

Subject: Feasibility Study for Joint Operations Centre with Niagara Region

Recommendation:

BE IT RESOLVED THAT Council receive Report #2023-0200 Feasibility Study for Joint Operations Centre with Niagara Region, for information;

AND THAT Council direct staff to include \$50,000 to fund the Town of Pelham's cost contribution of the feasibility study as part of the 2024 Capital Budget for Council's consideration.

Background:

In 2020 the Town retained KPMG to undertake an operational review of the Public Works Department (Attached as Appendix 3). The 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 Department 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 a 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.

The results of the study indicated that 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 strains the department's resources including yard space, staffing, and capital assets. Notably, the current yard (~2 acres) has inadequate storage capacity, is smaller relative to municipalities of similar size and has no indoor storage for vehicles.

KPMG created a model to forecast future service levels from 2021-2041. Based on the model, it is expected that the department 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.

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). Current construction market costs estimate that a new facility for Public Works would require a budget of approximately \$8M to \$12M.

In an effort to explore options for shared services, Town staff entered into conversations with Niagara Region to explore the possibility of cohabitating in a shared Public Works Operations Centre.

Region of Niagara staff have requested authorization through the Regional Public Works Committee to proceed with a feasibility study that would explore the option of having a shared operations centre located in the Town of Pelham at 1495 Victoria Ave. (the existing Region public works yard). The report was presented to Regional Public Works Committee on September 12th and to Regional Council on September 21st.

This report provides an update on the status of the proposed feasibility study and provides information to the Town of Pelham Council regarding the proposed study. It is attached to this report as Appendix 2.

Analysis:

Niagara Region became the owner of the Regional Yard, at 1495 Victoria Ave, Fenwick, ON L0S 1C0, in February of 1975 (see Appendix 1). The property is 7.77 acres in size. The property includes the following structures:

- 1,374 SF service garage (1990)
- 2,607SF operations office (1990)
- 585 SF equipment garage (1990)
- 408 SF material storage garage (1990)
- 2 – 7,854 SF salt-sand storage domes (1971/2001).

Presently, 24 road operations staff members report to this facility during spring, summer, and fall road maintenance operations, and 22 staff members during winter maintenance operations for what Regional patrol Areas 13 and 14.

The recognition of the potential benefit from alternative operational facilities was historically identified through the completion of a 2004 Patrol Yard Network Development Strategy Report. The report concluded the Smithville and Pelham Patrol Yards were deficient in terms of being able to support daily operations due to issues with aging buildings, the advancement in technology, fleet expansion and growing service demand.

As a result of the 2004 study, a Niagara Patrol Yards Study was undertaken in 2013 to explore available options to address the demands of both locations. That study recommended the construction of a new facility in the vicinity of the current Smithville Patrol Yard that would accommodate both the Smithville and Pelham Patrol Yards. The geographical distance of the proposed location for the new facility placed staff and resources for the Pelham Patrol Yard at an unreasonable distance from the service area for which staff working out of the Pelham Patrol Yard are responsible. The recommendation of this report was never initiated.

At the time, the report did not consider the exploration of co-locating with a local municipality to meet the needs of both Niagara Region and a local municipality. The Region has currently paused the advancement of moving forward with a new regional yard in Smithville and is taking the opportunity to conduct this feasibility study using shared services with the Town of Pelham which could act as a potential model to explore options of a shared service model with other municipalities including West Lincoln.

The exploration of a joint Operations Centre has not been considered or analyzed to date and the completion of a feasibility study will assist Niagara Region and The Town of Pelham with the necessary information to determine whether the permanent establishment of a co-located facility is feasible on the current Regional Yard grounds to meet the current and future demands of both municipalities.

Undertaking a feasibility study will provide critical information and analysis on the proposal to explore a joint Operations Centre. This information will assist Council and staff with making an informed decision in the pursuit of this opportunity. The study will establish the practicality of this proposal by examining and reporting the potential benefits, disadvantages, opportunities, barriers, and threats from an economic, social, technological, legal, and environmental perspective.

Additionally, the study will review the potential for cost savings to both municipalities through cost sharing for maintenance, utilities, material, and equipment acquisition and outline the capital funds required to construct a new joint facility.

A joint Operations Centre provides an opportunity to streamline processes and service delivery methods and enables improved communication between each municipality. Furthermore, the establishment of a joint facility promotes collaboration, the exchange of ideas, processes, best practices and expertise in the maintenance and operation of the municipalities' road networks. It also presents an opportunity to reduce the environmental footprint of each municipalities Yard through the consolidation of resources and reduction of individual property acquisition.

Each municipality has committed to collaborate and work together throughout the entirety of this initiative to ensure the interests of both municipalities and the residents of Niagara Region and The Town of Pelham are represented and fully considered.

Financial Considerations:

Anticipated feasibility study expenditures will be allocated equitably between Niagara Region and The Town of Pelham. Niagara Region will fund the entirety of the costs associated with the completion of the Service Delivery Review portion of the study. Niagara Region's costs are anticipated to be \$100,000 and will be funded through the approved Transportation Services Division Annual Patrol Yard Improvement capital project (20000915).

The Town will be required to fund a third of the study estimated at \$50,000. At the direction of Council staff will include a capital project to fund the Town's portion of the study in 2024.

Alternatives Reviewed:

Option 1: Expand the current facility and yard at the Tice Road location.

Option 2: Purchase land and develop a new facility at an alternate location.

Pending the outcome of the feasibility study for a joint operations centre with Niagara Region staff will explore these alternatives and report back to Council at a later date.

Strategic Plan Relationship: Infrastructure Investment and Renewal

This report aligns with Council's Strategic Priorities of Infrastructure Investment and Renewal by addressing the action item of a future Tice Road Operations Centre Expansion, Renovation, and or Relocation.

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.

Consultation:

Consultation was undertaken with the Director of Transportation Services Niagara Region, the Manager of Public Works Town of Pelham, and the Director of Corporate Services/Treasurer Town of Pelham.

Other Pertinent Reports/Attachments:

Report 2021-0023 Public Works Operational Review, February 1, 2021.

KPMG Town of Pelham Public Works Operational Review, January 21, 2020.

PW 28-2023 Feasibility Study to Explore a Joint Operations Centre with the Town of Pelham Public Works Department, September 12, 2023.

Prepared and Recommended by:

Jason Marr, P. Eng.
Director of Public Works

Prepared and Submitted by:

David Cribbs, BA, MA, JD, MPA
Chief Administrative Officer