

STAFF REPORT: Financial & Information Services



REPORT TO: Council
MEETING DATE: July 6, 2009
REPORT NO.: FIS.09.42
SUBJECT: Investing In Ontario & Municipal Roads and Bridges Infrastructure Investment - Allocation of Grant Money
PREPARED BY: Darcy Chapman, Capital Accountant

A. Recommendations

THAT Council receive Staff Report FIS.09.42 "Investing in Ontario & Municipal Roads and Bridges Infrastructure Investment - Allocation of Grant Money";

AND THAT Council adopt the allocation of grant monies under the Investing in Ontario program as follows:

Fire Truck Purchase	\$ 100,000
BVCC Refrigeration/Dehumidifier Replacement	\$ 60,000
Ravenna Hall Window Replacement	\$ 8,000
Additional Tar & Chip Road Resurfacing	\$ 150,000
Timmons Park Playground Equipment	\$ 25,000
Library Roof Repairs	\$ 20,000
Lakewood Drive Sewage Pump Station	\$ 130,000

AND THAT Council adopt the allocation of grant monies under the Roads and Bridges Infrastructure Investment program as follows;

Georgian View Estates Sanitary Extension (Road Only)	\$ 566,800
Lake Drive Road Reconstruction	\$ 204,209

AND THAT Council adopt the New Capital Budget for the Ravenna Hall Window Replacement at \$8000.00;

AND FURTHER THAT Council approve the increase in the Single and Double Surface Treatment Budget from \$135,000 to \$285,000.

B. Background

In September, 2008, The Blue Mountains received one time funding from the Province of Ontario through their Investing in Ontario initiative. The Town's portion of the funding totalled \$492,798. Staff, at the time, presented options for use of the funding which were adopted by Council through the 2009 Budget process. It was originally anticipated that \$251,500 would be allocated to funding a portion of the road reconstruction of Plan 915. The remaining \$241,298

was set aside for use in servicing Clarksburg should the Town be successful in receiving grant monies for the Clarksburg Water and Wastewater project.

Staff realize that the original intent for use of the funding no longer applies and as such new programs will need to be identified. The Investing in Ontario money can be used to fund any capital project including infrastructure or equipment. The one important criteria for the funding is the requirement that it must be fully spent by no later than March 2010. This timeline effectively means that the money has to be spent during 2009.

Staff underwent a review of the Capital budget to select projects that would qualify under the program. Projects that were started after September 2008 can qualify for funding. A chart below outlines projects that are eligible;

Investing in Ontario (Received September 2008)	\$	492,798	
Must be spent by March 2010			
Eligible Projects	Budget	Running Total	Prior Source
Fire Truck Purchase (November 2008)	\$ 100,000	\$ 100,000	Debt
BVCC Refrigeration/Dehumidifier Replacement	\$ 60,000	\$ 160,000	Debt
Ravenna Hall Window Replacement	\$ 8,000	\$ 168,000	Non-budgeted
Additional Tar & Chip Road Resurfacing	\$ 150,000	\$ 318,000	Non-budgeted
Timmons Park Playground Equipment	\$ 25,000	\$ 343,000	Capital Reserve
Library Roof Repairs	\$ 20,000	\$ 363,000	Capital Reserves
Lakewood Drive Sewage Pump Station	\$ 130,000	\$ 493,000	Capital Reserves

Staff is recommending the reallocation of the Investing in Ontario Grant to the projects listed above. The use of these grant dollars will benefit the Town in the following manner;

1. The Town will fund the Fire truck purchase that was originally unfinanced.
2. The BVCC will undergo \$180,000 in refurbishments to the ice plant and equipment over the next 4 years. This work was anticipated to be funded over a seven year period. The grant will shorten this repayment.
3. The Ravenna Hall requires replacement windows to the existing building. The project is needed and had no prior source of funding. A new capital program sheet is attached.
4. Utilizing the grant to provide for extra surface treatment will allow the Roads Department to complete an approximate extra 10 km of road rehabilitation.
5. Using the grant to offset costs to purchasing Parks equipment and repairing the Library roof will alleviate the need to use reserves and will allow the Town future flexibility with other projects.
6. The current Lakewood SPS is anticipated to cost \$250,000. By using the grant money this will allow reserves to stay in tack for future Sewer rehabilitation projects.

In March, 2008, The Blue Mountains received one time funding from the Province of Ontario (MTO) through their Municipal Roads and Infrastructure Investment initiative. The Town's portion of the funding totalled \$771,009. Staff, at the time, presented options for use of the funding which were adopted by Council through the 2009 Budget process. It was originally anticipated that \$173,000 would be allocated to funding a portion of the road reconstruction of Plan 915. \$225,000 was allocated to the Beaver River Bridge Upgrades and the remaining \$373,009 was set aside for the Slabtown Bridge project.

The Municipal Roads and Infrastructure Investment money can only be used to fund road or bridge infrastructure, as well the funding requires that it must be fully spent by no later than March 2011. This timeline effectively means that the money has to be spent during 2009 or 2010.

With the successful grant application for Plan 915, the previously allocated grant monies will not be required to fund the road reconstruction. Staff understand that the Beaver River Bridge project will not go ahead until after the construction of Town Hall is substantially complete (2011) due to the close proximity of the two construction sites. Staff also completed a timeline for the Slabtown Bridge project. It is anticipated that the Class EA will commence soon and be completed by the spring of 2010. The Engineering and Certificate of Approval will be completed by February 2011 with possible construction to commence in the spring/summer of 2011. With that in mind the original intent for use of the funding no longer applies and as such new programs were identified.

Staff underwent a review of the Capital budget to select projects that would qualify under the program. A chart below outlines projects that are eligible;

Roads & Infrastructure Funding (Received March 2008)			
	\$	771,009	
Must be spent by March 2011			
Eligible Projects	Budget	Running Total	Prior Source
Georgian View Estates Sanitary Extension (Road Only)	\$ 566,800	\$ 566,800	Non-budgeted
Lake Drive Road Reconstruction	\$ 204,209	\$ 771,009	Capital Reserves

The current budget outlines Georgian View Estates Sanitary Servicing. It was originally anticipated that the Developer and the local residents would fund the majority of this project with the Town only contributing \$150,000 for road works. The current funding model is very concerning in that the affordability of the project is in question as the local residents would bear a large portion of the costs and the annual repayment would far exceed the affordability criteria. Staff is recommending a change to the budget for this project to include the use of grant monies. It is anticipated that the sewer works will cost \$844,800 and be fully funded from the developer and local residents. The road works budget has been established at \$885,600 and will be funded from the developer, the Town and utilizing a large portion of the Roads & Bridges Grant. This model will ensure the project remains affordable to the local residents while completing a much needed service extension that will benefit 38 local residents. Further negotiations will be scheduled with the developer to ensure the project will move forward with this additional influx of grant money.

The Lake Drive project is currently being tendered and was originally anticipated to cost the municipality \$328,047 for road reconstruction and upgrade expenses. The allocation of \$204,209 will significantly reduce the reserve contribution required to fund this project and as such will allow the municipality more freedom to complete other projects in the future.

C. The Blue Mountains' Strategic Plan

- 2. Addressing the Town's municipal infrastructure needs

2.1 Identify existing deficiencies in the current municipal infrastructure

D. Environmental Impacts

None

E. Budget Impact

The use of these grant monies will allow the Town to better manage taxation and reserve resources for other purposes. The use of \$1,263,807 in grant monies will allow the town to complete three unbudgeted projects in the Ravenna Hall Window Replacement, Hard Surface Rehabilitation and completion of servicing of Georgian View Estates. As well, the Town will reduce unfinanced project debt by \$160,000. The Town will also retain \$298,838 in Roads, Library, Parks & Recreation and Sewer Reserves that can be utilized for other future projects.

F. Attached

1. Capital Project Sheet – Ravenna Hall Windows

Respectfully submitted,

Signature

For more information, please contact:

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PROPOSED CAPITAL PROJECT FORM

Department: Recreation
 Proposal: **Ravenna Hall Windows**
 Year of Initiation: 2009
 Year of Completion: 2009
 Submission Date: July 2, 2009
 Submitted by: Shawn Everitt, Director of Recreation

A Description

To replace 7 original windows at the Ravenna Hall

B Purpose

To replace original windows at the Ravenna Hall, two of windows are cracked, and all windows allow draft creating poor energy efficiency.

C The Blue Mountains' Strategic Plan

Addressing the Town's municipal infrastructure needs

D Environmental Impacts

Ensuring best environmental conditions are provided

E Expected Staff Resources/Key Personnel

Director of Recreation Shawn Everitt
 Ravenna Hall Board of Management

F Expected Capital Resource Requirements

YEAR	Studies	Land Acquisition	Engineering	Construction	Contingencies	Equipment	Interim Financing	Miscellaneous
2009				\$8,000				
2010								
2011								
2012								
2013								

G Estimated Project Costing Economic Driver

2009 quotations

H Expected Project Timeline

Request for Proposal Early August
Installation mid September

I Expected Operational Resource Requirements

None at this time

J Proposed Source of Financing & Funding, (in conjunction with Treasury)

YEAR	Grants, Donations, Developer Contributions	Taxation	User Fees	Municipal Act 326-391	Capital Reserves (Specify Below)	Development Charges	Debt	Other (Specify Below)
2009	\$8,000							
2010								
2011								
2012								
2013								

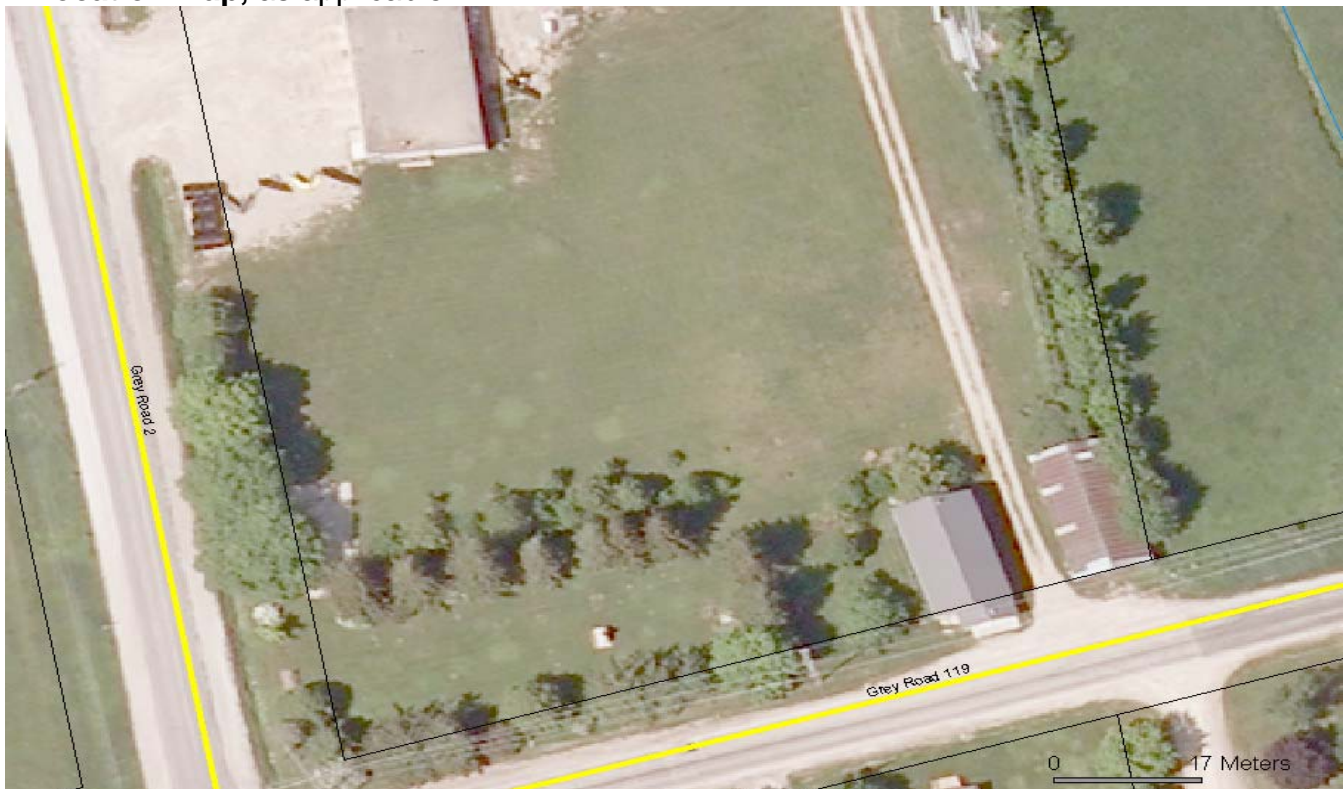
Notes

Funding from Investing in Ontraio Grant as per Report FIS.09.42

K Anticipated Cost Savings or Additional Revenues

Improved energy efficiency

L Location Map, as applicable



M Attachments, as applicable
None at this time

Respectfully submitted by,

Department Head Signature