

# 2023 Capital and Related Projects Budget

December 7, 2022



# Agenda

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- ☐ Recommendation
- ☐ Tax and Rate Capital Impacts
- ☐ Highlights
- ☐ Risks to the Budget
- ☐ Progress on 2022 and Prior Capital Budgets
- ☐ Inflation and City Growth
- ☐ Process
- ☐ Comparisons
- ☐ Debt/Reserves Outlook
- ☐ Capital Funding Requirements
- ☐ Funding Sources
- ☐ Projects
- ☐ Risks to the Budget
- ☐ Looking Forward
- ☐ Thank You
- ☐ Recommendation



In preparing the 2023 Capital and Related Project Budget, certain assumptions and estimates are necessary. They are based on information available to staff at the time. Actual results will vary although, as regulated through the Municipal Act, a balanced budget is required.



**PORT COLBORNE**

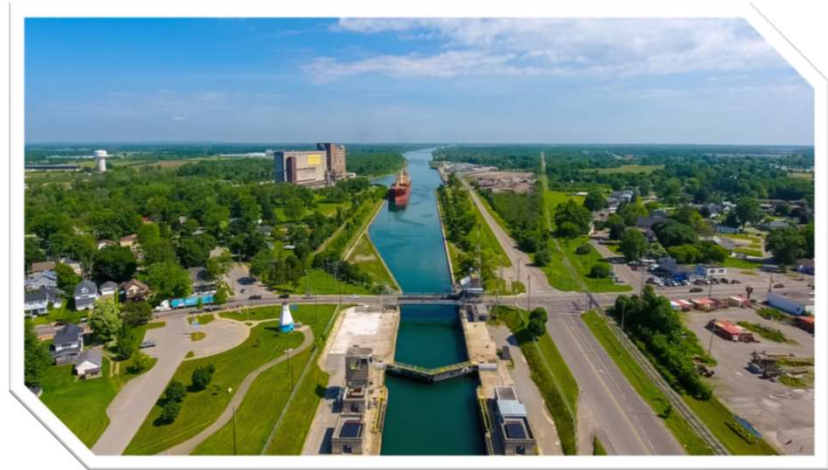
# Recommendation

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That the Corporate Service Department, Financial Services Division, Report No. 2022-248 Subject: 2023 Capital and Related Projects Budget, **BE RECEIVED**; and

That the recommended project, changes, closures and funding transfers for projects approved prior to this report as outlined in Report No. 2023-248, Appendix C, **BE APPROVED**; and

That the 2023 Capital and Related Projects Budget as outlined in Report 2023-248, **BE APPROVED** and that the projects identified in the 2023 Capital and Related Projects Budget be permitted to begin immediately where feasible.



# Tax and Capital Impacts

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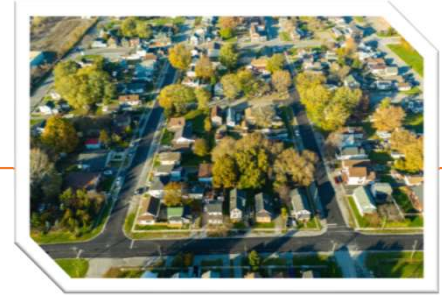


## Levy

**2.94%** (51% related to the Capital and related Project Budget and 49% related to the Operating Budget) on the blended tax rate or **\$114** increase to the average residential property valued at **\$212,035**.

Note: The Levy figure forecasts 0.5% assessment growth that, at the time of presenting this budget, has been achieved per MPAC's database.

# Rate and Capital Impacts



## Water

8% increase to the variable and fixed rates

## Wastewater

No change in wastewater rates

## Storm Sewer

Single Family Property change equals  
\$12.71 or 10%.

Combined increase is 2.92% or \$46.07 per  
average household using 150 cubic meters of  
water

This increase absorbs the Niagara Region  
anticipated increase communicated at their  
Budget Review Committee of the Whole – July 21, 2022

Note: The rate non-debt capital funding levels decrease in this budget by \$74,216 to \$1,831,711 to minimize 2023 rate increases and provide time to catch up on the almost \$8,400,000 related to projects approved and unspent.



**PORT COLBORNE**

# Highlights

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## Connecting the City

- Wastewater lining project budgeted at \$500,000
- Stormwater outlet backflow control budgeted at \$300,000
- Watermain replacement (2 of 5 funding allotments) budgeted at \$266,700. This is part of a \$5,000,000 project funded 73% from grants.
- 20% increase in the annual road (base and surface) budget to \$1,286,400
- 100% increase in the annual sidewalk budget to \$300,000
- Playground replacement at Victoria Park budgeted at \$252,000 funded 80% from grants
- Fire Engine 2 Replacement budgeted at \$910,000
- Permanent H.H. Knoll event lighting budgeted at \$140,000 and funded 71% from grants
- No new debt is proposed...debt will be paid down by \$1,289,000 to \$26,123,000.





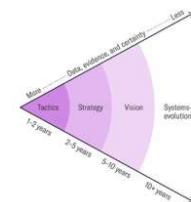
# Risks to the Budget

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**Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:**

- Changes to legislation, including rules and regulation
  - i.e. Bill 39, Better Municipal Governance Act, 2022 was introduced subsequent to the development of this budget and is still being reviewed at the time of printing this presentation
- Decisions of other levels of government
  - i.e. Ministry of the Environment, Conservation and Parks
  - i.e. the Bereavement Authority of Ontario
  - i.e. Niagara Region water and wastewater charges have not been published or approved, only guidance from July 21, 2022 has been shared
- Economic weakness or other unforeseen factors impacting changes in past patterns of facility and service usage and/or goods purchased by users and customers
- Inflation advancing more than anticipated – note inflation was budgeted differently for different expenses ranging from 0% to the 35% range (fuel costs increased 70% over 2 years)
- Interest rates declining which impact investment income earned
- Poor weather impacting attendance at Nickel Beach or events such as Canal Days
- Higher precipitation and lake levels compared to 2022 increasing inflow and infiltration or changing water usage
- Unexpected changes or usage in infrastructure
- Unbudgeted and/or unexpected changes in needs or wants of residents resulting in Council approved changes in service levels or goods and service offerings
- A resurgence in COVID-19 or other epidemics, pandemics, or other public health crisis event





# Progress in 2022 and Prior Capital Budgets

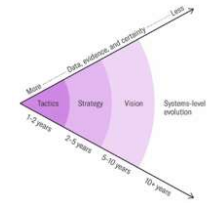
Department	Open Projects -Beginning of 2022	Project Approved in 2022	Project Completed	Project closed out due to Feasibility or Need	Project to be completed by 2022 (Forecast)	Total closed out Project in 2022 (Forecast)	Open Projects - At the end of 2022 (Forecast)	Closeout Percentage (Forecast) ^
Corporate Leadership Team	4			(1)		(1)	3	25%
CAOs Office	11		(4)	(1)	(3)	(8)	3	73%
Corporate Services	9	5	(4)		(6)	(10)	4	71%
Community Safety	3		(2)		(1)	(3)	-	100%
Legislative Services	6		(1)	(2)		(3)	3	50%
Library	4	6	(3)	(1)	(6)	(10)	-	100%
Museum + Roselawn	8		(1)		(4)	(5)	3	63%
Self-sustained Entities	15	2	(7)	(3)	(1)	(11)	6	65%
Public Works	102	14	(16)	(28)	(14)	(58)	58	50%
<b>Total</b>	<b>162</b>	<b>27</b>	<b>(38)</b>	<b>(36)</b>	<b>(35)</b>	<b>(109)</b>	<b>80</b>	

Amounts to \$825,333 of which \$617,063 has been repurposed into the 2023 Capital and Related Project Budget with the remainder going into the Capital Over/Short account which is used as the Capital and Related Project Budget Contingency

Represents \$19,569,114 in Capital and Related Projects

Appendix C – Identifies projects, amounts, and timelines on a project by project basis





# Progress on 2022 and Prior Capital Budgets

## Downtown CIP

- The recommended approach is to tackle sections through the individual road, sidewalk, water and wastewater budgets all of which have been increased to accommodate
- This action will allow other projects to move forward immediately
- Evidence based decision making
  - The INS (Information Needs Study) is scheduled to be done in Trimester 1 of 2023 following the growth analysis being performed currently. The INS, coupled with the AMP (Asset Management Plan), are being submitted to our GIS (Graphic Information System) to support and visualize evidence based decision making on areas of greatest need and/or value (roads, sidewalk, water, wastewater and stormwater)
- The 2023 Capital and Related Projects Budget Report and its Appendix C, identifies two projects: West Street streetscaping and Wayfinding to be funded primarily through new project specific grants with a total cost of \$567,000. These will produce a near term impact to the appearance of the downtown
- The 2023 Capital and Related Projects Budget proposes replacing/installing stormwater backflow controls valued at \$300,000. This will produce a reduction in stormwater infiltrating the sewer system during high water events and lead to less stormwater being treated at the sewage plant

# Project Management

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## Clearing the Backlog

- 2022 experienced a restructuring of Public Works
- All previously approved projects were reviewed by staff and several were recommended for closure as the new team assessed greatest need, risks facing infrastructure, and funding requirements
- Continued review of Public Works identified the need for two Project Managers.
  - Currently the City has no Project Managers. Project Managers are common in organizations to oversee all aspects of capital and related projects.
  - The City has posted for one Senior Project Manager and will look to post a second in the new year.
  - These positions will not add to the headcount or full-time equivalents (FTEs) of the City as other vacant positions will be declared redundant

# Inflation Environment



Industrial Product Price Index

9.0%

Annualized September 2022\*

Consumer Price Index

6.9%

Annualized September 2022\*



\* Data sourced from Statistics Canada

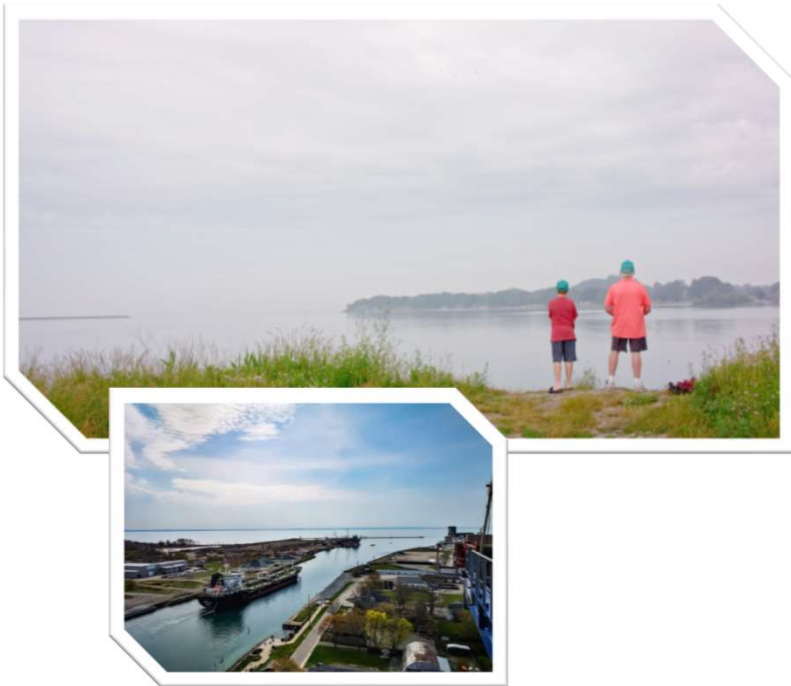


# Process

Developed through a process that obtained both Council and Staff input.

	Capital	Levy	Rate
Final to Financial Services	September 1st	October 6th	October 6th
Final Senior Leadership Review	September 15th	November 15th	November 15th
Budget Committee Package	November 23rd	November 23rd	November 23rd
Committee of the Whole Budget Meeting	December 7th	December 7th	December 7th
Council Approval	December 13th	December 13th	December 13th

# Vision/Mission/Values



## Vision Statement:

A vision statement expresses an organization's desires for the future. This is our vision statement:

***A vibrant waterfront community embracing growth for future generations***

## Mission Statement:

A mission statement expresses the immediate goals of an organization, clearly and concisely. This is our mission statement:

***To provide an exceptional small-town experience in a big way***

## Corporate Values:

Corporate Values are guiding principles and beliefs supported by everyone in an organization so that they can work toward common goals in a cohesive and positive way. These are our corporate values:

**Integrity** – we interact with others ethically and honourably **Respect** – we treat each other with empathy and understanding **Inclusion** – we welcome everyone

**Responsibility** – we make tomorrow better **Collaboration** – we are better together

# Strategic Pillars

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## Revisiting Trimester 1



### Community Pillars

These pillars are areas that directly benefit our residents, businesses, and visitors.

1. Service and Simplicity - Quality and Innovative Delivery of Customer Services
2. Attracting Business Investment and Tourists to Port Colborne
3. City-Wide Investment in Infrastructure and Recreational/Cultural Spaces



### Corporate Pillars

These pillars are the day-to-day practices, processes, and governance that Council and staff are focused on to ensure maximum value and benefit for our residents.

1. Value: Financial Management to Achieve Financial Sustainability
2. People: Supporting and Investing in Human Capital
3. Governance: Communications, Engagement, and Decision-Making





# Themes - Focus

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Economic Prosperity

Environmental Sustainability

Welcoming and livable community

Increase and enhance housing options

Competitive Advantage

- People
- Processes – getting to simple (moving towards)
- Community – Connecting
- Location

- Service Levels
- Growth – Achieve Economies of Scale
- Impact of leading a reduction in the Infrastructure Deficit



# Comparison: Property Taxes

	CVA	Niagara Region	City	Education	Total	
City of Port Colborne (ALL)	\$212,031	\$1,483	\$2,079	\$324	\$3,886	+ \$127 Storm
City of Port Colborne (Standard)	198,886	1,391	1,950	304	3,645	+ \$127 Storm
Average Local Area Municipality (LAMs) (Standard)	296,089	1,962	1,745	453	4,161	

Weighted average using Niagara Region tax policy report CSD 8-2022 and online property tax calculator





# Comparison: Property Taxes

	Residential	Commercial	Industrial	Farmland	Pipeline
Port Colborne	78.0%	11.0%	9.5%	0.7%	0.8%
LAMs	80.3%	14.0%	4.1%	0.9%	0.7%

# Comparison: Revenue/Expenses



Revenue	Property Taxes	Grants	User Fees/Rate	Other
Port Colborne	49.7%	12.1%	33.4%	4.8%
LAMs	45.0%	11.0%	27.3%	16.7%

Due to  
wastewater &  
Self-sustaining  
entities

Other  
entities

Expenses	Salary	Interest Expense	Environmental Operations	Operations
Port Colborne	46.8%	2.8%	24.3%	26.1%
LAMs	50.3%	1.8%	22.4%	25.5%

Used local municipalities' most recently available FIRs

## Comparison: Water and Wastewater Rate



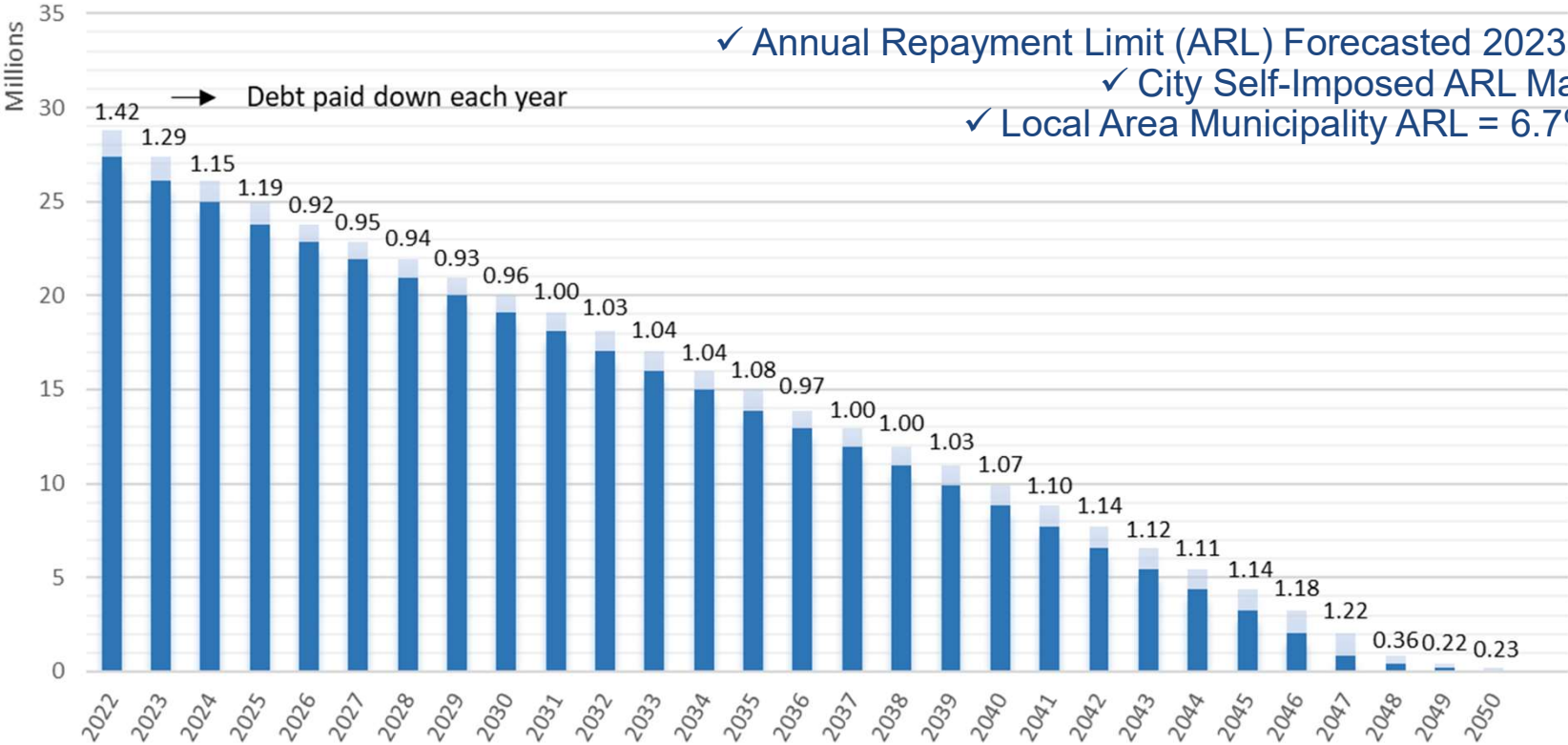
	Avg. Usage	Water	Wastewater	Total	
LAMs – 2021	150 m <sup>3</sup>	\$469	\$589	\$1,040	5%
LAMs – 2022	150 m <sup>3</sup>	\$466	\$613	\$1,079	
<b>Port Colborne – 2021 &amp; 2022</b>	<b>150 m<sup>3</sup></b>	<b>\$576</b>	<b>\$1,002</b>	<b>\$1,578</b>	2.92%
<b>Port Colborne – 2023</b>	<b>150 m<sup>3</sup></b>	<b>\$622</b>	<b>\$1,002</b>	<b>\$1,624</b>	
Next Closest LAM – 2021	150 m <sup>3</sup>	\$523	\$804	\$1,328	
Next Closest LAM – 2022	150 m <sup>3</sup>	\$523	\$847	\$1,370	

The above figures are based on 150 m<sup>3</sup> and will change as water usage changes

70% of this cost is Niagara Region charges to clean the wastewater. The volume being cleaned is at a ratio of 2.67 m<sup>3</sup> per 1 m<sup>3</sup> of water billed (3-year average). Illustrating the majority of wastewater is from inflow and infiltration.



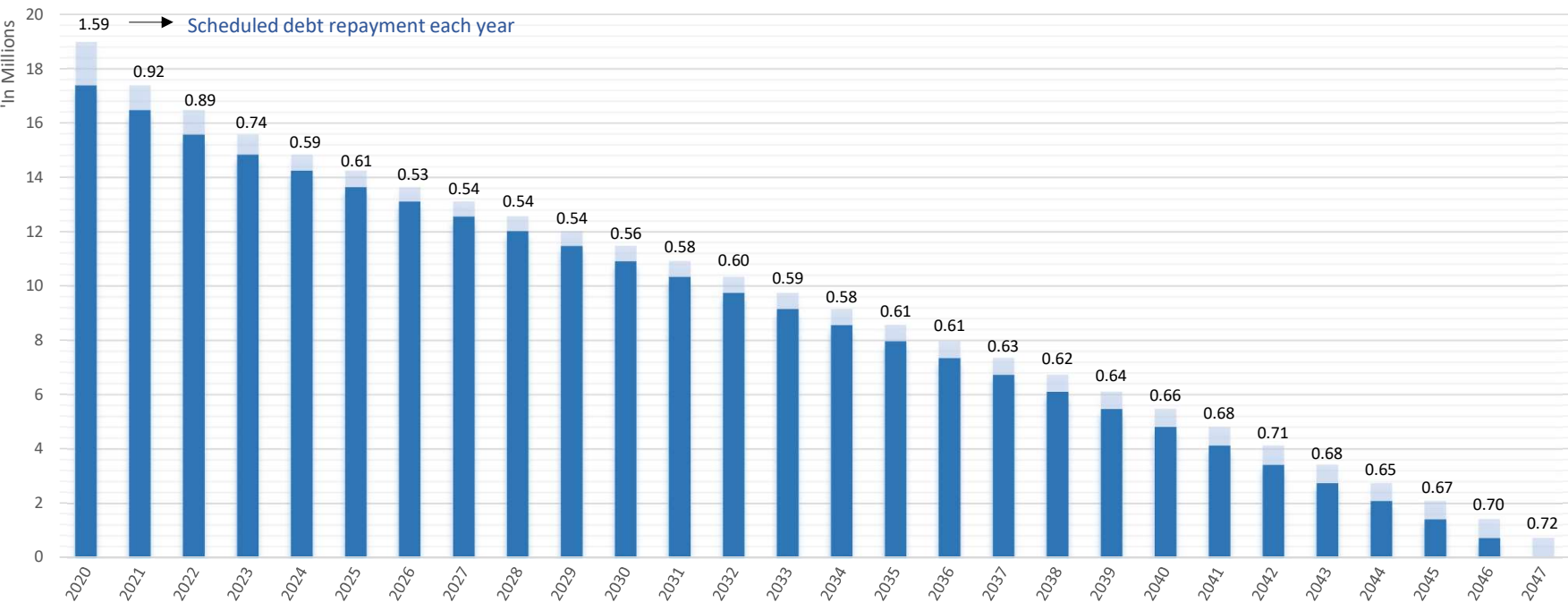
# Debt Outlook



PORT COLBORNE

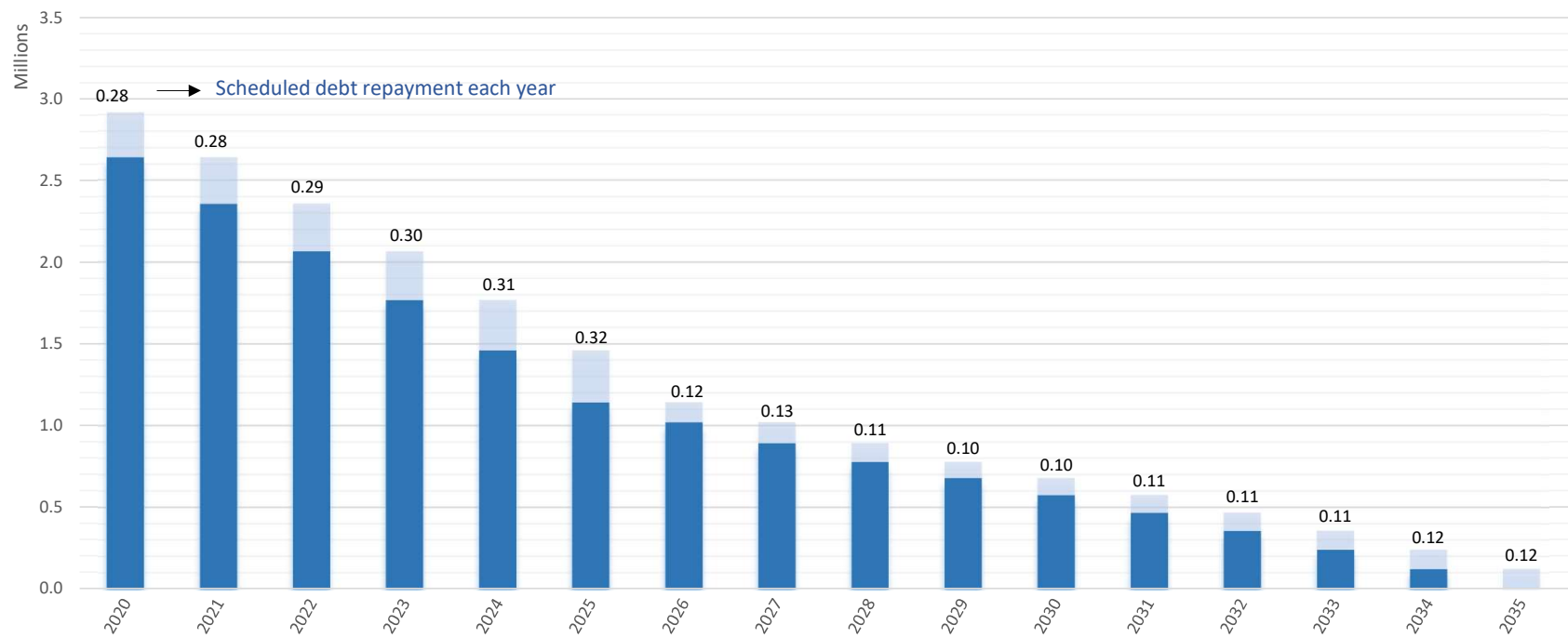


# Debt Outlook - Levy

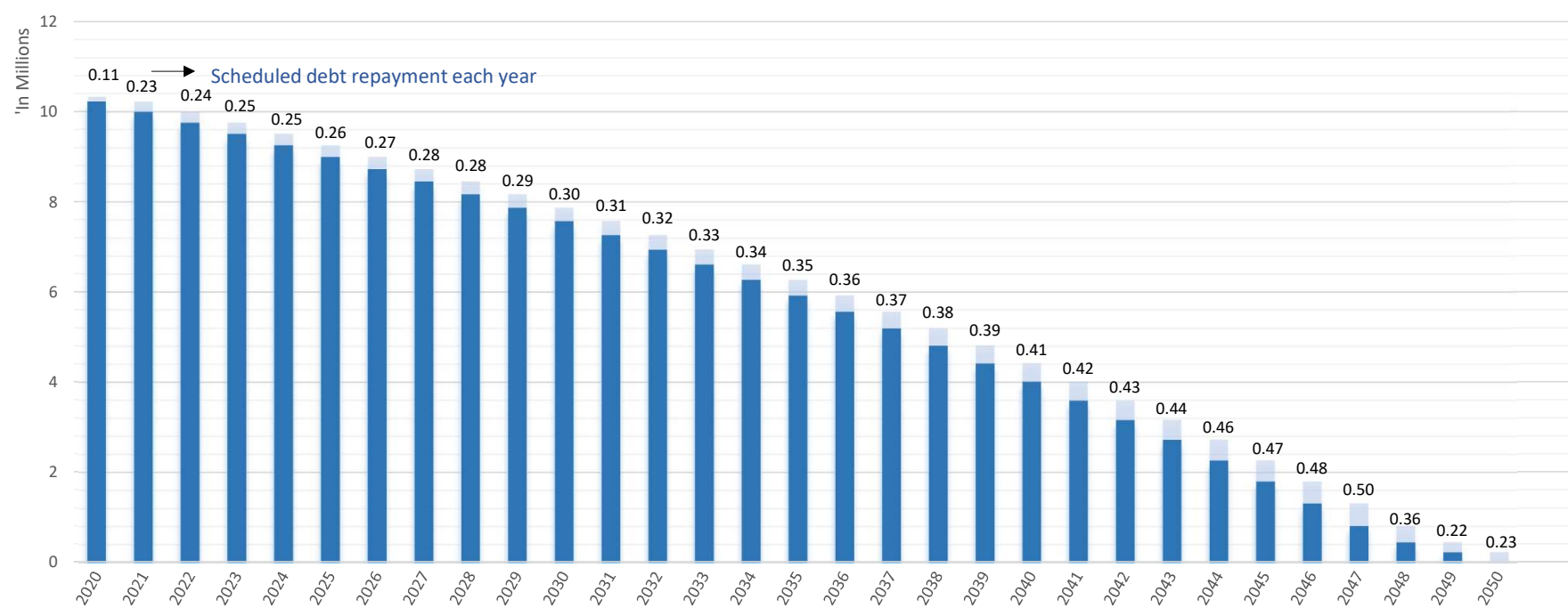




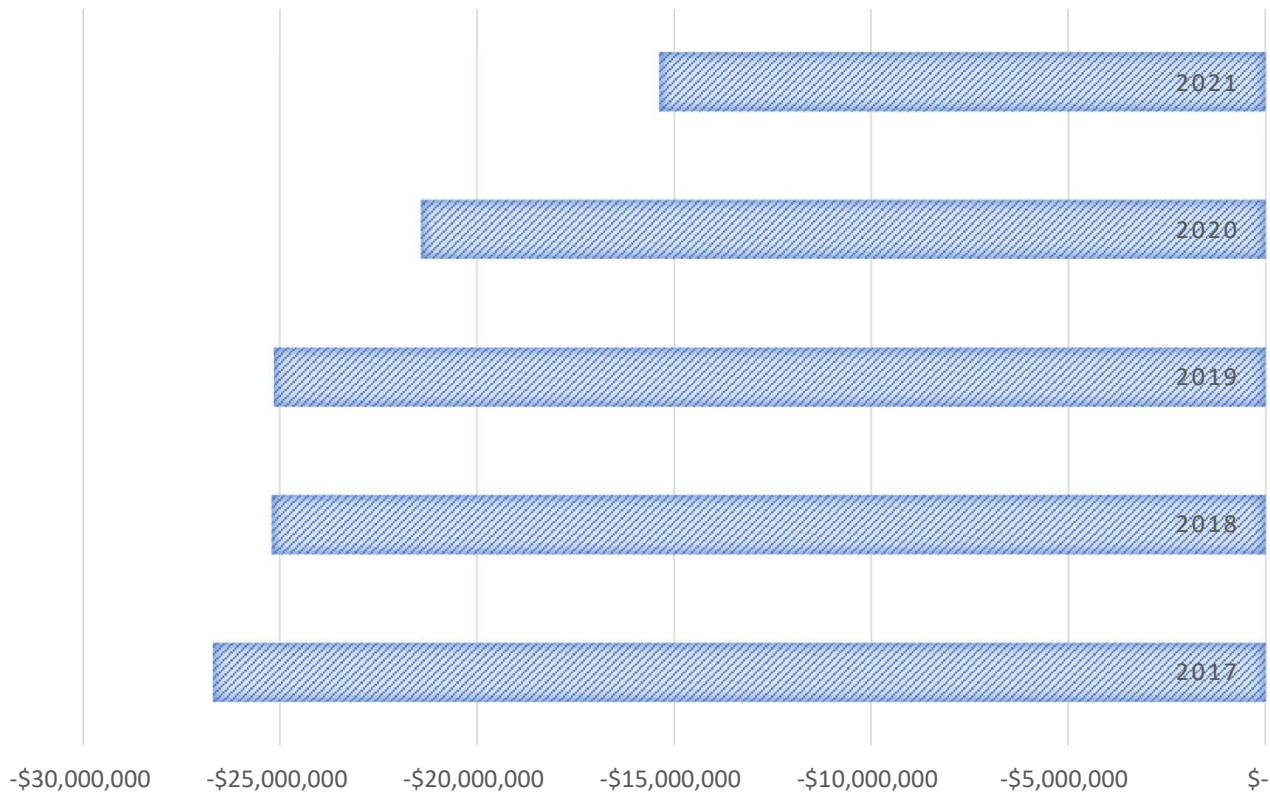
# Debt Outlook - Water



# Debt Outlook – Storm Sewer



# Net Debt (Financial Assets – Liabilities)



City's with Negative Net Debt:

- Port Colborne
- Pelham
- Niagara Region

Port Colborne Debt Management Policy requires the City to sustainably get to zero by 2040



# Reserve Outlook

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Should the capital, levy, and rate budgets be approved, and the 2023 budget = actual and the 2022 forecast = forecast at year end. The forecasted infrastructure and rate reserves would be as follows at the end of 2023 (provided there are no new projects approved):

- Infrastructure forecasted at \$4,585,243 (see Looking Forward slide)
- Water forecasted at \$1,227,391
- Wastewater forecasted at \$2,065,460
- Storm Sewer forecasted at \$554,938

Reserves are used in case of an emergency, to cover a budget shortfall in-year and to support future capital works.



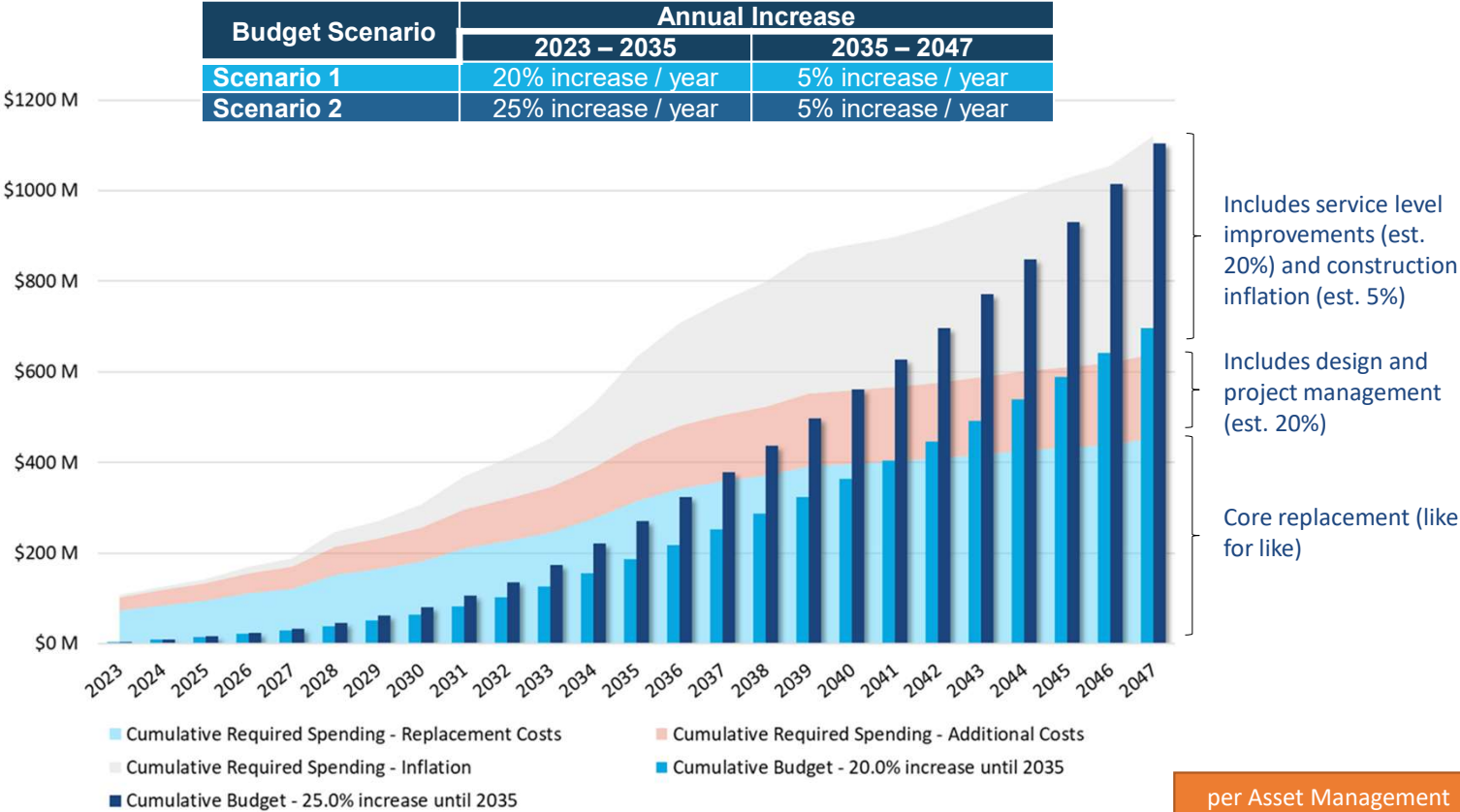
# Capital Funding Requirement

Proposed 2023 capital funding:

- Budget \$6.3 million (up from \$5.1 million in 2022)
- Required \$16.2 million (per AMP x-Facilities, IT and Recreation)
- Shortfall ∴ > \$9.3 million

Funding options to close the gap over time include:

- Tax levy
- User fees
- Rates
- Grants
- Borrowing (to be repaid by the above)
- Growth
- Efficiencies
- Divestitures



To provide an exceptional small-town experience in a big way

per Asset Management Plan (AMP)



# Capital Funding Requirements

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Funding options to highlight (potential to have limited impact on service without increasing costs):

- Growth – Smart growth that is accretive to the tax and rate base
- Efficiencies – Reducing inflow and infiltration and water loss
- Divestitures – Establish standards for asset utilization, consider the sale or decommissioning of underutilized assets. Proceeds to be reinvested in capital assets per the tangible capital asset policy of the City



# Funding Sources



## Total Funding Envelope



Project F.1 Update Official Plan, Growth Management Study and Development Charge Study



# Funding Level – Asset Replacement

Are we investing enough in Asset Replacement?

Comparison of funds available to City asset management plan



Levy	2,944,291
Rate	1,831,711
Recurring Grants	1,631,649
Debt	2,166,814
Total Funds Available	8,574,465
Recommended Annual Replacement Spend*	16,200,000
	(7,625,535)

Linear assets only, non-linear assets will be added to this total in 2024 when non-linear asset plan completed

\* From Linear asset management plan approved by Council in July 2022

Reason for continuing with a capital growth/“catch-up” factor to increase the capital budget.



# Funding Level – Amortization

## Are we investing enough in Asset Replacement?

Comparison of funds available to amortization of existing capital assets

**\$133.4 Million**

Net Book Value of City Owned Tangible Capital Assets

Levy	2,944,291
Rate	1,831,711
Recurring Grants	1,631,649
Debt	2,166,814
Total Funds Available	8,574,465
Amortization of Existing Capital Assets*	5,719,689
	2,854,776



\* Amortization per December 31, 2021 audited financial statements

# Funding Detail

**^18%**

**16%** Department Related; **2%** Library, Museum, Achieves & Roselawn which is reflected in their budgets



## Levy Core Capital Funding Model

Funding Category	2022 Budget	Funding Level [Catch-up Factor 2.0%]	Inflationary Increase (4.8%)*	New Grant or Other Funding	Transfer from/(to) Borrowing to/(from) "Pay-as-you-go"	Proposed 2023 Balance	
Capital Levy	\$ 2,098,669	\$ 437,480	\$ 100,736		\$ 285,566	\$ 2,922,451^	
Aggregate Resources Funding	\$ 132,540	\$ -	\$ -	\$ 17,715	\$ -	\$ 150,255	
CCBF (Canada Community-Building Fund)	\$ 580,577	\$ -	\$ -	\$ -	\$ -	\$ 580,577	
OCIF (Ontario Community Infrastructure Fund)	\$ 418,760	\$ -	\$ -	\$ 482,057	\$ -	\$ 900,817	
	<b>\$ 3,230,546</b>	<b>\$ 437,480</b>	<b>\$ 100,736</b>	<b>\$ 499,772</b>	<b>\$ 285,566</b>	<b>\$ 4,554,100</b>	\$1,631,649
Borrowing Costs Levy	\$ 1,506,775	\$ -	\$ 72,325	\$ -	-\$ 307,768	\$ 1,271,332^	
	<b>\$ 4,737,321</b>	<b>\$ 437,480</b>	<b>\$ 173,061</b>	<b>\$ 499,772</b>	<b>-\$ 22,202</b>	<b>\$ 5,825,432</b>	

\* Inflation increase of 4.8% represents the annual inflation rate in the spring of 2022 when the capital budget began development.

Increased to \$605,820 meaning \$25,243 is available to allocated to future projects

Note: The core capital funding model for the 2023 Rates Capital and Related Project budget was not modelled for this budget as the capital funding levels decreased by \$74,216 to \$1,831,711 to minimize 2023 rate increases and provide time to catch up on the almost \$8,400,000 related to projects approved and unspent.



## Projects – Budget Distribution

Project Title	Capital Funding							
	2023 Non-Debt Funding				Grants (Prior Year)	Reserves	Closed out Projects (Over/Short)	Total
	Levy	Rate	Grants	Total				
Facilities	\$ 517,500	\$ -	\$ -	\$ 517,500	\$ 400,000	\$ -	\$ 27,500	\$ 945,000
Fleet and Equipment	\$ 1,185,700	\$ 250,000	\$ -	\$ 1,435,700	\$ -	\$ -	\$ 139,563	\$ 1,575,263
Information Technology	\$ 499,500	\$ 200,000	\$ -	\$ 549,500	\$ -	\$ -	\$ -	\$ 549,500
Land Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,000	\$ 90,000
Parks	\$ 100,400	\$ -	\$ 301,600	\$ 402,000	\$ -	\$ 40,000	\$ -	\$ 442,000
Planning	\$ -	\$ -	\$ 240,000	\$ 240,000	\$ -	\$ -	\$ 360,000	\$ 600,000
Roads	\$ 341,351	\$ -	\$ 1,190,049	\$ 1,531,400	\$ 240,000	\$ -	\$ -	\$ 1,771,400
Storm Sewer	\$ -	\$ 850,000	\$ -	\$ 850,000	\$ -	\$ -	\$ -	\$ 850,000
Wastewater	\$ -	\$ 690,000	\$ -	\$ 690,000	\$ -	\$ -	\$ -	\$ 690,000
Water	\$ -	\$ 321,700	\$ -	\$ 471,700	\$ -	\$ -	\$ -	\$ 471,700
Library	\$ 160,000	\$ -	\$ -	\$ 160,000	\$ -	\$ 39,500	\$ -	\$ 199,500
Museum	\$ 86,000	\$ -	\$ -	\$ 86,000	\$ -	\$ -	\$ -	\$ 86,000
Roselawn	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,000	\$ -	\$ 41,000
<b>Total Capital Requests</b>	<b>\$ 2,890,451</b>	<b>\$ 2,311,700</b>	<b>\$ 1,731,649</b>	<b>\$ 6,933,800</b>	<b>\$ 640,000</b>	<b>\$120,500</b>	<b>\$ 617,063</b>	<b>\$ 8,311,363</b>
Transfers to Reserve	\$ 32,000	\$ 79,564		\$ 111,564				\$ 111,564
<b>Total Capital Requests and Transfers to Reserve</b>	<b>\$ 2,922,451</b>	<b>\$ 2,391,264</b>	<b>\$ 1,731,649</b>	<b>\$ 7,045,364</b>	<b>\$ 640,000</b>	<b>\$120,500</b>	<b>\$ 617,063</b>	<b>\$ 8,422,927</b>

Wastewater and storm reserves (559,553)  
\$1,831,711

\$1,631,649  
\$100,000 TPN Funding



# Facilities

## Proposed Projects

- A.1 – City Hall Roof Replacement/Remediation
- A.2 – VHWC Thermal Window Film
- A.3 – City Hall Committee Room 3 Refurbishment
- A.4 – VHWC Compressor (pre-approved by Council)



## Funding

2023 Capital Levy	\$ 517,500
Confirmed Grants	400,000
Closed out projects	27,500

\$945,000

VHWC Roof solutions to be presented to Council January 24, 2023 by external engineering firm.

# Fleet and Equipment



## Proposed Projects

- B.1 – Fire Engine 2 Replacement
- B.2 – Harley Rake
- B.3 – Backhoe (Water and Wastewater)
- B.4 – 2022 Fleet Replacement (pre-approved by Council)



## Funding

2023 Capital Levy^	\$1,435,700
Closed out projects	139,563

**\$1,575,263**

^ Water and wastewater budgets account for \$250,000 of the 2023 Capital Levy amount above.



# Information Technology

## Proposed Projects

- C.1 – IT Evergreening
- C.2 – Meeting Room Technology Upgrades
- C.3 – Facility Security System Upgrades
- C.4 – CityWide – Planning Module
- C.5 – Digital By-law Enforcement System Replacement
- C.6 – Water/Wastewater Digital Compliance System Replacement
- C.7 – AMI Meter Reading
- C.8 – Video Surveillance Program

## Note

The City does not have a digital human resource records management system and the City has been notified our accounting system provider is essentially reducing activity and support. Staff have been discussing partnerships with other municipalities. There is the potential for a joint municipal report in 2023. Any implementation funding would be proposed from the infrastructure reserve.



**PORT COLBORNE**

## Funding

2023 Capital Levy \$699,500

**\$699,500**

^ Water and wastewater budgets account for \$200,000 of the 2023 Capital Levy amount above.

# Parks & Cemetery



## Proposed Projects

- D.1- Cemetery Land Acquisition
- E.1- Playground Replacement - Victoria
- E.2 – Sign Renewal (2 of 3)
- E.3 – H.H. Knoll Event Lighting



Note: Parks and park like with funding already available for improvements include: Lion’s Field, Lock 8, Lockview, Welland Street trail, the Promenade and the waterfront location at the end of West Street.

## Funding

2023 Capital Levy	\$ 100,400
Confirmed Grants	301,600
Reserves	40,000

\$442,000



# Planning



## Proposed Projects

- F.1 – Update Official Plan, Growth Management Study and Development Charge Study
- F.2 – Infrastructure Needs Study – Non-Core Assets
- F.3 – Council Composition, Remuneration and Ward Boundary Review

## Note

F.1 and F.2 are vital to ensure growth pays for growth and to comply with Provincial Asset Management requirements and maintain compliance with funding requirements

## Funding

Confirmed Grants	240,000
Closed out projects	360,000

\$600,000





# Roads and Signage

## Proposed Projects

100%  
20%

- G.1 – Culvert Design
- G.2 – Firelane Design
- G.3 – Road End Gate Access – Pleasant Beach and Wyldewood Road
- G.4 – Annual Sidewalk = \$300,000
- G.5 – Annual Road (Base and Surface) = \$1,286,400
- G.6 – Snider Road Pull Off Box Culvert
- G.7 – Catharine Street Rail Rehabilitation



## Funding

2022 Capital Levy	\$341,351
Aggregate Funding^	150,255
Confirmed Grants	1,279,794

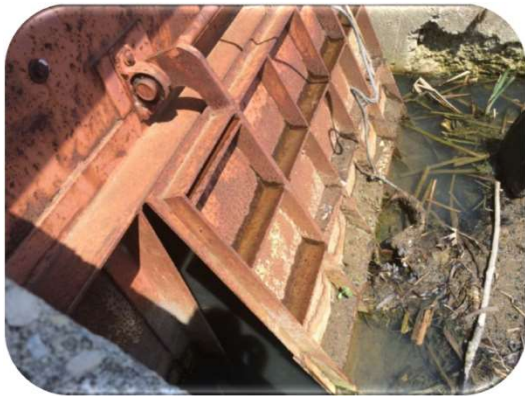
\$1,771,400

^ The City receives funding annually under a government formula related to aggregate volume that results from quarry activity. The 2023 Capital and Related budget assumes the same amount as received in 2022.

# Stormwater

## Proposed Projects

- H.1 – Stormwater Outlet Backflow Control
- H.2 – Stormwater Inventory, Cleaning and Condition Assessment
- H.3 – Coastal Engineering Services



## Funding

2023 Storm Sewer Fee	\$435,493
Reserves^	414,507

\$850,000

^Forecasted Remaining Storm Sewer Reserve = \$554,938 based on the 2022 Storm Sewer Operating Budget forecast and this 2023 Capital and Related Projects budget



# Wastewater

## Proposed Projects

- I.1 – Wastewater Lining
- I.2 – Scholfield Avenue Pumping Station Safety Upgrade
- I.3 – Omer Sanitary Pipe Capacity Investigation from Fielden to Omer SPS



## Funding

2023 Wastewater Rate	\$544,954
Reserves^	145,046

\$690,000

Note: Forecasted Remaining Wastewater Reserve = \$2,065,460 based on the 2022 Wastewater Operating Budget forecast and this 2023 Capital and Related Projects budget

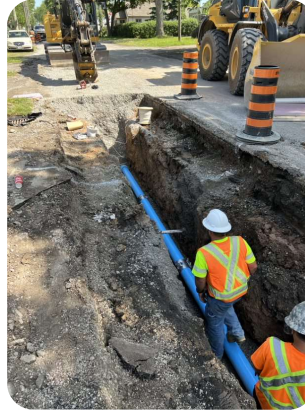


# Water



## Proposed Projects

- J.1 – Hydrant Painting
- J.2 - Watermain Replacement (2 of 5)



## Note

J.2 is part of a \$5,000,000 multi-location, multi-project approach to replacing watermain. This project is funded 26.7% by the City, 40% by the Federal government, and 33.3% by the Provincial government. This project is expected to be completed in 2026 with funding provisions of \$266,700 also being included in the 2024, 2025, and 2026 Capital and Related Project Budgets.

## Funding

2023 Water Rate

\$ 321,700

**\$321,700**

Note: Forecasted Remaining Water Reserve = \$1,227,391 based on the 2022 Water Operating Budget forecast and this 2023 Capital and Related Projects budget



**PORT COLBORNE**



# Cultural Block (Library, Museum and Roselawn)

## Proposed Projects

- Library
- K.1 – Library Annual Allocation
  - K.2 – Library Elevator Modernization
  - K.3 – Library Flat Roof Repair
  - K.4 – Library Backflow and Water Closet Upgrades

## Recommendation

Library and capital funding model to be reviewed. Last year window seal remediation at a budgeted cost of \$24,000 was asked for above the \$45,000 annual allotment and this year the elevator at budgeted cost of \$115,000 was asked for above the same annual allotment.

### Funding

2023 Capital Levy	\$ 160,00
Reserves^	39,500

\$199,500

Library Facility Condition Index (FCI) is almost perfect and the Building Condition Assessment (BCA) identifies under ideal circumstance the elevator would be updated in 2024 after 25 years of service.



# Cultural Block (Library, Museum and Roselawn)

## Proposed Projects

### Museum

- L.1 – Carriage House Restoration
- L.2 – Exhibit Cases
- L.3 – Museum HRC Decking and Walkway Replacement
- L.4 – Museum Home Repair and Painting
- L.5 – Museum Stair and Walkway Replacement

### Roselawn

- M.1 – Roselawn Interior
- M.2 – Roselawn Flooring Replacement

## Funding

2023 Capital Levy	\$ 86,000
Reserves^	41,500

\$211,500

^ From Roselawn Reserve leaving a balance of \$515,299.





# Risks to the Budget

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**Actual events and results can be substantially different from what is expected or implied as a result of risk, uncertainties, and other factors, many of which are beyond our control, including, but not limited to:**

- Changes to legislation, including rules and regulation
  - i.e. Bill 39, Better Municipal Governance Act, 2022 was introduced subsequent to the development of this budget and is still being reviewed at the time of printing this presentation
- Decisions of other levels of government
  - i.e. Ministry of the Environment, Conservation and Parks
  - i.e. the Bereavement Authority of Ontario
  - i.e. Niagara Region water and wastewater charges have not been published or approved, only guidance from July 21, 2022 has been shared
- Economic weakness or other unforeseen factors impacting changes in past patterns of facility and service usage and/or goods purchased by users and customers
- Inflation advancing more than anticipated – note inflation was budget differently for different expenses ranging from 0% to the 35% range (fuel costs increased 70% over 2 years)
- Interest rates declining which impact investment income
- Poor weather impacting attendance at the Beach or events such as Canal Days
- Higher precipitation and lake levels compared to 2022 increasing inflow and infiltration or changing water usage
- Unexpected changes or usage in infrastructure
- Unbudgeted and/or unexpected changes in needs or wants of residents resulting in Council approved changes in service levels or goods and service offerings

# Looking Forward

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- Emphasis is on project completion. The addition of Project Management capability will support this action
- Development of a multi-year (5-year) capital plan to be introduced with the 2024 Capital and Related Project budget (1 year for approval and 4-year forecast)
- Some in-year capital and related project considerations will likely include
  - Dredging at the Marina
  - Vale roof (presentation scheduled January 24<sup>th</sup>)
  - Consideration to be provided to the assumption of cemeteries and other related cemetery matters
  - Human Resource and Finance System (partnership with other municipalities)
  - Parking lot options to facilitate greater off beach parking at Nickel Beach
  - Energy efficiency upgrades and opportunities to produce our own energy
- Completing Building Condition Assessments (BCAs) on all facilities to support a multi-year / multi-generational planning discussion with Council.
- Review the Parks and Recreation Master plan
- Further internal discussions to be had on a joint capital request by the Museum and Library to assess the need for another facility. This project was held back from the 2023 Capital and Related Project Budget





Thank You



# Recommendation

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That the Corporate Service Department, Financial Services Division, Report No. 2022-248 Subject: 2023 Capital and Related Projects Budget, **BE RECEIVED**; and

That the recommended project closures and funding transfers for projects approved prior to this report as outlined in Report 2023-248, Appendix C, **BE APPROVED**; and

That the 2023 Capital and Related Projects Budget as outlined in Report 2023-248, **BE APPROVED** and that the projects identified in the 2023 Capital and Related Projects Budget be permitted to begin immediately where feasible.

