



## REPORT

**REPORT TO:** Mayor Bonnette and Members of Council

**REPORT FROM:** Duncan Robertson, CPA, CMA  
Budgets & Financial Reporting Supervisor

Jane Diamanti, Commissioner of Corporate Services

**DATE:** July 3, 2019

**REPORT NO.:** CORPSERV-2019-0029

**RE:** Federal Gas Tax One-Time Payment

### RECOMMENDATION:

THAT Report No. CORPSERV-2019-0029 dated July 3, 2019 regarding the Federal Gas Tax One-Time Payment be received;

AND FURTHER THAT Council approve the allocation of the Federal Gas Tax Fund one-time payment to the capital projects identified in Table 1 of Report CORPSERV-2019-0029.

### BACKGROUND:

The purpose of this report is to inform Council of the one-time top-up payment through the Federal Gas Tax Fund and to propose the allocation of this funding to various capital projects.

The federal Gas Tax Fund is a permanent source of federal funding for municipal infrastructure. Funds are provided to communities up front, twice a year, and can be strategically invested across eligible project categories to address local priorities.

The 2019 Federal Budget received royal assent on the proposed one-time transfer of \$2.2 billion through the federal Gas Tax Fund. From this one-time top-up payment, the Town of Halton Hills will receive an additional payment equal to the total allocation received in 2018 (\$1,879,461).

## COMMENTS:

The Town of Halton Hills will receive an unbudgeted one-time payment from the Federal Gas Tax Fund of \$1,879,461 by the second week of July, 2019. Use of these funds is limited to the eligible expenditures within the project categories that are outlined in the Administrative Agreement on the Federal Gas Tax Fund. A list of eligible project categories and expenditures are provided in Appendices A and B respectively.

Accounting staff reviewed all projects in the 2019 and 2020 capital forecast against the eligibility requirements to develop an initial list of projects to be considered for funding through the top-up payment. Eligible projects were reviewed and ranked in consultation with department staff on the basis of service level improvements, potential risks, corporate priorities and readiness to commence implementation. The recommended project list, presented below in Table 1, was finalized by the Department Heads.

**TABLE - 1**

Project Code	Project Name	Total Cost	Recommended Gas Tax Funding
8500-19-0107	Sportsfield Lighting Replacement	550,000	450,000
8300-11-0104	Tennis Court Lighting Replacement	175,000	104,000
7300-22-1703	Corporate Energy Conservation Plan Implementation	75,000	75,000
6200-27-1612	10th Line Slope Alignment	630,000	500,000
6200-16-2008	Young St. - Queen to Mill Reconstruction	750,000	750,000
TOTAL		2,180,000	1,879,000

The Sportsfield Lighting Replacement project includes the replacement of lighting at Gellert Park diamond 1 and the Cedarvale Park soccer field with LED lighting systems. The current lighting systems are at the end of their useful life, which increases the probability of a failure. By updating these older systems with a more efficient LED lighting system, the Town will provide a safer level of play to users, as well as gain operational savings in energy reduction. It is recommended that \$450,000 of the one-time payment be used to commence this project in 2019, with the remaining \$100,000 of the total cost to be referred to Budget Committee for consideration in 2020.

Included in the Tennis Court Lighting Replacement project is the replacement of tennis court lighting at Emmerson Park with LED lighting systems. Similar to the Sportsfield Lighting Replacement project, this project will reduce the risk around the potential failure of the outdated lighting system, as well as provide operational efficiencies around energy consumption. The total cost of the project is \$175,000; it is recommended that the one-time payment be used to fund \$ 104,000 in 2019 and the remaining \$71,000 be referred to Budget Committee for consideration in 2020.

Staff will be coming forward with a report in the third quarter of 2019 regarding the Corporate Energy Conservation Plan Update, relating specifically to the Climate Change Emergency Resolution. It is recommended that \$75,000 of the one-time funding be used to support implementation of the priorities identified in that report.

The 10<sup>th</sup> Line slope consistently fails each spring resulting in lane restrictions and significant effort and expenditure to restore the roadway surface. The 10<sup>th</sup> Line Slope Alignment project includes the stabilization and reinforcement of the road base and slope approximately 1,900 metres south of 32<sup>nd</sup> Side Road; this will improve the safety and reliability of 10<sup>th</sup> Line. Additionally, enhanced slope stability and improved drainage will mitigate seasonal deterioration, significantly reducing maintenance requirements. The total cost of the project is \$630,000, which includes design work of \$130,000 already approved and completed. It is recommended that the remaining \$500,000 for the construction phase be funded from the one-time funding.

It is further recommended that \$750,000 of the one-time payment be used to fund the Young Street Reconstruction project from Queen Street to Mill Street in Acton. This project includes storm sewer repairs, as well as the partial replacement of the existing road. Young Street is part of the main thoroughfare through Acton, and will result in a significant public benefit when replaced. This project would result in a safer, more reliable roadway and ensure the proper functioning and long-term viability of the Town's storm water system. Moreover, staff is reviewing the potential incorporation of active transportation.

Staff is aware that there may be Council interest in moving forward on the Tolton Park project. The project is currently in the 2020 capital program, with \$120,000 allocated for design and engineering and \$800,000 for re-development work. Development charges will fund 90% of the project, with the remaining funded through reserves. Although the Town was unsuccessful in its submission to Building Canada Small Communities Fund in 2015, and has not met eligibility requirements for the FCM – Green Municipal Fund program, staff will continue to explore alternative funding options for review by Budget Committee.

By way of background, this property located at 11134, 22<sup>nd</sup> Side Road in Limehouse, was formerly owned by the Tolton family and operated as a licensed salvage yard. The 2.23 acre parcel was purchased by the Town in April 2008, with the intent of converting into a passive park. In order to change the use to a park, the site requires remediation and the submission of a Record of Site Condition to the Ministry of the Environment. The clean-up process is expected to be extensive and will require careful coordination of the design/engineering and re-development work to ensure that they are completed in a timely manner (environmental reports are only valid for 18 months in Ontario).

Staff recommends proceeding with the Tolton Park project in early 2020. While an important project in terms of increasing the Town's inventory of parkland, staff gave it a lower risk score compared to the proposed lighting replacement projects. As noted, the systems used to illuminate the heavily utilised Gellert Park baseball diamond 1, the Cedarvale Park soccer field and the tennis court in Emmerson Park are at 'end of life' and if they fail, could create a safety hazard. The outdated lighting not only has risk attached, but it is more costly to operate. The other factor associated with the Tolton Park project is that it is largely funded through DCs. As such, any federal gas tax

applied to this project would mean a further discounting of the DCs in the amount of \$85,500.

Staff is hopeful that the Tolton Park project will move forward in 2020. With projects proposed for funding through the federal gas tax top-up, room will be created in the 2020 capital budget for projects such as the Tolton Park re-development.

#### **RELATIONSHIP TO STRATEGIC PLAN:**

The recommendations put forward in this report support and advance Council's Strategic Priorities.

#### **FINANCIAL IMPACT:**

The 2019 Federal Budget received royal assent on the proposed additional one-time transfer of \$2.2 billion through the federal Gas Tax Fund. The Town will receive an additional \$1,879,461 of funding in July, 2019. This report recommends that the additional funding be used to implement the projects identified in Table 1 of this report.

#### **CONSULTATION:**

The recommendations put forward in this report are the result of a thorough review and ranking of eligible capital projects by representatives from applicable departments, as well as the Senior Management Team.

#### **PUBLIC ENGAGEMENT:**

No public engagement required in reference to this report.

#### **SUSTAINABILITY IMPLICATIONS:**

The Town is committed to implementing our Community Sustainability Strategy, Imagine Halton Hills. Doing so will lead to a higher quality of life.

The recommendation outlined in this report advances the Strategy's implementation.

This report supports all pillars of sustainability through financing capital projects related to the pillars as outlined in Table 1 of this report and, in summary, the alignment of this report with the Community Sustainability Strategy is excellent.

#### **COMMUNICATIONS:**

There is no communications impact.

**CONCLUSION:**

In summary, the Town will receive an additional \$1,879,461 from the federal Gas Tax Fund in July, 2019. Staff is recommending that these funds be used to implement the projects listed in Table 1 of this report. These projects were carefully selected through a thorough review of all eligible projects and will advance Council's strategic priorities.

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "M. J. Leighton".

**Moya Jane Leighton, Manager of Accounting and Town Treasurer**

A handwritten signature in black ink, appearing to read "Jane Diamanti".

**Jane Diamanti, Commissioner of Corporate Services**

A handwritten signature in black ink, appearing to read "Brent Marshall".

**Brent Marshall, Chief Administrative Officer**