



Committee Report

To: Warden Mitch Twolan
Members of the Transportation & Environmental Services
Committee

From: Miguel Pelletier
Director of Transportation & Environmental Services

Date: October 17, 2019

Re: Oswald Bridge Construction Finance Update

Staff Recommendation:

The Oswald Bridge Construction Finance Update report is for information.

Background:

Except for follow up environmental work scheduled for 2020, the construction of the Oswald Bridge is complete. The estimated total cost was \$3,269,697 with the Municipality of Arran-Elderslie's cost share at \$204,000. Leaving the County cost share at \$3,065,697. The remaining environmental work for 2020 is estimated at \$65,000 and is not included in the total cost.

The project started in February 2018 to tackle the emergency of the failed bridge due to severe weather and river conditions. On April 9, 2018, this Committee approved the following resolution: That the 2018 Budget be amended to include the replacement cost for the Chesley Bridge estimated at \$3.2 million to initially be funded internally with the financing to be confirmed once the results of the Municipal Disaster Recovery Assistance (MDRA) program application are known.

On August 26, 2019, the Ministry of Municipal Affairs and Ministry of Housing confirmed that this project was not eligible for MDRA funding. The status of reserves indicates that this project could not be fully funded from the bridge reserve (uncommitted funds estimated at \$2,000,000). Depleting the bridge reserve and other reserves would have a significant negative impact on future county programs. The preferred alternative is to seek long-term financing from Infrastructure Ontario. The annual payment based on a 20 years amortization with a 2.48% interest rate for a \$3,066,000 loan will be approximately \$196,304. Total interest paid estimated at \$860,074.50.

Financial/Staffing/Legal/ITS Considerations:

Corporate Services will initiate the process to seek long-term financing with Infrastructure Ontario and to seek Council's approval. The annual payment for the Infrastructure Ontario loan will be included in the Transportation and Environmental Services Operational Budget from 2020 to 2039. The follow up environmental work scheduled for 2020 will be included in the 2020 Bridge capital budget.

There is no staffing, legal or ITS consideration associated with this report.

Interdepartmental Consultation:

The Corporate Services Department was consulted to review and analyze funding options.

Link to Strategic Goals and Elements:

None identified

Approved by:A handwritten signature in dark ink, reading "Bettyanne Cobean". The signature is written in a cursive, flowing style.

Bettyanne Cobean
Acting Chief Administrative Officer