



**TOWN OF MINTO**

**DATE:** September 27, 2016  
**REPORT TO:** Mayor and Council  
**FROM:** Gordon Duff, Treasurer  
**SUBJECT:** Ontario Community Infrastructure Fund (OCIF) –  
Contribution Agreement

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**STRATEGIC PLAN:**

5.1 Actively seek out Federal and Provincial grants and revenue-sharing programs, and promote sustainable and equitable funding programs that require a minimal amount of reporting and promote local autonomy.

5.3 Ensure financial plans to include a blend of capital financing methods including long term debt, user fees, grants, internal reserves and taxation, and maintain reserves to the point where Minto reduces reliance on borrowing or tax increases to finance major capital expenditures.

**BACKGROUND:**

The Ontario government announced a plan to spend \$130 billion in infrastructure funding in late 2014. The original amount allocated to this program was \$100 million per year is targeted to small, rural and northern municipalities. This amount is further split into a \$50 million application-based funding envelope and another \$50 million is formula-based funding. The Town of Minto received \$130,960 annually in 2015 and 2016.

In July of 2016, the Province announced enhancements to the OCIF program. The total amount of money to be distributed to rural municipalities in 2017 was increased to \$95 million. The funding allocation notices covered three years and the list of eligible expenditures was expanded to include water and wastewater optimization activities and loan payments on new core infrastructure projects started after January 1, 2017 which are included in the municipalities' Asset Management Plan. By 2019 the Town's formula based amount will have increased \$345,000 from its current amount.

Capital projects must be consistent with the government's recently announced land-use planning framework. CAO/Clerk White recently presented a report to Council highlighting the features of this new plan. Essentially the Province will not fund project that anticipate growth if the area is not identified in the Provincial Growth Plan.

The amount of formula-based funding continues to be based upon several factors, primarily the amount of core infrastructure (roads, bridges, water and wastewater) owned by the municipality combined with the ability to replace and maintain these assets with reference to weighted property assessment and median household income. I have reviewed the inputs in the program guidelines and agree with these calculations.

The agreements are consistent across the Province.

**COMMENTS:**

The Town used the 2015 allocation to assist with funding of the James Street, Palmerston reconstruction and service upgrades. In 2016, \$93,960 was used to assist with upgrades to the 6<sup>th</sup> Line, with the remaining \$37,000 used to help pay for the enhancements to the Asset Management Plan required under the revised Federal Gas Tax Agreement. Council will decide upon the allocations of the 2017 – 2019 allocations as part of the budget process. The Allocation Notice states that Minto will receive the following amounts: 2017 - \$223,161; 2018 - \$315,205; 2019 - \$476,143.

**FINANCIAL CONSIDERATIONS:**

The Town will include these funds in the capital or operating budgets as appropriate.

**RECOMMENDATION:**

THAT Council receives the report from the Treasurer dated September 26, 2016 regarding the Contribution Agreement for the Ontario Community Infrastructure Fund (OCIF) Formula-based Component and considers a by-law in open session authorizing the Mayor and Deputy Clerk to sign the agreement.

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Gordon Duff, CPA, CGA  
Treasurer