



Meeting Date: December 20, 2023

Submitted by: Tiffany Farrell, Director of Corporate Services

Report No: CPS-61-2023

Subject: Ontario Community Infrastructure Fund 2024

Recommendation:

THAT Report CPS-61-2023, the Ontario Community Infrastructure Fund 2024 be received.

Purpose:

To provide Council with an update on the Ontario Community Infrastructure Fund.

Background:

The Ontario Community Infrastructure Fund (OCIF) provides a steady source of long-term funding and supports the repair and revitalization of roads, bridges and other critical infrastructure in small, rural and northern communities.

2024 Ontario Community Infrastructure Fund (OCIF) Formula Funding:

Starting with the 2024 allocations, the formula is being calculated using forward-looking Current Replacement Values (CRVs) and CRV estimates to approximate requirements to maintain municipal core infrastructure assets, instead of closing cost balance values from the Financial Information Return.

To fill in any gaps in cases where CRVs for OCIF eligible core infrastructure are not included in a municipality's asset management plan, or not complete, the Ministry is using its own CRV estimates for those assets.

A smoothing mechanism has been implemented to generally limit year-over-year changes in funding within ± 15 percent of the 2024 allocations.

From 2024 and onwards, the Ministry of Infrastructure will continue to explore opportunities to improve data collection methods for CRVs and other data from asset management plans, and to minimize administrative burden. CRVs will be used to inform future OCIF allocations, and data from asset management plans will be used to gain insights on municipalities' level of asset management investments and the state of good repair across core infrastructure.

These changes will address eligible communities' needs to renew and rehabilitate their core infrastructure and better support small and medium sized municipalities. The implementation of the changes to OCIF ensures that funding is targeted to address core infrastructure needs while also providing stability and certainty.

Analysis:

In July of 2023, Middlesex Centre staff submitted the Municipality's Current Replacement Values (CRVs) for core assets as requested by the province and these amounts were used in this calculation.

Middlesex Centre's formula-based allocation of funding (allocation) under the Ontario Community Infrastructure Fund is \$1,667,760 (2023 - \$1,962,071) a decrease of \$294,311 or 15% (2023 decrease - \$102,042 or 4.9%).

Financial Implications:

2024 formula allocation of \$1,667,042 was not included in the 2024 budget due to timing of receiving this information. The amount included was based on 2023 amount of \$1,962,071. The impact will be an understatement of revenue received and an understatement of the transfer to reserve funds of \$294,311 less than budget. This will have no impact on the tax levy required for 2024. However, it will impact the funding available for OCIF identified projects. Any shortfall for funding in 2024 for these projects will be funded by the Roads Capital Reserve Fund.

Strategic Plan:

This matter aligns with following strategic priorities:

The process of developing this report directly responds to:

- Sustainable Infrastructure and Services - Objective 4.3 – Continue with our asset management plan and apply a financial sustainability lens to all municipal assets and infrastructure
 - By progressively updating our asset management plan and building the reserve funds for the timely repair/replacement of our assets, and expanding our current practice of making annual reserve fund contributions toward the cost of projected asset management expenditures

- By communicating our approach to capital projects and communicating clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.

Attachments:

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