



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Jeff Molenhuis, Sharon Chambers
DATE: 27/03/2017
SUBJECT: OCIF Formula Funding Application Endorsement and Pre-Budget Approvals
ATTACHMENTS: NONE

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receive the report OCIF Formula Funding Application Endorsement and Pre-Budget Approvals for information;

AND THAT the Council of the Township of North Huron hereby endorse the Surface Treatment capital project; Public Works Facility Condition Assessment and Space Needs; and the Financial Analyst position for funding under the Ontario Community Infrastructure Fund (OCIF) – Formula Component Project;

AND THAT the Council of the Township of North Huron hereby grant pre-budget approval for the surface treatment capital project and the Westmoreland reconstruction capital project to initiate the procurement process.

EXECUTIVE SUMMARY

Through OCIF, the Township is eligible for formula based funding of capital projects or asset management planning related projects, purchases and staff resources. This year, the projects proposed are capital items for hard top surface treatment work, as well as items that will support the development, updating and improvement of the Township's asset management planning. The Township's formula-based funding figure this year is approximately \$153,000. The items proposed this year would maximize the funding available through OCIF formula funding.

This report requests pre-budget approval for the surface treatment capital project in order to undertake tendering in the short term in an effort to receive competitive pricing.

Additionally, this report requests pre-budget approval for Westmoreland Street reconstruction in Blyth. This project was delayed last year because of expired approvals, as well because staff were no longer able to provide construction with in-house resources. The request is due to the need to initiate tendering. Industry best practice for full servicing construction is to undertake the tender process in the late winter or very early spring so that competitive prices may be attainable and contractor schedules are manageable. The project is estimated at \$435,000, including construction and engineering/administration. The project falls within the Roads and Water budgets for 2017, and is proposed to be funded by water rates and Gas Tax funding.

All of these projects are proposed in the 2017 budget for Public Works.

DISCUSSION

OCIF formula funding for North Huron for 2017 and projected allocations for 2018 and 2019 are as follows:

OCIF Formula-based Funding	Amount
2017 Formula Allocation	\$153,031
2018 Formula Allocation (preliminary)	\$215,706
2019 Formula Allocation (preliminary)	\$321,930

The program eligibility includes capital project expenditures and asset management planning expenditures, including plan optimization and staff expenditures to support plan development efforts. Items submitted to the Ministry for formula funding are typically approved as long as they meet the funding eligibility requirements. Staff are proposing three items for formula funding:

- 1) The surface treatment project is proposed for OCIF funding as a capital project. The capital cost of this project is estimated at \$105,000. This project is necessary to maintain the condition of these particular road segments as they are in need of an additional coat for proper maintained low class bituminous (LCB) structure. The segments proposed are Reid Road from CR 4 to Currie Line and Moncrieff Road from CR 4 to Currie Line, totalling approximately 4 km of surface treatment. It is proposed in the 2017 Roads Budget.
- 2) A facility condition assessment and space needs analysis is proposed for OCIF funding for the Wingham Public Works facilities, including Josephine Street and Minnie Street facilities. The Josephine Street facility is in a deteriorating state, and there is a need to identify some of the long term needs of the facility, as well as having an understanding of the space needs for the operations of the group there. This would also fit into the long term strategic planning for public works facilities, and may serve to support consolidation of operations facilities in the future. The estimated cost is \$15,000. It is proposed in the 2017 Roads budget.
- 3) A staff resource is proposed to be funded in 2017 to support Asset Management planning, including financial analysis and developing funding strategies that take into consideration the financial context in North Huron. This position would utilize the remaining funding available, which is approximately \$33,000 and this wage allocation has been proposed in the 2017 Administration budget.

Finally, Westmoreland Street reconstruction was delayed last year because of expired approvals, as well because staff were no longer able to provide construction with in-house resources due to Water staff switching to Veolia. Industry best practice is to undertake the tender process in the late winter or very early spring so that competitive prices are attainable and contractor schedules are manageable. The project is estimated at \$435,000 for construction and engineering, but is not proposed for funding from OCIF formula funds. The project falls within the Roads and Water budgets for 2017, and is proposed to be funded by water rates at \$135,000 and Gas Tax funding at approximately \$300,000.

FINANCIAL IMPACT

The OCIF program funds the proposed formula funded item expenditures, so no financial impact is anticipated to the Township at this time related to those projects noted.

For Westmoreland Street, the project is rate supported and Gas Tax funded, so there is no financial impact to taxation.

FUTURE CONSIDERATIONS

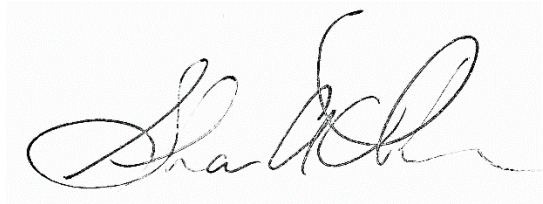
For the surface treatment project and Westmoreland Street reconstruction, a report to award these contracts, once tendering is complete, will be necessary.

RELATIONSHIP TO STRATEGIC PLAN

Goal 3 the Township is healthy and safe. Goal 4 the administration is fiscally responsible and strives for operational excellence.



Jeff Molenhuis, Director of Public Works



Sharon Chambers, CAO