

STAFF REPORT: Financial & Information Services

REPORT TO: Council
MEETING DATE: November 9, 2009
REPORT NO.: FIS.09.59
SUBJECT: OSTAR Funding Agreement –
Additional Funds
PREPARED BY: Ruth Prince, Manager of
Revenue
John Caswell, Manager of Water
and Wastewater Services

A. Recommendations

THAT Council receive Staff Report FIS.09.59, “OSTAR Funding Agreement – Additional Funds”; and,

THAT Council enact a By-law authorizing the Mayor and Clerk to execute an Addendum to the Funding Agreement of the Ontario Small Town and Rural (OSTAR) Development Infrastructure Initiative, being Amendment 2.

B. Background

In June of 2003, an application was made to the OSTAR Development Secretariat for capital infrastructure project which was to provide potable water to two areas within The Blue Mountains, known as Swiss Meadows and Highway 26.

The original funding agreement was for financial assistance in the amount of \$557,089.06 on total eligible costs of \$1,670,933. The one-third funding assistance came from the Province of Ontario only and did not include any funding from the Government of Canada.

In September 2006, a request for an increase in additional funding was submitted on the basis that the scope of the work had been revised. In November of 2007, the additional funding was approved and the financial assistance increased to \$978,872.74 on total eligible costs of \$2,936,031. It was noted at that time that expenditures would be paid up to December 31, 2008 with the final claim to be submitted by March 31, 2009.

Staff completed the final claim by March 31, 2009 which provided for eligible expenditures paid up to December 31, 2008 of \$3,079,073.37 and has been working with the Ministry of Agriculture, Food and Rural Affairs to complete all requirements to close the project. Costs associated with watermain oversizing, fire hydrants and service connections for Highway 26 became eligible for OSTAR funding.

In a letter dated October 18, 2009 the Ministry of Agriculture, Food and Rural Affairs has confirmed additional support for the project and has increased the financial

assistance for the project to \$1,026,563.06 on total eligible costs of \$3,079,073.37. This amounts to \$47,690.32 in additional funding and the final completion of the project.

A By-law is required to authorize the execution of the addendum to the original funding agreement. It is anticipated the additional funding will be received by the end of 2009 and the project will be complete and closed.

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

As the Highway 26 works are just finalizing now, this additional grant money will be used to reduce the overall final bill for those affected residents. This phase of servicing will bill some 128 property owners to which the additional OSTAR dollars will reduce the overall amount by approximately \$370 per unit.

F. Attached

Respectfully submitted,

Signature

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