



City of
Peterborough

To: **Members of the Committee of the Whole**

From: **Sandra Clancy, Director of Corporate Services**

Meeting Date: **February 22, 2016**

Subject: **Report CPFS16-007
Ontario Community Infrastructure Fund Application Based
Contribution Agreement and Funding Pre-commitment for the
Bears Creek Project**

Purpose

A report to recommend a by-law be passed authorizing the execution of the Ontario Community Infrastructure Fund Application Based (OCIF- Application) Intake Two contribution agreement for the Bears Creek Flood Reduction – Marina Boulevard Major System Bypass Project, to amend the 2016 Capital Budget and to pre-commit the 2017 Capital Budget.

Recommendations

That Council approve the recommendations outlined in Report CPFS16-007 dated February 22, 2016, of the Director of Corporate Services, as follows:

- a) That a by-law be passed authorizing the Mayor and Clerk to sign the Ontario Community Infrastructure Fund Application Based (OCIF- Application) Intake Two contribution agreement between Her Majesty the Queen in Right of Ontario as represented by the Minister of Agriculture, Food and Rural Affairs and the City of Peterborough; and
- b) That a 2016 Capital Project be created for the Bears Creek Flood Reduction – Marina Boulevard Major System Bypass Project (Capital Project 5-15.01 listed requests for future years) as set out in Appendix A to Report CPFS16-007, to reflect the OCIF – Application grant funds; and

- c) That the \$1,500,000 municipal share for the Bears Creek Flood Reduction – Marina Boulevard Major System Bypass Project be funded from the 2017 Flood Reduction Master Plan Reserve– Capital Levy in the 2017 Capital Budget.

Budget and Financial Implications

The value of the Ontario Community Infrastructure Fund Application Based funding is \$2,000,000. The new budget is set out in Appendix A and reflects a total project budget of \$3,500,000. The remaining project balance of \$1,500,000 will be funded through the Flood Reduction Master Plan (FRMP) Reserve– Capital Levy through a pre-commitment of 2017 funds. Traditionally, the City sets aside \$2,500,000 FRMP Reserve – Capital Levy through the annual budget process. The \$1,500,000 pre-commitment would come from this allocation, leaving \$1,000,000 for other FRMP projects, pending Council approval.

Background

On August 18, 2014, Ontario announced a new municipal infrastructure strategy as communicated to Council in Report CPFS14-025 dated September 2, 2014. After undergoing the Expression of Interest (EOI) and application process for Intake One, the City was successful in securing an OCIF – application based grant for \$1,597,000 of provincial funding for the Riverside Drive Sanitary Inflow and Infiltration Reconstruction Project as reported to Council in Report CPFS15-008 dated February 23, 2015.

On July 28, 2015, Ontario announced the next phase of funding opportunities through its new municipal infrastructure strategy as outlined in Council Report CPFS15-043 dated August 31, 2015.

The City of Peterborough submitted an EOI in September 2015 and was invited to submit an application by December 16, 2015. On February 5, 2016 the City was advised that the Bears Creek Flood Reduction – Marina Boulevard Major System Bypass Project (Bears Creek) had been selected for funding. The Province of Ontario will provide 73% of the total net eligible costs of the project up to a maximum contribution of \$2,000,000. Detailed design is proposed for 2016, with utility relocates commencing in late 2016 and construction anticipated in 2017. Projects must be completed by December 31, 2017.

What is required of municipalities?

The City must sign a contribution agreement by March 11, 2016 showing they agree to the terms and conditions of the funding.

Report Requirements and Milestone Payments

Intermittent reporting is required throughout the agreement and can be linked to the milestone payment schedule. Payments will be made to the municipality based on completion of three distinct milestones. The first payment of 55% of the maximum grant funds will be made upon execution of the agreement by both parties. The second milestone payment will be received after 70% of the Tenders are awarded and the City submits the Construction Contract Award Report and the Revised Budget Report. The final payment will be made upon the Province's acceptance of the Final Report. Semi-annual progress reports are also required.

Project Capital Budget and 2017 Pre-commitment

At the time of the EOI submission, the project cost was estimated to be \$2,730,000. Since then a more detailed cost estimate has been prepared, with an anticipated total project cost of \$3,500,000. The project completion date necessitates in-house detailed design and contract administration. This eliminates the need to issue an RFP for design and contract administration services and the associated time requirements. The \$420,000 cost for in-house engineering staff time is not eligible for grant funding and must be funded through municipal funds. It is expected that there will be sufficient eligible expenditures to receive the full \$2,000,000 OCIF-Application Based grant.

There is no approved capital funding allocation for the Bears Creek project as the 2016 Capital Budget (Project # 5-15.01) anticipated commencing the project in 2017. To meet the project completion deadlines, the City must move forward with the issuance of a RFT in 2016. It is requested that Council pre-commit the City's \$1,500,000 share of the project, funded from the FRMP Reserve – Capital Levy. Annually the City sets aside \$2,500,000 through the budget process for projects to be funded from the FRMP Reserve – Capital Levy. The \$1,500,000 pre-commitment would come from this allocation, leaving \$1,000,000 for other FRMP projects, pending Council approval.

Summary

In signing the agreement, the City agrees to abide by the terms and conditions which include periodic reporting. The first requirement is passing a by-law to authorize the Mayor and Clerk to sign the contribution agreement to allow the flow of OCIF-Application Based funds. Pre-committing the 2017 budget will allow staff to issue the RFT in 2016.

Submitted by,

Sandra Clancy
Director of Corporate Services

Contact Name:

Erica Arkell
Financial Analyst, Special Projects
Phone: 705-742-7777, Extension 1628
Toll Free: 1-855-738-3755
Fax: 705-876-4607
E-mail: earkell@peterborough.ca

Attachment:

Appendix A – 2016 Capital Budget Form 2 for Project # 5-15.01 Bears Creek Flood Reduction – Marina Boulevard Major System Bypass Project

Appendix A

Revised 2016 Capital Budget Form 2 for Project # 5-15.01 Bears Creek Flood
Reduction – Marina Boulevard Major System Bypass Project

(\$000's)

[illegible]