



Report to Council

Department: Infrastructure Services

Division: Capital Works and Asset Management

Date: November 13, 2024

Prepared by: Kevin Girard, P.Eng., MBA
Director, Infrastructure Services
David McBeth, C.E.T.
Manager, Capital Works and Asset Management

Report Number: Capital Works and Asset Management-2024-18

Subject: 5-Year Capital Proposed Plan

Number of Pages: 3

Recommendation(s)

That Capital Works and Asset Management-2024-18 entitled “5-Year Capital Proposed Plan” prepared by David McBeth, Manager, Capital Work & Asset Management dated November 13, 2024, be received, and

That Council adopt the 5-year capital plan in principle as presented.

Purpose

To obtain Council’s endorsement of the 5-year capital forecast, in principle, developed by the Infrastructure Services Department.

Background and Discussion

The Town of Essex Council's 2023-2027 Strategic Action Plan, adopted by Council on June 5, 2023, had the following two strategic actions under the 'Safe and Reliable Infrastructure' pillar:

1.2 – Investing in our Roads

Complete a 10-year roads forecast with prioritized list of required future roads projects and projected costs.

1.4 – Providing reliable water, storm water, and wastewater services

Complete a 5-year capital forecast for future water, wastewater and storm water projects, including funding model options.

Infrastructure Services, led by Capital Works, has put together a 5-year Capital Plan (2025-2029) for all infrastructure projects and has provided a list of priority projects for years 2030-2034. The plan includes **\$53.21 million** in capital project with approximately **\$43.37 million** being projects related to roads and bridges over the next 5 years (end of 2029). However, the plan does not include any impacts due to development as the Town does not have control over the timing, except for the Hanlan Extension, since this is a project that is driven by both the impacts from the Highway 3 expansion and a future residential development.

A long-term capital plan is a framework to guide the Town of Essex in planning, decision-making, and aids the municipality's financial planning efforts to meet the overall strategic and asset replacement needs. This planning process creates a purposeful approach to long-term infrastructure management and helps to align short-term actions with long-term strategies. The goal is to ensure that the Town is in a sound infrastructure position to sustain the level of service the public has come to expect. The plan will also help to identify and understand the implications that today's decisions have on future budgets.

The Town of Essex continues to face significant fiscal challenges similar to other municipalities of its size. The Town, like other municipalities in Ontario, funds the programs and services it

provides with a limited funding framework which has relatively flat revenue streams and limited ability to modify the services it provides. New and changing regulatory responsibilities, escalating operating costs as well as aging infrastructure and the ever-growing infrastructure deficit has provided a certain challenge in balancing the requirements of replacing aging infrastructure while aiming to fulfill the need to grow new infrastructure for future population. It is a challenge to balance the needs of the community, maintain acceptable service levels, repair and replace existing infrastructure, address community health, safety, and environmental risks and implement strategic initiatives and community priorities. For these reasons, this list does not represent a comprehensive list of the Town's capital needs, rather, this plan only addresses the most critical needs that the Town of Essex is facing over the next 5 to 10 years.

The capital plan only addresses the needs of the Town from a capital needs perspective. It does not include the operational impacts of the implementation of this plan which could mean the addition of resources such as staff, equipment, services, materials or any other operations and maintenance costs. As such, Council should be aware that as the municipality experiences growth, it will need to address these operational gaps to continue providing the current level of service.

The 5-year capital plan was developed using currently available studies, investigations and staff interviews. The studies included in the analysis are as follows:

- Streetscan Pavement Condition Assessment
- Climate Change Adaptation Plan (CCAP)
- Bridge Condition Inspection Reports (OSIM)
- CWATS Master Plan
- Asset Management Plan (AMP)
- Various studies completed through development approvals
- Annual inspection reports completed by Operations
- Already designed and budgeted construction projects
- Town of Essex Development Manual

- Town of Essex Strategic Action Plan

Its important to note that Administration is aware of the following studies that will impact the 5-year capital plan from year to year.

- Servicing Master Plan project
- Transportation Master Plan (Strategic Plan Action #1.1)
- Development Charge Study
- County of Essex Transportation Master Plan
- Town of Essex Official Plan
- County of Essex Official Plan
- McGregor Lagoon Expansion Environmental Assessment

Administration is not requesting that this plan be fully funded but approved in principle to allow for other engineering studies, designs and advance investigative works to be completed. This plan is expected to be fluid, and projects may move slightly year to year to accommodate budget shortfalls, grants/other funding, developments, shifting priorities, availability of additional information and studies, etc. For this reason, Administration recognizes that this plan will be reviewed annually and updated accordingly.

Financial Impact

There are no financial impacts associated with this report, however, projects included in the capital plan will be requested as part of future budgets, including the 2025 Budget.

In the 2022 Asset Management Plan it was identified that the Town has an infrastructure backlog of \$17.2 million for assets that remain in service beyond their estimated useful life. It also stated that on average \$17.4 million is required each year to remain current with capital replacement needs, which is only for the Town's core asset portfolio. The plan also recommended implementing a 2.6% annual tax increase for a 15-year period beginning in 2023. The Town did a 1.6% roads levy in 2023 and another 1% in 2024 as the first steps in closing the funding gap but

would technically be considered behind in the AMP Financial plan given the recommendation was at least 2.6% annually.

Consultations

Kate Giurissevich, CPA, CA, Director, Corporate Services/Treasurer

Link to Strategic Priorities

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.
- Take care of our natural environment and strengthen the sense of belonging to everyone who makes Essex "home".
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.

Report Approval Details

Document Title:	5-Year Capital Plan - Capital Works and Asset Management-2024-18.docx
Attachments:	- 5-Year Capital Plan.pdf
Final Approval Date:	Nov 11, 2024

This report and all of its attachments were approved and signed as outlined below:



Kevin Girard, Director, Infrastructure Services - Nov 11, 2024 - 12:03 PM



Kate Giurissevich, Director, Corporate Services - Nov 11, 2024 - 12:17 PM



Doug Sweet, Chief Administrative Officer - Nov 11, 2024 - 12:37 PM