



Report to Council

Department: Infrastructure Services
Division: Drainage
Date: June 7, 2021
Prepared by: Norman Nussio C.E.T, CRS
Manager, Operations and Drainage
Report Number: Drainage-2021-05
Subject: Drainage Cost Recovery Update
Number of Pages: 5

Recommendation(s)

That Drainage-2021-05 entitled Drainage Cost Recovery Update prepared by Norman Nussio, Manager, Operations and Drainage, dated May 17th 2021 be received.

Purpose

This report was developed in response to Council Resolution R-21-02-043 on January 2nd, 2021 as follows:

That in order for Council to be fully aware of outstanding billings for drainage projects, it is hereby requested that a detailed Drainage Billings Report be brought by Administration to Council in February/March 2021 for a full review of the Town's standing on such bills.

Background and Discussion

There are two types of billings that occur in a fiscal year, construction and maintenance. Although similar in nature they both have very different criteria and timelines.

Construction

- Requested by drain owner or petition process.
- Construction projects can take roughly 2 or more years to complete depending on the complexity of the project.
- Cost is incurred over the duration of the project with interim billing from engineers, contractors, studies etc.
- Construction projects must be submitted for Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) grant within one year of the final invoice or by February 15th of each year.
- Administration prepares billing for mail out within the same one year time frame.

Maintenance

- Requested by drain owner or road authority.
- Work is performed under current engineers report and maintenance schedule.
- Work is performed in the current year and bills are sent out the following spring, example (work performed in 2020 will be billed May-June 2021).
- Invoices are grouped by project and reconciled to make grant submission to OMAFRA on or before April 30th each year for anyone within the project scope that holds farm tax class status or eligible for grant.
- Once application has been submitted, the project files are reviewed by the Finance and Drainage Departments and the bills are then prepared for mail out to residents with the grant applied to any owner that qualified.
- If for some reason the grant is not received by OMAFRA for any parcel, then an additional bill will be sent to that property for the funds not received from OMAFRA.

Through this process, drainage updates and manages an ongoing continuity schedule tracking all expenditures to help monitor the dollar value in our cost recovery account. In addition to the continuity schedule, the Drainage and Finance Departments hold a regularly scheduled monthly meeting to discuss process and expenditures throughout the year to ensure full cost recovery.

At this time all maintenance expenditures prior to 2019 have been billed and received and 2020 maintenance billing is being prepared for mail out in June of 2021. Figure 1 shows a summary of 2019 and 2020 maintenance and construction billings/expenditures.

Figure 1 Summary of 2019 and 2020 expenditures

Construction Projects and Expenses		
Quantity	Projects	Total
6	2019 Construction Billed in spring 2020	\$ 307,636.35
15	2020 Construction Billed throughout 2020	\$ 691,550.10
20	2020 Construction Work In Progress	\$ 350,371.34
Maintenance Projects and Expenses		
Quantity	Projects	Total
46	2019 Maintenance Billed in 2020	\$ 408,417.78
39	2020 Maintenance to be Billed in 2021	\$ 486,469.36
17	2020 Maintenance Carry Forward	\$ 119,533.11

As you can see from **figure 1** some maintenance files carry over from one year to the next. This may be due to a project that was started late in the year and completed the following year. In order to avoid sending two bills on one drain for the same project, we hold the minimal cost from the previous year and bill the following year when the project is complete.

Financial Impact

There will be no financial impact as a result of this report.

Consultations

Lindsay Dean, Drainage Superintendent

Kevin Girard, Director, Infrastructure Services

Kate Giurissevich Manager, Finance and Business Services/Deputy Treasurer

Jeffrey Morrison, Director, Corporate Services /Treasurer

Link to Strategic Priorities

- ☒ Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- ☐ Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- ☐ Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- ☐ Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- ☐ Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- ☐ **Improve the Town's capacity to meet the ongoing and future service needs of its citizens** while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

Report Approval Details

Document Title:	Drainage Cost Recovery Update - Drainage-2021-01.docx
Attachments:	
Final Approval Date:	Jun 1, 2021

This report and all of its attachments were approved and signed as outlined below:

A handwritten signature in black ink, appearing to read "K. Girard", written over a light blue horizontal line.

Kevin Girard, Director, Infrastructure Services - May 26, 2021 - 11:11 AM

A handwritten signature in black ink, appearing to read "Chris Nepszy", written over a light blue horizontal line.

Chris Nepszy, Chief Administrative Officer - Jun 1, 2021 - 11:22 AM