

**TOWN OF MINTO****DATE:** June 11, 2018**REPORT TO:** Mayor and Council**FROM:** Gordon Duff, Treasurer; Mike McIsaac, Roads & Drainage Foreman**SUBJECT:** Ontario Community Infrastructure Fund (OCIF) Application Based Component – Top-Up

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:

Another round of the Ontario Community Infrastructure Fund – Top-Up applications is open until August 28, 2018. Last fall the Town submitted an application under this program for upgrades to Queen Street South in Palmerston. Unfortunately, this application was unsuccessful as it failed to meet the criteria of a vital health and safety issue.

The Town's Asset Management Plan is in the process of being updated and this will help improve chances of successful grant applications. With the OCIF Top Up, the maximum amount of funding is determined in advance so the Town is eligible for \$1,017,314 which represents up to 90% funding of eligible costs for approved projects.

In this intake "joint projects between multiple applicants are encouraged" and given additional consideration. Staff has included a joint project as one of the options to consider for this round. Decisions regarding the success of the applications will be announced in January 2019, with project completion due by December 31, 2020.

COMMENTS:

Staff met with the Public Works Director and Treasurer of West Grey to explore interest in submitting a joint application for reconstruction of a portion of the Minto-Normanby Townline including safety upgrades to culverts located on this stretch of roadway. These assets have been listed as required infrastructure replacements of both municipalities for a many years. There are several options for the detailed road base and surface materials to use as well as the repairs to the culverts.

In a joint application, the two participants pool approved allocations up to 90% of the eligible cost. West Grey's allocation is approximately \$1,089,000 so combined with Minto's allocation a project cost of \$2,340,000 could be 90% funded. Should Council wish to proceed with this application, staff and engineers from both municipalities would further investigate preferred construction options and refine cost estimates. If this joint application is approved, a Project Partnership Agreement between the Town of Minto and the Municipality of West Grey would be required under the terms of the OCIF guidelines.

There are at least two other projects that Minto could consider for this round of OCIF funding. A bridge listed as Structure N located on Brunswick Street in Palmerston is due for replacement. Council was advised this structure requires semi-annual inspections due to unknown structural integrity. The estimated cost of this project is \$800,000. A larger wastewater project in this neighbourhood was previously rejected for funding under a different program. This bridge is in the most critical condition of the infrastructure assets located in this vicinity.

The 12th Line west of County Road 6 has badly deteriorated. Patching of the worst spots was finished this spring. Council is considering a speed limit reduction from 80 km/h to 60 km/h., which helps reduce the overall project cost. Repairs to this part of the roadway could be completed at a cost of approximately \$650,000. The cost estimate has been reduced from earlier projections due to the reduced speed limit.

Both the bridge and the 12th line do not take full advantage of potential available funding. For example, the 12th Line project would leave \$432,000 in potential OCIF funding unutilized. This amount is not available for carryover to a subsequent year and cannot be bundled with another project.

FINANCIAL CONSIDERATIONS:

The 2018 budget five year capital project plan listed the Minto Normanby Townline project as potentially funded at \$250,000 per year starting in 2019. The 2018 budget has \$250,000 in the 12th Line this year and \$700,000 through 2019 and 2020 based on a complete project with an 80 km/hr speed limit. Work on Brunswick and Nelson was set at \$750,000 starting in 2020 with \$2.5 million total by 2022. None of the projects identified in the five year capital project plan are committed to beyond 2018.

Town has the potential to receive \$1,017,314 in capital funding for a priority project under OCIF Top Up. Any costs in excess of this amount and any other capital contributions are the Town's responsibility. With decisions on the success of any application being made in early 2019, the potential projects need to be included in the 2019 and/or 2020 capital budgets.

RECOMMENDATION:

That Council receives the Treasurer and Public Works Foreman's report dated June 11, 2018 and direct staff to prepare an application under the Ontario Community Infrastructure Fund (OCIF) program for a particular project chosen by Council.

Gordon Duff, CPA, CGA, Treasurer

Mike McIsaac, Public Works Foreman