

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.

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