



CNCL-23-15

Memorandum

Date: January 17, 2023

To: Mayor Dan Carter and Members of Council

From: Stephanie Sinnott, Commissioner, Corporate & Finance Services

Re: 2023 Deferred Capital Projects

Staff presented Council with the 2023 Proposed Capital Budget and the 2024 – 2032 Capital Forecast on December 9, 2022, which included a listing of 2023 Deferred Capital Projects. During the January 13, 2023 budget deliberations a motion was moved for staff to report to Council on the 2023 Deferred Capital Projects Moved to 2024 to indicate the projected cost of delay, impacts on staff and the actual projected construction date.

There are 21 capital projects for a total of \$33.6 million that have been identified as a capital need, but included in the 2023 Deferred Capital Projects listing due to financial constraints and limited staffing capacity. When preparing the capital budget, staff are requested to submit all required needs based on asset management best practices and not to consider any funding or staff capacity constraints. The Capital Budget Team and C.L.T. reviewed all submitted capital projects and prioritized what was to be presented as the proposed capital budget based on available funding and current staff resources. The capital projects that are not included in the proposed budget are deferred to the following year and included in the Capital Budget 9 Year Forecast.

Parks Capital Projects

It is difficult to ascertain the projected costs of delaying these projects based on the volatile market the past few years. In order to provide an estimate, a conservative inflation amount of 15% was used based on recent market trends.

Determining when these projects would be delivered is also challenging as it is dependent on staffing levels. The current staffing complement in the Parks Planning and Redevelopment Division of Facilities Management Services is not sufficient to provide project management for the Deferred Capital projects. A Project Manager is able to effectively manage four (4) capital projects in one year. There is currently one Parks Project Manager and through PA-23-07 in, an additional position is being requested to ensure currently proposed parks capital projects are able to be completed. The timing of when the deferred projects would be able to be delivered by staff would be dependent on how many additional Project Managers are approved. Additionally, there is not enough capacity from a senior management staffing level to manage any additional staff.

The estimated full year annual cost to hire a Project Manager is approximately \$145,000. Alternatively, an external project manager could be considered to manage projects at an estimated cost of \$220 per hour or approximately \$35,000 per month. However, as managerial oversight would still be required, this option is not preferable to staff.

A high level estimate of the projected cost of delay, based on deferring all of the projects to the specific year are included in Table 1.

Table 1 – Projected Cost of Delaying Parks Projects to a Specific Year

Project Stage	2024	2025	2026
Design	\$134,500	\$289,300	\$467,200
Construction	\$450,000	\$967,500	\$1,562,600
Total	\$584,500	\$1,254,800	\$2,027,800

Table 2 – Deferred Parks Capital Project

Project	2023 Cost	Comments
50-0020 ATMP Trail Link 14 - Windfields Part II Plan	\$552,000	Delay cost included in Table 1
50-0046 Parks Development - Site Investigations	\$25,000	Delay cost included in Table 1
51-0020 Raglan Park Redevelopment	\$600,000	Delay cost included in Table 1
51-0097 Crimson Court Park Redevelopment	\$500,000	Delay cost included in Table 1
51-0119 Conant Park Redevelopment	\$45,000	Delay cost included in Table 1
51-0120 Parks Redevelopment Fund	\$3,922,000	This is for various locations and not time sensitive, therefore not included in calculation in Table 1
51-0121 Sunnyside Park Redevelopment	\$1,200,000	Delay cost included in Table 1
51-0130 Pumphouse Marsh Viewing Deck	\$200,000	Delay cost included in Table 1
51-0132 Lakeview Park Pathway Replacement	\$120,000	Delay cost included in Table 1
51-0134 Easton Park Redevelopment	\$160,000	Delay cost included in Table 1
51-0135 Kinsmen Stadium Redevelopment	\$9,200,000	This should not be competing with other deferred projects for Health & Safety and Operational efficiency reasons
51-0136 Baker Park - Splash Pad	\$85,000	Cost included in Table 1
51-0138 Greenbriar Park Redevelopment	\$40,000	Cost included in Table 1
51-0142 Elena Park Redevelopment	\$70,000	Cost included in Table 1
53-0004 Stone Street Park Shore Protection	\$300,00	Cost included in Table 1

Other Capital Projects

Estimating future costs is a challenge for other projects for Economic and Development Services and Community and Operations Services. Besides inflation, there can also be additional costs of delay related to risk of further deterioration, which may result in a different type of work programmed in the future. For example, a road that has a pavement condition index from 60-79 would typically have restorative work, but if the condition falls between 40-59, rehabilitative work would be required which is more expensive than restorative treatments.

Based on historical inflation over the past few years, the annual cost of deferring the Engineering capital projects is approximately \$1,164,000, assuming the same treatment of work programmed today. The inflation rate used is 7%, which is lower than the estimate for Parks projects, as the asphalt prices have been slowly decreasing in price since August 2022.

Limited staff capacity, as well as affordability was the main reason for deferring the Engineering projects to 2024. If funding was not a constraint and additional staff were retained, the projects in Table 3 would be able to move forward in 2023 and 2024.

Table 3 - Deferred Other Capital Projects

Project	2023 Cost	Comments
54-0022 Consortium Watercourse Bank Stabilization	\$10,000	Additional funding required for a Project Manager
54-0066 Oshawa Creek Main Branch	\$150,000	Additional funding for 0.5 of a Project Manager
54-0093 Harmony Creek Branch 3 Watercourse	\$1,000,000	Additional funding for 0.5 of a Project Manager and construction of Harmony Creek Branch 3 Watercourse Improvements
74-0007 A.T.M.P. Cycling Network Expansion	\$50,000	Currently \$140K available from prior year approved projects
74-0043 Asphalt Preservation – Overlay	\$14,970,000	Additional funding for a Project Manager required for 2 years; plus additional Inspector(s) for each additional \$2.5M
74-0148 Roads Resurfacing	\$450,000	Additional funding for temporary staff for 6 months

Estimated cost for a temporary Project Manager is \$110,000 per year and \$95,000 for a temporary Inspector.