

## Request for Decision

### Reallocation of OCIF Funding

Presented To: Finance and  
Administration  
Committee

Presented: Tuesday, Sep 17, 2019

Report Date Tuesday, Sep 03, 2019

Type: Managers' Reports

### Resolution

THAT OCIF funding in the amount of \$600,000 be reallocated from the two 2019 Capital Budget Programs of “Arterial Roads” as well as “Road and Water/Wastewater Improvements” towards Loose-Top Gravel Roads;

AND THAT \$600,000 be drawn from the Capital Financing Reserve Fund – General to replenish the OCIF funding reallocated from the capital programs of “Arterial Roads” as well as “Road and Water/Wastewater Improvements”, as outlined in the report entitled "Reallocation of OCIF Funding", from the General Manager of Corporate Services, presented at the Finance and Administration Committee meeting on September 17, 2019.

### Relationship to the Strategic Plan / Health Impact Assessment

This report describes work that responds to Resolution FA2017-36-A5.

### Report Summary

This report provides reallocation of funding in accordance with Resolution FA2017-36-A5 approved by the Finance & Administration Committee in December 2017 as part of the 2018 budget approvals. The resolution requested reallocation of \$600,000 from the approved 2019 increase in OCIF funding to be applied to an enhanced maintenance program for loose-top roads.

### Financial Implications

#### Signed By

**Report Prepared By**

Apryl Lukezic  
Co-ordinator of Budgets  
*Digitally Signed Sep 3, 19*

**Manager Review**

Jim Lister  
Manager of Financial Planning and  
Budgeting  
*Digitally Signed Sep 3, 19*

**Division Review**

Ed Stankiewicz  
Executive Director of Finance, Assets  
and Fleet  
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**Financial Implications**

Jim Lister  
Manager of Financial Planning and  
Budgeting  
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**Recommended by the Department**

Kevin Fowke  
General Manager of Corporate  
Services  
*Digitally Signed Sep 4, 19*

**Recommended by the C.A.O.**

Ed Archer  
Chief Administrative Officer  
*Digitally Signed Sep 4, 19*

This report results in a draw of \$600,000 from Capital Financing Reserve Fund – General to replace OCIF funded projects within the 2019 Capital Budget as a result of reallocation of \$600,000 in OCIF funding towards an enhanced maintenance program for loose-top roads.

During approval of the 2018 Budget, the Finance and Administration Committee approved resolution FA2017-36-A5 confirming that \$600,000 of the approved 2019 increase in OCIF funding be applied to an enhanced maintenance program for loose-top roads, as shown in Appendix A.

In mid-2019, the City received notification that the increased OCIF funding amount for 2019 had been approved. This report requests reallocation of \$600,000 in approved OCIF funding towards loose-top (gravel) roads as this amount should have been included in the 2019 Capital Budget based on FA2017-36-A5. The draft OCIF amount was originally allocated in the 2019 Budget towards two Roads capital programs of “Arterial Roads” as well as “Road and Water/Wastewater Improvements”. With the reallocation towards gravel roads, the OCIF funding amount needs to be replaced with funding from the Capital Financing Reserve Fund – General in order to complete the capital budget approved by Council.

The existing operating budget for loose top resurfacing is \$342,150 for approximately 16,000 tons of gravel to be placed. The additional \$600,000 in OCIF funding will allow approximately 28,500 tons of additional gravel to be placed.

The existing budget allocation by location is an estimate based on the geographical areas used when developing the annual budget. The actual gravel roads prioritized will be analyzed and evaluated against criteria such as surface defects and deformations. The overall condition of the gravel road will continue to decrease if this work is not completed, which would result in future higher reconstruction and maintenance costs.

The following breakdown provides detail on where the additional \$600,000 will be spent on gravel resurfacing/patching. The budget has been apportioned based on the length of gravel road in each geographical area. This approach is consistent with the technique used to allocate the existing gravel resurfacing budget.

<b>Location Section</b>	<b>Percentage</b>	<b>Amount</b>
Southeast	17%	\$102,000
South	26%	\$156,000
Northwest	8%	\$48,000
Southwest	34%	\$204,000
Northeast	15%	\$90,000

Finance and Administration Committee Resolutions



Moved By [Signature] No. FA2017- 36-AS

Seconded By [Signature] Date Tuesday, December 5<sup>6</sup>, 2017

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THAT \$600,000 of the approved 2019 increase in OCIF funding be applied to an enhanced maintenance program for loose-top roads, and that staff incorporate this when preparing 2019 budget directions.

CARRIED <sup>6</sup>  
Tuesday, December 5, 2017  
[Signature]  
Councillor Jakubo, Chair  
*Committee Resolutions are not ratified  
until approved by City Council.*