distinct scopes of work must be submitted as separate Applications. Examples are provided below:

1. Applications for Lift Station Replacements or Upgrades must be by lift station. Do not bundle multiple together.
2. “Programs” are not suitable for Applications. Do not submit a single Application for a “Paving Program” or “Water Infrastructure Program”, where there are multiple distinct, unconnected roads, or segments of existing systems involved.
3. An Application for Road work bundled with Building renovations will not be considered, as this is two different scopes of work.
4. Applications for paving or storm water projects must be **one per road**.
5. New Building projects must result in complete, functional facilities at the end of the project.

3.3 BUILDING REQUIREMENTS

Building Renovation projects must meet the requirements of the latest editions of the Building Accessibility Act, National Building Code of Canada, and NFPA 101 – Life Safety Code, as required by those Acts, Regulations, Codes, and Standards.

The Build Better Buildings Policy applies to all building projects, which will include LEED® for buildings greater than 600m².

3.4 PRIORITY IS IMPORTANT, BUT ANY APPLICATION MAY BE SELECTED

Applicants must recognize that if multiple Applications are submitted, any (or none) of them may be selected for funding. There have been instances where a Priority #10 Application has been funded.

4 PROJECT ESTIMATES

4.1 PROJECT ESTIMATE

Applicants **must** include a Class D Estimate (or better) for the proposed work, when applying for funding. Project Estimates must reflect the scope of work outlined in the Project Description. Work included in the Project Estimate, that is not detailed in the project scope or reasonably related to the scope outlined, will not be eligible for funding.

For example, if a project scope includes simple replacement of water and sewer pipe, patching asphalt is reasonably related to this scope; a new lift station is not.

A Project Estimate worksheet, based on the MI Schedule of Quantities, is provided online, at: <https://www.gov.nl.ca/ti/mi/apply-for-funding/>. Estimates must be prepared using this template. Estimates should be suitably detailed in order to demonstrate that the scope of work has been **appropriately** costed, especially considering the recent fluctuations in material prices.

MI provides no further funds for projects above the approved funding amount. Applicants are fully responsible for Project costs above approved funding.

Building projects must follow the latest editions of the National Building and Fire Codes, and the Provincial Build Better Buildings policy. Project Estimates for building projects must be sufficient to allow for costs associated with these Code and Policy requirements (e.g. LEED).

4.2 CAPITAL COST CONTINGENCY AND ESCALATION ALLOWANCE

MI will not fund cost overruns. This includes cost overruns related to inflationary or escalatory price increases, volatile commodity prices, or other unforeseen circumstances.

Since funding cost overruns is not an option, **MI allows for reasonable Contingency and Escalation Allowances to be included in funding applications.** This is in accordance with the Capital Works Cost Contingency Allowance Policy, available at <https://www.gov.nl.ca/ti/files/MI-Policy-Cost-Contingency-Allowance-May-2023.pdf>.

Project Type	Total estimated Cost	Maximum Contingency Allowance
Roads	Less than \$500,000	5%
	\$500,000 to \$2,000,000	4%
	\$2,000,000 or greater	3%
Water and Waste water	All	10%
Buildings (New Construction)	Less than \$5,000,000	10%
	\$5,000,000 or greater	8%
Buildings (Renovation, Remodeling, Repair)	Less than \$5,000,000	15%
	\$5,000,000 or greater	10%
Recreation	All	10%
Breakwater/Sea Walls	All	10%

Escalation Allowance is generally 3% compounded for 3-4 years (estimated length of project).

The Contingency and Escalation Allowances included in a project's cost estimates are **only** to be used to account for unforeseen and escalation costs. They **must not** be used as a substitute for robust cost estimates. The Contingency and Escalation Allowance will not be used to fund changes in scope or to complete additional work.

Note: Applicants must be aware that should they receive funding, they must not plan to use the Contingency and Escalation Allowance.

Unused Contingency and Escalation allowances are returned to MI at project completion.

4.3 MULTI-PHASE PROJECTS

When applying for projects that will be phased, the Application must be for the current phase, with supporting information including the estimate for the current phase. Additionally, please submit the complete project estimate for all phases combined along with a phasing plan.

Each phase of a phased project must result in usable infrastructure, capable of immediately fulfilling its intended purpose. A phase that results in "dry pipe" or equipment that can't be utilized will not be approved.

Building projects are generally not eligible for a phased funding approach.

5 APPLICATION SELECTION AND PROJECT APPROVAL

5.1 APPLICATION SELECTION

Submitted Applications are sorted, and distributed to Regional Office personnel for review. Applications are reviewed based on merit and the available funding in the infrastructure program(s).

5.2 APPROVAL NOTIFICATION

If an Application has been approved by the Minister, a letter and funding agreement will be sent to the Applicant. This letter will include all of the information required to enter into a funding agreement. Project funding will equal the Project Cost less the amount of the tax rebate.

The Funding Recipient is required to pay the rebate amount and to apply for the appropriate tax rebates.

The rebates are to be used by the Funding Recipient as part of the project funding. Interim financing of the rebates is the responsibility of the Ultimate Recipient.

5.3 APPLICATIONS NOT SELECTED

Applicants will be notified if their Application is not successful. Typically, this notification is through a change in the Application's status in MSIS (e.g. from "Submitted" to "Rejected").

5.4 USE OF REMAINING FUNDING

Once a project scope of work is complete, any unused funds remaining, associated with the project scope of work, are returned to the province. Remaining or surplus funds cannot be used for additional work; this includes the Contingency and Escalation Allowance.

6 RESILIENCE AND SUSTAINABILITY CONSIDERATIONS

Applicants are required to integrate climate change in to a subsequent project, should their funding application be selected. Applicants confirm this understanding through submitting the Provincial Climate Lens – Pre-Approval Checklist. Applicants will be required to follow the requirements of the NL Provincial Climate Lens Part 2, should they receive funding for their application. The following resources in relation to climate change, climate resilience and sustainability are available.

Climate Data - Environment and Climate Change

<https://www.gov.nl.ca/ecc/occ/climate-data/>

Turn Back the Tide

<https://www.turnbackthetide.ca/>

7 Steps to Assess Climate Change Vulnerability in Your Community

https://www.turnbackthetide.ca/pdf/7_Steps_Tool.pdf

Flood Risk Mapping/Public Information Maps – Environment and Climate Change

<https://www.gov.nl.ca/ecc/waterres/flooding/frm/>

7 FUNDING PROGRAM DETAILS

7.1 COST SHARE RATIOS FOR MCW FUNDING

Project Category	Population	Recipient Share	Provincial Share	Gas Eligibility	Tax
Water, waste water, disaster mitigation	Less than 3,000	10%	90%	As there is no federal funding in MCW, a recipient may choose to use Gas Tax, up to the full amount of their share	
	3,000 and 7,000	20%	80%		
	Greater than 7,000	30%	70%		
Recreational projects, Community/Council Buildings, Fire halls	All population bands	40%	60%		
Roads and other funding requests	All populations bands	50%	50%		

Projects which are regional in nature, with a signed Memorandum of Understanding between the regional parties indicating how the infrastructure will operate regionally and cost sharing agreements, may qualify for a 10% lower municipal cost shared ratio (unless the project already falls into the 90/10 category), subject to the review and discretion of the Minister.

Percentages are payable on project eligible costs (total cost less GST/HST rebate). Ultimate recipients are responsible for funding the GST/HST rebate.

7.2 ELIGIBLE PROJECTS

7.2.1 Water, Waste Water Projects

1. Water
 - a. Water treatment facilities, Pump houses
 - b. Water transmission lines – replacement, insulation
 - c. Power supply extension to water infrastructure
 - d. Water storage tank and related infrastructure
 - e. Water supply development/Intakes, dams, rehabilitation
 - f. Monitoring programs, Flowmeters
 - g. Pressure reducing valves, booster pumps

- h. Access roads to water supplies
- i. Studies related to the above

*Pavement is NOT eligible if the surface is less than 10 years old

2. Waste Water

- a. Sewage treatment systems
- b. Sewer trunk/collector/service lines
- c. Sewage lift stations
- d. Sewer outfalls
- e. Monitoring programs
- f. Power supply extension to wastewater infrastructure
- g. Studies related to the above

*Pavement is NOT eligible if the surface is less than 10 years old

7.2.2 Adaptation and Disaster Mitigation

- 1. Fixed generators for treatment plants or lift stations
- 2. Seawall / Breakwater Projects related to protection of subsurface infrastructure
- 3. Studies (Needs, Planning, etc.)
- 4. Retaining walls

7.2.3 Community, Recreational Projects

- 1. Playground
- 2. Wellness center
- 3. Library
- 4. Sports field
- 5. Multi-purpose sports complex (pool, arena, gym, etc.)
- 6. Outdoor ice pads
- 7. Walking trails

8. Splash pads
9. Conversion of existing building to warming centre
10. Energy Retrofits
11. Studies related to the above

7.2.4 Council Buildings, Fire Halls

1. Town hall
2. Fire hall (to requirements of the Fire Hall Guideline)
3. Major renovations/repairs
4. Energy retrofits
5. Studies related to the above

7.2.5 Roads and Other Funding Requests

1. Seawall / Breakwater Projects for the protection of road infrastructure
2. Storm drainage, Curb and Gutter
3. Culverts - replacement
4. Pedestrian Crosswalks, Sidewalks
5. Bridges (motor vehicle and pedestrian)
6. Raising of manholes, catch basins / valves
7. New road construction (Subject to Departmental review)
8. New pavement, recapping, of existing and new roads
9. Road widening and upgrading
10. Installation of guide rails
11. Pedestrian safety road realignment, intersection realignment
12. Traffic lights
13. Street Lighting
14. Signage (related only to new infrastructure funded by this program)

15. Line painting on new pavement (pavement must be funded by this program)

16. Local/Main/Collector roads that have **not** been paved in the last 10 years

*Pavement is NOT eligible for any of these projects if the surface is less than 10 years old

7.3 INELIGIBLE PROJECTS FOR MCW FUNDING

1. New subdivisions
2. Paving less than 100m
3. Patching as defined in the Municipal Infrastructure Master Specification (in isolation)
4. Private access roads
5. Clearing ditches and culverts of overgrowth or debris
6. Water and or Sewer to Industrial Parks
7. General maintenance work, equipment, or consumables
8. Maintenance to town offices and buildings (envelope, plumbing, electrical, etc)
9. Cleaning of equipment (water, wastewater, building systems)
10. Thawing of frozen service lines
11. Flushing of existing mains
12. Purchase of spare parts, maintenance materials, consumables, chemicals, etc.
13. Materials purchased and not used on the project.
14. New water and/or sewer to service new development
15. Parking Lots
16. Ice resurfacing machines
17. Heavy construction equipment
18. Snow clearing equipment
19. Survey Equipment (purchase is not acceptable for any type of equipment)
20. Disaster mitigation for protection of private property

21. Demolition only projects
22. Lining of sports fields
23. Landscaping (in isolation)
24. Buildings whose purpose is not within the authority of UR under the Municipalities Act
25. Furniture and Equipment
26. Repairs to fire fighting vehicles
27. Purchase of related firefighting equipment
28. Purchase of digital signs and mobile traffic control lights
29. Mobile Generators
30. Property connections to water and sewer

7.4 ELIGIBLE EXPENSES FOR MCW PROJECTS

1. Consultant fees & expenses
2. Preliminary studies
3. Costs related to operation of site
4. Testing
5. Relocation of public utilities affected by construction
6. Private property and road reinstatement where impacted by project
7. Property acquisition where approved by the department
8. Construction services
9. Project Signs
10. Service line connects up to and including the Curb stop.

7.5 INELIGIBLE EXPENSES FOR MCW PROJECTS

1. Media Ads, announcements
2. Legal Surveys

3. Legal services
4. Vehicle rentals/lease/purchase
5. Interest (financing, supplier interest charges, etc)
6. Interest charges on contract payments
7. Municipal costs related to administering Capital Works Projects
8. Travel of municipal staff
9. UR labour (unless the project is pre-approved for project to be managed by recipient)
10. Assets which will not belong to Ultimate Recipient after construction
11. Cost incurred for cancelled projects, unless otherwise approved by Minister of TI
12. Land Purchases without departmental approval

8 KML FILE CREATION

A Keyhole Markup Language (KML) file is an open, portable geographic data type. It contains both data, and rendering information. KML files are required as part of an application. Below is a quick guide to creating a KML file from Google Earth (Note: Google Earth is often available free of charge).

1. Navigate to your project location using one or more of the following options:
 - a. Typing an address or coordinates in the search bar;
 - b. Clicking, dragging, and scrolling in the map viewer; or
 - c. Using the navigation tools.
2. Draw your project on the map in the proper location using the placemark, polygon, and path tools. You may draw as many components of varying types (point, line, or polygon) as necessary.
3. Choose the appropriate drawing tool for the type of component you are drawing:
 - a. Placemark: point project components (wells, outfalls, culverts, etc.).
 - b. Polygon: project components that consist of an area of any shape (building footprints, vegetation cuts, sewer/wastewater lagoons, etc.).
 - c. Path: linear project components (roads, sewer lines, railways, pipelines, trails, transmission lines, etc.). Use Path to show the route of the infrastructure.
4. Export the shapes to “.KML”; right click on the component and select “Save Place As”. **Be sure to change the file type from “.KMZ” to “.KML”.** MSIS will not accept .KMZ files.
5. The .KML file is to be uploaded to MSIS along with your other Application files.

9 REGIONAL OFFICE AND OTHER CONTACT INFORMATION

Eastern Regional Office

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