

To: Mayor and Members of Council
From: David Creery, P. Eng, MBA
Chief Administrative Officer
Date: November 18, 2021
Re: **Capital Budget – 2022 and Capital Forecast Plan 2023 - 2026**

The 2022 Capital Budget and Capital Forecast Plan for 2023 to 2026 are included in this submission for Council's consideration. Projects are listed on a year by year basis, and financing recommendations are provided.

The 2022 Capital Budget and the 2023-2026 Capital Forecast Plan, as presented, is our projection of needs to maintain the existing infrastructure and needs to support a growing community. Approval of the proposed 2022 Capital program does not commit Council to increased funding in the 2022 Revenue Fund Budget

The COVID-19 pandemic continues to impact the capital program with difficulties in finding contractors, equipment, and construction materials. In general, the cost of equipment and construction has increased resulting in the need to request additional funds throughout the year for some of the 2021 projects. Council will note increases in cost estimates for proposed 2022 items compared with estimates for the same projects in previous forecast years.

The Recreation Facility Needs Study has recently been released for public input. The estimated cost of the recommendations in this study is \$32 million. None of these recommendations are included in the 2022 proposed capital program but Council will find some projects included in the forecast years. The recommendations from this study will be included in future capital budgets once the study is complete and approved by City Council. More importantly, the recommendations of this study will inform the new development charges background study which has recently begun.

There are a number of large projects included in the proposed 2022 Budget and Forecast Plan. These large projects continue to be difficult to finance and difficult to smooth spending out over the forecast period. The Forecast Plan proposes the use of almost \$36 million in debt financing. There are also numerous projects of significant cost for industrial land development. The debt projections do not include these industrial land development projects as it has been assumed that we will fund this work with cash flow from land sales.

Five Year Historical, Proposed 2022, and Four-Year Forecast Total Capital Spending (including County funded sewer and water capital work)

2017 Capital Budget (\$,000's)	2018 Capital Budget (\$,000's)	2019 Capital Budget (\$,000's)	2020 Capital Budget (\$,000's)	2021 Capital Budget (\$,000's)	2022 Draft Capital Budget (\$,000's)	2023 Forecast Capital Budget (\$,000's)	2024 Forecast Capital Budget (\$,000's)	2025 Forecast Capital Budget (\$,000's)	2026 Forecast Capital Budget (\$,000's)
\$22,344	\$17,017	\$28,871	\$31,978	\$24,380	\$25,526	\$37,319	\$31,961	\$44,690	\$33,142
Δ	(\$5,327)	\$11,854	\$3,107	(\$7,598)	\$1,146	\$11,793	(\$5,358)	\$12,729	(\$11,548)

Five Year Historical, Proposed 2022, and Four Year Forecast Own Purpose Capital Spending (excluding County funded sewer and water)

2017 Capital Budget (\$,000's)	2018 Capital Budget (\$,000's)	2019 Capital Budget (\$,000's)	2020 Capital Budget (\$,000's)	2021 Capital Budget (\$,000's)	2022 Draft Capital Budget (\$,000's)	2023 Forecast Capital Budget (\$,000's)	2024 Forecast Capital Budget (\$,000's)	2025 Forecast Capital Budget (\$,000's)	2026 Forecast Capital Budget (\$,000's)
\$20,434	\$14,557	\$24,246	\$27,173	\$22,105	\$22,314	\$34,584	\$26,486	\$32,250	\$29,587
Δ	(\$5,877)	\$9,689	\$2,927	(\$5,068)	\$209	\$12,270	(\$8,098)	\$5,764	(\$2,663)

2022 Proposed Capital Spending versus 2021 Approved Capital Spending

Program	2021 Approved Capital Budget (\$,000's)	2022 Proposed Capital Budget (\$,000's)	Δ Relative to 2021 Approved Capital Budget (\$,000's)
Computer Equipment	\$328	\$144	(\$184)
Fleet & Equipment	\$1,596	\$1,348	(\$248)
Traffic Signals & Crossing Protection	\$140	\$50	(\$90)
Infrastructure: Roads, Bridges, Storm Sewers, Ponds	\$6,020	\$10,264	\$4,244
Sanitary Sewers (County Responsibility)	\$1,305	\$1,865	\$560
Water main (County Responsibility)	\$970	\$2,347	\$1,377
Street Lighting	\$50	\$130	\$80
Development Costs	\$8,445	\$3,480	(\$4,965)
Recoverable from Future Development	\$20	\$1,020	\$1,000
New Buildings, Repairs and Maintenance	\$906	\$903	(\$3)
Fire Department	\$308	\$313	\$5

Parks Department	\$2,155	\$1,703	(\$452)
Transit	\$1,710	\$1,436	(\$274)
Southside/Lions Pool	\$170	\$122	(\$48)
Recreation Programs	\$65	\$0	(\$65)
Community Complex/Civic	\$77	\$90	\$13
Art Gallery	\$10	\$106	\$96
Cowan Park Sportsplex	\$75	\$205	\$130
Library	\$30	\$0	(\$30)
Police	\$0	\$0	\$0
Total	\$24,380	\$25,526	\$1,146

2022 Proposed Capital Budget

The projects proposed for 2022 can be categorized as either projects that replace and maintain (state of good repair) existing capital assets or projects that involve new or growth related capital assets. A typical capital budget is strongly biased towards “maintain and replace” projects. However, the impact of population growth is clearly being reflected in the current capital and forecast budget. “State of good repair” capital spending in the 2022 proposed Budget represents approximately \$15.6 million or 61% of total proposed spending. The balance of \$9.8 million or 39%, relates to capital spending for new capital assets.

Road Renewal Projects

Spending proposed for 2022 is compared against 2021 in the following table.

Year	2021	2022 Proposed
Road Resurfacing	\$1,640,000	\$1,640,000
Surface Asphalt	\$320,000	\$340,000
Road Reconstruction	\$2,780,000	\$3,285,000
Totals	\$ 4,740,000	\$5,265,000

In 2015, City Council received a report seeking to improve road conditions as recommended in the Roads Needs Study. Staff recommended an increase in the asphalt resurfacing budget to \$2 million over a 5-year period. Resurfacing at a higher annual amount is not possible without conflicting with sewer and water main needs that results in complete road reconstruction. City Council approved two of the \$200,000 increments; one in 2015 and the second in 2018. Two more increments (of \$200,000) are needed to reach the annual \$2,000,000 spending on road resurfacing. Over these years City Council has also directed additional spending to road resurfacing financed from either the Reserve for Capital Projects or from a Revenue Fund Budget surplus allocation. It should be noted that neither of these financing methods represents sustainable annual financing for the road resurfacing program.

Currently Base Budget for the annual amount raised for asphalt resurfacing is \$400,000 per year which results in total annual spending of approximately \$1.6 million using the typical other funding sources. The Forecast Plan assumes that annual funding for 2023 and beyond will be raised by one more increment of \$200,000. This can be considered with the 2022 Revenue Fund Budget and/or future Budgets.

There is also a \$505,000 year-over-year increase in the proposed Budget for road reconstruction. The forecast years maintain total annual spending of approximately \$2.9 - \$3.2 million per year. The \$505,000 increase in the 2022 program

does not represent an increase in the amount of road work. Increases result from inflationary effects on materials and labor and costs associated with the new excess soil regulations.

The intent of the City's Long Term Debt Management Policy is to limit annual recurring debt financing to \$900,000 unless otherwise approved by City Council. The 2022 Capital Road program includes debt issuance of \$900,000 for various roads.

It is important to highlight the progress that has been made in increased road investment. For example, approved total roads spending was \$2.3 million in 2010, \$3.4 million in 2015, and \$5.1 million in 2020. This compares with a proposed 2022 road spending program of \$5.3 million.

Building Projects

All the proposed projects in 2022 are to maintain or replace buildings with three exceptions including:

- \$200,000 to retain professional services to prepare design and tender documents for the 2023 expansion and renovation of Southgate Seniors Centre.
- \$50,000 to retain professional services to prepare conceptual designs for an expansion of City Hall to the west.
- \$140,000 to construct a storage building at Cowan Park which is likely to be joined to another \$220,000 project to replace the roofed pavilion at Cowan Park.

The Forecast Plan includes some significant projects, including:

- 2023 Southgate Centre Expansion \$5.3 million,
- 2026 Cowan Fields Civic Centre Arena Replacement \$9 million,
- 2025 City Hall Expansion \$4,000,000
- 2024 Southside Pool Change Room/Facility Expansion \$1,500,000
- 2025 Outdoor Pool \$5,000,000

All the recreation facility projects will be subject to change as the forthcoming Recreation Facility Needs Study will make recommendations for scope and priority.

Parks Department Projects

Annual capital spending proposed in the Parks Department has grown significantly in recent years. The total proposed spending in 2022 is \$1.7 million. Spending remains high in two of the forecast years with totals of \$3.5 million in 2023 and \$2.7 million in 2025. Refinements will be made to this program to smooth this spending out to the extent possible. The 2022 Capital Budget includes the following notable projects:

- Tip O'Neill backstop, dugout - \$260,000,
- Cowan Park Pavilion Replacement –\$220,000
- Cowan Fields Junior Playground - \$305,000,
- Brick Pond Viewing Platform - \$150,000
- Pittock North Shore Sewer and Water Services - \$499,000

Storm Water Management Projects

The Budget and Forecast Plan include the Warwick Area Flooding project, the Southside Pond cleanout and sediment forebay construction, and the cleanout of various storm water management ponds across the City.

Warwick

Previous capital budgets have funded projects recommended by the Warwick Area Flooding Study. These projects include storm sewer oversizing, elimination of cross connections and construction of a dry pond in the inner track of the Fairgrounds. Previous forecast capital expenditures were estimated to be \$5,351,000 (over three years) for the construction of underground storm water storage facilities under the road and the school property. Staff re-opened the environmental assessment given concerns with the recommendation for underground storm water storage facilities due to significant construction cost, significant maintenance cost and the extreme disruption to the neighbourhood during construction. The

current estimated cost of measures to mitigate flooding over the five year budget is \$1.1 million. The \$140,000 included in 2022 is for a backflow subsidy program.

Southside Pond

The Southside Channel project was completed in 2016. The Southside Pond clean out project is proposed for 2022 with an estimated cost of \$2.85 million. This project has been on the capital forecast for many years in the hopes of finding a funding program to help defray the cost. Unfortunately, the City has not been successful in this regard. Council approved the establishment of a Reserve to fund the cost of this project and raises \$500,000 annually which will avoid the need to issue debt for this project. This project will also include the construction of a sediment forebay and a fish ladder.

Storm Water Management Pond Maintenance

Staff have included \$550,000 in 2022 to clean out the Bysham Park storm water management pond. Pond maintenance is included in each of the forecast years with costs ranging from \$290,000 to \$410,000. This will be an ongoing maintenance issue and the establishment of a reserve with an annual contribution will be helpful to finance this work.

Industrial Vacant Land Development Projects

The 2022 proposed budget and the four-year forecast includes significant projects for Industrial Land Development:

2022 Patullo Ridge Phase II (former Alyea Farm) - \$1 million to construct the sanitary pumping station.

2022-2025 Northeast Industrial Park - \$19,350,000

2022-2023 Intersection Improvement Patullo and Highway 59 - \$3.55 million

2023-2025 Woodall Farm Future Road - \$3.75 million

What Projects are Not in This Budget and Forecast Plan?

Downtown Development Plan

The Downtown Development Plan provides a number of strategic directions for Council to consider. The Streetscape Master Plan is underway and will make recommendations for the rehabilitation of the street corridor and Museum Square. Funds are included in 2025 for the redevelopment of Museum Square but this should be considered a place holder only until the Master Plan is complete. Funds to implement the recommendations from this Master Plan in other areas will also need to be included and considered.

Communication Tower

An eventual need has been identified for a replacement communication tower on Bower Hill. The current tower, owned by the County of Oxford, is fully loaded and it is doubtful that the tower can be reasonably upgraded if system expansion is needed. A tower and shelter made ready to install equipment has an estimated cost of \$400,000 plus land costs. Acquiring land rights is the first step in such a project.

Financing the Plan

The municipal cost of capital projects is generally funded through the annual contribution from the Revenue Fund Budget, contributions from reserves and reserve funds, the issuance of debt and capital grants (i.e. Federal/Provincial Gas Tax).

The financing plan for this 5-year program uses the majority of the available grants and includes debt issuance of approximately \$36 million. Delaying projects (beyond the 5-year plan), cancelling projects, increases in Capital out of Revenue, or increases in reserve contributions can be used to mitigate the amount of debt financing.

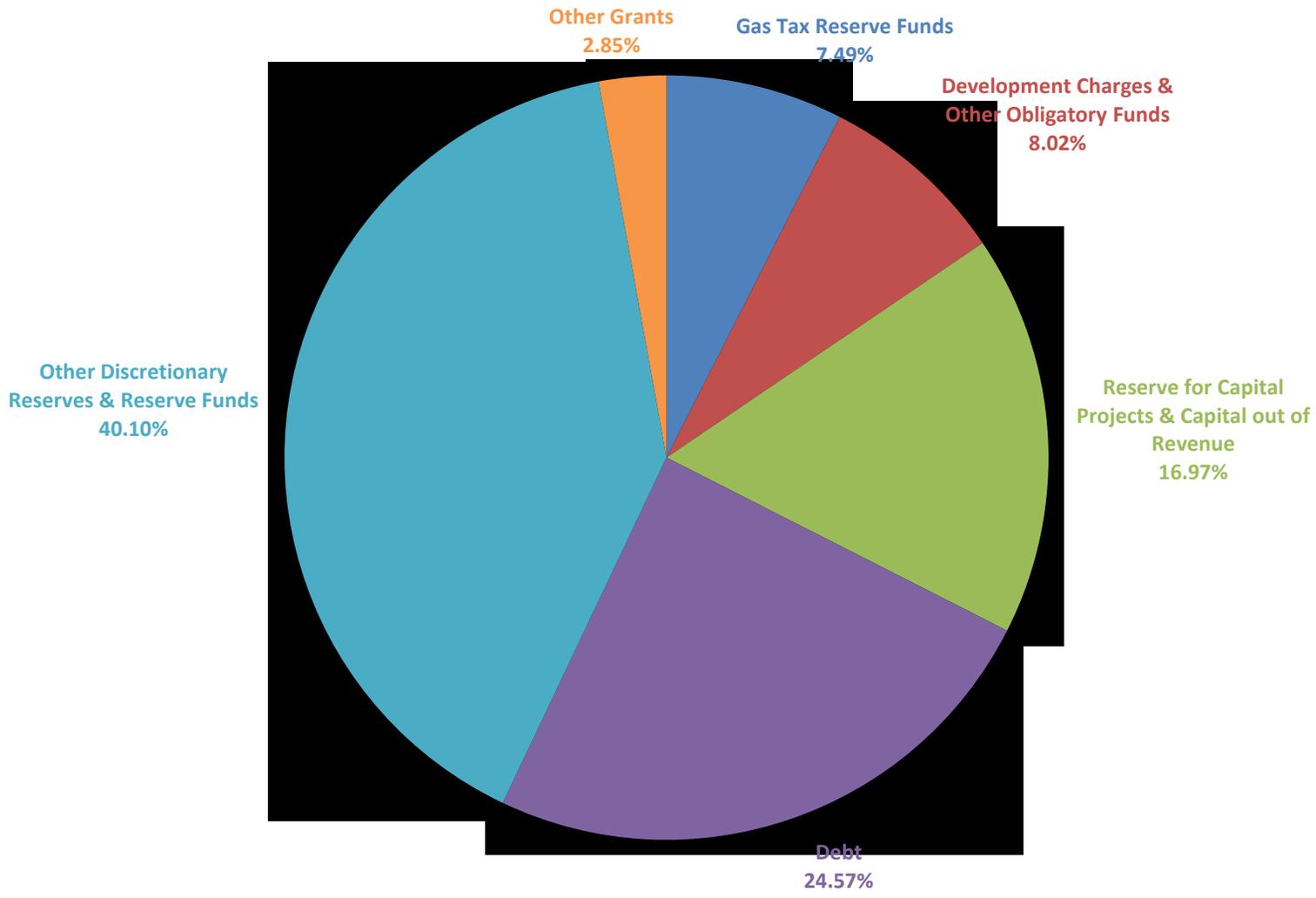
It is important to note that all projects in the 5-year projection need to be carefully examined to ensure that our financial security is not compromised. The projects listed may be modified, moved or alternative financing proposed as a result of further analysis, timing or other decisions of Council. It is also important to recognize that the projections beyond 2022 will undoubtedly be refined as projects move forward.

The 2022 Capital Budget has been developed using the usual contributions to the reserves and the estimated Capital out of Revenue to finance the program. Approval of this program does not commit Council to increased funding in the Revenue Fund Budget.

The following pie chart provides a breakdown of the funding sources for the 5-year Capital Plan. The cost of sewer and water projects has been excluded as the County funds this work through user fees.

A discussion on each of the funding sources (excluding County funding) follows.

CAPITAL PLAN FUNDING SOURCES 2022-2026



Capital out of Revenue

Each year an amount is raised specifically in the revenue fund budget to finance capital projects which is the base allocation. Other sources that contribute to the annual funds available include:

- Increase associated with the revenues from new assessments which helps to offset capital costs resulting from new growth and inflationary cost of work.
- the annual OMPF allocation (\$27,800),
- the balance of the OLG slot funding after other allocations (i.e. revenue fund budget 30%, grants, hospital commitment). Due to the intermittent closure of the gaming facility and the resulting loss of OLG funding this source is not currently applied to Capital out of Revenue funding.

The estimated total Capital out of Revenue for 2021 is \$3,481,000 which is considerably lower than the approximate \$4 million that it would be if the OLG funding was not impacted by the pandemic. Any residual OLG funding after applying the fixed allocations will be contributed to the Reserve for Capital Projects.

Reserves & Reserve Funds

Reserves & reserve funds are also used to finance capital expenditures. Amounts contributed and financing decisions are based on a review of current funds available and projected expenditures. The proposed 2022 Capital Budget allocates financing of \$13.9 million from Reserves and Reserve funds.

According to our projections included in the Forecast Plan, there are a number of reserves/reserve funds that are insufficient to meet forecast needs, however these are also offset by others with sufficient funds that can be directed to the needed area.

The reserve with the greatest deficit is the Recoverable from Developers which will require further refinement and consideration as development policies can be amended to shift financing responsibility. The next largest reserve deficit is the Industrial Land Reserve. This deficit is largely the result of not recording revenues from land sales due to the uncertainty of land sale timing. To the extent possible, we will try to match spending with available funds. We are confident that there will be sufficient land sales to fund the proposed 2022 work.

The deficit in the Reserve for Capital Projects exists as there are no annual contributions to this Reserve. Historically City Council allocates any budget surpluses to this Reserve. The deficit position highlights the importance of continuing the practice of contributing budget surpluses to the Reserve for Capital Projects.



Revenue Source	2022			2023			2024			2025			2026			
	Starting Balances (Funding)	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance
0100 CAPITAL FUND																
52001 RES FUND - LAND FOR PUBLIC PURPOSES	433,206	50,000	4,000	479,206	50,000	134,000	395,206	50,000	25,000	420,206	50,000	4,000	466,206	50,000	4,000	512,206
52002 RES FUND - STREET LIGHTING	461,574	100,000	45,000	516,574	100,000	134,000	482,574	100,000	175,000	407,574	100,000	248,000	259,574	100,000	234,000	125,574
52003 RES FUND - DOWNTOWN REDEVELOPMENT	697,406			697,406		80,000	617,406		100,000	517,406			517,406			517,406
52004 RES FUND - ART ACQUISITION	56,951	5,000	10,000	51,951	5,000	10,000	46,951	5,000	10,000	41,951	5,000	10,000	36,951	5,000	10,000	31,951
52007 RES FUND - COMPLEX BALL DIAMONDS	38,515		36,000	2,515			2,515			2,515			2,515			2,515
52009 RES FUND - INDUSTRIAL LAND	2,150,000	2,775,000	3,195,000	1,730,000	11,000,000	11,250,000	1,480,000	10,500,000	7,430,000	4,550,000	300,000	8,195,000	(3,345,000)		840,000	(4,185,000)
52010 RES FUND - HYDRO RESERVE	505,813	83,000		588,813	83,000		671,813	83,000		754,813	83,000		837,813	83,000		920,813
52026 RES FUND - BALL DIAMONDS	2,949			2,949			2,949			2,949			2,949			2,949
52038 RES FUND - PARKS & REC SPONSORSHIP	358,677			358,677		150,000	208,677			208,677			208,677			208,677
52013 RES FUND - Street Trees	252,737		140,000	112,737		90,000	22,737		90,000	(67,263)		90,000	(157,263)		90,000	(247,263)
RES FUND - Complex Roof	200,000			200,000			200,000			200,000		400,000	(200,000)		400,000	(600,000)
51003 RESERVE - REPLACEMENT OF EQUIPMENT	1,120,726	1,221,000	1,348,000	993,726	1,221,000	1,575,000	639,726	1,221,000	1,260,000	600,726	1,221,000	1,002,000	819,726	1,221,000	1,238,000	802,726
51009 RESERVE - PURCHASE OF FIRE EQUIPMENT	371,675	325,000		696,675	325,000	1,020,000	1,675	325,000	40,000	286,675	325,000		611,675	325,000		936,675
51013 RESERVE - REPAIRS TO MUNICIPAL BUILDING	244,400	450,000	615,000	79,400	450,000	578,000	(48,600)	450,000	625,000	(223,600)	450,000	300,000	(73,600)	450,000	5,000	371,400
51020 RESERVE - PARKS & OPEN SPACES	199,101	200,000	230,000	169,101	200,000	365,000	4,101	200,000	165,000	39,101	200,000	235,000	4,101	200,000	140,000	64,101
51045 RESERVE - COMPUTERS	31,000	150,000	117,850	63,150	150,000	48,000	165,150	150,000	43,000	272,150	150,000	67,000	355,150	150,000	146,000	359,150
51060 RESERVE - ASPHALT RESURFACING	234,100	400,000	400,000	234,100	600,000	600,000	234,100	600,000	600,000	234,100	600,000	600,000	234,100	600,000	600,000	234,100
51111 RESERVE - BRICK WETLANDS DEVELOPMENT	23,000		23,000													
51127 RESERVE - LIBRARY	271,100			271,100			271,100			271,100			271,100			271,100
51143 RESERVE - BUILDING	1,800,000	81,000		1,881,000	81,000		1,962,000	81,000		2,043,000	81,000		2,124,000	81,000		2,205,000
51194 RESERVE - RADIO POLICE & FIRE	85,000	75,000		160,000	75,000		235,000	75,000		310,000	75,000		385,000	75,000		460,000
51197 RESERVE - SOUTHSIDE POND CLEANOUT	2,000,000	500,000	2,500,000													
14009 RESERVE - CAPITAL PROJECTS - CITY	4,101,000		2,084,000	2,017,000		1,149,000	868,000		1,866,000	(998,000)		1,784,000	(2,782,000)		272,000	(3,054,000)
14012 RESERVE - RECOVERABLE FROM DEVELOPEF	1,179,700		1,020,000	159,700			159,700			159,700			159,700		7,765,000	(7,605,300)
RES FUND DC - Admin	50,158			50,158			50,158			50,158			50,158			50,158
RES FUND DC - Library	1,930,560	30,000		1,960,560	14,000		1,974,560	25,000		1,999,560	25,000		2,024,560	25,000		2,049,560
RES FUND DC - Public Works	(116,790)	30,000		(86,790)	50,000		(36,790)	65,000		28,210	65,000		93,210	65,000		158,210
RES FUND DC - Roads & Related	2,802,800	482,000	1,505,000	1,779,800	504,000	1,105,000	1,178,800	545,000	1,456,000	267,800	545,000	663,000	149,800	545,000	96,000	598,800
RES FUND DC - Transit	175,058	67,000	242,058	61,000			303,058	57,000		360,058	57,000		417,058	57,000		474,058
RES FUND DC - Parks & Recreation	5,423,130	1,077,000	635,000	5,865,130	947,000	2,683,500	4,128,630	881,000	1,583,500	3,426,130	881,000	833,000	3,474,130	881,000	415,000	3,940,130
RES FUND DC - Fire	407,930	35,000		442,930	45,000		487,930	55,000		542,930	55,000		597,930	55,000		652,930
Total Capital Tree	27,491,476	8,136,000	13,907,850	21,719,626	15,961,000	20,971,500	16,709,126	15,468,000	15,468,500	16,708,626	5,268,000	14,431,000	7,545,626	4,968,000	12,255,000	258,626

Debt

With careful use, debt is an important tool to provide needed facilities and infrastructure improvements recognizing that the benefits extend many years out and that the current ratepayer should not and probably cannot, bear the full costs of the project in one year.

The City has substantial room to issue new debt. The Province has calculated our Annual Repayment Limit for 2021 as \$16,444,495.

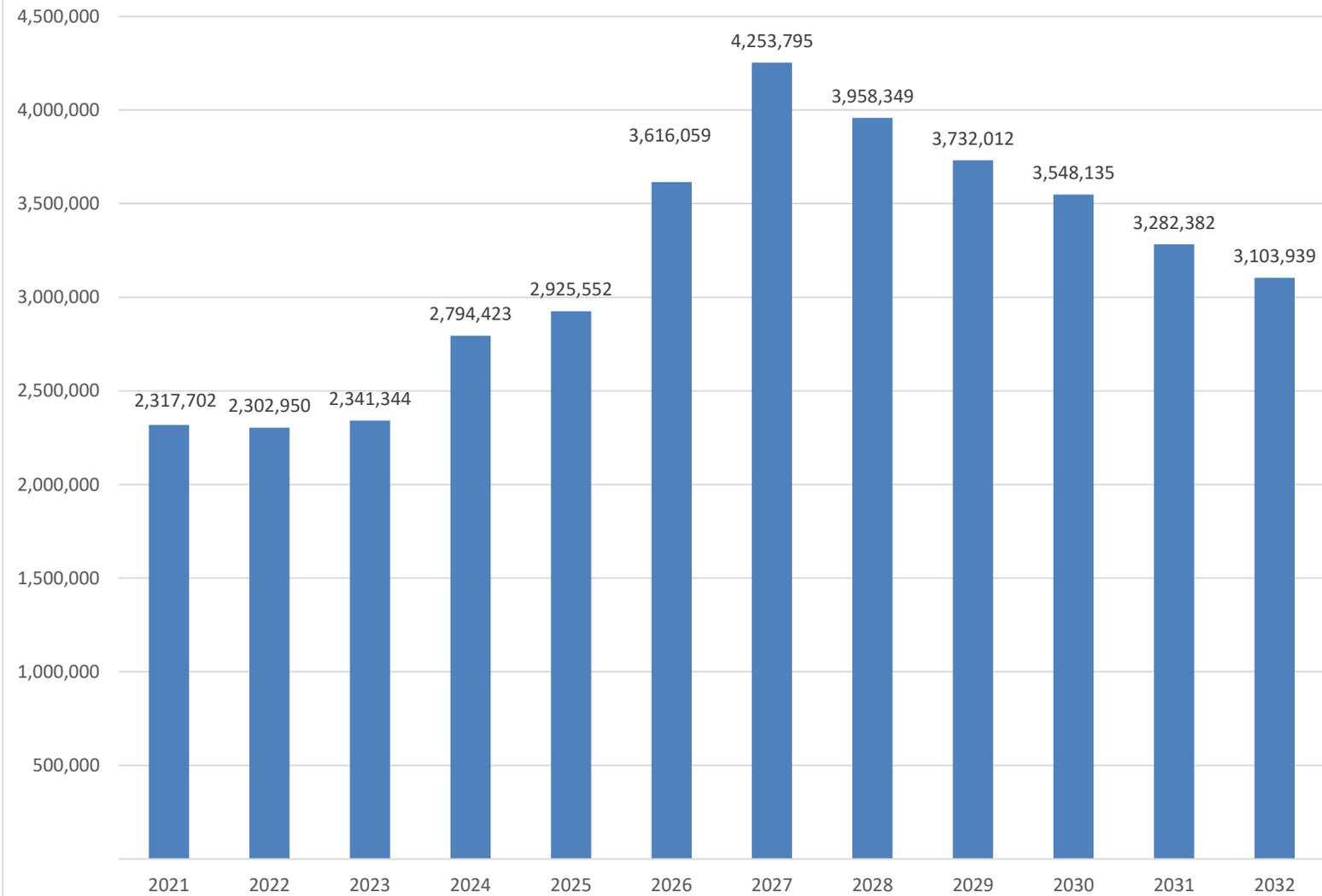
Each \$1,000,000 of debt issued costs the taxpayers \$ 112,000 a year for 10 years or \$ 64,500 for 20 years.

The 2022 Capital Budget includes the issuance of \$900,000 of debt comprised of various road reconstruction projects.

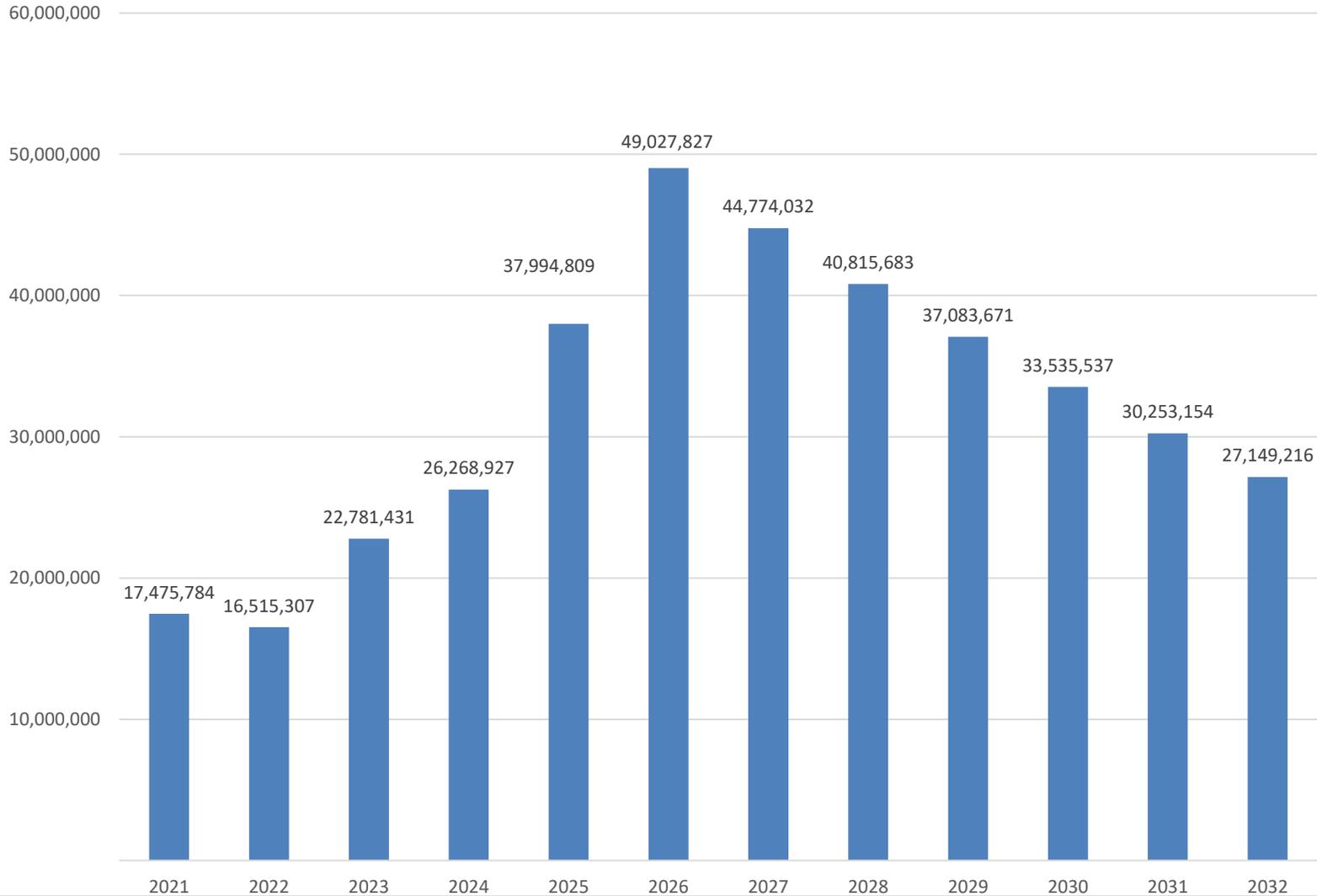
The Capital Forecast years (2023-2026) include the issuance of approximately \$35 million in debt to fund projects. Examples of projects proposed to be funded through debt in the forecast years include the ongoing road reconstruction program, Southgate Centre expansion/renovation, City Hall expansion/renovation, Cowan Fields Community Centre (Civic arena), and museum square revitalization and others.

Two charts have been included which illustrate the debt repayment schedule and total debt if all projects went forward as shown in the Capital Budget. Mitigation measures used before and available include such things as financing the debt “spikes” with strategic contributions from reserves to flatten the spike and the cost to the ratepayer of the day.

Total Annual Payments Based on Preliminary 2022 - 2026 Capital Budget



Total Outstanding Debt Based on Preliminary 2022 - 2026 Capital Budget



Grants

We receive Gas Tax funding from the Federal and Provincial governments. These grants must be applied to specific types of projects which increase our expenditures over and above our normal levels. These grants are identified in the budget as follows:

PGT	Provincial Gas Tax (ongoing)
FGT	Federal Gas Tax (ongoing)
OCIF	Ontario Community Infrastructure Fund
ICIP	Investing in Canada Infrastructure Program (application based)
ICIPC	Investing in Canada Infrastructure Program – COVID -19 Resilience (\$256,073 - new stream one time)

The 2022 Capital Budget proposes the use of \$4,025,000 of grants in the form of Federal Gas Tax, Dedicated Provincial Gas Tax funds (transit), OCIF Formula, ICIP, ICIP COVID Resilience, and Fire and Art Gallery related grant funding. The Capital Forecast Plan applies the majority of the Federal Gas Tax and the Dedicated Provincial Gas Tax funds available over this time frame. Unlike Federal Gas Tax funds, Dedicated Provincial Gas Tax funds can be used for incremental investments in public transit service above baseline spending.

A summary detailing the allocation of the capital grants available in order to provide Council with a comprehensive overview of our available financing follows.

ESTIMATED CAPITAL FUND POSITIONS - GRANTS

Revenue Source	2022			2023			2024			2025			2026			
	Starting Balances (Funding)	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance
0100 CAPITAL FUND																
52022 RES FUND - PROVINCIAL GAS TAX	857,000	357,000	515,000	699,000	357,000	874,000	182,000	357,000	150,000	389,000	357,000	750,000	(4,000)	357,000	410,000	(57,000)
52034 RES FUND - FEDERAL GAS TAX (AMO) (CC)	1,767,495	1,297,000	1,795,000	1,269,495	1,353,000	1,658,000	964,495	1,353,000	1,822,000	495,495	1,353,000	1,527,000	321,495	1,353,000	1,377,000	297,495
14004 OCIF Funds		550,000	550,000		550,000	550,000		550,000	550,000		550,000	550,000		550,000	550,000	
ICIP FUNDING - Transit		921,000	921,000		230,000	230,000										
OMCC Funding	182,769			182,769			182,769			182,769			182,769			182,769
GRANTS - Enbridge Union Gas		196,000	196,000													
GRANTS - Gallery		48,000	48,000													
Total Capital Tree	2,807,264	3,369,000	4,025,000	2,151,264	2,490,000	3,312,000	1,329,264	2,260,000	2,522,000	1,067,264	2,260,000	2,827,000	500,264	2,260,000	2,337,000	423,264

Selected Commentaries:

Fleet and Equipment 0300

Public Works – Purchase 1 Used Garbage Packer - \$75,000

City growth will result in the need to re-balance garbage and recycling collection routes soon. An additional collection vehicle will need to be put on the street for some portions of the weekly collection cycle to handle this growth. Staff are reluctant to purchase a new garbage packer given the uncertainty of who will be providing the recycling collection service in 2025 under the new Blue Box Extended Producer Responsibility system. A used packer is preferred if possible.

Traffic Signals and Crossing Protection 0301

Repairs at Existing Signalized Intersections – \$50,000

Funds in 2022 are for signal conflict monitoring and miscellaneous repairs.

Rebuild Traffic Signals

Funds in 2023 are for the signals at Wellington and Ingersoll Ave; Funds in 2025 are for the signals at Wellington and Peel.

2023-2025 Pedestrian Traffic Signals

The Transportation Master Plan recommended the use of a warrant system for the determination of need for the installation of pedestrian traffic signals. The need for an IPS is being monitored at Springbank/Sprucedale, which is the project tentatively identified in 2023. The IPS projects in subsequent years are Huron Street in the vicinity of the Salvation Army and Devonshire Avenue in the vicinity of Brompton Ave.

New Traffic Signals

Funds in 2023 are for new signals located at Dundas and Vansittart Ave; Funds in 2025 are for new signals at Juliana Dr and Finkle St.

Roads 0303

Bridge Rehabilitation and Inspections

Funds in 2022 are for the Butler Street bridge.

2023-2025 Warwick Flooding Remediation

Funds included in 2022 anticipate the launch of a backflow preventer subsidy program.

2022 Sidewalk Construction - \$200,000

Project will fund sidewalk replacement on Huron Street between Ingersoll Ave south to Dundas as part of the County reconstruction of this road.

Roth Park Erosion Repair – \$50,000

Project will address erosion on the south shore of Pittock at the outlet of the Industrial Avenue storm sewer.

Street Lighting 0308

New Street Lights - \$130,000

Funds in 2022 will be for street lighting along Finkle Street between Juliana Drive and Athlone Ave.

Development Costs 0309

Alyea Farm – (Patullo Ridge Phase II Industrial Park) - \$1,000,000

City share of the sanitary pumping station needed to service this industrial park and surrounding area.

Northeast Industrial Park - \$1,000,000

Continuation of environmental assessments and studies needed as we work towards approval for the development of this industrial park.

Recoverable From Developers 0311

15th Line Extension Cost Sharing - \$1,000,000

The 15th Line parallels the eastern boundary of the Meadows golf course. Both the Meadows golf course and the easterly farm are being developed into residential subdivisions by two different developers. This unopened road allowance will become an actual road with the development of these lands. It is unclear if both developers will begin construction at the same time. This amount represents half of the cost of an initial section of the road. The City has a practice of front-end financing such costs. The City will recover the funds from the benefitting developer.

New Buildings, Repairs & Maintenance 0310

Southgate Centre Renovation and Addition - \$200,000

Funds are included in 2022 to retain architectural and professional services to design and prepare tender documents for the planned 2023 project.

2023 Police station Boardroom - \$50,000

A total of \$25,000 was budgeted in 2020 for a renovation to original Police Services boardroom. A new boardroom was constructed with the expansion project but this project did not renovate the older boardroom. This project has grown in scope to expand this older boardroom into a former lobby/waiting area. Additional funds of \$50,000 are requested to expand this project scope.

2024 Cowan Fields Community Centre - \$9,000,000

This project will be considered with the Parks and Recreation Facility Needs Study which has recently been issued for public comments. Primarily this project will replace the aging Civic Centre arena and may include other amenities that would be identified through the Recreation Facility Needs study.

City Hall Expansion

Funds included in 2022 will provide for a conceptual design for a westerly addition to City Hall to include a new accessible public entrance, lobby, Council Chamber access and customer service desk. This design work is also intended to improve controlled public access and address a lack of office space. The \$4 million budgeted in 2025 is a rough estimate of the anticipated cost which will need to be refined once this work is complete.

Transit Department 0709

Transit Expansion – \$1,256,000

The City was successful in its application under the ICIP funding program to support a transit expansion including the purchase of 2 new buses, expansion to the bus garage and software that will inform users of real time bus locations and estimated time to reach specific stops. This type of system will allow Transit services to transition away from the historical singular transfer point at the transit terminal to a more dynamic system that provides transfers throughout the network.

Transit Terminal Site Improvements - \$20,000

Installation of an LED information board and clock.

Solar Powered Lights - \$10,000

Solar powered streetlights that are motion activated for new bus stops that are in otherwise dark locations.

Fire Department 0400

Predictive Rail Crossing - \$246,000

This project is conditional on receipt of a grant estimated to be approximately \$196,000; leaving \$50,000 to be financed by the City. This system will use technology to detect vibrations on railroad rails to predict train traffic that could block roadways and delay fire response.

Parks 0701

2022 Winterlights - \$75,000

This project is the second year of a two year effort to replace the downtown street light Christmas displays.

2025 Museum Square Revitalization

Funds tentatively included in 2025 are to make Museum Square more easily adaptable to the various events and purposes for which it is used each year. The cost estimate is a placeholder only and will be better informed once the streetscape master plan is complete.

2023 – 2024 Living Infrastructure - \$180,000

The project is an alternative to street trees downtown. The City has not had success with street trees due to the harsh salt laden environment and lack of good soil. The trial is to construct a structural framework and plant Wisteria vines that will grow to the shape of a tree as it envelops the framework. The project has moved into the forecast years as it should be considered as part of the ongoing streetscape master plan before being considered for final approval.

Cowan Fields Development – Cricket Pitch and Baseball Diamond

These projects are included in 2023 and beyond, with the cricket pitch being scheduled for 2023. The projects are expected to be considered in the soon to be released Recreation Facility Needs Study.

Cowan Fields Basketball Courts

A project with an estimated cost of \$280,000 is included in 2023 for outdoor basketball courts which will be considered through the Recreation Facility Needs Study.

Disc Golf Redevelopment - \$20,000

Four of the holes at the disc golf course on the north shore of Pittock will be reconfigured/relocated due to conflicts with parking areas.

Southside Pool 0705

2023 – 2025 Facility Expansion/New Outdoor Pool/New Splash Pad

Various projects are included in accordance with the Council decision of December of 2019 to establish a preference to replace Lions Pool with a new outdoor pool beside Southside Aquatic Centre and to replace Southside Wading Pool with a new splash pad, in principle. This will be considered in more detail during review of the Recreation Facility Needs Study.

Summary

It is important to note that all projects in the 5-year projection need to be carefully examined to ensure that our financial security is not compromised. The projects listed may be modified, moved or alternative financing proposed as a result of further analysis, timing or other decisions of Council. It is also important to recognize that the projections beyond 2022 will undoubtedly be refined as projects move forward.

The 2022 Capital Budget has been developed using the usual contributions to the reserves and capital out of revenue to finance the program. Approval of this program does not commit Council to increased funding in the Revenue Fund Budget.

Respectfully submitted,

David Creery