

APPENDIX 'A'

#09099

Chair and Members
Board of Control

June 12, 2009
(Contract Increase)

RE: Infrastructure Stimulus Funding - Contract Increase to Tender 09-19 Sewer Liners - Cured in Place Pipe
Capital Project ES2692-491 - Lifecycle Repairs to Sewer Systems-Old North/Downtown London
Capital Project ES2692-501 - Lifecycle Repairs to Sewer Systems-Old East London
Capital Project ES2692-497 - Lifecycle Repairs to Sewer Systems-Old South London
Capital Project ES2692-487 - Lifecycle Repairs to Sewer Systems-South London
Insituform Technologies Limited - \$6,360,385

FINANCE AND CORPORATE SERVICES DEPARTMENT REPORT ON THE SOURCES OF FINANCING:

Upon approval of Federal and Provincial Stimulus Funding, Finance and Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Director, Wastewater and Treatment, the detailed source of financing for this project is:

<u>ESTIMATED EXPENDITURES</u>	<u>Approved Budget</u>	<u>This Submission</u>	<u>Balance for Future Work</u>
<u>ES2692-491-Life Cycle Repairs-North/Downtown</u>			
Construction	2,600,000	640,000	1,960,000
<u>ES2692-501-Life Cycle Repairs-Old East</u>			
Construction	2,200,000	560,000	1,640,000
<u>ES2692-497-Life Cycle Repairs-Old South</u>			
Construction	2,000,000	500,000	1,500,000
<u>ES2692-487-Life Cycle Repairs-South</u>			
Construction	1,200,000	300,000	900,000
NET ESTIMATED EXPENDITURES	<u>\$8,000,000</u>	<u>\$2,000,000</u> 1)	<u>\$6,000,000</u>

SOURCE OF FINANCING:

ES2692-491-Life Cycle Repairs-North/Downtown

Debenture Quota	2a) & 3)	\$866,666	\$213,333	\$653,333
Federal Stimulus Funding		866,667	213,333	653,334
Provincial Stimulus Funding		866,667	213,334	653,333
		<u>2,600,000</u>	<u>640,000</u>	<u>1,960,000</u>

ES2692-501-Life Cycle Repairs-Old East

Debenture Quota	2b) & 3)	733,334	186,667	546,667
Federal Stimulus Funding		733,333	186,667	546,666
Provincial Stimulus Funding		733,333	186,666	546,667
		<u>2,200,000</u>	<u>560,000</u>	<u>1,640,000</u>

ES2692-497-Life Cycle Repairs-Old South

Debenture Quota	2c) & 3)	666,666	166,666	500,000
Federal Stimulus Funding		666,667	166,667	500,000
Provincial Stimulus Funding		666,667	166,667	500,000
		<u>2,000,000</u>	<u>500,000</u>	<u>1,500,000</u>

ES2692-487-Life Cycle Repairs-South

Debenture Quota	2d) & 3)	400,000	100,000	300,000
Federal Stimulus Funding		400,000	100,000	300,000
Provincial Stimulus Funding		400,000	100,000	300,000
		<u>1,200,000</u>	<u>300,000</u>	<u>900,000</u>

TOTAL FINANCING

		<u>\$8,000,000</u>	<u>\$2,000,000</u>	<u>\$6,000,000</u>
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Financial Note:

1) Total Contract Price	\$6,360,385
Less: Amount previously approved by Council March 30/09	4,360,385
Net Contract Increase	<u>\$2,000,000</u>

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NOTES:

- 2) Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.
 - a) An authorizing by-law should be drafted to secure debenture financing for Project ES2692-491-Lifecycle Repairs to Sewer System-Old North/Downtown London for the net amount to be debentured of \$866,666.
 - b) An authorizing by-law should be drafted to secure debenture financing for Project ES2692-501-Lifecycle Repairs to Sewer System-Old East London for the net amount to be debentured of \$733,334.
 - c) An authorizing by-law should be drafted to secure debenture financing for Project ES2692-497-Lifecycle Repairs to Sewer System-Old South London for the net amount to be debentured of \$666,666.
 - d) An authorizing by-law should be drafted to secure debenture financing for Project ES2692-487-Lifecycle Repairs to Sewer System-South London for the net amount to be debentured of \$400,000.
- 3) The municipal portion of this funding is being advanced from capital planning in future years to take advantage of federal and provincial funding, noting that this will create a temporary increase in municipal debt followed by debt capacity in the subsequent years.
- 4) Consistent with the Municipal Council resolution on March 30, 2009, Civic Administration is authorized to make an application to the Federal and Provincial Governments under the Municipal Infrastructure Loan Program for the City's debt component for both property tax supported projects and sewer rate supported projects identified by the Municipal Council as priority projects for stimulus funding.
- 5) There are no additional operating costs in the Environmental and Engineering Services budget in 2010 and subsequent years associated with the approval of this recommendation.

JG/EH



Martin Hayward

Director of Financial Planning & Policy