SUBJECT: 2008 Municipal Road & Bridge Infrastructure Investment Provincial Funding By-law (PW08046) - (City Wide)

RECOMMENDATION:

(a) That the correspondence received by the Mayor dated April 2, 2008 from the Minister of Transportation (attached as Appendix A to Report PW08046) providing $8,806,309 for municipal capital expenditures for transit vehicles and infrastructure be received;

(b) That the by-law (attached as Appendix B to Report PW08046) authorizing the receipt of the funds and requiring they be applied to expenditures for road and bridge infrastructure be passed and enacted, then forwarded to the Province of Ontario prior to April 30, 2008;

(c) That the funds be deposited in a dedicated Ministry of Transportation related reserve fund.

(d) That staff report back to Public Works Committee in May 2008 to provide details on specific projects the funding will be allocated to.

Scott Stewart, C.E.T.
General Manager
Public Works Department

EXECUTIVE SUMMARY:

The Province of Ontario, as part of the 2008 Budget announcement, has provided a one-time investment of $400 million to help municipalities primarily outside the GTA, with special emphasis on the investment in municipal roads and bridges.
On Tuesday March 25, 2007, the Honourable Dwight Duncan Minister of Finance, presented the McGuinty government’s fifth budget. This summary of the budget has been prepared by staff for your information.

Funding will be distributed to municipalities outside of Toronto, based on their share of Ontario’s road network in relation to population. Based on this funding formula the City of Hamilton will receive a one-time grant on June 30, 2008 in the amount of $8,806,309 from the Province of Ontario.

The recent correspondence from the Minister of Transportation was received by the City of Hamilton, dated April 2, 2008, that allocated funds to the City funds in the amount of $8,806,309 to be used for municipal capital expenditures for road and bridge infrastructure.

The funding is being provided to the City of Hamilton to be used specifically for municipal capital expenditures for road and bridge infrastructure and to enhance the links between active service levels and sustainable infrastructure. As a result of this funding, the City of Hamilton will be required to enact by-laws (Appendix B) prior to April 30, 2008 indicating agreement with the terms of the funding, as outlined in the attached letter (Appendix A).

**BACKGROUND:**

The government has introduced the Investing in Ontario Act that would permit the use of a portion of unanticipated year-end surpluses to address public priority needs such as municipal infrastructure deficits.

Pursuant to the recent correspondence from the Minister of Transportation, received by the City of Hamilton, dated April 2, 2008, that allocated funds to the City in the amount of $8,806,309 is to be used for municipal capital expenditures for road and bridge infrastructure. The approved funds will be transferred to the City by June 30, 2008.

**ANALYSIS/RATIONALE:**

The provision of this additional infrastructure funding will provide an opportunity to undertake works not currently within a planning horizon or budgeting process. The impact of this additional funding will increase the city’s ability to deal with infrastructure repair and replacement deficit and increase related service levels and sustainability. An analysis of possible projects, consistent with Council priorities and current infrastructure replacement/rehabilitation approaches will be completed. A list of recommended projects, to which this funding is to be applied, will be brought back to Council for endorsement. The projects will be screened on their ability to be brought forward quickly, completed with a minimum of required additional coordinated works, maximizing the achievement of life cycle benefit in the most cost effective manner.

**ALTERNATIVES FOR CONSIDERATION:**

Decline Provincial funding for Road and Bridge infrastructure

This alternative is not recommended as the infrastructure that will benefit from the funding is supported as part of improving existing service levels of the transportation network and the City as a whole.
FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial Implications
The acceptance and provision of these funds will allow the acceleration of road and bridge infrastructure projects currently outside of the 2009 - 2012 Roads Program or beyond.

Staffing Implications
There are no staffing implications associated with the recommendations of this report.

Legal Implications
Should it be determined that the City of Hamilton does not use the funds for which they are intended, as outlined in Appendix A of this report, the Ministry has the right to recover funds. Reports detailing expenditures shall be submitted to the Ministry and the Ministry may request an independent audit of the projects.

POLICIES AFFECTING PROPOSAL:

Public Works Strategic Plan
The lack of sustainable infrastructure funding for municipalities, including Hamilton, to address the concerns of our aging infrastructure is becoming an unmanageable state. The funding and promotion of road and bridge assets through the provision of sustainable infrastructure will improve the service levels with in the existing right of way, in addition to improve air quality and the environment through the reduction in greenhouse gas emissions.

RELEVANT CONSULTATION:

Consultation in regards to the projects that are outlines as part of this report will take place between the various sections of Public Works (Capital Planning and Implementation, Operations and Maintenance) as well as Corporate Services to establish a dedicated interest-bearing account for the funds and tracking of expenditures.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, and economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
Community well-being is enhanced through the support of increased use of transit and other sustainable modes of transportation. Public health is improved through a reduction in emissions and an increase in active transportation.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
A sustainable transportation network provides many options for people and goods movement; vehicle-dependency is reduced.

Economic Well-Being is enhanced. ☑ Yes ☐ No
Compact, mixed use development minimizes land consumption and servicing costs. Improved infrastructure can initiate higher levels of economic development.
Does the option you are recommending create value across all three bottom lines?
☑ Yes   ☐ No
The asphalt technology used in the rehabilitation of roadways considers natural, Social and economic impact.

Do the options you are recommending make Hamilton a City of choice for high performance public servants?
☑ Yes   ☐ No
The availability of efficient and acceptable service levels defines a City as a place to live and work.
His Worship Fred Eisenberger  
Mayor  
City of Hamilton  
Hamilton City Centre  
77 James Street North  
Hamilton, Ontario  
L8R 2K3

Dear Mayor Eisenberger:

Re: 2008 Municipal Road and Bridge Infrastructure Investment

As announced in the 2008 Provincial Budget, I am pleased to advise you that the City of Hamilton has been approved to receive funds in the amount of $8,806,309 towards your municipal road and bridge capital investment needs.

Addressing municipal road and bridge capital investment needs is an important part of maintaining and improving the province’s transportation network, economic success and Ontarians’ quality of life. To this end, the approved funds will be transferred to you by June 30, 2008, at which time the province will also provide details on reporting requirements and other accountability related requirements. These requirements will include as a minimum a description of the types of eligible expenditures for which the funding is intended, and requirement for a final report on how the funds were used. In addition, the province reserves audit rights to ensure that funds were used for the purpose intended and to recover funds if it is determined that they were not used, or will not be used for the intended purpose.

The province also requests the following additional information:

➢ An authorizing bylaw/council resolution from the City of Hamilton which should be dated no later than April 30, 2008. The bylaw/council resolution should reference:

   ▪ That the $8,806,309 allocated to the City of Hamilton by the province will be used for municipal road and bridge capital investment needs;

   ▪ That a final summary report detailing expenditures, use of provincial funding, and outcomes achieved shall be submitted to the ministry and the ministry may request an independent audit of the project; and

   ▪ Any funds intended for the project that are not used in accordance with rehabilitation of municipal road and bridge capital investment needs or the terms outlined above will be returned to the ministry.
Please acknowledge your receipt of this letter by signing and returning the enclosed duplicate copy of this letter to Steve Naylor, Director, Finance Branch, 6th Floor, 301 St. Paul Street, St. Catharines, ON L2R 7R4, Fax (905) 704-2515 by April 30 to initiate payment processing. If you anticipate any issues or concerns with meeting any of the above-noted dates, please advise as soon as possible.

Yours sincerely,

Jim Bradley
Minister

C:  Bruce McCuaig, Deputy Minister, Ministry of Transportation
    Andrea Horwath, MPP, Hamilton-Centre
    Paul Miller, MPP, Hamilton East-Stoney Creek
    Sophia Aggelonitis, MPP, Hamilton Mountain
    The Honourable Ted McMeekin, MPP, Ancaster-Dundas-Flamborough-Westdale

Acknowledged by:

______________________________   __________________________
Signature & Title                   Date
APPENDIX “B”
PW08046

Authority: Item , Committee of the Whole Report (Staff report number)
CM: Date

Bill No.

CITY OF HAMILTON

BY-LAW NO. __________

a. To Authorize the Receipt of Funding from the Province of Ontario for municipal capital expenditures for road and bridge infrastructure in the City of Hamilton.

WHEREAS in its 2007 Ontario Economic Outlook and Fiscal Review (Fall Economic Statement), the Province of Ontario committed to one-time funding municipal road and bridge infrastructure across Ontario;

AND WHEREAS in a letter dated March 31, 2008, attached to this By-law as Schedule A, the Minister of Transportation informed the City of Hamilton that it is a recipient of such funding, subject to an authorizing by-law being received no later than April 30, 2008;

NOW THEREFORE the Council of the City of Hamilton enacts as follows:

1. The City of Hamilton is authorized to receive a payment of $8,806,309 from the Province of Ontario as committed in the 2007 Ontario Economic Outlook and Fiscal Review and 2008 Ontario Budget for municipal capital expenditures for road and bridge infrastructure.

2. The payment of $8,806,309 shall be
(a) used for municipal capital expenditures for road and bridge infrastructure

(b) be subject to a final summary report to the Ministry detailing expenditures, use of provincial funding, and outcomes achieved, for which the Ministry may request an independent audit of the project; and

(c) deducted, in full or in part, from future provincial transit funding allocations, if the City of Hamilton is found not to be in compliance with the terms outlined by the Ministry in the letter attached as Schedule A.

3. This By-law shall come into force on the day it is passed and enacted.

PASSED and ENACTED this day of , 2008.

Fred Eisenberger
Mayor

Kevin C. Christenson
City Clerk