

Council Report

Report Number:	CA2024-003
Meeting Date:	September 24, 2024
Title:	Early-Start Approval for Designated Proposed 2025 Capital and Special Projects
Description:	This report recommends that Council confirm early-start approval for designated proposed 2025 capital and special projects for which timely initiation is considered essential.
Author and Title:	Dr. Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report CA2024-003, **Early-Start Approval for Designated Proposed 2025 Capital and Special Projects**, be received;

That the capital projects identified in Table 1 of Report CA2024-003 proceed early as part of the 2025 Tax-Supported Capital Budget, as per with Mayoral Decision 07-2024;

That the special projects identified in Table 2 of Report CA2024-003 proceed early as part of the 2025 Special Projects Budget, as per Mayoral Decision 07-2024;

That Council approve proceeding with a grant application under the Community Sport and Recreation Infrastructure Fund for the Emily/Omemee Arena Ice Pad System by October 29, 2024 as per Table 1 of Report CA2024-003; and

That the Mayor and Clerk be authorized to execute any documents and agreements required by the approval of this agreement.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

As part of the budget preparation process, staff has identified 2025 capital and special projects for which early-start approval is considered essential. These projects are outlined in Tables 1 and 2 below, wherein proposed expenditures and associated financing are indicated.

Table 1 Proposed 2025 Capital Projects Requiring Early Start Approval (\$)

Project	Activity	Expenditure	Asset Management Reserve	DC Reserve	Fleet Reserve Public Works	ICIP Grant	Debenture
Ambulances (6)	Replacement	450,000	450,000				
Ambulance and Equipment (1)	Acquisition	135,000		135,000			
Buses (5)	Replacement	1,000,000			392,500	607,500	
King St Bridge Expansion Joints	Design, Replacement	650,000					650,000
Emily Omemee Arena Ice Pad System	Replacement	2,900,000					2,900,000
Somerville 3 rd Concession Bridge	Expansionary, Environmental Assessment and Design	1,400,000		1,400,000			
	Total	6,535,000	450,000	1,535,000	392,500	607,500	3,550,000

Project	Activity	Expenditure	Special Projects Reserve	General Contingency Reserve
Municipal Websites	Renewal and Redesign of City's websites	400,000	150,000	250,000
	Total	400,000	150,000	250,000

The Mayor has provided early-start approval for the projects identified in Tables 1 and 2 in Mayoral Decision 07-2024.

Rationale:

In past years, staff has brought forward to Council capital and special projects proposed for the upcoming year for which early-start approval is considered essential. In a non-election year, deliberations of proposed capital and special project budgets routinely occurred in November-December, with early-start approval for designated projects being sought from Council in the preceding September. Early-start approval for a capital or special project is typically considered essential if one or more of the following reasons pertains, with each reason representing a high threshold:

1. Mitigate or prevent major service disruption or non-compliance with legislation, or a significant risk thereto.
2. Secure substantial grant funding, cost avoidance or efficiencies through timely project approval, commencement or procurement, or orderly project sequencing.
3. Address other pressing and time-sensitive matters relating to capital or special projects proposed for the upcoming year.

Accordingly, recommendations to propose capital or special projects for early-start approval are not taken lightly by staff. Based on information received from City divisions and other sources, the following details recommended early-start approval for the projects identified in Tables 1 and 2 above.

Ambulances (6) and Ambulances and Equipment (1): Of the Multiyear Capital Projects program, these capital projects entail the replacement of six ambulances, for a total of \$1,920,000 over 2025-2026, and the growth-driven acquisition of one equipped ambulance, for a total of \$570,000 over 2025-2026. The financial entries for these projects in Table 1 relate only to the 2025 installments thereof, reflecting deposits required upfront to secure ambulance orders and pricing. For these projects, staff is recommending a multiyear clustered replacement and acquisition strategy designed to reset ambulance replacement cycles considering the extremely long lead times which have recently developed between the ordering and delivery of new ambulances. Paramedic Service has advised that such lead times have increased to approximately two years. The desired outcome of the proposed strategy is to reset ambulance replacement cycles such that future capital budgets identify ambulances for replacement when they have two years of expected useful life remaining. Key to the strategy and the minimization of capital costs is the timely securing of ambulance pricing by October of 2024. As such, it is recommended that the ambulance projects be given early-start approval.

Buses (5): Of the Public Works Fleet program, this capital project entails replacement of five buses, and it is supported extensively by the transit stream of the Investing in Canada Infrastructure Program (ICIP) grant. Staff recently entered discussions with the City of Peterborough to purchase five like-new buses which are surplus to their needs. This inter-municipal arrangement benefits both parties, allowing Peterborough to offload surplus buses while enabling Kawartha Lakes to obtain like-new buses under advantageous conditions respecting pricing and delivery. Due to the financial circumstances of the City of Peterborough in respect of these buses, however, Fleet and Transit Division advises that early-start approval of the Buses project is required to ensure that the pressing procurement timeline set by the City of Peterborough is met.

King St. Bridge Expansion Joints: Of the Bridges and Culverts program, this capital project entails design and replacement of the expansion joints of the King St. Bridge in Omeme. As the bridge forms part of a connecting link, as defined by the Ministry of Transportation, this project is eligible for the Connecting Links Program (CLP) grant, which supports up to 90% of eligible capital costs to a maximum of \$3,000,000. Through this grant, the City secured \$3,000,000 toward the improvements made to King St. in Omeme over 2022-2024. The application for the CLP grant requires that the subject project be approved by Council, and the deadline to apply through the 2024 intake is November 13, 2024. As such, it is recommended that the King St. Bridge Expansion Joints project be given early-start approval.

Emily - Omeme Arena Ice Pad System: Of the Recreation Facilities program, this capital project entails the replacement of the ice pad system at the Emily - Omeme Arena. Earlier this year, Ontario announced the Community Sport and Recreation Infrastructure Fund (CSRIF), a new grant aimed at supporting state-of-good-repair and expansionary capital works relating to sport and recreation facilities owned by municipalities, indigenous communities, and not-for-profit organizations. The grant has two streams with the following purposes: (i) repair and upgrade of existing sport and recreation facilities; (ii) building of new and transformative sport and recreation facilities. For municipalities, the CSRIF supports up to 50% of eligible costs to a maximum of \$1,000,000 for stream (i) and \$10,000,000 for stream (ii). As stream (ii) has no application deadline, staff expect to report to Council on that front in the near term. As for stream (i), staff has identified the Emily - Omeme Arena Ice Pad System as the most suitable project. An application to the CSRIF requires that the subject project be approved by Council, and the deadline to apply through stream (i) is October 29, 2024. As such, it is recommended that the Emily - Omeme Arena Ice Pad System project be given early-start approval.

Somerville Third Concession Bridge: In Fenelon Falls, there is a project to reconstruct the bridge, linking Lindsay Street to Colborne St. This is a multi year project which will see that bridge reduced to one lane for at least two years and a pedestrian by-pass which may or may not be feasible. The results after downtown reconstruction and COVID would negatively impact the business community. And, as yet, the City has no approvals from the Trent Severn Waterway for the use of their lands. It is therefore doubtful that the work would commence in 2025. Additionally, the underpinnings of the bridge had works completed in 2021, 2022 and engineering reports indicate there are no immediate concerns.

Therefore, staff support the Mayor's Memo #01-24 dated August 21, 2024 to the Budget Committee, to proceed with the Fenelon by-pass from Highway 35 north to the third concession. This would entail commencing the Environmental Assessment as an early start for the 2025 Budget.

Municipal Websites: This special project entails the redesign and enhancement of the City's various websites, as these websites are approaching the end of their useful lives on current technology. Corporate Services advises that timely procurement is required to ensure that the communications and online services delivered through the City's municipal, tourism and library websites continue uninterrupted. The current contract for these services ends June 30, 2025, and the project requires a minimum of eight months to be completed. The project must commence before October 15, 2024 to ensure the new websites go live by June 30, 2025. As such, it is recommended that the Municipal Websites project be given early-start approval.

Other Alternatives Considered:

Council may choose to amend the early start projects that have been approved by the Mayoral Decision through a similar process to what is required to amend the Mayor's Proposed Budget under the new Strong Mayor Legislative framework. Should Council decide to make an amendment, a motion would be required at this meeting to amend the Mayor approved early start projects. Should the Mayor disagree with the amendment adopted by Council, the Mayor may issue a veto of the amendment. In that event, an opportunity to override the veto would be explained to Council at that time by staff. This would require a 2/3^{rds} vote by Council to reinstate the amendment.

Alignment to Strategic Priorities:

The recommendations of this report support responsible financial and asset management, and hence align with the strategic priority of "Good Government" identified in the City's 2024-2027 Strategic Plan.

Financial/Operation Impacts:

The expected financial and operational impacts of not providing early-start approval for the capital and special projects identified in Tables 1 and 2 are those previously noted.

Consultations:

Senior Management Team

Asset Management Team

Finance Team

Department Head email: jrojas@kawarthalakes.ca

Department Head: Juan Rojas, Director of Engineering and Corporate Assets