



GRAND VALLEY

The Corporation of the Town of Grand Valley
Special Council Meeting - 2024 Capital Budget Agenda
Tuesday, November 28, 2023, 2:00 PM (approximately)
Council Chambers, 5 Main Street North, Grand Valley

- 1. Call to Order and Roll Call**
- 2. Adoption of Agenda**
- 3. Disclosure of Pecuniary Interest and the General Nature Thereof**
- 4. 2024 Capital Budget Discussion**
 - 4.1. Report – Preliminary 2024 Capital Budget Discussion
- 5. Adjournment**



GRAND VALLEY

REPORT TO COUNCIL

To: Mayor Soloman and Members of Council
From: Meghan Townsend, CAO/Clerk-Treasurer
Meeting Date: November 28, 2023
Subject: Draft 2024 Capital Budget

Purpose

To present the draft 2024 Capital Budget for the Town of Grand Valley.

Background

In the past, Grand Valley's Capital budgets were not separated out from the operating budget. All budget items were discussed starting in January and approved in late winter or early spring.

For the 2024 budget, Council directed that the capital budget portion of the 2024 budget be presented, deliberated and approved before the end of 2023. In so doing, the Town will be able to issue its capital tenders early in 2024 to obtain the most interest from vendors, and then we will hopefully obtain competitive pricing and have projects scheduled for completion in a timely manner.

Discussion

The following pages present the various capital projects proposed for 2024. Each page describes the 2023 projects and status, then the 2024 proposed projects and costs. The "Total Capital Budget Request" stated for each category is the cost to be paid for by property taxes and that will therefore impact the levy.

The information is presented for discussion. Council direction is requested.

Financial Impact

Total 2024 Budget Request for Capital Projects is \$10,101,823. Of that, \$3,146,323 is currently budgeted to be paid with property taxes through the levy.

Total 2023 Budget for Capital Projects and Capital Leases was \$10,419,000, and approximately \$5,000,000 of the 2023 budget was deferred and now included in 2024.

The 2024 Capital Budget, as is, will not be manageable for the Town once the operational costs and levy obligations are factored in. The property tax burden needs to decrease by at least half. Options to assist with capital costs include:

- Borrowing
- Use of proceeds from sale of assets
- Reserves

The Town's Annual Repayment Limit is \$1,768,603. This is the maximum amount of yearly debt repayments that the Province will allow our municipality to carry in our budget. This means that the Town could borrow approximately \$23,000,000 at 5% on a 20 year loan, if so desired. If we want to exceed this amount, special approvals are required. While staff do not recommend that the Town proceed with approaching this Limit, it shows that we have the option of borrowing to facilitate our capital needs.

Currently, the sewage treatment plant loan is the only significant loan that the Town is carrying. We have financed equipment as well, contributing slightly to our debt level. Within the next 5 years, the Town will be asked to finance infrastructure projects more than before, including the expansion to the community centre, growth related infrastructure projects and possible road construction projects.

Some of the capital projects proposed in this budget could be considered for debt financing, including Bridge 10, the Town's portion of the Scott Street Redevelopment, or the Luther Road infiltration project. Financing these large projects could help the Town spread the cost of these projects over their useful lives, help pay for the projects to allow them to proceed before costs increase even more, and we may secure interest rates that are competitive with inflationary impacts on construction costs.

In addition to or alternative to borrowing, the Town has sold two graders and is planning to sell parcels of land that are surplus to the Town's needs. Council can decide to use these proceeds toward capital projects in 2024. These proceeds have not been incorporated into this budget.

Finally, this capital budget presents projects funded by reserves and the planned reserve contributions are included in this budget. Council could direct the further use of reserves to fund more projects.

Recommendation

THAT Council receive Report – Draft 2024 Capital Budget and directs that the changes discussed in the meeting be made for the second Capital Budget presentation on December 12, 2023.

Respectfully submitted by,
Meghan Townsend
CAO/Clerk-Treasurer



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Town of Grand Valley Capital Budget 2024

Administration

Total Capital Budget Request = \$0.00

2023 Projects

In 2023, the following capital projects were in the budget:

- 2023 renovations to the municipal office were not completed. \$1,000 was spent on new furnishings for additional staff. Remaining projects were to be paid for from Administration reserve.
- Hybrid meeting technology has been purchased and installed.

2024 Proposed Projects

- \$60,000 Renovation of council chambers, including:
 - o Removal of closet and replacement with cabinetry
 - o Replacement of carpeting
 - o Removal of all wall switches, thermostats, dials that serve no function
 - o Repair to walls and repainting
 - o Purchase of new tables and chairs to create flexible meeting room space
- If this budget is approved, staff will present design options within that budget

Funding Sources

- \$60,000 from Administration reserve (current balance \$120,000)



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Town of Grand Valley Capital Budget 2024

Community Centre

Total Capital Budget Request - \$15,000

2023 Projects

- \$95,000 for generator and expansion project design work, with balance to reserves for the expansion project
- The three municipalities involved in the arena operations have agreed that the construction of the expansion works will be funded through borrowing. Design work will be paid for in 2024 per the existing agreement.

2024 Proposed Projects

- \$10,000 annual capital contribution toward future replacement of ice resurfacer
- \$30,000 for expansion project design work

Funding Sources

- 2024 Design work is eligible for grant funding and reimbursement from the partner municipalities.
 - o Grants will cover 73% of the costs and Grand Valley will be responsible for 60% of the remainder, approximately \$4,800 in 2024, or \$5,000 as approximate budget figure.



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Town of Grand Valley Capital Budget 2024

Recreation

Total Capital Budget Request = \$112,500

2023 Projects

- Concession 2-3 Park Ball Diamond construction - \$1,000,000 budget
- Boswell Ball Diamond Washroom Upgrades - \$39,000 cost

2024 Proposed Projects

- Basketball Court - \$72,000
 - o Funded by Ontario Trillium Fund grant
 - o If constructions costs exceed the grant, a report to Council will be presented for discussion of options
- Concession 2-3 Park Diamond Lighting - \$280,000
 - o Design work finalization for 2 diamonds
 - o Tender 1 diamond for 2024 and 1 for 2025
- Concession 2-3 Park Pavilion - \$20,000
 - o Design and tender preparation for new pavilion building
 - o Construction date to be determined
- Plans for Recreational storage – \$5,000
 - o Staff are working on an opportunity for temporary accommodation of recreation equipment in the Agricultural Society's barn behind the arena
 - o Once a permanent location is chosen, the plans will need to be created by an architect in order to be tendered and a building permit issued

2024 Equipment Purchases

- Ventrac Tractor with mower and trailer hitch - \$55,000
- Kubota mower - \$21,000
 - o Both devices are for maintenance of ball diamonds
 - o Can be used to cut grass throughout the Town, in place of contractor, given their wider size and overall design intended for recreation grass cutting. If used in combination with the Public Works Municipal Vehicle, the options for grass cutting by staff are extended, as are options for other landscape maintenance and arena snow clearing if so chosen
 - o These would replace the tractor purchased from the Minor Ball Association, which has passed its useful life and is a safety concern for employee use

- The operation of this equipment will require one additional Recreational employee, so that all recreation-related programs can operate, including facility maintenance, Town landscaping, inspections, etc. A full report will be included in the 2024 operational budget

Funding Sources

- Basketball Court - Ontario Trillium Fund - \$72,000
- Ball Diamond Lighting - Remaining Reserves from former DC projects - \$200,000
- Ventrac and Kubota mower - Orica Contribution Reserve (\$68,500), with consultation with Orica
- Opportunities to work with sponsorship options if a finalized plan is created for the Pavilion, along with possible options for smaller sponsorships by local groups for the Pavilion or other projects



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Town of Grand Valley Capital Budget 2024

Bridges and Culverts

Total Capital Budget Request = \$1,150,000

Attachment – 10 Year Bridge Capital Plan and Excerpt from OSIM Report 2.2 – Additional Studies/Investigations

2023 Projects

- A culvert on Concession 3-4 was replaced
- The design work for Bridge 10 Replacement was completed
- The 2023 OSIM report was completed
- Routine Costs
- Total Budget of \$140,000 will be fully spent

2024 Proposed Projects

- Bridge 4 Rehabilitation Design and Permit preparation - \$30,000
- Bridge 10 Replacement - \$1,400,000
 - o Could be deferred one more year, with hope of grant funding, in which case a reserve contribution of \$400,000 is recommended for 2024
- Bridge 7 Structure Evaluation and Bridge 14 monitoring - \$15,000

Funding Sources

- Road and Bridge reserve has \$200,000
- Canada Community-Building Fund (CCBF, former Gas Tax) – \$95,000 estimate
- Possible grant funding, but nothing announced yet
- Funds could be borrowed to pay for the Bridge 10 project

Table 4: 10-Year Capital Plan

Structure No./Name	Road Name	Recommended Work	Estimated Cost
2023			
10	Sideroad 27-28	Engineering – Design (in progress)	\$15,000
2024			
10	Sideroad 27-28	Construction – Replacement (pending available funding)	\$1,400,000
04	Sideroad 24-25	Engineering – Design and Permits (Rehabilitation)	\$30,000
2025			
07	Sideroad 24-25	Pre-engineering – Preliminary Engineering & Geotechnical Investigation	\$20,000
04	Sideroad 24-25	Construction – Rehabilitation	\$350,000
2026			
07	Sideroad 24-25	Engineering – Design and Permits (Replacement)	\$80,000
2027			
-	-	Build Up Bridge Reserves	-
2028			
07	Sideroad 24-25	Construction – Replacement	\$1,600,000
2029			
14	Sideroad 21-22	Engineering – Preliminary & Geotechnical Investigation	\$20,000
2030			
14	Sideroad 21-22	Engineering – Design and Permits (Replacement)	\$70,000
2031			
-	-	Build Up Bridge Reserves	-
2032			
14	Sideroad 21-22	Construction – Replacement	\$1,400,000
Total			\$4,985,000

* Note – Condition of Bridge 8 to be updated through biennial bridge inspection and priority of replacing this structure can be incorporated into the future plan according to the Town’s current needs at that time (i.e., traffic volumes, growth, etc.). Bridge 8 has been left off the 10-Year Plan for the time being taking budget constraints into consideration.

Cost estimates are in 2023 dollars (HST exclusive) and do not include utility relocation or property acquisition costs.

These general defects can be addressed within the Town’s routine maintenance program and these issues can be added to the Town’s in-house road and structure inspection routine.

Routine bridge sweeping, washing of decks, drains, joints, bearing seat areas and girders will improve a structures service life. Removal or trimming of vegetation and addressing minor erosion concerns regularly will pre-empt more serious issues.

The total estimated value of the work to be completed by the Town is approximately **\$41,500.00**. We recommend that a general allowance to complete the works described above be included in the Town’s annual road maintenance budget.

A summary of maintenance needs is provided in Appendix B, along with estimated costs to complete the work.

2.2 Additional Studies/Investigations

As per the OSIM, additional investigations or surveys may be required to further assess the condition of certain elements that may not be fully determined by a visual inspection. In many cases, where a major rehabilitation of a structure is required or planned, the completion of additional studies or investigations will assist in developing appropriate rehabilitation programs. Studies or investigations may also be required where performance deficiencies are suspected. Typical investigations that may be required include:

- Deck condition surveys.
- Structure evaluations (Load Capacity).
- Monitoring of deformations, settlements, and movement.
- Monitoring crack widths.

A summary of the additional investigations recommended for the Town are summarized in Table 1 below:

Table 1: Additional Investigations

Structure No./Name	Additional Investigation	Reasoning	Estimated Cost
07	Structure Evaluation	Determine options and load limit requirements (if existing drawings are available)	\$15,000.00
14	Monitor crack widths	Determine whether the crack is actively progressing due to movement of the structure	\$0.00
15	Detailed deck condition survey	Determine extent of deck repairs (complete prior to rehabilitation)	\$35,000.00
Total			\$50,000.00



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Town of Grand Valley Capital Budget 2024

Gravel Road Capital

Total Capital Budget Request = \$400,000

2023 Projects

- The condition of our gravel roads was highlighted in 2023 by concerned residents, and Council stated that they would address the issue to bring our roads back up to the quality that is expected and needed by our road users.

2024 Proposed Projects

- \$400,000 for the purchase, trucking and application of gravel to start rebuilding process

Funding Sources

- At this time, the costs are fully funded by property taxes



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Town of Grand Valley Capital Budget 2024

Road and Sidewalk Construction

Total Capital Budget Request = \$620,000

Attachment – Road Needs Mapping from Road Management Plan

2023 Projects - \$840,000 budget

- No sidewalk rehabilitation projects
- Concession 8-9 rehabilitation
- Webb Street rehabilitation and sidewalk
- Investigation and design work for Leeson/Douglas/Emma Rehabilitation

2024 Proposed Projects - \$820,000

- Mill Street West, between Main Street and Emma Street, including close-out of drain from Main Street to the Grand River - \$800,000
- Leeson/Douglas/Emma Project planning – 2023 work revealed that in addition to repaving, this project should also include an Infiltration and Inflow (I and I) component. Including \$20,000 for continued investigation, design and tender preparation
- Funding for rural road projects is under Gravel Roads and Bridges and Culverts budgets
- Routine maintenance, preventative maintenance costs to be included in operating budget

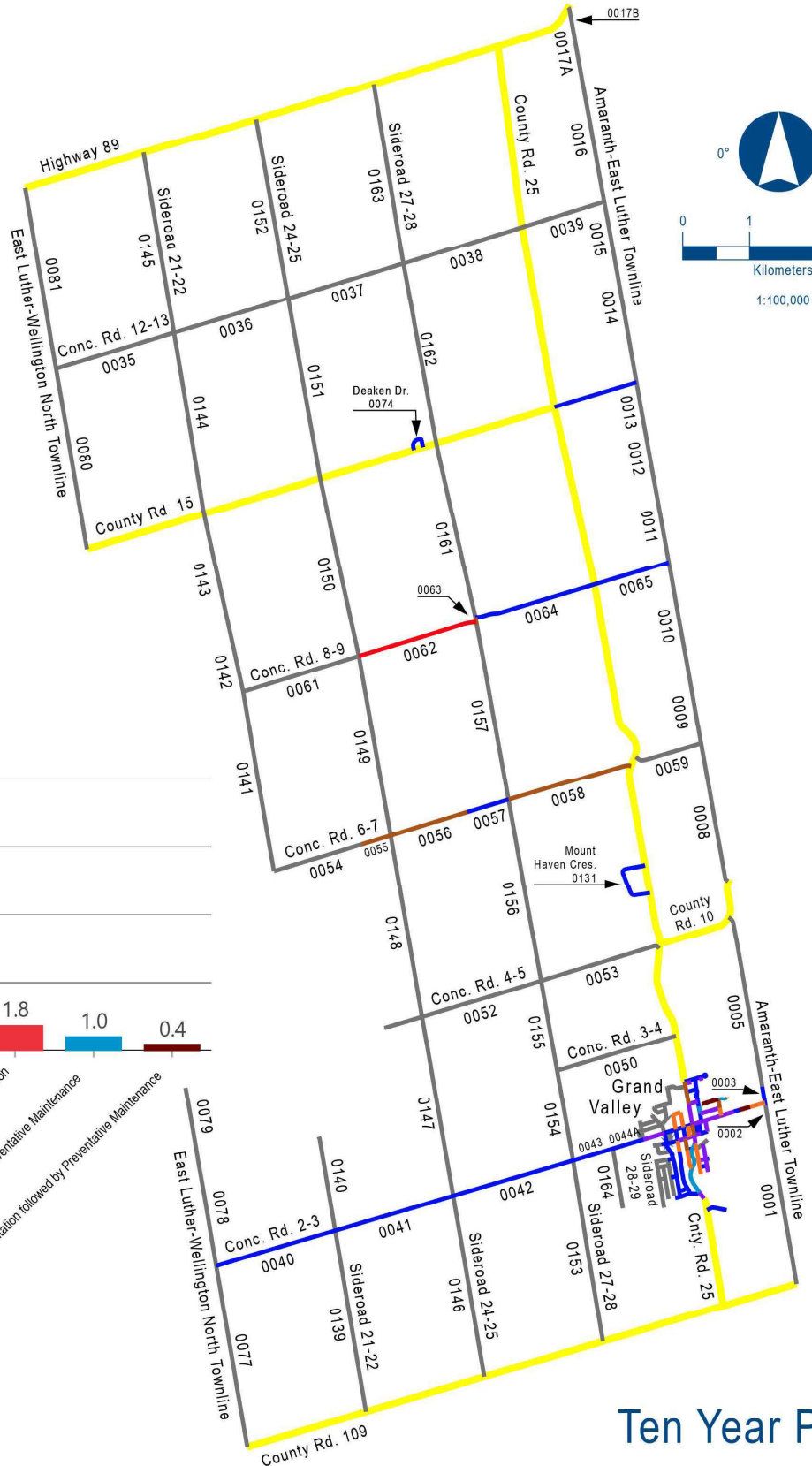
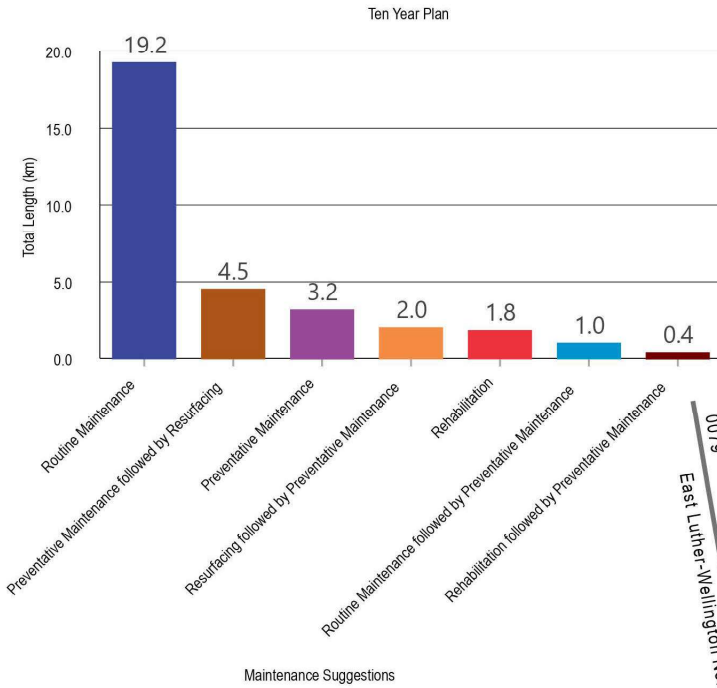
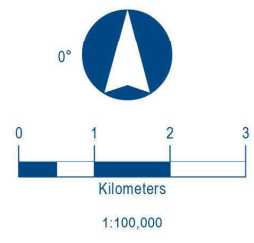
Funding Sources

- Ontario Community Infrastructure Fund (OCIF) – \$200,000 available to cover costs of the Mill Street West project

Town of Grand Valley Roads Needs Study

Ten Year Plan

- Routine Maintenance
- Routine Maintenance followed by Preventative Maintenance
- Preventative Maintenance
- Preventative Maintenance followed by Resurfacing
- Resurfacing followed by Preventative Maintenance
- Rehabilitation
- Rehabilitation followed by Preventative Maintenance
- Municipal Road
- County Roads and Provincial Highways



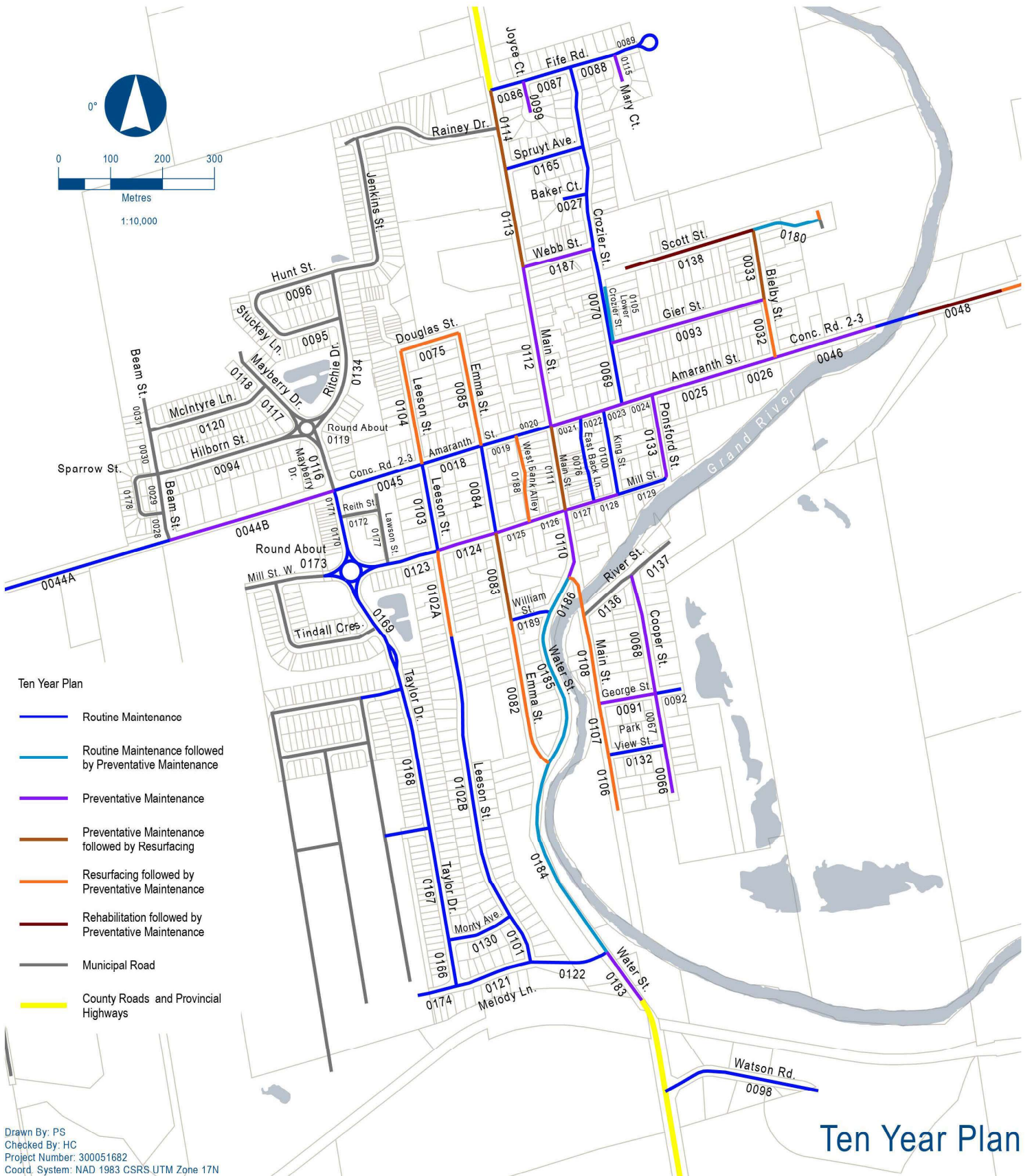
Ten Year Plan

Drawn By: PS
 Checked By: HC
 Project Number: 300051682
 Coord. System: NAD 1983 CSRS UTM Zone 17N



Figure: C1

Town of Grand Valley Roads Needs Study



Drawn By: PS
 Checked By: HC
 Project Number: 300051682
 Coord. System: NAD 1983 CSRS UTM Zone 17N

Ten Year Plan



GRAND VALLEY

Town of Grand Valley Capital Budget 2024

Public Works Vehicles/Equipment

Total Capital Budget Request = \$173,000, plus existing financing

Current Status

The Town currently has 6 vehicles whose purchase was financed:

- By-law vehicle – financed until February 2027, \$6,600 per year
- 2023 Freightliner Snowplow – financed until 2028, \$84,852.48 per year
- 2022 Grader – financed until 2027, \$137,730 per year
- 2018 Grader – financed until March 2024, \$23,237 for 2024
- 2021 Ram 2500 – financed until 2025, \$23,500 for 2024 (repaying Roads Reserve)
- 2020 Freightliner Snowplow – financed until 2026, \$57,447 per year
- 2023 Municipal Vehicle – financed until 2028, \$40,456 per year

All other vehicles and equipment are paid for, and their operating costs will be included in the 2024 operating budget.

2024 Proposed Projects

For Financing:

Tandem Axel Plow Truck

- Budget request - \$64,000 for 2024
- \$400,000.00 over 5 years; \$40,000 downpayment in 2023 with potential monthly financing costs around \$8,000 per month, depending on delivery date

The Town requires a new tandem axel plow to replace the aging 2011 Volvo Unit # 45. On average over the past five years the current Unit # 45 has cost the Town \$13,315.00 per year in maintenance and repairs. Also, it has cost the Town countless days of down time and surprise repairs during crucial winter events. Every piece of snow moving equipment is relied upon during any winter event. We do not have the luxury of any spare equipment. Therefore, we always need to have all our equipment in a reliable and running condition, especially during the winter months.

Half Ton 4x4 Pick Up Truck

- Budget request – \$16,000 for 2024

- \$71,000.00 over 5 years with \$7,000 downpayment and around \$1,500 per month, depending on delivery date and other terms

Currently the Director of Public Works does not have a Town vehicle to drive and has been using his personal vehicle to conduct Town business. Up until last year, the Public Works Department had two half tons which one was made available to the department head. One of those vehicles was given to the Recreation Department and replaced with a larger vehicle equipped with a snowplow and a sander for winter operations. The existing P.W. half ton is used for patrolling and on-call. This specifications for this new truck are such that it could be used as a crew truck down the road if necessary.

For purchase:

Boom Flail Mower Attachment for Trackless

- Budget request - \$48,000.00 purchase

In 2023, the Town purchased a Trackless Municipal Tractor which has endless capabilities when equipped with the proper attachment. Currently, this piece of equipment is only set up for winter sidewalk clearing. A good start to making this a year-round piece of equipment would be the purchase of the Boom Flail Mower attachment that would have many uses in and out of town. In the urban area, we have a few very steep boulevards that need grass cutting regularly. Some of these spots are cut by staff and others by contractor. This attachment could mow these sections with ease in just a couple of hours. The same goes for all the guide rails throughout the entire municipality, cutting down the tall grass twice a year. This unit is also capable of light brushing on the sides of roads, sidewalks, trails, back alleys, and driveways. Having this would replace many staff hours of these operations being done manually. Not only saving hours but reducing the risk of injury that is possible when staff and contractors work on steep slopes and the tops of ditches.

2600 Gallon Slip-In Water Tank

- Budget request - \$33,000.00 purchase

In 2022, the Town ordered a water tank to fit into Truck # 45. The measurements taken at the time of ordering were incorrect and now the tank is rendered useless and unfortunately cannot be returned for refund. The other steel tanks that the Town owns are past their service time. They are in a very rotted state. The water that we can keep in the tank, and not leak out the rust holes, directs loose rust debris to the spray bar and clogs the holes. Also, these tanks are very difficult to install and the removal process from the backs of our trucks requires staff to be put in unsafe situations to do so.

In 2024, the opportunity should be taken to outfit the newly purchased Truck # 42 with a state-of-the-art water tank that has retractable legs for easy conversion when switching operations. This tank is engineered and purpose-built, and this design is very popular in this industry. It will come equipped with an on-board pump for filling and a hose on a reel for such operations as bridge washing.

Mig Welder and Plasma Cutter with Accessories

- Budget request - \$12,000.00

Currently the Town has two very dated electric stick welders that have become inadequate for the Department's needs. At this time, we should consider a more modern solution and we can get that out

of a mig welder and a plasma cutter. During any operations, any time of year, the need for a welder and a way to cut metal continuously presents itself. P.W. normally relies on local vendors for such service. By going ahead with this purchase, P.W. can become more versatile with their day-to-day operations by being able to repair and/or fabricate in house. P.W. currently has two staff members with the skill set to make these tools very valuable to us.

Funding Sources

All costs to be paid for with property taxes.

Council could choose to use the \$55,000 proceeds from the sale of the two graders, and put it towards some of the equipment purchases. This use of reserves has not been included in the budget.



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Town of Grand Valley Capital Budget 2024

Storm Sewer

Total Capital Budget Request = \$28,000

2023 Projects

- None

2024 Proposed Projects

- Improvements to drainage along Ritchie from Hunt to Landsborough, per Burnside presentation October 24, 2023 and Council Resolution 2023-10-30 - \$28,000 (\$25,000 estimate plus applicable taxes)

Funding Sources

- none



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Town of Grand Valley Capital Budget 2024

Water Tower Restoration Project

Total Capital Budget Request = \$0.00

2023 Projects

- Council authorized the water tower restoration project for 2024, and directed that the RFT be issued to ensure that the project can be completed in 2024.

2024 Proposed Projects

- Restoration work including full relining of tank interior, resealing roof plate seams, repainting the access tube, aircraft warning light replacement, and reinforcement of roof stiffener strength
- Project cost estimate at \$925,000.00

Funding Sources

- Town currently has a water reserve of \$400,000 to go toward capital projects for the water system
- Funding from the Investing in Canada Infrastructure Fund will cover up to \$677,000 of the project
- Recommended that excess revenue in 2024 be used to offset project costs not covered by the grant, and remaining costs be taken from the water reserve
- If these funds are insufficient, remaining funds can be borrowed from the Town and repaid through water fees



GRAND VALLEY

Town of Grand Valley Capital Budget 2024

Growth-related Infrastructure

Total Capital Budget Request = \$50,000

2023 Projects

Well 5 - \$2,800,000 project estimate

- The Town's fifth drinking water well and its supporting infrastructure
- Most construction taking place in 2023
- Remaining items will be a 2024 expense, at approximately \$750,000
- Development Charge Project

Southeast Sewage Pumping Station - \$2,500,000 project estimate

- New sewage pumping station to bring sewage from southeast subdivisions
- Design work underway in 2023
- Construction tender was delayed so construction pushed to start in 2024
- Development Charge Project

Scott Street Redevelopment - \$1,700,000 project estimate

- Project to address drainage and road condition to upgrade the road system and prepare for growth at west side of village
- Design work underway in 2023, with design issues yet to be resolved
- Meeting with project partners November 30 to discuss progress
- Funded under tri-party agreement between Town and two developers. Property taxes will be required to pay for the Town's portion of the project once construction is underway. \$258,000 was raised in 2023 and will be transferred to reserves to offset costs in 2024.

2024 Proposed Projects

Completion of Well 5

- Project to be completed in Spring 2024
- Balance of project costs, funded by Development Charges, to include in 2024 - \$750,000

Southeast Sewage Pumping Station

- 2024 project costs will be funded by Development Charges - \$2,500,000

New Water Tower

- The Town's water and wastewater infrastructure growth plan includes provision for an additional elevated water storage facility to be constructed. For ease of reference, it has been called a Water Tower, but the actual design chosen may not be a water tower
- Planning and studies to be funded in 2024 by Development Charges - \$100,000

Expansion of Emma Street Sewage Pumping Station

- With increased growth comes increased flows through the Emma Street Sewage Pumping Station; therefore, the Town's plans also include the expansion of this pumping station to meet demand
- To start the project, the current capacity of the station needs to be reviewed and analysis of future needs must be conducted to determine the scale of the future expansion
- Planning and studies to be funded in 2024 by Development Charges – \$9,000

Scott Street Redevelopment

- Construction costs to be funded under project agreement - \$1,700,000

Hill Town Drive

- Hill Town Drive project is intended to build a new road in Monticello so that the properties created under the former Hill Town Subdivision plan could be developed
- At time of this report, the property owners are deciding how they want to proceed
- Should the decision be made to proceed with the road construction project, the Town will front-end all costs and be repaid through a Local Improvement by-law over time
- The Town will need to finance this project and carry the payments until reimbursement is received under the by-law
- Original 2021 project estimate for building the road was \$1,700,000. Given inflationary impacts on project costs, \$2,000,000 is added to the budget and offset by borrowing. To cover first year payments on the loan, \$50,000 is added to the budget
- If the construction project does not proceed, funding options for the alternate decision made will be presented to Council at that time



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Town of Grand Valley Capital Budget 2024

Wastewater System Infiltration Projects

Total Capital Budget Request = \$250,000

2023 Projects

- In 2023, we continued planning efforts for the next Infiltration (“I and I”) project on Luther Road
- Costs were also incurred to conclude the Spruyt project and paid from reserves

2024 Proposed Projects

- Design and prequalification for the Luther Road project, with construction in 2025
- Additional funds for reserve contribution toward the 2025 project

Funding Sources

- Town currently has a reserve for this project of \$800,000
- In 2023, \$25,000 will be taken from this reserve to cover 2023 Luther Road design work
- Recommend \$250,000 contribution in 2024, including final design and tender costs and remaining funds put into reserves, which should bring us close to the total construction cost so that the 2026 budget will not have to absorb all of the costs. Given that the Town will be taking out loans for other projects in the next few years, it is recommended that this Luther Road project be funded through reserve contributions and in-year payments.



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Town of Grand Valley Capital Budget 2024

Summary

Total Capital Budget Request = \$2,573,500

(plus existing vehicle lease payments)

Administration

- \$60,000 budget
- \$0 levy request

Community Centre

- \$30,000 budget
- \$15,000 levy request

Recreation

- \$377,000 budget
- \$112,500 levy request

Bridges

- \$1,445,000 budget
- \$1,150,000 levy request

Gravel Roads

- \$400,000 budget
- \$400,000 levy request

Road Construction

- \$820,000 budget
- \$620,000 levy request

Public Works Vehicles and Equipment

- \$564,000 budget
- \$173,000 levy request

Storm Sewer

- \$28,000 budget
- \$28,000 levy request

Water Tower Restoration

- \$925,000 budget
- \$0 levy request

Growth Related Infrastructure

- \$2,859,000 budget
- \$50,000 levy request

Wastewater Infiltration

- \$250,000 budget
- \$250,000 levy request