



*The Corporation of the Municipality
Staff Report*

Office of the Treasurer
Manuela Batovanja

Prepared For: Mayor and Council	Report No.: MB 2023-01
Agenda Date: January 10, 2023	File No.: C11

Subject

Council receive Report No. MB 2023-01 dated January 10, 2023, recommending the approval in principle of the 2023 Capital Budget as presented at its Special Meeting on December 20, 2022.

Background

Previously Committed



LNG Project – The initial commitment to this project was approximately \$100,000 to date \$50,416 has been spent, \$45,984 is being carried into 2023. This project is bound by agreement between several communities.



Cemetery Expansion – The project involves the surveying of existing (proposed site) property, a design concept to incorporate new ideas for plot configuration and the addition of columbarium to modernize and pursue family interests. Approximately \$15,000 was spent in 2022 and it is expected that an additional amount of \$99,000 will be required in 2023; \$30,000 from taxation and the remainder from reserves.

Watermain and Hydrant MRV – The original project was budgeted in 2021 for \$120,000 and the money was raised from water revenues. The project was not started, and the funds were transferred into the water reserves, now part of the Water Intake Project and the funds a portion of our contribution.



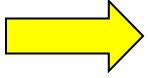
Water Intake Project – The project is funded through a combination of federal and provincial grants; planned over two years at a total cost of \$3,504,876. The municipal contribution is \$943,204 funded as follows:

1. Reserve Nords 2021 to 2023 (3 x \$108,681) - \$434,724
2. Reserve OCIF - \$337,508
3. Reserve from MRV Hydrant - \$120,000
4. Water Revenue in 2023/24 - \$60,619
5. ICIP Green Provincial - \$1,159,950
6. ICIP Green Federal - \$1,392,075

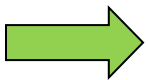
Respectfully Prepared and Submitted By:
Manuela Batovanja, Treasurer
Director of Finance



Hydrant Rehabilitation – This project has been budgeted at \$45,000 per year from 2022 to 2026 funded through water revenues. This project will rehabilitate the fire hydrants the plan is to alternate the purchase of supplies and the installation so that installation occurs every second year keeping travel costs down.



Sewer Jet Vacuum Trailer – Unlike other projects in the Previously Committed section, this project has not yet commenced. We have, however, been setting money aside for this procurement since 2021. We have accumulated \$55,000 an additional amount of \$35,000 from water revenues is to be raised in 2023 for the purchase of this equipment. There is an option to move this acquisition to 2024 if needed or to continue to contract and move these reserves to more immediate water projects.

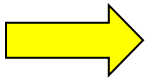


Water Treatment Plant Filters – These filters have exceeded their useful life the project is needed for the safety of the towns drinking water. We started replacement in 2022 and will continue into 2024 and will transition into long term planning in 2025. The replacement is funded equally from OCIF and water revenues, the long-term planning from water revenues.

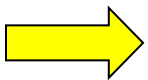
Recommended Capital Projects



Townhall Study and Renovation - \$200,000 in 2023 for a needs study and architectural design/drawings funded from reserves. Renovation/rebuild in 2024/25 coming from other funding (could be a combination of borrowing and reserve contributions and funding if available). Consideration should be given to partnering this project with the Fire Hall renovation the combined projects may increase the likelihood of obtaining funding. Particularly, if we can pair the building condition assessments, with the Community Risk Assessment.



Job Evaluation Study – This project will address several of the Wawa Strategic Plan priorities. This project is in the yellow category not because it doesn't need to be addressed but because the timing is slated for the end of 2023 into 2024; if left unaddressed it would move to a higher priority in 2024. The completion of this project will keep us compliant with pay equity legislation, ensure job descriptions are up to date and to look for opportunities to improve service delivery and cost efficiencies through organizational design.



Official Plan and Zoning Bylaw – Our zoning Bylaw has not been updated since 2015. We need to meet current regulations/obligations and prepare a plan to allow for growth. \$75,000 is to be raised from taxation in 2024, similar to the Job Evaluation Study above this project appears in the yellow section due to timing and by 2024 would become a priority.

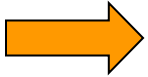


Municipal Software – the total project is estimated at \$260,000 over two years from reserves. The goal is for us to become more efficient, work in the cloud, become available across departments and venues, Proshop, TIC etc.

The software we have chosen is developed and supported by a Canadian company, it is cloud based, wholistic, meeting all needs, including finance, operations, POS, work orders, facility scheduling etc.



Sport Field (Trillium) – A grant was applied for to achieve this much needed project the municipality has received 100% funding.



Tractor Deck/Tractor – this tractor is used by the MMCC both in the summer and the winter (grass cutting/winter snow removal at MMCC). Money is being set aside with a plan to purchase in 2026. Recommendation is to continue to set money aside as part of long-term planning. In the interim look for efficiencies, if it is determined the tractor is not necessary the money which was set aside can be:

- diverted either to support another MMCC project or,
- if it is determined that it is more efficient for the infrastructure services department to perform this maintenance the money which was set aside could divert to infrastructure services for equipment.



Community Risk Assessment – is the process of identifying, analysing, evaluating, and prioritizing risks to public safety to inform decisions about the provision of fire protection services. This project will meet the requirements of Ontario Regulation 378/18. Every municipality, and every fire department in a territory without municipal organization, must,

- (a) complete and review a community risk assessment as provided by this Regulation; and
- (b) use its community risk assessment to inform decisions about the provision of fire protection services.

The money was raised in 2022 through taxation, the funds were transferred to reserves as the project was not completed. The 2023 project will be funded from the same reserve. This project is a prerequisite to the Fire Service Review.

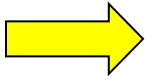


Fire Service Review – A fire service (FSR) review is the process of identifying a fire department's present status, developing a strategy for future goals and needs, along with assisting the department in making decisions in relation to more efficiently allocating its resources. The prerequisite to this review is the Community Risk Assessment. The status will change, and it will become a priority project in 2024 and funded through taxation.

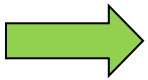


Fire Hall Condition, Needs & Architecture – The fire department is in the process of replacing vehicle and equipment over time. The current fire hall does not have the square footage to accommodate needs around equipment, vehicles, and regulations. Considering the results of the Building Condition and Community Risk Assessments this project will provide a design and

drawings to meet the needs of the hall. This project to be funded from the general reserve.



Fire Hall Renovation/Addition – The Fire Hall Condition, Needs and Architecture project will inform this project. We have been setting money aside since 2021 by the end of 2023 \$300,000 will have been placed in reserves. Building condition assessment will be completed in 2023. The Fire Chief is encouraged to source and pursue any funding opportunities to help mitigate the costs. Efficiencies should be looked for, e.g. can this project be combined with the Townhall project? Construction is estimated to begin in 2024 with \$300,000 from reserves, \$100,000 from taxation and the remainder to be borrowed. Any funds required in 2025 will also be borrowed.



Sidewalk Rehabilitation – using data supplied from the road and sidewalk assessment to replace sidewalks. Identify sections to be replaced and prioritize according to pedestrian use. Remaining grant money is to be used in 2023/24 and reserves after that. It is planned that the grant will help us address the most critical areas and that the remaining sidewalk rehabilitation can be addressed over time.



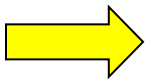
Pavement Preservation – this is an annual project which resurfaces sections of roadway identified by the 2020 Street Scan project this protects the integrity of existing road infrastructure. This is an annual cost to be funded equally from taxation and reserves. Future consideration could be given to implementing a bi-annual approach between roads and sidewalks.



Truck Water Department – to replace 2008 water service truck with new vehicle, consider a half-ton pick up or service van to save on licence/safety renewals. The current truck is becoming unsafe and in need of major body work. Funding is \$50,000 from water revenues and \$25,000 from reserves.



IS Building Magpie – the infrastructure services building needs a ventilation/air exchange system. The building is old and in need of upgrades. The staff room has not had any upgrades within the past 20 years. The project would consist of various smaller projects to be completed over four years with annual contributions of \$25,000 from taxation, \$25,000 from reserves and \$5,000 from water revenues.

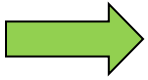


Mower – Riding lawn Mower slated to be replaced in 2025 from taxation at which time it will become as priority project.



Water Distribution Upgrade – SBA – this money is being set aside to accomplish projects which were identified as critical in the Water Master Plan. This project will add a new booster pump to the original booster station for additional pressure for fire suppression in the industrial park. These items are identified as immediate concerns in the Water Master Plan. The cost is \$300,000 funded equally from water reserves and water revenues. There is

an additional \$75,000 raised from water revenues from 2024 to 2026 to address some of the items identified as a high priority in the plan.



Compressors – WTP – Replacement of compressors in the water treatment plant which have reached their useful working limit. The compressors have had numerous amounts of hrs and work done to them with parts being less readily available. The plant will not operate without a compressor. The goal is to accomplish this project over two years at \$35,000 per year, raising the funds through water revenues.



Chlorinator Pump – Water Tower – This replacement has been identified as critical as it regulates the chlorine used in the treatment of water for the mission. It is to be funded from water reserves.



Roll Off Truck – This is an essential piece of equipment to the updated operation of the landfill. The truck will be purchase used to exchange bins at the new landfill cell. Our intent is to purchase a used truck to minimize costs. It is estimated at \$100,000 to be funded equally from taxation and reserves.



Mini Excavator - this piece of equipment can be useful in numerous parts of Infrastructure including the water department and helping the Parks department and Infrastructure. The excavator will increase production, reduce rental costs, and reduce the strain on other equipment. In addition, the purchase will allow us to complete a large portion of the remaining landfill expansion work internally, which will save us an estimated \$1,600,000 in contractor costs. Starting in 2021 we have set aside \$125,000 for this purchase, an additional \$100,000 will be raised from taxation in 2023.



Airport Terminal Building – The Director of Infrastructure Services has requested that surplus funds from the sale of fuel at the airport be set aside for this project. I would recommend that a report be written to Council in 2022 requesting that \$100,000 be transferred to the reserves for the airport terminal building. This money as well as donations is to be used to accomplish this much needed building upgrade and like all projects an attempt to obtain funding should be pursued. It is estimated that the fuel surplus will exceed \$600,000 in 2022. However, most of the surplus will be allocated to general working reserves to offset previous airport deficits.



JD Loader – This purchase will replace the current loader in 2025 which was purchased in 2010. Funds will continue to be set aside annually to reduce the impact in 2025. Typically, there are no funding opportunities for rolling stock. The purchase will be funded through a combination of taxation and reserves.



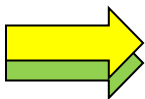
Computer Hardware - This is a minimal amount which will keep our hardware current, up to date and compatible. It keeps our office equipment able to meet software specifications. The funds will come annually from taxation.

MMCC Improvements – the ask is for \$250,000 per year from reserves and an additional \$500,000 in 2025 also from reserves. This is for the same items as previous years e.g., dressing room floor, hall floor, pumps, etc. The Director should be applying for some funding for some of these items. My opinion is to move this to subject to funding.

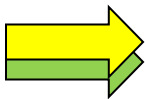
Subject to Funding



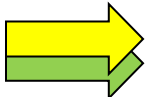
Asset Management Plan – This project will provide condition assessments for the municipal buildings. Funding of \$50,000 for this project has been approved with the remaining municipal portion of \$12,500 coming from taxation. This will allow us to meet a legislative requirement of asset management.



MMCC Pump/Scrubber – This project will replace the glycol pump and the floor scrubber.



Arena Interior – \$125,000 from reserves and \$375,000 from NOHFC Rural Enhancement this project addresses some of the needed interior improvements.



Arena Modernization – Application was made to NOHFC for \$1,030,000 and is in stage 2 of the process the funding is 50% and can be stacked with federal gas tax. In 2022 there was an amount of \$125,000 raised through taxation for HVAC/roof and was transferred to reserves.

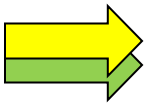
HVAC Engineering	\$40,000
A-A Heat Pumps	\$150,000
HRV	\$125,000
Sheet Metal	\$75,000
Electrical	\$75,000
Labour/Expenses	\$340,000
BAS	\$225,000
TOTAL	\$1,030,000

If funding is successful Wawa needs to raise \$515,000 to date \$189,000 has been set aside

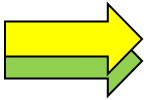
Recommendation for Wawa’s portion:

1. \$115,000 Reserve MMCC

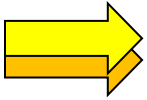
2. \$100,000 Long Term Planning (taxation) If the funding is denied the money raised will go to the MMCC reserve
3. \$300,000 Loan from reserves. MMCC has paid back \$400,000 of its previous loan. My recommendation is to refinance the remainder of this project from the reserves and extend the addition loan term and adjust the rate annually to the average HISA interest rate in order to minimize investment



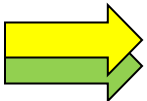
Playgrounds – The proposed project will include a skate park, resurfacing the tennis courts, new upper mission playground, replace nets and fencing in sports field. The cost is estimated at \$600,000 with the work to be completed in 2025-26. I would want to see a workplan for this project and contractor quotes and estimates on items such as nets and playground equipment. The request is for 50% of the project to be funded through reserves. This is too high.



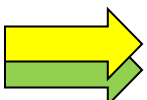
Marina Divestiture (Including Washroom) – Funding is from Small Craft Harbours, FedNor, and NOHFC. The project is estimated at \$900,000 with \$400,000 from reserves. The recommendation is to accomplish only that portion of the project funded through Small Craft Harbours and ensure that it includes the marina washrooms.



Wawa Goose Nest – This project will move sheds, install new pathway, pergola, electrical, site furniture, and storage on site. The estimated cost is \$175,000 I would recommend at least 75% funding but would prefer to see 90% with the remainder from reserves.



Waterfront Phase 2 – This project is estimated at \$2.2 million with \$200,000 from reserves with the remaining funds being raised through a combination of provincial and federal grants. I would be in favour of this project.



TIC Accessibility/Interior – This was requested as two separate projects. I have combined them and moved them to subject to funding. I believe there is a substantial amount of funding around tourism and encourage that it be pursued. The project is estimated at \$100,000 it would improve the condition of the TIC. The 2022 building condition project may compliment a funding application. I would like to see funding of at least 75% pursued.



Mission Park – This project is for the implementation of a play set in the Mission. This is a \$27,000 project is fully funded in 2023.

Long Term Financial Planning

Fire Department

The Fire Chief made a request for the replacement of the following vehicles:

- Pumper Truck #1 – 2024 - \$800,000
- Rescue Truck #3 – after 2026 setting amounts aside annually from \$50,000 to \$100,000
- Command Vehicle - 2025 - \$60,000
- Pumper Truck #2 – \$50,000 annually

Rather than developing individual plans the recommendation is to raise an annual amount through taxation and transfer it to reserves for future purchases of fire vehicles.

MMCC

The Director has made a request for reserve funds ranging from \$130,000 per year to \$750,000 per year. I have not included this in the budget. However, continue raising amounts through taxation and transferring to reserves with a plan to use the funds to leverage grant opportunities in the future. I would strongly encourage the use of some funds for studies which would complement grant applications.

Infrastructure Services

Funds are being raised from taxation and water revenues and transferred to reserves for specific projects such as water meters and pavement as well as to general reserves.

General Capital a percentage of year end surplus (if there is one) is being transferred here as well as an allocation from taxation to be used in the future to leverage funding, etc.

Public Input

Public input opportunity was offered from December 21, 2022 to January 6, 2023. A link to the budget presentation was added to the municipal website and the JJAM FM website. One request for a copy of the budget presentation was received, however, there were no questions or comments.

Conclusion

The Capital and Operating budgets are generally approved together once the Operating budget has been prepared, presented to Council, and received a period for public review.

However, the approval of the Capital Budget in Principle would allow for the early issue of RFP's, the procurement of materials prior to the construction season and a general readiness for the completion of projects in 2023.

It is the recommendation of staff that the 2023 Capital budget be approved in principle as presented.

THE CORPORATION OF THE MUNICIPALITY OF WAWA

Capital Project Budget
2023 to 2026

Project by Function	Previous Years Costs	2023					Preliminary 2024					Preliminary 2025					Preliminary 2026					
		Municipal Taxation	Reserves	Grants	Other	Total	Municipal Taxation	Reserves	Grants	Other	Total	Municipal Taxation	Reserves	Grants	Other	Total	Municipal Taxation	Reserves	Grants	Other	Total	
Previously Committed																						
LNG Project	CS	50,424	-49,576			(49,576)					-											
5 Year Tourism Plan	CS	60,638	-10,000		-29,362	(39,362)																
Cemetary Expansion	IS	14,850	-30,000	-69,000		(99,000)																
Hydrant - MRV	IS	-				-																
Water Intake	IS	36,563		-612,289	-1,683,506	-40,406	(2,336,201)			-306,295	-842,167	-20,213	(1,168,675)									
Hydrant Rehabilitation	IS	64,000				(26,000)														-45,000	(45,000)	
Sewer Jet / Vacuum Trailer	IS	-		-55,000		(90,000)															-45,000	
Water Treatment Plant - Filters	IS	17,798		-332,202		(332,202)				-125,000		-75,000	(200,000)									
Landfill Expansion	IS	1,627,778		-400,000		(400,000)																
Total Previously Committed		1,872,051	(30,000)	(1,528,067)	(1,683,506)	(130,768)	(3,372,341)	-	(431,295)	(842,167)	(140,213)	(1,413,675)	-	-	-	(45,000)	(45,000)	-	-	-	(45,000)	(45,000)
Recommended																						
Townhall - Study & Reno	CS	-		-200,000		(200,000)																
Job Evaluation Study	CS	-		-35,000		(35,000)																
Official Plan / Zoning Bylaw	CS	-				-			-75,000				(75,000)									
Municipal Software	CS	-		-132,000		(132,000)																
Sportsfield - Trillium	CST	-			-130,000	(130,000)																
Tractor Deck / Tractor	CST	-				-																
Community Risk Assessment	PS	-		-25,000		(25,000)																
Fire Services Review	PS	-				-																
Fire Hall - Cond., Needs & Architecture	PS	-		-35,000		(35,000)																
Fire Hall - Renovation/Addition	PS	-				-																
Sidewalk Rehabilitation	IS	43,000			-35,000	(35,000)																
Pavement Preservation	IS	-	-75,000	-75,000		(150,000)																
Truck - Water Dept	IS	-		-25,000		(75,000)																
IS Building - Magpie	IS	4,700	-25,000	-25,000		(55,000)																
Mower	IS	-				-																
Lower lift Station IT Upgrade	IS	-		-30,000		(30,000)																
Water Distribution Upgrade - SBA	IS	-		-150,000		(300,000)																
Compressor - Water Treatment Plant	IS	-				(35,000)																
Chlorinator Pump - Water Tower	IS	-		-25,000		(25,000)																
Water Tower Upgrades	IS	-				-																
Roll Off Truck Landfill	IS	-	-50,000	-50,000		(100,000)																
Mini Excavator	IS	125,000	-100,000	-125,000		(225,000)																
Airport Terminal Building	IS	-		-25,000		(25,000)																
JD Loader	IS	-				-																
Computer Hardware	CS	-	-14,000			(14,000)																
Total Recommended		172,700	-264,000	-957,000	-165,000	-240,000	(1,626,000)	-292,000	-308,050	-23,000	-3,615,000	(4,238,050)	-162,000	-935,000	-80,000	(1,177,000)	-249,500	-527,500	-80,000	(857,000)		
Subject to Funding / Financing																						
AMP/Asset Management	CS	-	-12,500	-50,000		(62,500)																
MMCC Pump/Scrubber	CST	-		-40,000		(40,000)																
Arena Interior (NOHFC)	CST	-		-125,000	-375,000	(500,000)																
Arena Modernization (HVAC & Upgrade)	CST	-		-215,000	-515,000	(1,030,000)																
Playgrounds	CST	-				-																
Marina Divestiture (incl. washrooms)	CST	-			-100,000	(100,000)																
Wawa Goose Nest	CST	-				-																
Waterfront - Phase 2	CST	-				-																
TIC Accessibility/Interior	CST	-		-60,000		(60,000)																
Marina Park	CST	-		-27,000		(27,000)																
Total Subject to Funding / Financing			-12,500	-340,000	-1,167,000	-300,000	(1,819,500)		-135,000	-700,000		(835,000)	-150,000	-20,000	-700,000	(870,000)		-180,000	-1,800,000		(1,980,000)	

THE CORPORATION OF THE MUNICIPALITY OF WAWA

Capital Project Budget

2023 to 2026

Project by Function	Previous Years Costs	2023					Preliminary 2024					Preliminary 2025					Preliminary 2026					
		Municipal Taxation	Reserves	Grants	Other	Total	Municipal Taxation	Reserves	Grants	Other	Total	Municipal Taxation	Reserves	Grants	Other	Total	Municipal Taxation	Reserves	Grants	Other	Total	
Summary - Capital																						
Previously Committed	1,872,051	-30,000	-1,528,067	-1,683,506	-130,768	(3,372,341)																
Recommended	172,700	-264,000	-957,000	-165,000	-240,000	(1,626,000)	-292,000	-308,050	-23,000	-3,615,000	(4,238,050)	-162,000	-935,000		-80,000	(1,177,000)	-249,500	-527,500		-80,000	(857,000)	
Subject to Funding / Financing		-12,500	-340,000	-1,167,000	-300,000	(1,819,500)					(835,000)	-150,000	-20,000	-700,000		(870,000)		-180,000	-1,800,000		(1,980,000)	
Grand Total - Capital	2,044,751	(306,500)	(2,825,067)	(3,015,506)	(670,768)	(6,817,841)	(292,000)	(874,345)	(1,565,167)	(3,755,213)	(6,486,725)	(312,000)	(955,000)	(700,000)	(125,000)	(2,092,000)	(249,500)	(707,500)	(1,800,000)	(125,000)	(2,882,000)	
Long Term Financial Planning																						
Fire - Truck(s) PS	300,000	-50,000				(50,000)	-50,000				(50,000)	-75,000			(75,000)		-75,000				(75,000)	
Fire Hall PS	200,000	-100,000				(100,000)	-100,000				(100,000)	-100,000			(100,000)							
Heavy Equipment IS	50,000	-150,000				(150,000)	-175,000				(175,000)	-100,000			(100,000)		-100,000				(100,000)	
Mini Excavator IS	125,000					-					-				-						-	
Pavement IS	375,000	-125,000				(125,000)	-125,000				(125,000)	-125,000			(125,000)		-125,000				(125,000)	
Water Meters IS	160,000				-80,000	(80,000)				-80,000	(80,000)			-80,000	(80,000)				-80,000		(80,000)	
Water Treatment Plant Filters IS	-					-					-			-45,000	(45,000)				-45,000		(45,000)	
Townhall Renovation IS	75,000					-					-				-						-	
Water and Sewer Network IS	-					-					-				-						-	
MMCC Roof & HVAC CST	150,000	-100,000				(100,000)	-50,000				(50,000)	-50,000			(50,000)		-50,000				(50,000)	
Tractor - MMCC CST	17,500	-37,500				(37,500)	-37,500				(37,500)				-						-	
General Capital CS	-	-100,000				(100,000)	-100,000				(100,000)	-100,000			(100,000)		-150,000				(150,000)	
Total Long Term Financial Planning	1,452,500	(662,500)	-	-	(80,000)	(742,500)	(637,500)	-	-	(80,000)	(717,500)	(550,000)	-	-	(125,000)	(675,000)	(500,000)	-	-	(125,000)	(625,000)	
Grand Total - Municipality	3,497,251	(969,000)	(2,825,067)	(3,015,506)	(750,768)	(7,560,341)	(929,500)	(874,345)	(1,565,167)	(3,835,213)	(7,204,225)	(862,000)	(955,000)	(700,000)	(250,000)	(2,767,000)	(749,500)	(707,500)	(1,800,000)	(250,000)	(3,507,000)	