

## CANADA – NEW BRUNSWICK



### **AGREEMENT ON THE TRANSFER OF FEDERAL GAS TAX REVENUES UNDER THE NEW DEAL FOR CITIES AND COMMUNITIES 2005- 2015**

This Agreement made as of November 24, 2005,

**BETWEEN:**            **HER MAJESTY IN RIGHT OF CANADA** (“Canada”),  
represented by the Minister of State (Infrastructure and  
Communities) (“Federal Minister”).

**AND:**                 **HER MAJESTY IN RIGHT OF THE PROVINCE OF  
NEW BRUNSWICK** (“New Brunswick”), represented by the  
Minister responsible for the Regional Development Corporation  
(“Provincial Minister”) and the Minister of Environment and  
Local Government (“Minister of ELG”).

## **PREAMBLE**

**WHEREAS** Canada and New Brunswick wish to cooperate in making a transformative difference in the sustainability and future prosperity of cities and communities in New Brunswick and for Canada's future.

**WHEREAS** The New Deal for Cities and Communities will engage governments and stakeholders in purposeful partnerships, foster sustainable cities and communities across Canada and enable all Canadians to achieve a higher quality of life and standard of living.

**WHEREAS** Canada and New Brunswick have agreed to cooperate under the New Deal for Cities and Communities, which is based on a long-term vision of sustainability and which integrates four interdependent dimensions: economic, environmental, social and cultural.

**WHEREAS** the Government of Canada's Budget 2005/06 outlined an intent to provide provinces and territories an amount equivalent to a portion of the federal excise tax on gasoline.

**WHEREAS** this agreement includes the specific provisions on the Gas Tax for Environmentally Sustainable Municipal Infrastructure for New Brunswick Cities and Communities to primarily support environmental sustainability objectives under a New Deal for Cities and Communities.

**WHEREAS** this Agreement establishes a framework for cooperation under a New Deal for Cities and Communities and for which Canada and New Brunswick may undertake other initiatives, including possible trilateral initiatives, to support sustainability objectives.

**WHEREAS** New Brunswick will provide an additional \$30 million for the Gas Tax component of the New Deal for Cities and Communities to be invested in New Brunswick, for the period of 2005 to 2010, consistent with the investment categories and allocation formula in this Agreement.

**WHEREAS** New Brunswick and the Union of Municipal Associations, the Cities Association of New Brunswick, and the Association Francophone des Municipalités du Nouveau-Brunswick are in agreement with the allocation and application of these provincial funds.

## PRINCIPLES

The Government of Canada and the Government of New Brunswick acknowledge that this Agreement has been negotiated with the regard to the following principles:

- a. **Principle 1 – Respect for jurisdiction:** Respect for the jurisdiction of New Brunswick over municipal institutions. The desire to recognize Canada’s contribution to cities and communities in New Brunswick. The commitment of Canada and New Brunswick to recognize the merit of partnerships across all levels of government to support the New Deal.
- b. **Principle 2 – A flexible approach:** A flexible approach regarding the intra-jurisdictional allocation and the delivery mechanism to be used by New Brunswick to flow money to New Brunswick Communities and the nature of their involvement and the nature of the provincial contribution.
- c. **Principle 3 – Equity between provinces and territories:** Ensuring that the inter-provincial allocation is as close as possible to a per capita basis while respecting the need to have an adjustment for the smallest jurisdictions, namely the three Territories and Prince Edward Island.
- d. **Principle 4 – Promote long-term solutions:** The principle that Canada is making a 5-year financial commitment with the gas tax but negotiating 10-year gas-tax agreements, with a clause for a review after four years.
- e. **Principle 5 – Transparency:** The commitment to put in place an open and transparent governance process for the purposes of implementing this agreement and selecting projects for funding. This process will also include, among other things, a commitment to the development of performance indicators, evaluations and regular reporting.
- f. **Principle 6 – Regular reporting to Canadians:** Canada will use federal mechanisms to report on outcomes through the New Deal. New Brunswick will employ its own mechanism for reporting within its jurisdiction.

**NOW THEREFORE**, in accordance with the principles set out above, Canada and New Brunswick hereby agree as follows.

## 1. INTERPRETATION

### 1.1 Definitions

A capitalized term has the meaning given to it in this section unless the context clearly dictates otherwise

**“Agreement”** means this Canada – New Brunswick agreement on the transfer of Funds.

**“Annual Expenditure Report”** means the annual report to be prepared and delivered by New Brunswick to Canada, more particularly described in Schedule D.

**“Audit Report”** means an audit report prepared, at New Brunswick’s cost, by the New Brunswick auditor general or another New Brunswick licensed auditor, more particularly described in Schedule D.

**“Base Amount”** means the average of spending by New Brunswick and its Incorporated Areas on Municipal Infrastructure for the five years preceding the Agreement (April 2000 - March 2005).

**“Provincial Base Amount”** is \$11.2 million, which represents a five-year (April 2000 - March 2005) average of funds spent on municipal infrastructure by New Brunswick, and includes money allocated through the Provincial Environment Trust Fund, the Clean Water Program and the Canada – New Brunswick Infrastructure Program.

**“Capacity Building Projects”** means projects and activities that strengthen the ability of New Brunswick Communities to develop and implement sustainable development strategies, such as Integrated Community Sustainability Plans, as more particularly described in Schedule A.

**“Capital Investment Plan for Incorporated Areas”** means a document created through a public process, with approval from locally-elected officials, detailing the anticipated investments into tangible capital assets that are considered “priorities” (along with a rationale).

**“Capital Investment Plan for Unincorporated Areas”** means a document created by New Brunswick detailing the anticipated investments into tangible capital assets that are considered “priorities” (along with a rationale).

**“ESMI Projects”** means Environmentally Sustainable Municipal Infrastructure projects that:

- (i) improve the quality of the environment and contribute to reduced greenhouse gas emissions, clean water, or clean air; and
- (ii) fall within the category of projects described in Schedule A hereto.

**“Eligible Costs”** means those costs described in Schedule B, incurred in respect of Eligible Projects.

**“Eligible Projects”** means Capacity Building Projects and ESMI Projects.

**“Eligible Recipient”** means:

- (i) a New Brunswick Incorporated Area or its duly authorized agent (including its wholly-owned corporation);
- (ii) a non-municipal entity, on the condition that the New Brunswick Community where the proposed Eligible Project would be housed has indicated support for the Eligible Project through a formal resolution of the Incorporated Area’s council or a recommendation of the Minister of Environment and Local Government in the case of unincorporated areas. A non-municipal entity includes:
  - for-profit organizations (such as P3), or
  - non-governmental organizations, or
  - not-for-profit organizations.
- (iii) New Brunswick on behalf of Unincorporated Areas and in the case of Rural Communities, where the responsibility of the municipal infrastructure has not been assumed by the Rural Community.

Federal and provincial entities in the form of departments, corporations and agencies are not eligible recipients, except where a provincial department, crown corporation or other entity provides core municipal services within the jurisdiction of a Incorporated Areas and the Incorporated Areas agrees that New Brunswick or the provincial department, crown corporation or other entity should be the recipient of the funding for Eligible Project and except in the Unincorporated Areas of New Brunswick.

**“Eligible Recipient Requirement”** means those requirements described in Schedule C hereto.

**“ELG”** means the Department of Environment and Local Government.

**“Fiscal year”** means the period beginning April 1 of a year and ending March 31 of the following year.

**“Funding Agreement”** means an agreement made between New Brunswick and an Eligible Recipient pursuant to which Funds are paid to the Eligible Recipient.

**“Funds”** means the funds made available pursuant to this Agreement and includes any interest earned on the said Funds.

**“GTF”** means the Gas Tax Fund Transfer Payment Program, pursuant to which this Agreement is entered into.

**“Incorporated Area”** means a city, town, village or rural community as defined by Provincial legislation.

**“Incorporated Areas”** means every Incorporated Area.

**“Infrastructure Programs”** means Canada’s infrastructure programs in existence at the time of the execution of this Agreement, including the Canada Strategic Infrastructure Fund, the Border Infrastructure Fund, the Municipal Rural Infrastructure Fund and the Infrastructure Canada Program.

**“Integrated Community Sustainability Plans”** are developed by New Brunswick community members, and provide direction for the community to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its identity, as more particularly described in Schedule H hereto.

**“Ministers”** means the federal Minister and the New Brunswick Minister.

**“Municipal Infrastructure”** means tangible capital assets in Canada primarily for public use or benefit owned by an Eligible Recipient.

**“New Brunswick Community”** means an Incorporated Area, Unincorporated Area or Rural Community”.

**“New Brunswick Communities”** means every Incorporated Area, Unincorporated Area and Rural Community.

**“New Deal”** and **“New Deal for Cities and Communities”** refers to the federal initiative to enhance Government of Canada commitments to advancing local sustainability on four major themes: economic, environmental, social and cultural.

**“Outcomes Report”** means the report to be delivered by New Brunswick to Canada and made available to the public, which reports on the outputs and outcomes of the use of the Funds, using the indicators set out in Schedule E.

**“Parties”** means Canada and New Brunswick.

**“Rural Community”** means an area incorporated as a Rural Community pursuant to the *Municipalities Act* of the Province of New Brunswick.

**“SIMSI”** means Infrastructure Canada’s Shared Information Management System for Infrastructure.

**“Third Party”** means any person, other than a party to this Agreement that participates in the implementation of an Eligible Project.

**“Unincorporated Area”** means an area outside the territorial limits of a municipality or a rural community that is established as an unincorporated area.

**“Unincorporated Areas”** means every unincorporated area.

## **1.2 Entire Agreement**

This Agreement supersedes and invalidates all other commitments, representations and warranties relating to the subject matter hereof which the Parties may have made either orally or in writing prior to the date hereof, and all of which will become null and void from the date this Agreement is signed.

## **1.3 Schedules**

The following schedules are attached to form part of this Agreement:

Schedule A - Description of Eligible Project Categories

Schedule B - Eligible Costs

Schedule C - Eligible Recipient Requirements

Schedule D - Reporting and Audits

Schedule E - Outcome Indicators

Schedule F - Communications Protocol

Schedule G - Areas of Collaboration

## Schedule H - Integrated Community Sustainability Plans

### **1.4 Precedence**

In the event of a conflict, the part of this Agreement that precedes the signatures of the Parties will take precedence over the Schedules.

### **1.5 Accounting Principles**

All accounting terms not otherwise defined herein have the meanings assigned to them; all calculations will be made and all financial data to be submitted will be prepared, in accordance with the generally accepted accounting principles (GAAP) in effect in Canada and in New Brunswick. GAAP will include, without limitation, those principles approved or recommended from time to time by the Canadian Institute of Chartered Accountants or any successor institute, applied on a consistent basis.

## **2. PURPOSE**

### **2.1 Purpose of the Agreement**

The purpose of this Agreement is to:

- a) provide a joint framework for the transfer of Funds to New Brunswick for investment in environmentally sustainable municipal infrastructure;
- b) confirm the Parties commitment to the areas of further co-operation as set out in Schedule G, which may, following further agreement, be formalized through additional agreements parallel to this Agreement or appended as separate schedules hereto.

## **3. COMMITMENTS BY THE PARTIES**

### **3.1 Commitments by the Government of Canada:**

Canada will:

- a) honour any existing contribution agreement with New Brunswick in respect of Infrastructure Programs, in accordance with its terms.
- b) ensure that the funding under this Agreement provides additional revenues for New Brunswick Communities rather than displacing

other federal infrastructure funding; and intend to renew and extend the Canada Strategic Infrastructure Fund, the Border Infrastructure Fund and the Municipal Rural Infrastructure Fund, as they expire.

- c) discuss with New Brunswick other proposals from New Brunswick regarding the New Deal.
- d) invest Gas Tax funding in First Nations on Reserve communities in New Brunswick to address their infrastructure priorities.
- e) encourage inter-municipal and municipal – First Nations reserve collaborations on Eligible Projects.

### **3.2 Provincial Commitments**

New Brunswick agrees that it will:

- a) ensure that over the period of April 1, 2005 to March 31, 2010 its average annual capital spending on Municipal Infrastructure in Incorporated Areas within New Brunswick will not be less than the Base Amount;
- b) Not reduce, eliminate or clawback any Municipal Infrastructure funding which is currently being made available to Eligible Recipients;
- c) ensure that each Eligible Recipient, prior to the fifth (5<sup>th</sup>) year of this Agreement, complete a Capital Investment Plan;
- d) include the Eligible Recipient Requirements in any Funding Agreement and enforce all terms and conditions of Funding Agreements in a diligent and timely manner and seek remedies from non-compliant Eligible Recipients;
- e) Over the life of the Agreement, ensure the development of Integrated Community Sustainability Plans for New Brunswick communities, either by the New Brunswick Community or at some higher level of agglomeration appropriate to New Brunswick;
- f) encourage inter-municipal collaboration and collaboration between Incorporated and unincorporated areas in the planning and development of infrastructure;
- g) assist New Brunswick Communities in maximising their benefits from the GTF in activities such as defined in Capacity Building;

- h) assess the needs of unincorporated areas for water, wastewater, solid waste management and other community infrastructure in the Capital Investment Plan for unincorporated areas.

#### **4. FEDERAL/PROVINCIAL OVERSIGHT COMMITTEE**

##### **4.1 Establishment and Duties**

Upon execution of this Agreement, the Ministers shall promptly establish a Committee (the “Federal/Provincial Oversight Committee”) to monitor the implementation of this Agreement. The Committee shall be co-chaired by two members – one of whom is to be appointed by the Federal Minister and designated as Federal Co-Chairperson, and one of whom is to be appointed by the Provincial Minister, and designated as Provincial Co-Chairperson. If one Co-chair is absent or unable to act, he or she will be replaced by the other federally-appointed member or the other provincially-appointed member, as the case may be. This Committee shall:

- a) meet regularly, as agreed by the Co-chairs. Quorum will consist of the two Co-chairs;
- b) meet with Provincial-Municipal Council on a regular basis (at least quarterly) to have ongoing dialog through the process of the New Deal – Gas Tax, and to monitor progress and objectives. The Provincial–Municipal Council will also be invited to provide input in the development of a template for Capital Investment Plans, prepare for year six and discuss education/information for association members.
- c) provide input in the development of the Outcome Indicators described in Schedule E;
- d) review Capital Investment Plans;
- e) monitor the overall strategic implementation of the Agreement;
- f) co-ordinate the development of a plan for the next phases of the New Deal for New Brunswick including:
  - i. developing further elements of the New Deal for New Brunswick Communities;
  - ii. encouraging inter-governmental cooperation in priority setting and program delivery;
  - iii. responding to sustainability planning outcomes;
- g) review and confirm the base amount of provincial and municipal spending for the purposes of measuring incrementality within 12 months of the signing of this Agreement;

- h) approve a methodology for measuring the incrementality of gas tax funding;
- i) investigate the use of Community Growth Strategies for Integrated Sustainability Community Plans.

**5. CONTRIBUTION PROVISIONS**

**5.1 Allocation to New Brunswick**

Canada’s total contribution to New Brunswick is as follows:

<b>Fiscal year</b>	<b>Canada’s Contribution</b>
2005-2006	\$13,927,000
2006-2007	\$13,927,000
2007-2008	\$18,570,000
2008-2009	\$23,212,000
2009-2010	\$46,424,000
<b>TOTAL</b>	<b>\$116,060,000</b>

**5.2 Payment**

Provided there is no default under the terms of section 8.2 of this Agreement, Canada’s contribution will be paid in equal semi annual payments as follows:

- (i) The first payment will be made not later than July 1<sup>st</sup> of each Fiscal Year set out above in subsection 5.1.
- (ii) The second semi annual payment will be made not later that November 1 of each Fiscal Year.

For Year 2005-2006, Canada’s contribution will be paid to New Brunswick, in one single payment, within 30 days of the signature of this Agreement.

**5.3 Appropriations**

A payment due by Canada hereunder is conditional on a legislated

appropriation for the GTF for the Fiscal Year in which the payment is due and, in the case of payments due in the first Fiscal Year under this Agreement, legislated appropriation pursuant to the *Budget Implementation Act, 2005*.

#### **5.4 Limit on Canada's Financial Commitments**

- (i) Eligible Recipients may use Funds to pay up to 100% of Eligible Costs of an Eligible Project. However, to the extent an Eligible Recipient is receiving money under an Infrastructure Program in respect of an Eligible Project to which the Eligible Recipient wishes to apply Funds, the maximum federal contribution limitation set out in any Infrastructure Program contribution agreement made in respect of that Eligible Project shall continue to apply.
- (ii) Without prior written approval of Canada, New Brunswick may not use the payment of Funds to an Eligible Recipient as the New Brunswick contribution under contribution agreements under existing Infrastructure Programs.

#### **5.5 Disposal of Eligible Projects**

To the extent that New Brunswick receives a repayment of all or a portion of a contribution pursuant to the operation of Paragraph 13 of Schedule C, New Brunswick shall immediately pay the said amount to Canada.

#### **5.6 Contracting**

New Brunswick agrees that all contracts for the supply of services or materials to Eligible Projects will be awarded in a way that is transparent, competitive, and consistent with value for money principles.

### **6 ALLOCATION TO NEW BRUNSWICK COMMUNITIES, DELIVERY MECHANISM AND USE OF FUNDS**

#### **6.1 Allocation to New Brunswick Communities**

6.1.1 Allocation formula:

- i. Gas tax funding will be allocated annually between incorporated areas collectively and unincorporated areas collectively. The Provincial Minister shall determine the population by adopting the final population figure from the latest official census of Statistics Canada.
- ii. For the purposes of this agreement, the portion for incorporated areas shall be determined on the basis of the ratio of their total population to the sum of the populations of incorporated areas and unincorporated areas.
- iii. For the purposes of this agreement, the portion for unincorporated areas shall be determined on the basis of the ratio of their total population to the sum of the populations of incorporated areas and unincorporated areas.

6.1.2 Distribution:

- i) The Provincial Minister shall distribute the portion of gas tax funding allocated under subsection 6.1.1 (ii) to all incorporated areas on a per capita basis.
- ii) The Provincial Minister shall administer the portion of gas tax funding allocated under subsection 6.1.1 (iii) on the basis of need and regional considerations.

6.1.3 Allocation principles:

- i. **Equity:** all New Brunswick Communities must be eligible to benefit from funding. Even if each New Brunswick Community does not receive funds directly, each New Brunswick region must derive a benefit from a regional strategic approach as defined in the Capital Investment Plan for unincorporated areas. Funding should provide incentives for New Brunswick Communities to pool funding to ensure that significant projects are carried out. Particular circumstances of major cities should be recognized;
- ii. **Transparency:** allocation decisions must be easily understood by New Brunswick Communities and must be clearly communicated to them; and
- iii. **Data reliability:** verification of indicators must be made using a standard of data that will permit the focus to remain on achieving outcomes rather than on debating data validity.

## **6.2 Delivery Mechanism**

The delivery mechanism must respect the allocation formula set out in 6.1 above.

### Incorporated Areas

- Funds will be disbursed from New Brunswick to incorporated areas based on the receipt by the Province of a capital budget which identifies the investment of Funds, and a funding agreement signed by New Brunswick and the Incorporated Area, containing, at a minimum, those elements contained in Schedule C;
- Notwithstanding 6.1.1 i., in Rural Communities, the funds will only be disbursed for an Eligible Project to the Rural Community if it offers the service in the Eligible Project Category as per Schedule A. Otherwise the funds will be administered by ELG.

### Unincorporated areas

- ELG will make public, within six months of this Agreement, for Unincorporated Areas, a five-year Capital Investment Plan, which will identify regional priority projects that will receive funds and which will be updated annually. The Provincial Minister will be responsible for the implementation of all initiatives identified in the plan.

### Water/wastewater/solid waste commissions

- In the case where an incorporated area and an unincorporated area are part of a regional water, wastewater or solid waste commission, the incorporated area will provide the appropriate amount of funds for the work through the commission as long as it is part of their Capital Investment Plan. For Unincorporated Areas, the Provincial Minister will have the discretion to allocate the appropriate funds to finance specific projects by the commissions.

## **6.3 Use of Funds**

New Brunswick agrees that it shall record Canada's contribution into a separate and distinct account, pending payment to Eligible Recipients in accordance with the terms of this Agreement.

New Brunswick agrees to pay Funds to Eligible Recipients solely for Eligible Projects identified in Schedule A and solely in respect of Eligible Costs identified in Schedule B.

All administration costs of New Brunswick in respect of the implementation and management of this Agreement shall be for the account of New Brunswick.

#### **6.4 Agreement with Eligible Recipient**

New Brunswick agrees to include, in all Funding Agreements, the Eligible Recipient Requirements and agrees to enforce all terms and conditions of the Funding Agreements, including the Eligible Recipient Requirements.

### **7. REPORTING, AUDITS AND EVALUATION**

#### **7.1 Reporting**

7.1.1 New Brunswick will, pursuant to section 6.3:

- a) prepare and deliver to Canada no later than December 31 of each Fiscal Year, in respect of the prior Fiscal Year, an Annual Expenditure Report based on the annual audited municipal financial statements and provincial financial statement for unincorporated areas (containing the elements outlined or as defined in schedule D) and make its best efforts to provide an interim, unaudited version of the Annual Expenditure Report by September 30 of each Fiscal Year; and
- b) prepare, publish and disseminate to the public, by no later than December 31, 2009, and periodically thereafter, an Outcomes Report.

7.1.2 Canada may incorporate all or any part or parts of the said reports into any report that Canada may prepare for its own purposes, including any reports that may be made public.

#### **7.2 Audits**

7.2.1 Annual Expenditure Reports will be accompanied by an Audit Report.

7.2.2 New Brunswick agrees to ensure that proper and accurate accounts and records, including invoices, statements, receipts and vouchers in respect of all Eligible Projects that receive Funds, are kept by Eligible Recipients for at least three (3) years after termination of this

Agreement and will, upon reasonable notice, make them available or cause the Eligible Recipient to make them available to Canada for inspection or audit.

- 7.2.3 Canada may request and New Brunswick agrees to complete, at its cost, and provide to Canada an audit of any one or more individual Eligible Projects.
- 7.2.4 New Brunswick will share with Canada the results of any compliance or performance audit that they may carry out beyond the Audit Report, that examines the use of Funds to a specific extent.

### **7.3 Evaluation**

- 7.3.1 No later than March 31, 2009, Canada and New Brunswick shall complete a joint formative evaluation of the program set out in this Agreement, the results of which will be made public. The Parties shall seek the input of Eligible Recipients, or representatives thereof, as the Parties deem appropriate.
- 7.3.2 At a minimum, the evaluation will address the issues related to achievement of the objectives of this Agreement, the use of funding, the effectiveness of the funding approach and formulas described in sections 5 and 6 of this Agreement, and the effectiveness of the communications protocol described in Schedule F.
- 7.3.3 The Parties agree to cooperate with respect to the above noted evaluation, the costs of which will be shared equally by the Parties. Canada agrees to consult with New Brunswick on the design of the evaluation framework.
- 7.3.4 In addition to the foregoing, no later than June 30, 2009, Canada will, at its cost, complete a national evaluation, incorporating the results of the joint bilateral evaluations described above. Canada will share the results of this national evaluation with New Brunswick, prior to its completion.

## **8. DISPUTE RESOLUTION, DEFAULT, REMEDIES AND INDEMNITY**

### **8.1 Dispute Resolution**

The Parties agree to keep each other informed of any disagreement or contentious issue. Disagreements or contentious issues that cannot be resolved at the bureaucratic level will be brought to the Federal/Provincial Oversight Committee for review, discussion and resolution. Any issue that cannot be resolved at the Federal/Provincial Oversight Committee will be

submitted to Ministers for resolution.

## **8.2 Events of Default**

Canada may declare that an event of default has occurred if New Brunswick has:

- A) Not complied with any condition, undertaking or material term in the Agreement; or
- B) Failed to deliver an Annual Expenditure Report, Audit Report or the Outcomes Report; or
- C) Delivered an Annual Expenditure Report or Audit Report that disclosed non-compliance by either New Brunswick or an Eligible Recipient;

Canada will not declare that an event of default has occurred unless it has consulted with New Brunswick and given notice to it of the occurrence, which in Canada's opinion constitutes an event of default.

New Brunswick, within 30 days of receipt of the notice, shall either correct the condition or event, or demonstrate, to the satisfaction of Canada, that it has taken such steps as are necessary to correct the condition.

## **8.3 Remedies**

If Canada declares that an event of default has occurred, after 30 days of declaration, it may immediately exercise one or more of the following remedies:

- i) In the case of a default under subsection 8.2 A) above, terminate or suspend its obligation to pay Funds. If Canada suspends payment it may pay suspended Funds if Canada is satisfied that the default has been cured;
- ii) In the case of any other default, suspend its obligation to pay Funds pending Canada's satisfaction that the default has been cured.

## **8.4 Indemnity**

New Brunswick agrees at all times to indemnify and save harmless Canada, its officers, servants, employees or agents, from and against all claims and demands, losses, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted in any manner based upon, or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly

or indirectly from:

- a) all Eligible Projects;
- b) the performance of this Agreement, or the breach of any term or condition of this Agreement by New Brunswick, its officers, employees and agents, or by a third party, its officers, employees or agents;
- c) the performance of a Funding Agreement, or the breach of any term or condition of a Funding Agreement by an Eligible Recipient, its officers, employees and agents, or by a third party, its officers, employees or agents;
- d) the design, construction, operation, maintenance and repair of any part of an Eligible Project; and
- e) any omission or other wilful or negligent act of New Brunswick or an Eligible Recipient or third party and their respective employees, officers, or agents;

except to the extent to which such claims and demands, losses, costs, damages, actions, suits, or other proceedings relate to the act or negligence of an officer, employee, or agent of Canada in the performance of his or her duties.

## **9 TERM OF AGREEMENT AND RENEWAL**

### **9.1 Term**

This Agreement shall commence on November 24, 2005, and shall expire on March 31, 2015. Either Party may terminate this Agreement on two (2) years written notice.

### **9.2 Review**

Following the completion of the evaluation described in Subsection 7.3.1 above, the Parties may elect to amend the Agreement, as appropriate.

## **10 COMMUNICATIONS**

The Parties hereby agree to follow the terms of the Communications Protocol set out in Schedule F hereto.

## **11 MISCELLANEOUS**

### **11.1 Binding Obligations**

Each Party declares to the other that the signing and execution of this Agreement was duly and validly authorized, and that each has incurred a legal and valid obligation in accordance with the terms and conditions of the Agreement.

### **11.2 Survival**

The Parties' rights and obligations set out in Sections 2, 5.4, 5.5, 6, 7, 8.3, 8.4, 10, 11.3, 11.4, 11.5 and 11.12 will survive the expiry or early termination of this Agreement.

### **11.3 Governing law**

This Agreement is governed by the laws applicable in New Brunswick.

### **11.4 Debts Due to Canada**

Any amount owed to Canada under this Agreement will constitute a debt due to Canada, which New Brunswick will reimburse forthwith, on demand, to Canada.

### **11.5 No Benefit**

No member of the House of Commons or of the Senate of Canada will be admitted to any share or part of any Contract made pursuant to this Agreement or to any benefit arising therefrom.

### **11.6 No Agency**

It is understood, recognized and agreed that no provision of this Agreement and no action by the Parties will establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between Canada and New Brunswick or between Canada, New Brunswick and a Third Party.

### **11.7 No Authority to Represent**

Nothing in this Agreement is to be construed as authorizing one Party to contract for or to incur any obligation on behalf of the other or to act as agent for the other. Nothing in this Agreement is to be construed as authorizing any Recipient or any Third Party to contract for or to incur any obligation on behalf of either Party or to act as agent for either Party and New Brunswick will take

reasonable steps to ensure that all Funding Agreements contain provisions to that effect.

#### **11.8 Counterpart Signature**

This Agreement may be signed in counterpart, and the signed copies will, when attached, constitute an original Agreement.

#### **11.9 Values and Ethics Code**

No person governed by the post-employment, ethics and conflict of interest guidelines of Canada will derive a direct benefit from this Agreement unless that person complies with the applicable provisions.

#### **11.10 Severability**

If for any reason a provision of this Agreement that is not a fundamental term is found to be or becomes invalid or unenforceable, in whole or in part, it will be deemed to be severable and will be deleted from this Agreement, but all the other terms and conditions of this Agreement will continue to be valid and enforceable.

#### **11.11 Waiver**

A Party may waive any right under this Agreement only in writing; and any tolerance or indulgence demonstrated by that Party will not constitute waiver of such right. Unless a waiver is executed in writing, that Party will be entitled to seek any remedy that it may have under this Agreement or under the law.

#### **11.12 Lobbyists and Agent Fees**

New Brunswick warrants that any person who lobbies or has lobbied on its behalf to obtain funding, or any benefit under this Agreement, and who is subject to the *Lobbyists Registration Act (Canada)*, is registered accordingly. Furthermore New Brunswick warrants that no remuneration based on a percentage of Canada's contribution will be paid to a lobbyist.

#### **11.13 Amendments to the Agreement**

If Canada concludes an agreement for similar purposes with any other province or territory of Canada, and that agreement taken as a whole is materially different from this Agreement, New Brunswick may ask Canada to agree to amend this Agreement so that, taken as a whole, it affords similar treatment to New Brunswick as the other agreement affords to the other province or territory.

Additionally, this Agreement may be amended from time to time on written agreement of the Ministers.

#### **11.14 Notice**

Any notice, information or document provided for under this Agreement will be effectively given if delivered or sent by letter, postage or other charges prepaid, or by facsimile or email. Any notice that is delivered will have been received on delivery; and any notice mailed will be deemed to have been received eight (8) calendar days after being mailed.

**Any notice to Canada must be sent to :**

Assistant Deputy Minister, Cities and Communities  
Infrastructure Canada  
90 Sparks Street  
Ottawa (Ontario)  
K1P 5B4

Facsimile: 613-952-4978

Email: [laroche.yazmine@infrastructure.gc.ca](mailto:laroche.yazmine@infrastructure.gc.ca)

**Any notice to New Brunswick will be addressed to:**

Assistant Deputy Minister, Local Government and Community Relations  
Department of Environment and Local Government  
Marysville Place  
P. O. Box 6000  
Fredericton, NB  
E3B 5H1  
Facsimile: 506-457-4933

Each Party may change the address and titles that it has stipulated by notifying in writing the other party of the new address.

## **SIGNATURES**

This Agreement has been executed on behalf of Canada by the Minister of State (Infrastructure and Communities), and on behalf of New Brunswick by the Minister responsible for the Regional Development Corporation and the Minister of Environment and Local Government.

GOVERNMENT OF CANADA  
Original signed by:

GOVERNMENT OF NEW BRUNSWICK  
Original signed by:

Minister of State (Infrastructure and  
Communities

Minister responsible for the Regional  
Development Corporation

Minister of Environment and Local  
Government

## **SCHEDULE A – Eligible Project Categories**

### **1) ESMI Projects include the following:**

#### **a) Public transit:**

- i) Rapid Transit: tangible capital assets and rolling stock (includes light rail, heavy rail additions, subways, ferries, transit stations, park and ride facilities, grade-separated bus lanes and rail lines);
- ii) Public transportation vehicles such as transit buses/vans, bus rolling stock, transit bus stations;
- iii) Intelligent Transport System (ITS) and Transit Priority Capital Investments;
- iv) ITS technologies to improve transit priority signalling, passenger and traffic information, and transit operations;
- v) Capital investments, such as transit queue-jumpers and High Occupancy Vehicle (HOV) lanes.

#### **b) Water:**

Drinking water supply; drinking water purification and treatment systems; drinking water distribution systems; water metering systems.

#### **c) Wastewater:**

Wastewater systems including sanitary and combined sewer systems; and separate storm water systems.

#### **d) Solid waste:**

Waste diversion; material recovery facilities; organics management; collection depots; waste disposal landfills; thermal treatment and landfill gas recuperation.

#### **e) Community Energy Systems:**

- i) Cogeneration or combined heat and power projects (where heat and power are produced through a single process);

- ii) District heating and cooling projects where heat (or cooling) is distributed to more than one building.
- f) Active transportation infrastructure (e.g. bike lanes), local roads, and bridges for New Brunswick that enhance sustainability outcomes.

**2) Capacity Building includes the following activities:**

- i) Collaboration: building partnerships and strategic alliances; participation; and consultation and outreach;
- ii) Knowledge: use of new technology; research; and monitoring, training, risk management, best practices and evaluation;
- iii) Integration: planning, policy development and implementation (e.g., environmental management systems, life cycle assessment).
- iv) Water resource management.

## **SCHEDULE B - Eligible Costs**

### **Eligible Costs**

#### 1 Project Costs

Eligible costs, as specified in each contribution agreement, will be all direct costs which are, in Canada's opinion, properly and reasonably incurred and paid by an Eligible Recipient under a contract for goods and services necessary for the implementation of an Eligible Project. Eligible costs may include only the following:

- a) the capital costs of acquiring, constructing or renovating a tangible capital asset and any debt financing charges related thereto except for buildings acquired with the purchase of land;
- b) reasonable fees paid to professionals, technical personnel, consultants and contractors specifically engaged to undertake the surveying, design, engineering, manufacturing or construction of a project infrastructure asset and related facilities and structures;
- c) the costs of environmental assessments, monitoring, and follow-up programs as required by the *Canadian Environmental Assessment Act*; or a provincial/territorial equivalent; and
- d) the costs related to strengthening the ability of New Brunswick Communities to develop Integrated Community Sustainability Plans.

#### 1.1 Employee and Equipment Costs

In the case of Eligible Recipients that are remote New Brunswick Communities, as determined by the Federal/Provincial Oversight Committee, the out-of-pocket costs (not overhead) related to employees or equipment may be included in its eligible costs under the following conditions.

- a) the Eligible Recipient has determined that it is not economically feasible to tender a contract;
- b) employees or equipment are employed directly in respect of the work that would have been the subject of the contract; and
- c) the arrangement is approved in advance and in writing by New Brunswick.

#### 1.2 Administration costs

That portion of funds representing interest earned may be used to pay for administration costs.

### **Ineligible Costs**

Costs related to the following items are ineligible costs:

- a) Eligible Project costs incurred before April 1, 2005;
- b) services or works that, in the opinion of New Brunswick, are normally provided by the Eligible Recipient or a related party;
- c) salaries and other employment benefits of any regular employees of the community applicant except as indicated in section 1.1;
- d) a Eligible Recipient's overhead costs, its direct or indirect operating or administrative costs, and more specifically its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its applicant's staff;
- e) costs of feasibility and planning studies for individual Eligible Projects except for capacity building projects;
- f) taxes for which the Eligible Recipient is eligible for a tax rebate and all other costs eligible for rebates;
- g) costs of land or any interest therein, and related costs;
- h) cost of leasing of equipment by the New Brunswick Community except as indicated in section 1.1 above;
- i) routine repair and maintenance costs;
- j) legal fees;
- k) administrative costs incurred as a result of implementing this Agreement, subject to 1.2 above; and
- l) audit and evaluation costs.

## **SCHEDULE C - Eligible Recipient Requirements**

### **A. Incorporated Areas Eligible Recipients shall:**

1. complete, prior to the fifth year of this Agreement, an annual Capital Investment Plan;
2. ensure that over the period of April 1, 2005, to March 31, 2010, Incorporated Area capital spending on Municipal Infrastructure will not fall below its Base Amount. The methodology for calculating the Base Amount will be developed by the Oversight Committee.
3. be required to develop an Integrated Community Sustainability Plan, either by itself or as part of some higher level of agglomeration.
4. ensure that the Funds will result in net incremental capital spending on Municipal Infrastructure.
5. permit Canada reasonable access to all records relating to all Eligible Projects that have received Funds.
6. be responsible for the complete, diligent and timely implementation and completion of the Eligible Project.
7. acknowledge that New Brunswick may hold back Funds if the Eligible Recipient is in default under the Funding Agreement.
8. comply, as necessary, with the communications protocol set out in Schedule F.
9. comply with all federally and provincially legislated environmental assessment requirements and agree that no funds will be committed to an Eligible Project until all required environmental assessment requirements have been satisfied.
10. implement all mitigation measures identified in any environmental assessment of the Eligible Project.
11. if Funds are paid by New Brunswick to the Eligible Recipient in advance of the Eligible Recipient incurring and paying Eligible Costs, invest such Funds in accordance with the *Municipalities Act*. Further, if such advanced funds are not paid by the Eligible Recipient, in respect of Eligible Costs, within one year of the advance payment, New Brunswick shall withhold further payment of Funds to the Eligible Recipient.

12. (a) Retain title to, and ownership of, the Municipal Infrastructure resulting from the Eligible Project for at least ten (10) years after Project completion;
- (b) if, at any time within ten (10) years from the date of completion of the Eligible Project, the Eligible Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada under the terms of this Agreement, other than to Canada, New Brunswick, an Incorporated Municipality, or a Crown corporation of New Brunswick that is the latter's agent for the purpose of implementing this agreement, the Eligible Recipient shall repay New Brunswick on demand, a proportionate amount of the funds contributed by Canada, as follows:

Where Eligible Project asset is sold, leased, encumbered or disposed of:	Repayment of contribution (in current dollars)
Within 2 Years after Eligible Project completion	100%
Between 2 and 5 Years after Eligible Project completion	55%
Between 5 and 10 Years after Eligible Project completion	10%

13. a) award and manage all contracts for the supply of services and/or material to the Eligible Project ("Contracts") in accordance with the Eligible Recipient's relevant policies and procedures, a copy of which will be provided to New Brunswick in advance of New Brunswick making any payments to the Eligible Recipient; and
- b) award Contracts in a manner that is transparent, competitive and consistent with value for money principles.
14. indemnify and save harmless Canada and New Brunswick, their officers, servants, employees or agents from and against all claims and demands, losses, costs, damages, actions, suits or other proceedings by whomsoever brought or prosecuted in any manner based upon, or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from:
- i) all Eligible Projects;
  - ii) the performance of this Agreement, or the breach of any term or condition of this Agreement by the Parties, its officers, employees and agents, or by a third party and any of its officer, employees, servants or agents;

- iii) the performance of a Funding Agreement or the breach of any term or condition of the Funding Agreement by the Parties, its officers, employees and agents, or by a third party and any of its officer, employees, servants or agents;
- iv) the design, construction, operation, maintenance and repair of any part of an Eligible Project; and
- v) any omission or other wilful or negligent act of the Parties or Eligible Recipient or third party and their respective employees, officers, servants or agents.

**B. New Brunswick as an Eligible Recipient on behalf of Unincorporated Area populations shall:**

1. make public, within six months of this Agreement, for Unincorporated Areas, a five-year Capital Investment Plan. This Plan will provide details of how gas tax funding will be spent. New Brunswick will also make public an updated Plan at the end of each Fiscal Year;
2. over the life of the Agreement, develop an Integrated Community Sustainability Plan for the Unincorporated Areas.
3. ensure that the Funds will result in net incremental capital spending on Municipal Infrastructure and provincial spending in Unincorporated Areas.
4. permit Canada reasonable access to all records relating to all Eligible Projects that have received Funds.
5. be responsible for the complete, diligent and timely implementation and completion of the Eligible Project.
6. comply with all legislated environmental assessment requirements and agree that no funds will be committed to an Eligible Project until all required environmental assessment requirements have been satisfied.
7. implement all mitigation measures identified in any environmental assessment of the Eligible Project.
8. commit, before 2010, all funding to Eligible Costs.
9. (a) retain title to, and ownership of, the Municipal Infrastructure resulting from the Eligible Project for at least ten (10) years after Project completion.

- (b) if, at any time within ten (10) years from the date of completion of the Eligible Project, the Eligible Recipient sells, leases, encumbers or otherwise disposes of, directly or indirectly, any asset constructed, rehabilitated or improved, in whole or in part, with funds contributed by Canada under the terms of this Agreement, other than to Canada, an Incorporated Area, or a Crown corporation of New Brunswick that is the latter's agent for the purpose of implementing this agreement, the Eligible Recipient shall repay Canada on demand (as per section 5.5 of this Agreement), a proportionate amount of the funds contributed by Canada, as follows:

Where Eligible Project asset is sold, leased, encumbered or disposed of:	Repayment of contribution (in current dollars)
Within 2 Years after Eligible Project completion	100%
Between 2 and 5 Years after Eligible Project completion	55%
Between 5 and 10 Years after Eligible Project completion	10%

10. a) award and manage all contracts for the supply of services and/or material to the Eligible Project ("Contracts") in accordance with the Eligible Recipient's relevant policies and procedures, a copy of which will be provided to Canada in advance of Canada making any payments to the Eligible Recipient; and
- b) award Contracts in a manner that is transparent, competitive and consistent with value for money principles.

The Eligible Recipient acknowledges that it may use Funds to pay up to 100% of Eligible Costs of an Eligible Project provided that to the extent it is receiving money under an Infrastructure Program in respect of an Eligible Project to which the Eligible Recipient wishes to apply Funds, the maximum federal contribution limitation set out in any Infrastructure Program contribution agreement made in respect of that Eligible Project shall continue to apply and Funds paid to the Eligible Recipient shall be deemed to be a federal contribution under the said contribution agreement.

11. only regional projects reinforcing New Brunswick's commitment under clause 3.2.(h) of this Agreement be Eligible.
12. indemnify and save harmless Canada, their officers, servants, employees or agents from and against all claims and demands, losses, costs, damages,

actions, suits or other proceedings by whomsoever brought or prosecuted in any manner based upon, or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights caused by or arising directly or indirectly from:

- v) all Eligible Projects;
- vi) the performance of this Agreement, or the breach of any term or condition of this Agreement by the Parties, its officers, employees and agents, or by a third party and any of its officer, employees, servants or agents;
- vii) the performance of a Funding Agreement or the breach of any term or condition of the Funding Agreement by the Parties, its officers, employees and agents, or by a third party and any of its officer, employees, servants or agents;
- viii) the design, construction, operation, maintenance and repair of any part of an Eligible Project; and
- v) any omission or other wilful or negligent act of the Parties or Eligible Recipient or third party and their respective employees, officers, servants or agents.

## **SCHEDULE D -Reporting and Audits**

### **1. Reporting**

#### **1.1 Annual Expenditure Report**

- 1.1.1 The Annual Expenditure Report will report on:
- the amounts received from Canada under this Agreement
  - the amounts paid to Eligible Recipients
  - the amounts received from Canada for future payments to Eligible Recipients
  - amounts paid by Eligible Recipients in aggregate for Eligible Projects
  - amounts held at year end by Eligible Recipients in aggregate to be paid for Eligible Projects
- 1.1.2 The Annual Expenditure Report will also indicate in a narrative the progress that New Brunswick has made in meeting its commitments and contributions under this Agreement.
- 1.1.3 The Annual Expenditure Report will also include the following information:
- A listing of all Eligible Projects carried out under the Capital Investment Plans that have been approved, indicating the location, investment category, amount and identity of all sources of funding, the nature of the investment and expected outcomes, as identified in Schedule E.
- 1.1.4 In the case of Eligible Recipients with a year-end other than March 31, and with the prior approval of New Brunswick, the Annual Report may include information in respect of Eligible Projects related to that Eligible Recipient to the year-end of that Eligible Recipient.

#### **1.2 Outcomes Report**

- 1.2.1 The Outcomes Report will report on the cumulative investments made, including information on the degree to which these investments have actually contributed to the objectives of cleaner air, cleaner water and reduced GHG emissions.

### **2. Audit Report**

2.1 The Audit Report, which includes the results of financial and compliance audits, will provide an opinion as to whether all of the information contained in the Annual Expenditure Report is complete and accurate and whether New Brunswick has complied with all material provisions of this Agreement.

**SCHEDULE D - Continued**

**Annual Expenditure Report – Template Reporting Format for Funding Flows**

	<b>Annual</b>	<b>Cumulative</b>
	<b>01/04/20xx – 31/03/20xy</b>	<b>Date of signing – 31/03/20xy</b>
New Brunswick		
Opening balance of unspent funding		<b>xxx</b>
Received from Canada	<b>xx</b>	<b>xxx</b>
Transferred to Eligible Recipients	<b>(xx)</b>	<b>(xxx)</b>
Closing balance of unspent funding		<b>xxx</b>
Municipal Eligible Recipients in aggregate		
Opening balance of unspent funding		<b>xxx</b>
Received from province	<b>xx</b>	<b>xxx</b>
Spent on eligible projects	<b>(xx)</b>	<b>(xxx)</b>
New Brunswick as Eligible Recipient		
Opening balance of unspent funding		<b>xxx</b>
Received from Canada	<b>xx</b>	<b>xxx</b>
Spent on eligible projects	<b>(xx)</b>	<b>(xxx)</b>
Closing balance of unspent funding		<b>xxx</b>

## **SCHEDULE E - Outcome Indicators**

The impact of the use of the Funds will be measured through a set of core indicators developed by the Oversight Committee and linked to the following outcomes and outputs:

### Outcomes:

- a) Cleaner Air:
- b) Cleaner Water:
- c) Lower GHGs:

### Outputs:

- a) Community Energy Systems:
- b) Public Transit Infrastructure:
- c) Water Infrastructure:
- d) Wastewater Infrastructure:
- e) Solid waste:
- f) Local Roads and Bridges:
- g) Capacity Building:

## **SCHEDULE F - Communications Protocol**

Canada and New Brunswick agree that Canadians have a right to transparency and public accountability, which is best-served by full information about the benefits of the New Deal for Cities and Communities.

This communications protocol establishes the principles and practices that will guide all announcements and events related to this Agreement, funding to Eligible Recipients under this Agreement and the New Deal. Communications activities may include, without limitation, major public events or announcements, or communications products such as speeches, press releases, websites, advertising, promotional material or signage.

### **The Parties agrees that:**

1. A public event will mark the signing of this Agreement. This event will be developed by communications officials from Canada and New Brunswick, and will provide for municipal involvement and media participation.
2. In addition to joint communications activities, Canada and New Brunswick may include messaging in their own communications products and activities, around their commitment to the New Deal, and other initiatives and investments in cities and communities.

### **The Governments of Canada and New Brunswick agree that:**

1. they will make periodic announcements, through public events, press releases and/or other mechanisms, of the transfer of federal gas tax revenues to New Brunswick for allocation to municipalities within its jurisdiction.
2. they will make regular announcements, on a city, community or regional basis, of projects that have benefited from federal gas tax funds. Key milestones may be marked by public events, press releases and/or other mechanisms.
3. they will report regularly to the public on the outcomes of the investments entered into under this Agreement, including through the Treasury Board Secretariat Canada's Annual Performance Report, and through the National Evaluation described in Section 7 of this Agreement.
4. all communications referring to projects funded under this Agreement will clearly acknowledge the contributions made by Canada and New Brunswick.
5. all communications materials relating to joint initiatives will recognize that this initiative forms part of the New Deal through the use of the Canada and New

Brunswick wordmarks and of a tagline, for each.

6. New Brunswick's Funding Agreements will include the provisions included this Protocol, particularly that:
  - a. all communications by the Eligible Recipient referring to projects funded under this Agreement will clearly recognize the investment of Canada and New Brunswick, where appropriate.
  - b. Eligible Recipients will ensure permanent signage at the location of projects receiving investments under this Agreement, prominently identifying the respective investment of the Government of Canada and New Brunswick, and including the Canada and New Brunswick wordmarks, where appropriate. Where there is no fixed location for signage, such as a transit vehicle, a prominent marker will recognize the contribution of the Government of Canada and New Brunswick, where appropriate. All signage/plaques will be located in such a way as to be clearly visible to users, visitors and/or passersby.

#### **General**

1. The timing of public events shall be sufficient to allow for all orders of government to plan their involvement. Either Party shall provide a minimum of 21 days notice of an event or announcement.
2. The Parties agree that they and Eligible Recipients will each receive appropriate recognition in joint communications materials.
3. Joint communications material and signage will reflect Government of Canada communications policy, including the *Official Languages Act*, and federal-provincial/territorial identity graphics guidelines.

#### **Assessment**

Communication results will be assessed as part of the evaluation process set out in Section 7.3.2 of the Agreement.

## SCHEDULE G – Areas of Collaboration

Pursuant to Section 2.1 b), the following understanding on future transit funding is agreed to:

Canada and New Brunswick intend to negotiate a Final Agreement on Public Transit for the benefit of New Brunswick Communities based on the following parameters:

- New Brunswick's share of the \$800 million identified for public transit will total \$18.8 million.
- That federal public transit funding will support the environmental objectives of reduced greenhouse gas (GHG) emissions and cleaner air.
- That Canada and New Brunswick agree that the use of funds under this Agreement will be for capital investments in public transit, for example:
  - Public transportation vehicles such as transit buses/vans, bus rolling stock, and transit bus stations;
  - Intelligent Transport System (ITS) technologies to improve passenger and traffic information and transit operations;
  - Para transit: rolling stock, fixed capital assets and systems;
  - Related capital infrastructure: bus loading bays, road rehabilitation for improved transit operations.
- That Canada and New Brunswick agree that the allocation of public transit funds in New Brunswick will be based primarily upon ridership, using the most recent publication of the Canadian Urban Transit Association operating data. However, a portion of funds may also be used for a transit pilot project in Bathurst.

All Payments due under the Final Agreement are conditional on legislated appropriations pursuant to *C-66: An Act to authorize payments to provide assistance in relation to energy costs, housing energy consumption and public transit infrastructure, and to make consequential amendments to certain Acts.*

## **SCHEDULE H – Integrated Community Sustainability Plans**

Integrated Community Sustainability Plans are plans that will support the development of sustainable healthy and vibrant communities and:

- a) integrate economic, environmental, social and cultural sustainability objectives;
- b) be prepared with public participation;
- c) maximize the benefits of any infrastructure that will be produced under this Agreement; and
- d) demonstrate, where appropriate, that there has been collaboration with other Municipalities to achieve sustainability objectives and may be adopted by two or more Municipalities.

In New Brunswick, Integrated Community Sustainability Plans will build on current planning practices. The Oversight Committee will examine how the principles of Integrated Sustainability Community Plans can be incorporated into the Community Growth Strategies of each Community Economic Development Agency.