



Staff Report

Finance and IT Services

Report To: Committee of the Whole
Meeting Date: March 18, 2019
Report Number: FAF.19.044
Subject: Infrastructure Fund Program
Prepared by: Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

A. Recommendations

THAT Council receive Staff Report FAF.19.044, entitled "Infrastructure Fund Program";

AND THAT Council direct staff to submit for either:

- a) Elma Street and Alice Street Reconstruction;
- b) Victoria Street and Louisa Street Reconstruction;
- c) Price's Subdivision Drainage Improvements; or,
- d) Bridge #2/#3 Replacement.

B. Overview

On March 12, 2019 the Province announced a new infrastructure funding program (Attachment #1) that municipalities can apply for grants related to road and bridge work.

C. Background

This new program falls under the Investing in Canada Infrastructure Program, which will invest \$10 Billion dollars in Ontario over the next ten years. This program is made up of four components, only the first stream has been announced:

1. Rural and Northern municipalities – this is what the Town is currently applying under;
2. Public Transit;
3. Green; and
4. Community, Culture and Recreation.

Starting on March 18, 2019, municipalities will have eight weeks to submit an application. Currently, the application has not been released nor has the specific details around the criteria of the project. The news release talks about road and bridge projects. Staff have included four projects for Council's consideration.

D. Analysis

Elma Street and Alice Street Reconstruction

This project was included in the 2018 approved capital budget at a total cost of \$5,629,700; at that time traffic lights at the intersection of Elma Street and Arthur Street were not included in the budget. For this application, staff are recommending that the budget be increased by \$250,000 to cover the potential installation of traffic lights. Staff are under the impression that water and wastewater infrastructure is not eligible under this funding program and therefore the Town would be applying for \$4,280,200 for the roads related works only. Currently, these costs are funded using Town reserve and reserve funds, OCIF grant, and long-term debt to be funded from taxation.

The Town currently has \$486,975 in OCIF formula grant funding from 2018 however there has been no announcement in 2019. This funding could be re-directed to another project that meets the criteria. Any unspent reserve and reserve fund funds will remain in the reserve and be available for future projects. The long-term debt would result in an annual debt payment of \$138,000 which will require a tax levy increase of 0.91% (as compared to the 2018 approved levy).

Please note that the installation of traffic lights along the connecting link must be approved by the MTO. Certain criteria and traffic warrants must be met for the MTO to allow the Town to install the traffic lights.

In the past, the Town has applied for this project under the Ontario Community Infrastructure Fund and Small Community Fund and was unsuccessful.

Both Elma and Alice streets have numerous assets (watermain, sidewalks, and streetlights) listed in the 2014 Asset Management Plan showing in Poor/Fair condition with scheduled capital works for 2013 and 2018.

Victoria Street and Louisa Street Reconstruction

This project was included in the 2019 Draft Capital Budget for a total cost of \$6,559,700. Similar to Elma and Alice Street, there is a water and wastewater component which staff believe is ineligible and therefore the Town would be applying for a total grant of \$4,499,300. For this grant application staff are recommending that \$250,000 be included for potential traffic lights at Victoria Street and Arthur Street.

The budget includes a small amount of funding from the reserve fund which will remain and be available for future projects. There was also a significant long-term debt portion that will require \$108,500 in annual payments, or 0.72% on the tax levy (as compared to the 2018 approved levy). Finally, a portion of the project was deemed growth related and therefore the unspent Roads and Related Development Charges would remain in the reserve fund and be available for future growth projects.

Please note that the installation of traffic lights along the connecting link must be approved by the MTO. Certain criteria must be met for the MTO to allow the Town to install them. The Town is not looking at putting traffic lights at both Elma Street and Victoria Street on Arthur Street however will add the cost in to one of the projects if directed by Council.

Both Victoria and Louisa Streets are included as priorities in the March 2014 Asset Management Plan, at that time they were shown as requiring capital works in 2013.

Price's Subdivision Drainage Improvements

Drainage improvements within the area known as Price's Subdivision were not included in the 2019 Draft Capital Budget, however staff feel it is a potential fit for this application. During a presentation by Greenland, they presented a number of alternatives for dealing with the stormwater. Staff are recommending that if Council wishes to apply with this project, Alternative D-B 100 year design be used at a cost of \$739,000. In addition, staff are recommending that the \$262,000 included in the 2019 Draft Capital Budget for the works outside of the subdivision be included in the grant application. This would result in savings for both the Town (reserve fund) and the County. The total grant application would be \$1,001,000.

This funding would normally come from the property owners through a Local Improvement by-law.

These assets are not included in the Town's Asset Management Plan as they would be additional assets.

Bridge #2/#3 Replacement

This replacement project was not included in the 2019 Draft Capital Budget, however it was earmarked for 2020 at a total cost of \$2,171,200. Staff are currently working on the EA process that would be required before this capital work can proceed.

The funding for this project was a split between reserve fund and the majority coming from long-term debt. Staff believe that the full project cost of \$2,171,200 would be an eligible expense. If successful, the Town would avoid \$1,910,600 in long-term debt which comes with an annual payment of \$115,925 or 0.76% (as compared to the 2018 approved levy).

In the past, the Town has applied for this project under the Ontario Community Infrastructure Fund and was unsuccessful.

These two bridges are the top two priorities in the Town's Asset Management Plan from March 2014.

Other Projects

During this process staff have considered to eliminate other projects:

- 1) Clarksburg Water and Wastewater Servicing – staff believe that only the road portion of this project would be eligible and at this point the budget is unknown; therefore staff feel that insufficient information is available for a successful application.
- 2) Clendenan Bridge - Although a bridge project, which staff believe is an eligible cost, staff do not have sufficient information to make a complete application. In addition to the bridge work, the abutments need replacing and some considerable road resurfacing and realignment will be required to improve the approaches to the bridge. In addition, an Environmental Assessment Study would be required before undertaking any bridge modifications and moreover to understand the future capacity needs of the structure. Without having a budget, staff do not feel this would be a good project at this time. The Transportation Master Plan to start in 2019 includes an assessment of the future needs of the bridge.

E. The Blue Mountains Strategic Plan

The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence

Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

N/A

G. Financial Impact

Project Title	Amount of Grant Request	Area of Savings
Elma Street and Alice Street Reconstruction	\$ 4,280,200	Long-term debt (annual payment of \$138,000)
Victoria Street and Louisa Street Reconstruction	\$ 4,499,300	Long-term debt (annual payment of \$108,500)
Price's Subdivision Drainage Improvements	\$ 1,001,000	Property Owners
Bridge #2/#3 Replacement	\$ 2,171,200	Long-term debt (annual payment of \$115,925)

Any grant funding received that offsets required long-term debt will result in that debt capacity being available for a future project.

H. In consultation with

Shawn Everitt, Interim CAO
Ruth Prince, Director of Finance and IT Services
Reg Russwurm, Director of Infrastructure and Public Works

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. Comments regarding this report should be submitted to Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets at finance@thebluemountains.ca.

J. Attached

1. Infrastructure Fund Program Announcement

Respectfully Submitted,

Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

Ruth Prince
Director of Finance and IT Services

For more information, please contact:
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Ontario Launches \$30 Billion Infrastructure Funding Program

Investments in critical projects will create jobs, help families and businesses

March 12, 2019 11:00 A.M.

BADEN —Ontario's Government is working for the people to make the province's roads safer, commutes easier and communities healthier. Today, the province announced new infrastructure funding that will also help create and protect good jobs across the province.

"When it comes to delivering core services that matter to people, our government is putting people first," said Monte McNaughton, Minister of Infrastructure. "Today's historic infrastructure investment marks the start of billions of dollars in funding that will improve the wellbeing of the people of Ontario. And it is part of our plan to balance the budget in a responsible, sustainable way while creating and protecting good jobs."

The first stream of the funding, the Rural and Northern stream, is open to cities and Indigenous communities with populations under 100,000. Those communities, about 500 of them, will have eight weeks beginning March 18 to nominate road and bridge projects.

"Our Government for the People is listening and has heard the infrastructure needs of our municipalities," said McNaughton. "This first stream of funding is an invitation to all those communities to get started on the crucial process of project nomination."

The funding falls under the Investing in Canada Infrastructure Program, which will unlock up to \$30 billion in combined federal, provincial, and local investments in communities across the province over the next 10 years.

"Our economy, communities, and families all depend on infrastructure. This program will bring major infrastructure investments that people rely on," said McNaughton. "And when we invest in smart infrastructure, we create jobs and grow the economy, shaping the future for hard-working families in Ontario. Our province is open for business and open for jobs."

QUOTES

" The Association of Municipalities of Ontario (AMO) welcomes this federal and provincial commitment to infrastructure funding across our province. Rural and northern communities

depend on safe and reliable roads and bridges. They are essential to local quality of life and prosperity. Importantly, the 'one-window' approach that Ontario and the federal government have put in place will offer Ontario's municipal governments an efficient means to access infrastructure funding."

- Jamie McGarvey

AMO President and Mayor of Parry Sound

QUICK FACTS

- The Investing in Canada Infrastructure Program is a \$30 billion, 10-year infrastructure program cost-shared between federal, provincial and municipal governments. Ontario's share per project will be up to 33 per cent, or \$10.2 billion spread across four streams: 1. Rural and Northern 2. Public Transit 3. Green 4. Community, Culture and Recreation.
- The first intake for the Rural and Northern stream will be open for eight weeks, and will focus on road, bridge, air or marine infrastructure in rural and northern communities with populations under 100,000 people.
- The [Grants Ontario website](#) (click on Grant Opportunities) will be a "one-window" source for applicants, handling application intake, review, nomination, reporting and transfer payment management processes – all in one place.

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