

## Report CCR-PCD-15-16

**To:** Chair McQueen and Members of the Planning and Community Development Committee

**From:** Sharon Vokes and Randy Scherzer

**Meeting Date:** April 19, 2016

**Subject:** **Five Year Capital Forecast Planning and Community Development Committee Portfolio 2017 - 2021**

**Status:** Recommendation adopted by Committee as presented per Resolution PCD61-16; Endorsed by County Council May 3, 2016 per Resolution CC55-16;

## Recommendation(s)

**THAT Report CCR-PCD-15-16 regarding the 2017 – 2021 Five Year Capital Forecast for the Planning and Community Development Committee portfolio be received;**

**AND THAT the Capital Forecast be forwarded as presented/amended for inclusion in the corporate Five Year Capital & Extra-Ordinary Expenditures Forecast 2017 – 2021 for consideration by County Council.**

## Background

*Planning*

A total of five projects have been identified under the Planning capital budget which include; future Development Charges Update, Archaeological Master Plan, future Housing Study Data Update, Multi-Function Plotter/Scanner (MFP) replacement, and future Growth Management Study Update. Previous five year capitals included a future update to the Natural Heritage Systems Study and future update to the Transportation Master Plan. It is recommended that these be removed from the 5 Year Capital budget until the Natural Heritage Systems Study has been completed and until the current Transportation Master Plan has been implemented.

Development Charges Update - The Development Charges By-law needs to be

reviewed every five years in accordance with the Development Charges Act. The current Development Charges By-law is set to expire in January 2017 and as a result a Development Charges Update has commenced. The next five year update to the Development Charges Background Study will need to commence in 2021 with the majority of this project being funded from development charges.

Archaeological Master Plan - An Archaeological Master Plan is a document that provides an inventory and evaluation of known archaeological resources and identifies areas of archaeological resource potential. The County Official Plan indicates that the County may undertake an Archaeological Master Plan and that the County would consult with First Nations when developing the Terms of Reference for the study. The updated Provincial Policy Statement also indicates that municipalities should consider and promote archaeological management plans in conserving cultural heritage and archaeological resources. It is recommended that this project commence in 2017, however this project may commence either late in 2017 or early 2018 depending upon the timing of when the County Official Plan Update will be completed. The total estimated cost for this project is \$150,000 with the majority of the project being funded from development charges.

Housing Study Data Update - The current Housing Study data update was completed earlier this year. County staff will be developing strategies and proposed policies using the results of the Housing Study update in order to assist with the housing needs in Grey. As part of the latest update, it became apparent that updating the Housing Study should occur following each census period. Typically it takes 2 years following each census year in order for all the data to be released by Statistics Canada and therefore it is recommended that the next Housing Study Update occur in 2018 which would be 2 years following the 2016 Census. It is estimated that the data update will cost approximately \$15,000 with the majority of this being funded from development charges.

Multi-Function Plotter/Scanner (MFP) – The current MFP was purchased in 2014 and has a 5 year warranty and service plan. The capital budget proposes to replace the MFP in 2019 when the warranty period has expired.

Growth Management Study Update - The growth management study includes permanent population projections, household projections and employment growth projections and allocates the projected growth to local municipalities. It is important to update this information using current census data and growth information to ensure that projection information is accurate and that projected growth is allocated appropriately. It is also important that this study be completed prior to the Development Charges Update so that the growth projection data can be utilized as part of the Development Charges Background Study. The current Growth Management Study was completed in 2015 and therefore it is recommended that the next Growth Management Study Update commence in 2020.

## *Trails*

In 2011 an assessment of all the bridges and culverts on the CP Rail Trail was completed by AECOM. The culvert and bridge assessment will be updated later this year. The initial assessment noted that there were ten culverts in need of repair or replacement, some immediate and some within the next five to ten years. There are also ten bridges in total along the trail which are in relatively good shape with one bridge in need of repair/replacement within the next five to seven years. Over the past several years, a number of these culverts have been repaired or replaced to ensure that the trail is being maintained for the safety of trail users. The proposed capital budget recommends that Culvert 23 be replaced in 2017, Bridge 63 in 2018, Culvert 75 in 2019, Culvert 56 in 2020 and Culvert 36 in 2021 based on the needs identified in the current culvert and bridge assessment. Following completion of the updated assessment the priorities for the culvert/bridge projects could change.

With the assistance of the Finance Department, the information from the AECOM report has been used to create a long-term forecast to determine the funds required over the next 10 years to address the capital needs on the CP Rail Trail. In order to address future needs, the proposed capital budget identifies a transfer of levy funds to reserve of \$50,000 each year. The transfer of funds to the Trails Reserve will assist in offsetting some of the costs associated with the capital projects and will provide a consistent amount to fund from the levy each year.

## *Economic Development & Tourism*

There are four items in the Five Year Capital Forecast related to Tourism and Economic Development:

- Updating the Economic Development Strategy;
- Economic Development –Information Communication and Technologies (implementation);
- Updating the Tourism Destination Development Action Plan (DDAP);
- Refreshing the tourism website.

Updating the Made In Grey Economic Development Strategy is scheduled for 2020 and will include a comprehensive review and community engagement process. The development of an overall strategy for economic development in 2015 has provided the County with a clear road map to follow in focusing the County's efforts over the next five years. Implementation of the strategy had been phased in as capital projects at \$43,000 in 2015, \$60,000 in 2016 and a recommended steady level of \$75,000 in 2017. Recognizing that much of this work includes ongoing program expenditures, \$60,000 has been moved to the regular budget, leaving \$15,000 in capital for projects for 2017, such as information, communication and technology.

Tourism's second Destination Development Action Plan has just been completed, with a three to five year implementation period, and will be due for an update in 2021. The fourth capital project is funding to update Tourism's [www.visitgrey.ca](http://www.visitgrey.ca) website. While a major update is planned every five years, the reality is that some capital deployment may be necessary to leverage new technologies as they become available, and will be brought forward on an annual basis.

### *Grey Roots*

The 2017 – 2021 Capital Forecast for Grey Roots continues on the path that was set last year. Periodic expenses such as studies and website refreshes have been incorporated as annual transfers to reserve in order to smooth out ups and downs in the levy.

As a starting point, the Forecast has been built on the assumption of two percent cost of living increases annually. An amount of \$6,000 per year has been targeted to keep the augmented reality application current and relevant and will be included in the 2017 operating budget. The Capital Forecast has been reduced by \$6,000 annually to compensate.

A significant portion of the Capital Forecast of Grey Roots is aimed at ensuring that the County is well positioned to maintain these assets. Annual transfers to reserve are included for both the main building and the heritage buildings. These transfers are based on the most recent building condition assessments (BCA) available. As new assessments are completed the annual reserve transfers will be revisited.

This year's update to the Five Year Forecast includes capital expenditures that have been identified in the BCA for the main building and are as follows:

- Carpet replacement for the theatre and office
- Water distribution equipment upgrades (metering and chlorine pumps)
- Septic pumps
- Roof

The first three items are projected for 2019 and the roof replacement for 2021. These projects will be reassessed each year to determine if the expenditures are warranted in the year that was projected by the BCA. These expenditures are to be funded from reserve. The roof replacement will be a significant withdrawal on this reserve in 2021. The reserve will remain in a positive balance in 2021. However, the reserve fund's projected cash flow does show a negative balance in 2024 when mechanical systems are forecasted to be replaced. The reserve fund is anticipated that it will return to a positive balance in 2027. There may be a benefit of tendering the roof in one year with the work to be phased in over two years to minimize disruption of the museum operation.

The Five Year Forecast also includes annual transfers to reserve for updating Grey Roots' strategic plan and its website every five years. Websites need to be kept current and reflective of emerging trends in order to be relevant. It's important that the strategic plan be updated as well. This will ensure that fiscal and staff resources remain targeted and on track to be as effective as possible.

An annual expense of \$40,000 is included to refresh the main Grey County Gallery. This gallery has had some minor changes since its inception in 2004 and is in need of a major overhaul. When Grey Roots was constructed the County was advised that this gallery should be refreshed every ten years. The 2016 budget has funding included to complete a plan for the gallery which will be assisted by work done by architectural students of Fanshawe College. Students visited the site last fall as part of their program.

The Orange Lodge has been included for 2017 in the event that the project doesn't proceed in 2016. It is staffs' understanding that the funds are now in place. Prior to moving ahead a number of matters related to the construction and ownership of the building need to be addressed. Staff have met with members of the Orange Lodge and the group is currently working on these items. It has been made clear that prior to proceeding, an agreement will need to be developed and presented to the Planning and Community Development Committee for its consideration and recommendations to Council. The agreement will be with the Sarawak Orange Lodge.

The remaining annual transfers to reserve are for future heritage buildings and the architectural and engineering costs related to constructing these buildings. Staff anticipate that the strategic plan for Grey Roots which is currently underway will provide some direction on the types of buildings which should be considered for inclusion in Moreston, as well as the order in which they should be constructed. In addition, there is limited real estate available and some difficult decisions may need to be made on which buildings can be included. A report will then be developed for the Committee's consideration which will help guide the order of development.

It will be important that community involvement be sought to minimize the cost of finishing Moreston. Community support in the past has been strong and there is no reason this shouldn't continue. Currently there is community interest to construct both a church and a general store. Architectural drawings have been completed for the church with some minor changes yet to be made as a result of the review of the Accessibility Advisory Committee.

## Financial / Staffing / Legal / Information Technology

### Considerations

The levy for capital under the jurisdiction of the Committee in 2016 was \$412,500 and the draft forecast requires \$424,300 for 2017 which is an increase of \$11,800, or a 2.86% increase over the 2016 approved capital budget. This \$11,800 would reflect a 0.02% increase to the corporate net levy requirement for 2017.

## Link to Strategic Goals / Priorities

The Capital Forecast includes ongoing capital funding to preserve the buildings at Grey Roots as well as investing in the repairs/replacements of culverts on the CP Rail Trail which supports Goal 1.6 of the Corporate Strategic Plan. This goal identifies the importance of accelerating Council's commitment to lifecycle planning for the long term investment of county owned capital assets.

The Capital Forecast also supports Goal 1.2 to develop and support an economic action plan that encourages greater diversification within the employment base.

As well, Council's investment in Grey Roots supports Goal 3.3 which is to champion arts, culture and heritage initiatives that promote and enhance the County's rich creativity and history.

## Attachments

Attachment to CCR-PCD-15-16 Planning and Community Development Committee Capital Summary Five Year Capital 2017-2021

Attachment to CCR-PCD-15-16 Planning and Development 2017-2021 Five Year Capital Forecast

Attachment to CCR-PCD-15-16 Trails 2017-2021 Five Year Capital Forecast

Attachment to CCR-PCD-15-16 Heritage 2017-2021 Five Year Capital Forecast

Attachment to CCR-PCD-15-16 Tourism and Economic Development 2017-2021 Five Year Capital Forecast

Respectfully submitted by,

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