

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014**

Item 13, Report No. 8, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 24, 2014.

**13**

#### **FUNDING SOURCE AMENDMENT AND STATUS UPDATE COMMUNITY INFRASTRUCTURE IMPROVEMENT FUND (CIIF) GRANT**

**The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Strategic & Corporate Services, Commissioner of Planning and Commissioner of Finance & City Treasurer, dated June 16, 2014:**

##### **Recommendation**

The Commissioner of Strategic & Corporate Services, Commissioner of Planning and Commissioner of Finance & City Treasurer, in consultation with the Director of Buildings and Facilities, the Director of Parks Development, the Senior Manager of Corporate Financial Planning & Analysis and the Grant Specialist, recommend:

1. That the funding source for BF-8343-13 Dufferin Clark C.C. Seniors Accessible Washrooms and BF-8379-13 Father Ermanno Outdoor Rink be amended from Federal Grant to Taxation in the amounts of \$1,800 and \$3,500 respectively; and,
2. That the funding source for PK-6342-13 Dufferin District Park Tennis Court Replacement and PK-6344-13 York Hill Park - Tennis Court Replacement be amended from Federal Grant to Parks Infrastructure Reserve in the amounts of \$41,200 and \$18,900 respectively; and,
3. That the funds remaining from completed CIIF projects be used to cover the above funding source amendments.

##### **Contribution to Sustainability**

Not applicable.

##### **Economic Impact**

There are no additional economic impacts associated with this request as the four projects discussed within this item can be completed within their approved budget amounts. However due to Grant requirements and timelines some expenses will be ineligible. To address this, available funding from other CIIF projects with favorable positions can be leveraged to fully offset the \$65,400 in funding requirements related to the specific projects illustrated in the above recommendations. Overall the City has benefited from the CIIF process by securing over \$211K in additional funds for important community projects.

##### **Communications Plan**

Not Applicable.

##### **Purpose**

The purpose of this report is to seek Council approval to amend the funding sources of four capital projects. The funding source reallocation can be accommodated from funds available within CIIF capital projects completed with favourable positions.

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#### **Background - Analysis and Options**

On July 5, 2012, the Minister of State for the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) launched the Ontario allocation of the Community Infrastructure Investment Fund (CIIF). The City of Vaughan submitted a prioritized list of 22 applications totalling \$3,194,200 endorsed by Council at a Special Council Meeting on August 1, 2012. Of the 22 applications, 14 applications (15 capital projects) were approved by FedDev Ontario, awarding the City of Vaughan a total of \$436,761 as its one third share of total capital project budget of \$1,310,300.

On January 29, 2013, Council adopted the recommendation of Finance and Administration Committee Report No. 1 Item 1 to enter into contribution agreements with FedDev Ontario regarding the 15 awarded CIIF capital projects. Upon the approval of 2013 capital budget, staff had commenced works to get the CIIF projects substantially completed within the March 31, 2014 deadline set by FedDev Ontario. However, due to unforeseen project delays and weather circumstances, and the delay in Construction Lien Holdback releases, some of the costs related to these projects were incurred after the March 31, 2014 deadline, making them ineligible for the CIIF grant.

Of the 15 capital projects approved under the CIIF grant, 9 projects were completed under budget and within the March 31, 2014 deadline; 2 projects were substantially completed with 10% Construction Lien Holdbacks to be released after June 30, 2014; and 4 projects were incomplete as of March 31, 2014 due to unforeseen project delays and weather issues. Of the 4 incomplete projects, 2 do not require additional funding as the tender award was less than the approved budget. Explanations for the funding amendments for the affected capital projects are discussed in detail below:

- Construction Lien Holdback of 10% (\$5,300):

Construction Lien Act requires that any contract under which a lien may arise, the payer (City) shall retain a holdback equal to 10% of the total project costs to cover any potential lien claims. The funds retained in the Lien Holdback can only be released to the Contractors (assuming no liens have been filed) further to a process that cannot be completed any sooner than 45 days after Substantial Performance has been accomplished. As per the grant requirements, costs must be paid to a third party by June 30, 2014 in order to be eligible for grant funding. For the following two projects the holdback will be paid after the grant deadline:

- BF-8343-13 Dufferin Clark CC Seniors Accessible Washrooms - \$1,800 (one-third portion of \$5,150 Construction Lien Holdback)
- BF-8379-13 Father Ermanno CC Out Door Rink - \$3,500 (one-third portion of \$10,400 Construction Lien Holdback)

- Unforeseen Project Delays and Weather Related Issues (\$60,100):

Tennis court projects PK-6342-13 and PK-6344-13 were combined into one tender package. Several delays during the design and tendering phase of the project resulted in bids not being received until September 2013. The start of construction also fell behind schedule due to Contractor delays and the early on-set of winter weather required the projects to be put on hold until spring 2014.

- PK-6342-13 Dufferin District Park Tennis Court Rehabilitation: Some of the project costs incurred before March 31, 2014 will be claimed for grant funding. However, since the main construction is warmer weather dependent activity will only resume later this quarter. Therefore most of

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### EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014

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the costs are ineligible for grant funding. As such, a funding amendment of \$41,200 from Federal Grant to Parks Infrastructure Reserve is required to cover the one-third portion of the project costs ineligible through CIIF grant.

- PK-6344-13 York Hill Park Tennis Court Replacement: Construction will commence now that warmer weather is experienced. Unfortunately this project will be withdrawn from the CIIF program. However, since the tender has been awarded and with the Park being in need of tennis court replacement, the project is proposed to proceed as planned. As such, a funding amendment of \$18,900 from Federal Grant to Parks Infrastructure Reserve is required to cover the one-third portion of the project costs ineligible through CIIF grant.

<b>Table 1: Financial Summary</b>				
	<b>B&amp;F Infra. Reserve</b>	<b>Parks Infra. Reserve</b>	<b>Taxation</b>	<b>Total</b>
<b>Funds Returned from Completed Projects</b>	<b>2,300</b>	<b>81,950</b>	<b>44,750</b>	<b>129,000</b>
Less: Required Funding Source Amendment				
BF-8343-13 Dufferin Clark CC Seniors Accessible Washrooms			1,800	1,800
BF-8379-13 Father Ermanno CC Out Door Rink			3,500	3,500
PK-6342-13 Dufferin District Park Tennis Court Rehabilitation		41,200		41,200
PK-6344-13 York Hill Park-Tennis Court Replacement		18,900		18,900
<b>Total Funding Source Amendment</b>	<b>-</b>	<b>60,100</b>	<b>5,300</b>	<b>65,400</b>
<b>Funds Returned after Funding Source Amendment</b>	<b>2,300</b>	<b>21,850</b>	<b>39,450</b>	<b>63,600</b>

As summarized in Table 1 Financial Summary, funds in the amount of \$129,000 are expected to be returned from completed CIIF projects, and are sufficient to cover the total requested budget amendments of \$65,400. Any residual funds remaining following project completion will be returned to the original funding sources.

#### Relationship to Vaughan Vision 2020 / Strategic Plan

Not applicable.

#### Regional Implications

Not applicable.

#### Conclusion

Overall the City has benefited from CIIF process by securing over \$211K in additional funds for important community projects, including the adjustments reflected with the report. However, due to Construction Lien Act timing requirements and unforeseen project delays and weather issues, some costs associated with four of the fifteen CIIF program capital projects will be ineligible for grant funding requiring a funding source amendment. Fortunately, other capital projects under CIIF program were completed with a favorable position and can be leveraged to fully offset the funding source adjustment, approximately \$65,000 as outlined in Table 1 of the report. It is anticipated that these projects will be completed later this year and within budget.

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**Attachments**

Not Applicable.

**Report prepared by:**

Mishal Ali, Senior Financial Analyst Ext. 8463

Michael Shatil, Director of Buildings & Facilities Ext. 8173

Jamie Bronsema, Director of Parks Development Ext. 8858

**FUNDING SOURCE AMENDMENT AND STATUS UPDATE**  
**COMMUNITY INFRASTRUCTURE IMPROVEMENT FUND (CIIF) GRANT****Recommendation**

The Commissioner of Strategic & Corporate Services, Commissioner of Planning and Commissioner of Finance & City Treasurer, in consultation with the Director of Buildings and Facilities, the Director of Parks Development, the Senior Manager of Corporate Financial Planning & Analysis and the Grant Specialist, recommend:

1. That the funding source for BF-8343-13 Dufferin Clark C.C. Seniors Accessible Washrooms and BF-8379-13 Father Ermanno Outdoor Rink be amended from Federal Grant to Taxation in the amounts of \$1,800 and \$3,500 respectively; and,
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3. That the funds remaining from completed CIIF projects be used to cover the above funding source amendments.

**Contribution to Sustainability**

Not applicable.

**Economic Impact**

There are no additional economic impacts associated with this request as the four projects discussed within this item can be completed within their approved budget amounts. However due to Grant requirements and timelines some expenses will be ineligible. To address this, available funding from other CIIF projects with favorable positions can be leveraged to fully offset the \$65,400 in funding requirements related to the specific projects illustrated in the above recommendations. Overall the City has benefited from the CIIF process by securing over \$211K in additional funds for important community projects.

**Communications Plan**

Not Applicable.

**Purpose**

The purpose of this report is to seek Council approval to amend the funding sources of four capital projects. The funding source reallocation can be accommodated from funds available within CIIF capital projects completed with favourable positions.

**Background - Analysis and Options**

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Ontario, awarding the City of Vaughan a total of \$436,761 as its one third share of total capital project budget of \$1,310,300.

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Of the 15 capital projects approved under the CIIF grant, 9 projects were completed under budget and within the March 31, 2014 deadline; 2 projects were substantially completed with 10% Construction Lien Holdbacks to be released after June 30, 2014; and 4 projects were incomplete as of March 31, 2014 due to unforeseen project delays and weather issues. Of the 4 incomplete projects, 2 do not require additional funding as the tender award was less than the approved budget. Explanations for the funding amendments for the affected capital projects are discussed in detail below:

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Reserve is required to cover the one-third portion of the project costs ineligible through CIIF grant.

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#### **Relationship to Vaughan Vision 2020 / Strategic Plan**

Not applicable.

#### **Regional Implications**

Not applicable.

#### **Conclusion**

Overall the City has benefited from CIIF process by securing over \$211K in additional funds for important community projects, including the adjustments reflected with the report. However, due to Construction Lien Act timing requirements and unforeseen project delays and weather issues, some costs associated with four of the fifteen CIIF program capital projects will be ineligible for grant funding requiring a funding source amendment. Fortunately, other capital projects under CIIF program were completed with a favorable position and can be leveraged to fully offset the funding source adjustment, approximately \$65,000 as outlined in Table 1 of the report. It is anticipated that these projects will be completed later this year and within budget.

#### **Attachments**

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#### **Report prepared by:**

Mishal Ali, Senior Financial Analyst Ext. 8463

Michael Shatil, Director of Buildings & Facilities Ext. 8173

Jamie Bronsema, Director of Parks Development Ext. 8858

Respectfully submitted,

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Joseph Pittari  
Commissioner of Strategic and Corporate Services

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John MacKenzie  
Commissioner of Planning

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John Henry  
Commissioner of Finance & City Treasurer