



October 25, 2023 Regular Council Meeting

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Addition to the Agenda Questions received from Council seeking additional information and the corresponding responses provided by staff regarding the October 25, 2023 Council agenda items.

Responses Appreciated Prior to Meeting

Hello Council, please see the October 25 Council Agenda Questions and Staff Responses below:

6.1.1 Report FIN-2023-031 – 2024 Proposed Capital Budget

-p. 4 re Asset Management (AM) Discretionary Reserve; how was the contribution amount determined?

The annual contribution amount was determined by analyzing the projected annual capital tax levy increase of approximately:

- *\$189K annual increase from 2023 to 2025*
- *\$50K per year from 2025 to 2033.*
 - *Based on the deficit balance in the Asset Management (AM) Discretionary Reserve from 2027 to 2033, upon Council direction, the contribution to the AM Discretionary Reserve can be increased by a further \$11K per year from 2023 to 2025 and \$150K per year from 2025 to 2033 which would result in a consistent capital tax levy increase of \$200K per year from 2023 to 2033.*
 - *This would assist in bringing the Township closer to a positive balance in the AM Discretionary Reserve over the forecast period.*

-p. 4 re 401 and Highway 6 Project Review of Hotspots; any carryover available from 2023?

The Township budgeted \$5K in 2022, \$10K in 2023, and an additional \$10K in 2024 – all tax levy funded. The Township has spent funds of approximately \$1.5K in 2023. This information was



presented by Salvini Consulting Inc. and the Ministry of Transportation at the September 27, 2023 Council Meeting. There is approximately \$13.5K of funds being carried forward from the funds approved in 2022 and 2023. Township staff require Council direction on what further work is required related to this project in order to determine whether an additional \$10K of tax levy funding is required for 2024 in order to complete the scope of work.

-p. 4 re Information Technology; are any grant funds still available that the Province provided for improving efficiencies and if so can they be used to fund some of these anticipated costs?

Yes there is an estimated amount of \$281K of the Ontario Municipal Modernization Funding available. This funding will be used for anticipated information technology (IT) costs that meet the intent of the Ontario Municipal Modernization Funding. The intent of this funding provided by the Province in early 2019 is to assist in "efforts to become more efficient and reduce expenditure growth over the longer term". The Township's past practice has been to utilize this funding for projects that help to modernize service delivery and allow the Township to become more efficient.

The Township also has a Corporate Information Technology Discretionary Reserve which is used for "implementing the recommendations from the County of Wellington and its member municipalities Operational Services Efficiency Review in response to the Provincial Modernization Grant". Information technology projects noted in the Capital Budget and Forecast are currently funded by this discretionary reserve (ie. computer equipment replacements, tablets, server replacement, etc.). The total project balance as of December 31, 2024 is \$169K (this includes withdrawals for 2024 proposed capital projects such as computer equipment replacements and server replacement).

-p. 5 re "that the Township consider incorporating the findings of the Roads Management - Plan into its next by-law and not seek to undertake an amendment."; what does this mean?

That the capital cost estimates noted in Appendix K of the Roads Management Plan be incorporated in the 2024 Development Charges (DC) Background Study. A significant step in the process of calculating a DC is examination of the long-term capital and operating costs for capital infrastructure.

This also means that any of the recommendations in the 2023 Roads Management Plan that are DC eligible will be incorporated in the DC Background Study as "Infrastructure Costs Covered in



the DC Calculation". One example that Township staff will bring forward to the DC consultant is whether the speed mitigation measures are DC eligible.

An amendment to the 2019 DC by-law is not recommended given the existing DC by-law is expiring in September 2024.

Proposed Road Rehabilitation Projects

Watson Road South – “Staff recommend that temporary electronic speed display signs be installed at the completion of the road rehabilitation for a period of time to be determined by council – two units are required at a cost of \$10K”

Would the temporary electronic speed signs be purchased for the 10K that we can then use on other township roads in the future?

Yes

Is the \$10K Included in the current budget or would this be an addition? If this is an addition, can it be funded by DC's?

This is currently not identified in budget. This is an addition to be added at Council's direction.

The DC component of this question will be reviewed by the DC consultant as part of the 2024 Development Charges Study. The 2023 Roads Management Plan has been provided to the DC consultant in order to determine which of the specific recommendations in the 2023 Roads Management Plan are DC eligible including the percentage of DC eligibility.

Does staff have a recommendation in terms of the duration of time to have the temporary signs in place?

Staff's recommendation is that the placement of the signs be determined on a case by case basis based on complaints received in accordance with the RMP. In general, staff would recommend as a starting point, that signs be placed for a period of 30 days and monitored for effectiveness. Relocating the signs will require staffing resources and the signs will likely not be deployed during winter months.

-p.5 can the DC bylaw be enacted in December 2024 allowing us to utilize existing bylaw to fund studies in 2024 or if not can some of the studies be done before Sept under the old bylaw?



The new DC by-law must be enacted by September 2024 as the current DC by-law expires in September 2024 (5 years after it was enacted in September 2019). If a new DC by-law is not passed by September 2024, the Township is unable to collect DC's. Only study costs expended before September 2024 are eligible (ie. 2024 DC Background Study, 2024 Conservation and Demand Management Plan, and Community Risk Assessment - Ontario Regulation 378/18).

-p.5 re "\$50,000 be contributed to this reserve for the purpose of funding previously eligible studies that are no longer eligible to be DC funded"; how would the \$50k be funded?

All contributions to discretionary reserves (including Asset Management, Gravel Roads, Election, Legal, Insurance, etc.) are funded through tax levy.

Impacts of Bill 23 – "Watson recommends that the Township consider incorporating the findings of the Roads Management Plan into it's next by-law and not seek to undertake an amendment"

What elements from the Roads Management Plan get incorporated into the DC by-law?

- *The capital cost estimates noted in Appendix K of the Roads Management Plan will be incorporated in the 2024 Development Charges (DC) Background Study. A significant step in the process of calculating a DC is examination of the long-term capital and operating costs for capital infrastructure.*
- *Recommendations in the 2023 Roads Management Plan that are DC eligible will be incorporated in the DC Background Study as "Infrastructure Costs Covered in the DC Calculation". One example is whether the speed mitigation measures are DC eligible.*

Administration Studies were previously partially funded by DC's which is no longer permitted. Based on the forecast outlined, a total of \$131,000.00 of admin studies were previously funded by DC's and will now need to be tax levy funded therefore if a new discretionary reserve would have a recommended contribution of \$50,000. It is not clear when all of these studies are due for updates. If the updates are spread over 4-5 years, would it make sense to spread the contribution of \$131,000 over a 5 year period (\$26,200 every year for 5 years)?

The Township also has several studies, plans, inspections, etc. that were not DC eligible in the past. Based on a filter of the 2024 Budget Model for the forecast period (ie. 2024 to 2033) of all studies, plans, inspections, etc., the total amount that is tax levy funded or previously DC funded is \$658K. If Council does want to establish a new discretionary reserve, it may be a good idea to have this discretionary



reserve be more general in nature to fund all studies, plans, inspections, etc. It does make sense to spread the contribution to this newly established discretionary reserve over the forecast period in order to limit the tax levy impact in any given year given these projects are due for updates at different times throughout the forecast period.

-p. 5 re “additional taxation for the Township from 2017 to 2023 related to the gravel pit appeals will likely be processed in 2024.”; what is the projected amount and can a portion be budgeted and used to fund the contribution to AM in 2024 and other projects such as the Regionally Significant Economic Development Study to reduce levy?

The Township has processed a small number of adjustments related to the 2017 to 2019 taxation years for the gravel pit appeals of approx. \$44K. The Township is currently working with the County to determine the amount of supplemental taxation to be received in 2024 for the 2017 to 2023 taxation years for these appeals. Once a reasonable estimate is determined, it will be incorporated as “supplemental taxation” in the 2024 proposed operating budget which will result in a reduction to the 2024 tax levy requirement.

-p.7 re “Next steps for Puslinch include a downtown visitation of Aberfoyle and Morriston on October 18, 2023 in order to assess first impressions and become more familiar with both communities, a business mix analysis and recommendations”; has the review happened and if so what is the general impression of the review?

Township staff obtained the following update from County of Wellington Economic Development staff related to the October 18, 2023 site visit:

Earlier this year, County Economic Development staff met with a preliminary group including members of the Economic Development Committee, Mayor Seeley and Councilor Sepulis to discuss opportunities related to Business Retention and Expansion activities in Puslinch. Downtown revitalization was identified as an area of need. County Economic Development staff conducted a site visit in Aberfoyle and Morriston on October 18 to gain a deeper understanding of these communities and to assess their respective strengths and challenges. Staff is currently developing an asset map/business mix analysis geared towards both Aberfoyle and Morriston, followed by reviewing findings within the Roger Brooks Assessment. Once this has been completed, County staff will present to Puslinch Township staff and outline a suggested scope of work, including specifics regarding business visits and interviews.



-p. 8 Parks pickup truck; given that the truck transferred from Works is proposed to be paid from the Parkland dedicated reserve, can a case be made that a new truck be purchased for Parks and paid out of the Parkland reserve. This would alleviate the need for a new truck from being purchased for Works and thereby reducing the levy by \$50k. The Works truck will then be replaced when it is due for replacement.

Yes cash in lieu of parkland can be used and the pickup truck requested for 2023 can be allocated to Parks with a 10 year lifecycle funded by the cash in lieu of parkland restricted reserve. The current 2017 Public Works pickup truck could then be replaced in 2025 with its 8 year lifecycle and remain in Public Works.

-p.10 re “As part of the Boreham Park playground improvements in 2023, plantings will be incorporated delineating the ditch line from the playground”; memo in Schedule G identifies a cost of \$70k. Has this been budgeted?

The identified plantings will only occur along the North and South side of the playground sidewalks at a cost of approximately \$2.5K. The \$70K outlined in the GM BluePlan memo attached as Schedule G to Report FIN-2023-031 was for the full landscape of the entire drainage system which is not being recommended by Township staff or completed within the Boreham Park playground improvements project. The parks improvement projects (PCC and Boreham Park) are currently estimated to exceed the amount presented to Council at its meeting held on May 3, 2023 in Report REC-2023-001 by approximately \$20K due to weather factors, supply chain issues, and changes to the construction schedule due to accommodating the 2023 Fall Fair.

-p. 11 re “Watson Road South - County Road 37 (Arnell Road) to Maltby Road East”; will County be putting in speed control measures north of Arnell on Watson and along Arnell?

Township staff will follow up with the County regarding this in accordance with the Roads Management Plan complaint protocol.

-p. 12 re “It is recommended that staff investigate storm water management cost recovery options including fees and charges to individual properties serviced by municipally maintained storm water management ponds.”; do other municipalities with similar ponds pass on upgrades/maintenance to industrial properties?



Yes staff have found some example by-laws.

-p.13 re “It is recommended that staff work with GM BluePlan to determine if the capital cost estimates can be further refined and whether there are any roads projects that can be deferred past the 10 year period. Staff will incorporate this analysis in the next version of the 2024 Capital Budget and Forecast presented to Council.”; do we need a peer review of the estimates (see following question)?

Township staff are currently in the process of refining the capital cost estimates with GM BluePlan. The Director of Public Works and GM BluePlan will be completing site visits for the road sections scheduled to be rehabilitated from 2024 to 2028 to determine the estimated site specific costs associated with those road sections.

- the estimate for Watson Road South 37 to Maltby was \$418k in 2023 vs. \$1800k now ie a 400% increase; is this reasonable?; as an example Maltby Road was budgeted in 2023 for \$260k and did the actual prices come in excess of \$1million?

Township staff are currently in the process of refining the capital cost estimates with GM BluePlan. The Director of Public Works and GM BluePlan will be completing site visits for the road sections scheduled to be rehabilitated from 2024 to 2028 to determine the estimated site specific costs associated with those road sections.

The Maltby Road East Project (Asset No. 63A and 63B) came in at approximately \$533K as outlined in Report PW-2023-001 presented to Council at its meeting held on May 24, 2023.

Below shows a comparison of projected costs for road projects being proposed in 2024. The first column were the estimated costs of these projects when preparing budget for 2023 (taken from the 2024 and 2025 capital plan summary of the 2023 budget). These same projects are now projected to be significantly higher – in most instances, more than double. Is there any way to quantify how much of the additional cost is due to rising costs and inflation vs. how much of the additional cost is due to increase thickness in asphalt and other recommendations from Roads Management Plan? The rationale for this question is that the RMP was intended to provide flexibility in the resolution “that recommendations outlined in the RMP are endorsed by Council subject to budget considerations”



It would be helpful to know how much of the cost is due to the recommendations from RMP for these projects in order to evaluate the budget consideration.

Capital Project Proposed for 2024	Estimated Cost from 2023 Budget Capital Plan Summary	Estimated Cost from Proposed 2024 Budget	Difference
Watson Road South - Arkell to Maltby	\$418,080.00	\$1,823,000.00	\$1,404,920.00
Gore Road - Valens to Conc.7 (originally proposed 2025)	\$173,056.00	\$576,000.00	\$402,944.00
Gore Road - Sideroad 20 to Valens (originally proposed 2025)	\$295,490.00	\$983,000.00	\$687,510.00
Maple Leaf Lane	\$80,697.00	\$101,000.00	\$20,303.00
	\$967,323.00	\$3,483,000.00	\$2,515,677.00

Township staff are currently in the process of refining the capital cost estimates with GM BluePlan. The Director of Public Works and GM BluePlan will be completing site visits for the road sections scheduled to be rehabilitated from 2024 to 2028 to determine the estimated site specific costs associated with those road sections.

Asset Management Plan and Policy Updates

“Based on a recent quote received, this work can cost up to \$67K”

The budget only includes \$10K and preparing a report for council consideration. Should we be earmarking an addition \$57K as a potential further addition to the budget for 2024?

Township staff are in the process of providing Council with options for Council’s consideration including staff resourcing requirements and/or consulting assistance to implement these



requirements. If consulting assistance is the preferred option, the next step would be the issuance of a Request for Proposal. One option that staff plan to present to Council is the hiring of an accounting university coop student to assist with updates to the Asset Management Plan and Policy as well as budget and asset management system implementations. Township staff are in the process of determining if grant funding is available for the hiring of a university student. If grant funding is not available, it would be reasonable to assume an additional \$40K of tax levy funding may be required in 2024.

Gravel Roads Improvement Discretionary Reserve

The Roads Management Plan, there were 6 roads identified as being the best candidates for hard-surfacing. Would staff recommend proceeding with any of those projects in 2024?

Staff do not recommend proceeding with hard-surfacing any gravel road in 2024 due to budget constraints and cost estimates.