

Subject: Public Works Operational Review

Recommendation:

BE IT RESOLVED THAT Council receive Report # 2021-0023 for information.

Background:

In the fall of 2020 Council included the operational review of the Public Works as one of its strategic priorities. Staff initiated an RFP for a consulting firm to undertake this study, which was funded through a provincial grant. The overall objective of the engagement was to provide a plan to ensure that the Town has sufficient resources and facilities that will efficiently meet service level expectations of the Town's infrastructure both currently and into the future at the lowest life-cycle cost. The assignment was awarded to KPMG in the fall of 2020 and was funded through the Municipal Modernization Program Grant issued by the Province of Ontario.

The Town's current population is 17,100 residents (based on the 2019 Financial Information Return FIR) that are located within urban and rural areas encompassing 126.43 square kilometres.

The Town's Public Works department contains four main business units:

1. Roads;
2. Winter Control;
3. Beautification; and
4. Water/Wastewater.

The department is led by the Director, Public Works with a Manager, Public Works. The Public Works department is operated out of the Tice Road Operations Centre where equipment, supplies and materials are stored. In addition, the Director, Public Works manages the Engineering Department, a team comprised of engineers, out of Town Hall. The department is responsible for planning reviews, designing, supervising and maintaining the Town's infrastructure and related capital assets.

Over the next decade, the Town will experience significant growth due to the development of East Fonthill and East Fenwick and the surrounding area(s). Currently, the Town is able to meet its expected level of service given its current resource structure; however, the anticipated growth will strain the Town's resources – particularly during the next five years – including yard space, staffing and capital assets such as vehicles and equipment. The current Public Works yard has been stretched to its limit which only increases the challenge of acquiring and storing new assets to keep up with growing service level expectations. The Town will need a plan to ensure it has sufficient resources and facilities to meet service level expectations of the Town's infrastructure both currently and into the future, efficiently and at the lowest life-cycle cost.

KPMG's scope of work was to assist in the development of a plan to use the existing Operational Facility and Patrol Yard (Tice Road Facility) to optimally support current and future operational needs for the Town's Public Works Division including the Operational, Engineering and Facility departments. The project had three secondary objectives:

1. *Conduct Current State Review* in which a review was conducted to assess current operations and facilities at each of the division's locations. The objective was to identify what the existing space and amenities can accommodate at current industry standards and what gaps (if any) existed.
2. *Anticipate Projected Future Workload* in which a review was completed assessing current workload and support staff, equipment, supplies, and materials while anticipating future resources needed to maintain the Town's infrastructure including, but not limited to, roads, bridges, culverts, water-wastewater infrastructure, facilities and parks and cemeteries.
3. *Provide Facility and Resource Optimization Plan* to identify risks with the current facility and overall operations including recommendations to optimize operations (winter and summer) and associated changes needed at the operations centre and office locations.

Analysis:

Within the Provincial and Regional growth estimates, the Town of Pelham will see a population increase of 9,120 residents, an increase of 53%, and the addition of approximately 3800 dwellings with the completion of the East Fonthill and East Fenwick residential developments. This growth will result in the addition of 50 lane km of roads, 50 km of municipal sidewalks, 2.5 km of pedestrian trails, and approximately 4000 municipal boulevard trees. KPMG has reported that the Town's Public Works department is stretched to meet the current service levels with the current infrastructure it has to maintain, and significant growth will begin to strain the department's resources including yard space, staffing, and capital assets. Notably, the current yard (~2 acres) is exceeding its storage capacity, is smaller relative to municipalities of similar size, and has no indoor storage for snow plows.

KPMG conducted a comparative analysis with other local area municipalities of similar size. The primary purpose of the comparative analysis was to understand the performance of comparator municipalities' Public Works functions in order to identify opportunities to improve the Town's service delivery. Specifically, the comparator analysis analyzed: (1) Public Works operating expenses; (2) Number of Public Works FTE's against total operating expenses; and (3) Public Works facility size against total operating expenses.

The results of the analysis indicated the following in relation to the comparator group: (1) the Town of Pelham has the lowest operating expense; (2) the Town of Pelham employs the fewest number of full time employees (FTE's); and (3) the Town of Pelham's Public Works yard (Tice Road Facility) is the smallest facility with respect to available space.

KPMG created a model to forecast future service levels from 2021-2041. Based on the model, it is expected that the Engineering and Public Works Operations departments will require the following additional resources: (1) Approximately 0.40 acres of space for the Public Works yard and employee space between now and 2041; (2) 5 additional FTEs by 2025 (2 for Engineering; 3 for Public Works Operations); (3) \$635K for additional vehicles, equipment and machinery; and (4) \$1.1M of additional operating budget between now and 2025.

Near-term site expansion raises the question of what long-term needs also

need to be considered. With this in mind, KPMG also considered the possibility of constructing a new facility that would meet medium and long-term staff needs, allow for optimal indoor equipment storage, and consider the possibility that future material supply may require on-site storage for a year's worth of ice-control material. A new facility of this nature would require approximately 4 acres of space to meet growing service levels, with an estimated building cost of approximately \$2.6M (Class 5 estimate, ROM).

KPMG's report entitled "Public Works Operational Review", dated January 11th is included in Appendix A of this report for review and consideration. With this analysis completed, the Town is better equipped to address growing service levels and to make the best choice for the future as it continues to grow.

Financial Considerations:

There are no immediate financial considerations for this report as it is for information purposes only.

Alternatives Reviewed:

There were no alternatives reviewed as this report is being presented to Council for information purposes only.

Strategic Plan Relationship: Strong Organization

Developing a sustainable plan for Public Works to accommodate the expected growth over the next 20 years will ensure that the department is able to provide the expected level of service to the residents of the Town of Pelham.

Other Pertinent Reports/Attachments:

Appendix A – Public Works Operational Review, KPMG, January 11th, 2020

Consultation:

Consultation was completed with KPMG in the preparation of this report.

Legal Consultation, If Applicable:

There was no legal consultation completed in the preparation of this report.

Prepared and Recommended by:

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