



CAPITAL BUDGET BRIEFING MEMORANDUM

Community Recreation Project Impacts – Capital Replacement Reserve – General

Background:

The 2022 Draft Tax Supported Capital Budget & Forecast, as presented, violates the County's Capital Financing Principles for reserve balances in the Capital Replacement Reserve - General (CRR-General). This reserve typically funds building/facility needs and improvements including Grandview Lodge as well as community recreational needs. The majority of the new projects identified in the Capital Budget and Forecast relate to new/enhanced community recreational services. As a community that is growing in both population and diverse interests, we are seeing more demand for amenities; meanwhile, our ever improving asset management information is demonstrating the need to update older facilities and amenities. The confluence of these realities suggests that an already limited CRR-General would likely experience increased shortfalls in future if a plan is not developed to increase annual contributions or access alternative financing sources. This briefing memo is intended to outline some of the future projects that will further contribute to this issue as well as some high level financial strategies to address this current imbalance going forward.

Future Projects:

There are a number of significant projects on the radar within the 10 year Tax Supported Capital Budget & Forecast that will have a significant impact on the CRR-General. They are summarized below.

1. **Cayuga Parks** - There are four (4) parks identified for construction in the 10 Year Capital Budget and Forecast. Those parks all flow from the Cayuga Parks Plan which was approved in 2021. The four projects – Cayuga Library & Heritage Parkette, Village Green Park, (former) CAB Property Park, Bob Baigent Park – carry a total estimated cost of \$2,058,000.
2. **Community & Recreation Facilities Strategy (CRFS)** – The CRFS is intended to help identify and prioritize community wellness and recreation needs associated with the County's 20+-year growth forecast. It will also result in an Implementation Strategy including:
 - Feasibility analysis;
 - Financial and operating models (business case); and,
 - Community locations and major components.

The intention is that this information and research—if accepted—will inform longer-term capital decision-making about community and recreation facilities and locations. For this term of Council, the work will essentially lead to recommendations that set us up with facility development / enhancement evaluations and options (if, where, when). The next term of Council is when decisions on major investments would be made, including specific location(s) and details for a major facility/facilities.

This project has been initiated and will be completed over the course of 2022.



3. **Trails Master Plan Update (TMPU)** – The TMPU – which will serve as an update to the original TMP that was completed in 2009 - will include an inventory of:

- Trails which have been constructed since 2009;
- Trails which are no longer deemed feasible (due to ownership or other challenges);
- Potential new trail routes which have been identified as opportunities (e.g. areas of new development, population growth, community interest);
- Gaps in service/operating standards at trails which have been constructed (e.g. inadequate parking, signage, access, etc.);
- Prioritization of trails development based on consultation, demographics and ability to maximize resources;
- Review/update of construction, maintenance and other standards; and,
- An environmental scan of potential third-party funding sources.

The TMPU will serve as a key resource that will inform long range trail planning and capital investments. This project is identified as part of the Capital Budget in the year 2023.

It is expected that there will be a number of new park and recreation projects identified through the CRFS and TMPU described above. Projects that flow from these studies are anticipated to introduce significant additional capital expenditures that will required to be funded from a reserve (traditionally the CRR-General) that is already over-committed during the capital forecast period.

Based on the current and future looking situation, it is imperative to develop a long range plan that will help inform park and recreation investments and better position the County to fund same. That is discussed in more detail in the section below.

Financial Strategies – Looking Forward

Although the majority of these projects and the associated financial pressures are not until years beyond 2022, given the known pressures and potential for significant other yet to be identified projects; staff need to evaluate alternative financial options to meet these anticipated needs. This could include a combination of various financial approaches, including, but not limited to:

- Increased annual contributions to the CRR-General subject to availability based on overall capital financing needs;
- Reallocate the current Federal Gas Tax grant based on project eligibility and underlying capital needs – would likely mean a shift from water/wastewater to CRR-General;
- Use of alternative financing options – such as Community Vibrancy Funds or proposed Ward Specific funding program;
- Leverage third party/external funding sources, that may include community partnerships/donations;
- Monitor availability of other grant funding opportunities as they arise for community recreation projects;
- Use of Hydro Legacy funds, subject to the approved Policy, for large scale projects;
- Debt finance community recreation projects – with the exception of arenas, this has not typically been a funding source in the past

These options will need to be evaluated in relationship to the County's overall long-term capital financing approach as there are ultimately limited resources and available funding sources.



Another piece of the larger financial strategy is the on-going **Parkland Dedication By-law Update (PDBU)**. The PDBU consists of an analysis to support the implementation of a parkland dedication/cash-in-lieu of parkland bylaw. This work entails an analysis of parkland dedication requirements and cash-in-lieu recovery, based on existing parks and recreation master plans, policy documents, and Provincial legislation (Planning Act). This initiative will result in updated parkland dedication/cash-in-lieu requirements that will better position the County to respond to the recreational needs that accompany the County's growth forecasts. More specifically, developer's contributions (be it cash-in-lieu or land conveyance) will be increased to a standard utilized (or soon to be utilized) across the Province. This will allow for the Parkland Reserve to grow in a way that will better position it to fund future projects. The PDBU is nearing completion and will result in a recommendation report to Council in early spring.



CAPITAL BUDGET BRIEFING MEMORANDUM

Project: **Waterfront Way Enhancements**

Timing: 2022/23 Design & Approvals; 2023/24 Construction

Cost: \$800,000

Background:

The Waterfront Way Park is a small recreation area located on Erie Street, just south of Selkirk. It is on the shore of Lake Erie where it meets the mouth of the Nanticoke Creek. The small park was constructed in 2016 and came about as a result of the Lakescape Action Plan. The park consists of:

- Public trail with bridge crossing over Nanticoke Creek;
- Parking lot along shoreline;
- Park benches;
- Wayfinding/interpretive signage;
- Paved shoulder on west side of road to connect parking lot to public trail

Since the construction of Waterfront Way Park, it has become a popular destination and is well utilized by County residents and visitors. Also, in 2020 the County obtained the private lands that had separated the park features, in particular the trail and the parking lot/seating areas. Given the popularity of the area and the additional lands now owned by the County, there is opportunity to expand and enhance this public space. The proposal to improve access and usability of this space has been proposed as a joint project by the Councillors of Wards 1 (Patterson) and 2 (Metcalfe).

The Concept:

The enlarged land holding creates new opportunities for additional park features, while the popularity of the public space lends support to the idea of introducing new / enhanced amenities. Preliminary concept planning by staff (with the assistance of an outside consultant) suggests the following enhancements could be achievable:

- Trail extensions through the newly acquired and previously owned lands



- Trail upgrades (new and existing) to a more durable surface treatment (e.g. asphalt)
- New viewing areas
- New seating / picnic areas
- Upgraded boat launch (for non-motorized, small watercraft)
- Shade structure(s)
- Additional parking

It is important to note that final concept design, which could include additional or different features than those listed above, will be informed by more detailed property survey work, consultation with the Long Point Region Conservation Authority and public input through community consultation.

Funding:

The project budget is proposed at \$800,000 and is to be funded solely from Community Vibrancy Fund (CVF). The funding will be shared equally (50/50) from the Wards 1 and 2 CVF. There are currently sufficient funds within these two wards to fund this project.

Approval of this project would require an amendment to the 2022 Tax Supported Capital Budget as follows:

	Current Budget	Revised Budget
Expenditure:		
Waterfront Way Enhancements	\$0	\$800,000
Total Expenditures:	\$0	\$800,000
Funding:		
Ward 1 Community Vibrancy Funding	\$0	\$400,000
Ward 2 Community Vibrancy Funding	\$0	\$400,000
Total Funding:	\$0	\$800,000



Proposed Timing:

The project timing details are as follows:

- Spring / Summer 2022: complete all the public consultation, final conceptual design and survey work
- Summer 2022 into early 2023: complete detailed engineering analysis, archaeological and environmental work
- Spring 2023: secure approvals from all review agencies (Long Point CA, DFO, Ministry of Tourism Culture & Sport)
- Summer 2023: issue tender and commence construction
- Spring/Summer 2024: construction completed and expanded public space open for use



Project Brief - 2022 Tax Supported Capital Budget and Forecast

Project:

Proposed Ward Specific Funding Program

Background:

Over the past number of years staff and Council have used various methods to add projects into the tax capital budget that were not included in the draft budget documents presented to Council. Prior to 2018 this was typically done through a Council resolution directing staff to include the project in the draft budget or alternatively raised during the Council budget deliberations.

In 2018 a more formal process was adopted that allowed Councillors to identify projects during the year through a resolution and a brief would be written for each project and the briefs would be considered together at the Council budget deliberations including identifying the cumulative financial effects on the budget. This method has brought some formality and order to the process of introducing new projects into the capital budget however it still creates some uncertainty and a sense of competition as to whether a project will be included in the budget.

The proposed Ward Specific Funding Program is intended to replace this process and allow Councillor driven projects to move forward in a process that ensures fairness and transparency.

Description:

The proposed Ward Specific Funding Program is intended to provide each ward Councillor (and potentially the Mayor) with a \$50,000 funding allocation per year for capital projects on municipal property within their ward. The intent is this funding will be available for each of the four years of the Council term for a total of \$200,000 per ward.

The program is proposed to allow Councillors the ability to 'roll forward' any unspent funds to future years within the four year term and that any unspent funds at the end of the four-year Council term will be returned to the reserves/original funding source.



Proposed Project Criteria:

- Funding must be used for capital/beautification infrastructure projects.
- Project must take place on County-owned/public property.
- Funding can be used to accelerate/enhance projects which are approved through other County budgets/programs (e.g. Tax Supported Capital Budget; the County's Community Partnership Program, etc.).
- Projects should support at least one of the County's three corporate priorities (Economic Opportunity; Community Health/Vibrancy; Efficient Government/Enhanced Corporate Image).

Other Considerations/Questions:

- Projects should try where possible to not create inequity in County-wide programs (i.e. purchase of additional electronic speed signs for one ward).
- Projects should try where possible to not set new levels of service (i.e. park enhancements).
- Should the Mayor be included in the funding program?
- How to enable ward funding collaboration between Councillors (i.e. joint projects)?

Timeframe:

The proposed ward specific funding program is planned to be implemented starting in the 2023 budget year with the new Council. The intent is to bring a report outlining the new program as part of the new Council information session.

Estimated Cost:

The proposed funding level is \$50,000 per ward per year or \$300,000 annually. This would increase to \$350,000 if the Mayor is also included in the program.



Budget Impact:

It is anticipated that this project would be fully funded through the reallocation of the unallocated Community Vibrancy Fund payments. It is estimated that these payments will average between \$300,000 and \$350,000 per year with the majority of payments projecting to cease in 2035. It is anticipated that this new program will be presented for Council's consideration in the fall of 2022, with implementation in place for the next term of Council.

Operating Cost Impacts:

Depending on the projects implemented it is anticipated that there will be some effects on operating costs. These operating cost will be identified however it is assumed that this program will not be responsible for covering the operating costs. As such, these costs will impact the levy in future years.

Impact on Staff Workload:

It is recognized that this program could add up to seven new capital projects per year, however the benefits to identifying the projects as part of the budget development and having the ability to plan for the projects should enable staff to deliver the projects in the expected timelines.



Project Brief - 2022 Tax Supported Capital Budget and Forecast

Project:

Springvale Streetlight Installations (Springvale) – Ward 1

Council Resolution:

The project was originally presented to Council at the March 2, 2021 Council in Committee meeting through Memo ECW-M02-2021 Springvale Street Lights - Estimated Cost (see attached).

It should be noted that no further action was taken and that due to pandemic related budget constraints no Council briefings for additional projects were presented as part of the 2021 Tax Supported Capital Budget and Forecast.

Description:

Installation of thirty-three (33) streetlights on Haldimand Road 55 and Concession 14 Walpole in the village of Springvale.

Timeframe:

2023

Estimated Cost:

\$250,000



Budget Impact:

Annual Streetlight replacements and any anticipated new installations are funded from CRR-Roads Infrastructure reserve. The Draft 2022 Tax Supported Capital Budget and Forecast does not include any budgeted projects for new streetlight installations. Since 2021, there have been no planned new installations included in the Capital budget given the infrequency of these installations and varying site-specific installation costs. There is a small program budgeted for replacements of existing streetlights which includes relative minor annual amounts; less than \$20,000 per year. As such, there is no dedicated funds/program currently in the capital budget to support the proposed installations. The inclusion of this proposed project will have a negative impact on the County's long-term financial plan.

It should be noted that based on the current forecast, although the CRR-Roads Infrastructure reserve is forecasted to be in a positive position through 2031, the reserve is substantially reduced from its current level of approximately \$8 million to just over \$1 million by the end of 2024. In addition, annual contributions during 2022 through 2024 inclusively are being reduced to accommodate financial pressures on other reserves and increased new debt payments over this timeframe. As such, the addition of the costs associated with the proposed new streetlights would further exacerbate these financial conditions.

It is not recommended to add this project in 2022 without adding the corresponding levy to offset these costs. Staff will investigate the ability to add this project to the 2023 Tax Supported Capital Budget and evaluate alternative financing sources that may be available (e.g. ward specific CVF or the new proposed ward specific capital program).



Operating Cost Impacts:

Increasing the County's total streetlight inventory will increase annual operating costs for hydro/maintenance/replacement. These costs will need to be evaluated and included as part of the 2023 Tax Supported Capital Budget & Forecast, for subsequent inclusion in the 2023 Tax Supported Operating Budget. These increased costs will have a negative impact on the levy.

Impact on other Projects:

None

Impact on Staff Workload:

Based on staff workload and design work required prior to tendering, staff are recommending that this project be scheduled for 2023 which would align with paving work being done in the subdivision area of Springvale.

Other Considerations:

Provides illumination along the two main crossroads in Springvale.

HALDIMAND COUNTY

Memorandum ECW-M02-2021 Springvale Street Lights - Estimated Cost For Consideration by Council in Committee on March 2, 2021

To: Mayor Hewitt and Members of Council

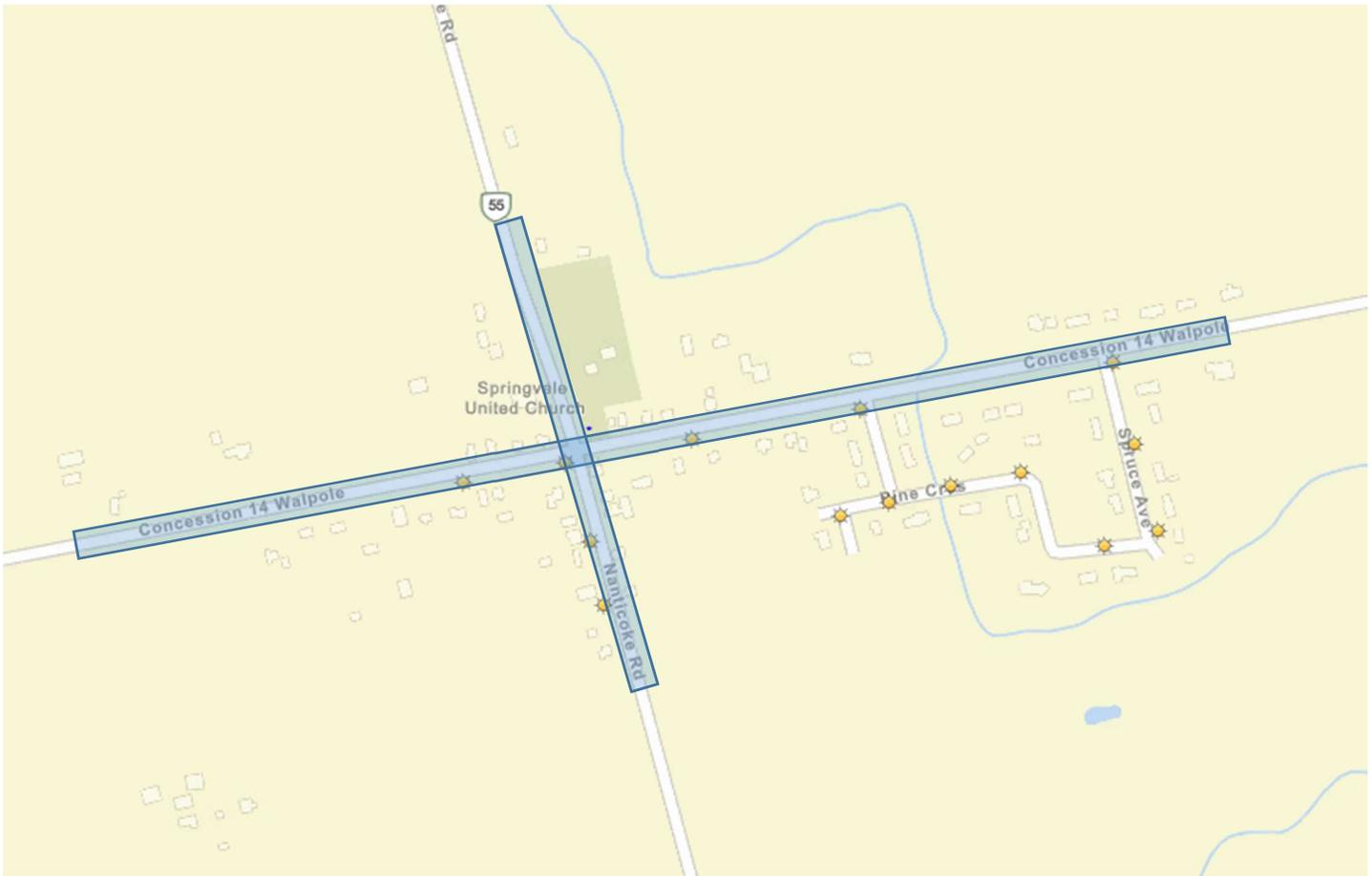
From: Tyson Haedrich, M. Eng., P. Eng., General Manager of Engineering & Capital Works

At the November 17, 2020 Council in Committee meeting, staff were given direction through the following resolution:

“THAT staff be directed to report back prior to the March 4, 2021 Committee of the Whole meeting on the location, cost and timing of additional street lights in the village of Springvale.”

Staff have reviewed the request with the local Councillor and have engaged consulting services to determine the layout of street lights to provide the required illumination as well as a cost estimate. Based on these discussions the following street light improvements would be required in Springvale to provide uniform lighting (see diagram below):

- Add streetlights on Road 55 (north) from Concession 14 to north of the ballpark.
- Infill gaps and add streetlights on Road 55 (south) from Concession 14 to the Brethren church.
- Infill gaps and add streetlights on Concession 14 (west) from Road 55 to end of new houses.
- Infill gaps on Concession 14 (east) from Road 55 to east of Spruce Avenue.



The estimated cost for this work is approximately \$224,000 which includes the installation of 15 street lights on existing poles, 18 street lights on new poles and Hydro One fees. Based on recent County street light installation projects it is estimated that the project would take 18 months to complete.

It should be noted that this project is not included in the 2021 Tax Capital Budget and Forecast.