



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	December 2, 2021
<b>SUBJECT/REPORT NO:</b>	2022 Tax Supported Capital Budget Update (FCS21096(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Duncan Robertson (905) 546-2424 Ext. 4744
<b>SUBMITTED BY:</b>	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
<b>SIGNATURE:</b>	

## COUNCIL DIRECTION

Following direction given to staff during the presentation of the 2022 Tax Supported Capital Budget (Report FCS21096) at the General Issues Committee (GIC) meeting on November 26, 2021, staff has provided additional information in advance of GIC budget deliberations on December 2, 2021.

## INFORMATION

Information on each item is provided under the various subsections of Report FCS21096(a).

### 1. Investment in Roads / Traffic / Bridges Infrastructure

Supplemental to the information provided in Appendix "A" to Report FCS21096, 4.0.A Roads/Bridges/Traffic Infrastructure Rehabilitation Program, Table 1 provides the changes in investment levels between the 2021 Tax Capital Budget and the 2022 Tax Capital Budget for Roads/Traffic/Bridges infrastructure.

**TABLE 1**

**SUBJECT: 2022 Tax Supported Capital Budget Update (FCS21096(a)) (City Wide)**  
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**Investment in Roads / Traffic / Bridges**

\$(000's)	2021		2022		Change	
	GROSS	NET	GROSS	NET	GROSS	NET
Growth Related	33,390	4,220	46,705	4,147	13,315	(73)
Replacement Program / State of Good Repair	9,200	6,240	15,072	10,054	5,872	3,814
Urban Rehabilitation / State of Good Repair	14,093	6,680	7,560	7,172	(6,533)	492
Local Road Program / State of Good Repair	1,150	950	5,560	3,690	4,410	2,740
Rural Rehabilitation / State of Good Repair	6,630	6,070	2,250	509	(4,380)	(5,561)
Bridges and Structures	15,594	15,594	14,887	11,922	(707)	(3,672)
Operations and Maintenance	4,240	3,760	5,150	5,100	910	1,340
Technical Studies and Reporting	3,110	3,110	6,564	3,590	3,454	480
Traffic Operations and Engineering	10,260	7,300	14,305	10,247	4,045	2,947
Streetlighting	-	-	1,500	1,500	1,500	1,500
Engineering Services Staffing Cost	5,570	5,570	4,500	2,615	(1,070)	(2,955)
Council Priority Projects	8,670	3,270	6,180	4,280	(2,490)	1,010
<b>TOTAL CAPITAL RELATED EXPENDITURE</b>	<b>111,907</b>	<b>62,764</b>	<b>130,233</b>	<b>64,826</b>	<b>18,326</b>	<b>2,062</b>

Table 2 shows the year over year change in investment levels for the rehabilitation of Roads / Traffic / Bridges in the Tax Capital Budget. Please note, the 2021 figures in Table 1 and 2 do not include additional investment approved in-year.

**TABLE 2**  
**Rehabilitation of Roads / Traffic / Bridges Infrastructure**

\$(000's)	2021		2022		Change	
	Gross	Net	Gross	Net	Gross	Net
<b>Roads</b>	39,743	23,210	39,821	27,491	78	4,281
<b>Bridges and Structures</b>	15,594	15,594	16,188	12,751	594	(2,843)
<b>O &amp; M/Studies/Traffic Engineering</b>	23,180	19,740	27,519	20,437	4,339	697
<b>Total Non Growth Rehabilitation</b>	<b>78,517</b>	<b>58,544</b>	<b>83,528</b>	<b>60,679</b>	<b>5,011</b>	<b>2,135</b>
<b>Development/Growth Related Program</b>	33,390	4,220	46,705	4,147	13,315	(73)
<b>Total Roads</b>	<b>111,907</b>	<b>62,764</b>	<b>130,233</b>	<b>64,826</b>	<b>18,326</b>	<b>2,062</b>

Included within the Roads / Traffic / Bridges portfolio is investment related to the annual programs for maintenance, replacement and installation of sidewalks. Table 3 provides a breakdown of the \$1.1 M increase in distinctly identifiable sidewalk investment year-over-year. In addition to these annual programs, there is extensive sidewalk replacement and new sidewalk installation included in the total budgeted amounts for the Road Replacement Program, Urban Rehabilitation Program, Local Road Program and Growth-Related Road Development.

**TABLE 3**

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OUR Vision: To be the best place to raise a child and age successfully.  
 OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.  
 OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

### **Capital Investment in Sidewalks**

\$(000's)	2021		2022		Change	
	GROSS	NET	GROSS	NET	GROSS	NET
Sidewalk Rehabilitation Program	750	750	1,000	1,000	250	250
New Sidewalk Program	450	22	1,096	13	646	(10)
New Sidewalk - Missing Links	-	-	250	11	250	11
<b>SIDEWALK CAPITAL INVESTMENT</b>	<b>1,200</b>	<b>772</b>	<b>2,346</b>	<b>1,024</b>	<b>1,146</b>	<b>252</b>

Efforts have continued to further understand infrastructure needs over time, with work efforts recently being incorporated into the new Corporate Asset Management Office that recently formed. This office is accountable for implementing a City-wide integrated business approach to corporate asset management, which includes documenting and championing the long-term strategies, principles, and direction for managing corporate assets as identified by Council and senior leadership. One of the key goals of this office is to ensure the promotion of long-term sustainability of managing assets, while balancing community needs and maximizing financial resources.

Phase 1 of Ontario Regulation 588/17 requires a Core Asset Management Plan for Roads, Bridges, Water, Wastewater and Stormwater and this must be submitted to the province by July 1, 2022. The Plan replaces the State of Infrastructure Report and Asset Report Card. Council will be receiving the Plan for their approval in Q2 2022.

The Asset Management Plan considers all the elements necessary to provide a starting value for the infrastructure gap, which will then continue to be refined over time as the city matures in its asset management practices and gains greater confidence in asset data. By 2025, Hamilton will need to establish proposed Levels of Service from which a clearer indication of the infrastructure gap will be achieved.

## **2. Capital Levy Increases for Discretionary Block Funding**

The 2022 Tax Capital Budget recommends a 0.50% net levy increase, equating to \$4.8 M in today's dollars, in each year of the 10-year (2022-2031) Capital Financing Plan for the rehabilitation of City-owned assets. The 0.50% increase in 2022 would total a capital investment of \$48 M over the 10-year period as illustrated in Appendix "A" to Report FCS21096(a) in addition to the \$88M of the Capital Levy currently dedicated to 2022 capital works. The annual 0.50% increases to the net levy, in support of capital financing for the rehabilitation of City-owned assets, would result in a 10-year total of \$264 M.

## **3. Ward 11 Investments in Parks and Recreation**

The planned Recreation and Parks investments in Ward 11 are provided in Appendix “B” to Report FCS21096(a). There are two noted changes from the 10-year capital forecast that was submitted and approved in principle during 2021 Tax Capital Budget deliberations:

- Fletcher Road Parkette has been moved from 2023 to 2025 to align with subdivision growth development; and
- Additional investment of \$6.8 M has been added for Elfrida Secondary Plan Parks in years 2030 and 2031.

There were no changes in terms of forecasted timing or scope for the Mount Hope Recreation Facility (\$4.5 M in 2023) and the Binbrook Recreation Centre (\$27.5 M in 2028).

#### **APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS21096(a) – Capital Levy Increases for Discretionary Block Funding

Appendix “B” to Report FCS21096(a) – Ward 11 Recreation and Parks Investments

DR/dt