

Subject: 10-Year Capital Plan Update

Recommendation:

**BE IT RESOLVED THAT Council receive Report # 2024-0122-
Corporate Services, the 10 Year Capital Plan Update, for information.**

Background:

The 10-year capital plan is part of the Town of Pelham's Capital Budget. In the first quarter of 2024, a working group was created to review the 10-year capital plan.

The purpose of the review was to look at all the capital projects listed, update the projected cost, review the timing of these projects, look to see if the projects are still relevant and see if any projects are missing. Council will want to review the appendices so as to determine if they are in agreement with the proposed additions and deletions to the existing capital plan.

This 10-year capital plan is also expected to serve as the final report that will be used in the updated Development Charges Background Study report which is scheduled to be presented to Council at the June 19, 2024, Council meeting.

Analysis:

The cost of inflation has a major impact upon the cost of the 10-year capital projects. There are also scope changes which have had an impact to rising costs on these projects.

For example, with project #700290, the Niagara Region has requested that the Town upsize the watermain on Canboro Rd between Haist St and Hwy 20 to a 400 mm pipe based on this being the main feed into East Fonthill which is supplied from the Shoalts reservoir. This is an \$1.2 Million increase to the original \$2.0 Million project, but will support future growth.

The 10-year plan in the 2024 Capital budget includes the period 2024-2033 and the updated plan includes the period 2025-2034.

	10-year plan in the 2024 Budget	Updated 10-year plan	Increase (Decrease)
Cemeteries	\$ 679,000	\$ 609,000	(70,000)
Drainage	120,000	120,000	0
Facilities	23,132,500	17,835,500	(5,297,000)
Fire	7,755,600	7,501,000	(254,600)
Fleet	7,266,750	6,387,500	(879,250)
Information Technology	1,234,400	1,152,400	(82,000)
Library	100,000	100,000	0
Parks	16,455,000	18,195,000	1,740,000
Planning	675,000	700,000	25,000
Roads	58,555,271	78,888,719	20,333,448
Wastewater	17,303,523	30,174,523	12,871,000
Water	17,496,200	22,696,100	5,199,900
Total	\$ 150,773,244	\$ 184,359,742	\$ 33,586,498

From Appendix 1: 10-Year Capital List the capital projects are listed by department and by the projected year the project is anticipated to be completed. The total capital projects in the updated 10-year plan are \$184,359,742.

Included in this list under the Roads project in 2034, is the capital project involving burying of the hydro lines on Hwy 20 for \$3,768,648. There is an outstanding letter of credit since January 2020 from the developer for \$500,000 relating to this project. The developer has inquired if this project is going to proceed since it is costing them money to keep this letter of credit on file with the Town. Council will need to decide if this project remains on the 10-year capital list so staff can inform the developer as to the status of the letter of credit.

From Appendix 2: Capital Budgets that have increased in costs from \$22,270,500 to \$36,947,000. Most of these increases relate to road rehabilitation program. The increase is a realistic number of the work that is required on an annual basis to maintain the roads as per the Pavement Condition Index Report and the required level of service as indicated in the Asset Management Plan.

From Appendix 3: Capital Budget decreased from \$1,625,000 to \$1,275,000.

From Appendix 4: Capital Budget Cancelled are \$12,229,600. Most of the projects cancelled are Road Reconstruction since the 10-Year Capital Report now specifically identifies the road name. Also \$2.4 Million of the cancelled projects relates to cast iron replacement of watermains which will all be completed in the Town; therefore, the project placeholders will not be needed.

From Appendix 5: Capital Budgets Pushed Out to different years from the original capital budget of \$35,527,850 to \$35,632,850. These projects have been pushed out to later years in order to distribute the capital projects over the 10-year period in order to align with the resources available.

From Appendix 6: Capital Budgets Pulled Ahead in timelines from \$14,446,400 to \$14,943,400. One of the projects moved earlier is the Marlene Stewart Streit Pool replacement since it is partially funded by a grant; therefore the Town needs to ensure that the timelines are met.

From Appendix 7: Projects Moved to Operations from Capital is \$1,026,710. These projects are equipment rentals, playground repairs and engineering expenses that should be budgeted in the operating budget.

This will add approximately \$100,000 to the operating budget which will be partially offset with a reduction to the capital reserve.

From Appendix 8: New Capital Projects Added that were not on the original list in the amount of \$14,777,000. The new projects include the following: \$5.1 Million of watermain replacements; \$3.5 Million for Maple St and Memorial Drive Sanitary Sewer installation; \$750,000 Fire equipment radios and \$2.5 Million Welland Rd to Canboro Rd to E of Balfour Road reconstruction.

Financial Considerations:

The financial funding for the capital projects in the 10-year plan will be part of the 2025 Capital Budget. This report is for information only on the capital projects that have been identified to be completed in the next 10 years. Through the annual Capital Budget process, Council approves the capital expenditures in the budget year they are approving.

Council is encouraged to flag any items of interest or concern and ideally relay said items to staff prior to the meeting, as there are hundreds of projects listed and any preparation which can be given will assist staff in providing accurate and timely answers during the Council meeting.

Alternatives Reviewed:

N/A

Strategic Plan Relationship: Infrastructure Investment and Renewal

Investment and renewal in the Town's infrastructure is critical in order to ensure that the Town's Assets are functional, safe and they are able to meet the Town's service levels. This plan will also allow for better financial planning.

Consultation:

This report and the data contained within it is the result of a large team of senior leaders, working in sequestered fashion, on this document. There were approximately 10 people involved at various points in time, including the entire Senior Leadership Team, the Manager of Engineering, the Manager, Public Works and various other staff in corporate services and public works.

Other Pertinent Reports/Attachments:

Appendix 1: 10-Year Capital List

Appendix 2: Capital Budget Increases

Appendix 3: Capital Budget Decreases

Appendix 4: Capital Budget Cancelled

Appendix 5: Capital Budgets Pushed Out

Appendix 6: Capital Budgets Pulled Ahead

Appendix 7: Projects Moved to Operations from Capital

Appendix 8: New Capital Projects Added

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