Governance & Priorities Committee Package

November 8, 2021

www.lamont.ca

5307 - 50 Ave., Lamont, Alberta Phone: 780.895.2010

AGENDA
TOWN OF LAMONT
GOVERNANCE & PRIORITIES COMMITTEE MEETING
November 8, 2021

1. **CALL TO ORDER AND RELATED BUSINESS**

   1.1. CALL TO ORDER

   1.2. ADOPTION OF AGENDA

2. **NEW BUSINESS**

   2.1. 2022 Capital Budget Introduction.....Page 1

3. **CLOSED SESSION**

4. **ADJOURNMENT**

TOWN OF LAMONT
GOVERNANCE AND PRIORITIES COMMITTEE
AGENDA

AGENDA ITEM: 2.1

MEETING DATE:
November 8th, 2021

Description

2022 CAPITAL BUDGET INTRODUCTION

GOVERNANCE AND PRIORITIES COMMITTEE DIRECTION

That the Governance and Priorities Committee recommend that 2022 Capital Budget be finalized and presented to Council for review and approval.

Discussion

The introduction to the 2022 Capital Budget is presented for Governance and Priorities Committee information and preliminary review.

During the preparation of 2022 Capital Budget, Administration identified 14 capital projects in amount of $2,599,311 for Committee's consideration. These proposed projects were identified based on the following criteria.

- A detailed risk analysis in evaluating the current condition and the risk of delay of the projects. For details of the analysis, please refer to the enclosed report, titled, "Risk Analysis on 2022 Capital Projects".
- Priorities identified by the 2022 Budget Survey, "Tell Us Your Priorities". Based on the survey data, it is evident that infrastructure remains the highest priority to ratepayers, including water, sewer, storm management, and transportation. Utility infrastructure scored the highest, followed by transportation as very important. The proposed projects are aligning with the survey result.
- Business operation needs.

Although the 14 projects are identified as the top priorities on the 2022 proposed capital budget, the Town also need to consider affordability from financial perspective in order to achieve the Town's long-term goal. A detailed financial analysis is presented at Financial Implication Section below for Committee's consideration as well.

COMMUNICATIONS

Once Council accepts the 2022 Capital Budget, the listed projects and financial analysis will be posted on the Town website.

TOWN OF LAMONT
GOVERNANCE AND PRIORITIES COMMITTEE
AGENDA

FINANCIAL

Part I – the Town's Current Financial Position.

Below analysis was based 2020 audited financial statements and the information represent their financial position as of December 31, 2020.

Financial Position Comparison

Municipalities	Population	Cash on Hand	Unrestricted Surplus	Reserve	Long-term Debt	Cash on Hand vs Debts	Unused Debt Limits
Lamont	1,774	$5,060,767	$2,248,237	$2,494,941	($1,143,022)	$3,917,745	4,181,803
Bruderheim	1,308	$1,435,118	$153,797	$932,708	($1,389,337)	$45,781	2,757,893
Redwater	2,053	$5,030,035	$3,709,493		($4,671,662)	$358,373	5,421,148
Mundare	852	$967,504	$100,853		($1,443,392)	($475,888)	1,372,390

Note:
1. the population was based on 2016 Census
2. the rest of the information was from their 2020 audited financial statements

Updated as of August 31, 2021		Cash on Hand	Reserve	Surplus
Lamont		$6,458,041	$2,505,227	$2,167,721

As per comparison above, it indicates that the Town is in a strong financial position.

Part II – suggested 2022 Capital Projects.

#	Projects	Amount
1	Campbell improvement stage 2-phase 1	$ 866,351
2	Operations skid steer purchase	$ 80,000
3	57 Avenue/45 Street, road reconstruction (Edna subdivision)	$ 477,400
4	54 Street & Campbell reservoir SCADA system	$ 55,000
5	4x4 1 ton truck with dump box	$ 75,000
6	51 Avenue (50A Street to 51 Street) road reconstruction	$ 213,200
7	51 Avenue (53 to 54 Street) road reconstruction	$ 166,000
8	49 Street (50 to 51 Ave) road reconstruction	$ 182,600
9	55 Street (51 to 52 Ave) road reconstruction	$ 214,400
10	52 Avenue (55 St to Alley West) road reconstruction	$ 180,360
11	Operations vibration roller packer purchase	$ 20,000
12	Operations tiller attachment purchase	$ 12,000
13	Operations ditch cutter attachment purchase	$ 12,000
14	Operations ½ ton truck purchase	$ 45,000
Total Cost of the Proposed Projects		**$2,599,311**

Part III – Source of Funding.

1. Grants – the Administration is actively seeking grants from all levels of governments in supporting the Town's infrastructure repairs and upgrades. However, due to recent provincial and federal budget constraints, there are a very limited number of grants available in supporting municipalities' infrastructure repair and upgrades. The current two grants under Administration's study are Strategic Transportation Infrastructure Program (STIP) from the province and Disaster Mitigation and Adaptation Fund (DMAF) from federal.

   Furthermore, as per province 2021/2022 budget, the Town's 2022 MSI Capital grants and BMTG will be reduced by 59.4%.

Years:	2021 (Actual)	2022 (Estimated)	Note
MSI Capital	403,479	163,812	Reduced by 59.4% from 2021
Basic Municipal Transportation Grant (BMTG)	106,440	43,215	Reduced by 59.4% from 2021
Gas Tax Funds (GTF)	207,716	106,221	the $207,716 includes a one-time funding top-up of $101,495
Total	$ 717,635	$ 313,248	

2. Reserve and Unrestricted Surplus:

GL Account Code Name	Balance	GL Account Code Name	Balance
General	$322,128.86	Planning and Subdivision	1,420,939
Administration	$461,127.12	Recreation General	52,500
Fire	$7,986.00	Hall	10,000
P.W.	$62,072.98	Arena	34,358
Strom Sewer	$15,000.00	Park	17,615
Water	$14,000.00	Curling Rink	10,000
Sewer	$77,500.00	**TOTAL**	**2,505,227**

Accumulated Surplus - Deficit			**2,167,721**

3. Debenture:

   The Town currently has two outstanding loans from Loans to Local Authorities (Formerly called Alberta Capital Finance Authority) with annual payment amount of $145,102 (interest and principal included).

Project Name	Issued Date	Term (Y)	Interest Rates	Loan Amount (Initial)	Balance as of Dec 31, 2020
P.W. Workshop	March 16, 2009	25	5.066	675,000	464,415
Water and Sewer Cross Hwy 15	December 16, 2013	15	3.295	1,143,000	678,607
Total				**1,818,000**	**$1,143,021**

As of December 31, 2020,

DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Lamont be disclosed as follows:

	2020	2019
Total debt limit	$ 5,324,825	$ 5,473,404
Total debt	(1,143,022)	(1,239,530)
Total debt limit remaining	$ 4,181,803	$ 4,233,874

POLICY AND/OR LEGISLATIVE REFERENCES

Town of Lamont Strategic Plan. Goal 1: Manage, invest and plan for sustainable municipal infrastructure.

ATTACHMENTS

Risk Analysis on 2022 Capital Projects

Report Prepared By:

- Tyler Edworthy, Director, Operations & Infrastructure
- Robert Mu, Finance Officer

Approved by CAO:

2022 Capital Project- Condition Analysis

Campbell Neighborhood Improvements (Stage 2- phase 1)	
Cost	$866,351
Originally Identified as a Capital Project	September 12, 2019
Description: • Water Distribution System Upgrades. • Sanitary & Storm Sewer Improvements • Lot Service Replacements • Road Reconstruction	
Current condition: • Roadway has significant erosion and settling to the point of surface failure due to subsurface condition. • Curb and sidewalks have eroded to the point they have created trip hazards on sidewalks and drainage issues not allowing water to pool and create further issues. • Historical water utility failures indicate there is a need for lot service connection replacement and mainline improvements. • Infrastructure camera inspections identified the need for sanitary and storm sewer improvements that will assist with flows.	
Risk: • Road surface failures due to erosion creating uneven surface and point failures heaving up to 24 inches. This creates a unsafe condition for motorists and can cause significant damage to vehicles. • Pooling water in curbs and roadways ads moisture to the subsurface causing further deterioration of the subsurface and erosion. • Water infrastructure in this area has required significant repairs on lot services due to corrosion and erosion. Further deterioration will continue with more unplanned failures. • Inspection work has been completed on storm and sanitary sewers minor repairs are required to ensure proper flows.	
Recommendation	

Skid Steer Replacement	
Cost	$80,000
Replacement or New Equipment	Replacement of 2009 JD Skid Steer
Description: Purchase a new Skid steer with dual speed control.	
Reasoning: • Current JD Skid Steer has seen a significant increase in required maintenance. • Equipment is not a dual speed machine resulting in extra wear and transport time to and from sites. • Equipment down time has a significant negative impact on operations.	

• New machine will be able to provide more services, having more power and cut down on the time to perform tasks.
Risk: • Equipment repair costs will keep increasing. • Equipment down time will impact service delivery in all operational departments.
Recommendation

57 Avenue/ 45 Street, Road Reconstruction and Utility Improvement Project (Edna Subdivision)	
Cost	$477,400
Originally Identified as a Capital Project	October 16, 2017
Description: • 2250 square meters of asphalt road reconstruction, full concrete curb and sidewalk replacement, 2 water main valves and 1 hydrant repair and replacement.	
Current condition: • First stage of Edna was completed in 2019. • Road surface is failing beyond patching or crack-filling, resulting in the requirement for road reconstruction due to deterioration of the sub surface. • Curb and sidewalk erosion creating uneven sidewalk and pooling water. • Water valve and hydrant repair and replacement ahead of road reconstruction.	
Risk: • Further deterioration of the road will cause surface failures and water penetration may have a negative impact the subsurface. • Curb and sidewalks have eroded creating unsafe conditions for pedestrians and impacts storm drainage causing water to pool. • There have been no significant utility issues in this location, preventative measures in valve and hydrant repair and replacements have been identified in the project proposal to reduce risk of repair after road work is complete.	
Recommendation	

54 Street & Campbell Reservoir Scada System Install	
Cost	$55,000
Replacement or New Equipment	New Equipment
Description: Install Scada System for communication between the 2 reservoirs.	
Reasoning: • Ability to remotely monitor and control our water distribution system. • Added security through constant remote communication with the system and another level of security and alarms built in. • Automated system will allow the water distribution system to run more efficiently.	

• Reduce staffing costs associated with response to call out alarms and manual operation. • Data collection to assist in troubleshooting and identifying water distribution trends in pressure, consumption, and system failures.
Risk: • Not identifying or responding to system failures in a timely manner could result in further costs and issues. • Having to pull staff away from emergency repairs to monitor water pressure and levels can result in unsafe working conditions for staff and creates inefficiencies. • Historical trends identify irregularities that often lead to system failures, not capturing this data makes it impossible to identify potential problems before they occur.
Recommendation

1 Tonne 4x4 Truck & Dump Box	
Cost	$75,000
Replacement or New Equipment	Replacement of 1998 1 tonne flat deck
Description: 1 Tonne 4x4 truck with a dump box	
Reasoning: • Current flat deck truck has extended its end of life to 23 years. • Equipment no longer meets the needs of operations. • 1 Tonne 4x4 with dump box will extend services delivered including. Snow Hauling Sand Dirt Hauling Sanding Towing water trailer Access areas current vehicle cannot ETC	
Risk: • Run the risk of equipment failure beyond repair. • Small area sanding would be impacted due to loss of vehicle. • Loss of vehicle would impact watering sewer flushing, and culvert thawing.	
Recommendation	

51 Avenue, Road Reconstruction and Utility Improvement Project (50A Street to 51 Street)	
Cost	$213,200
Originally Identified as a Capital Project	October 16, 2017
Description: • 1200 square meters of asphalt road reconstruction, concrete curb and sidewalk replacement as required, 2 water main valves replacement.	
Current condition:	

• Road surface has failed beyond patching or crack-filling, resulting in road millings being required to fill potholes. • Further deterioration will not impact sub surface. Road reconstruction is required. • Water valve replacement ahead of road reconstruction will take place to reduce risk of water infrastructure failure.
Risk: • Further deterioration of the road will require extending road milling work to level the surface, that will result in an unpaved roadway. • There have been no significant utility issues in this location, preventative measures in valve replacements have been identified in the project proposal. • Millings will impact the performance of the curb and gutter, resulting in poor storm drainage and water pooling.
Recommendation

51 Avenue, Road Reconstruction and Utility Improvement Project (53 to 54 Street)	
Cost	$166,000
Originally Identified as a Capital Project	October 16, 2017
Description: • 975 square meters of asphalt road reconstruction, concrete curb and sidewalk replacement as required, 1 water main valve replacement.	
Current condition: • Road surface has failed beyond patching or crack-filling, resulting in road millings being required to fill potholes. • Further deterioration will not impact sub surface. Road reconstruction is required. • Water valve replacement ahead of road reconstruction will take place to reduce risk of water infrastructure failure.	
Risk: • Further deterioration of the road will require extending road milling work to level the surface, that will result in an unpaved roadway. • There have been no significant utility issues in this location, preventative measures in valve replacement have been identified in the project proposal. • Millings will impact the performance of the curb and gutter, resulting in poor storm drainage and water pooling.	
Recommendation	

49 Street Road Reconstruction and Utility Improvement Project (50 Ave to 51 Ave)	
Cost	$182,600
Originally Identified as a Capital Project	October 16, 2017
Description: • 1200 square meters of asphalt road reconstruction, and concrete curb and sidewalk replacement as required. Sanitary access work required.	

Current condition: • Road surface has failed beyond patching or crack-filling, resulting in road millings being required to fill potholes. • Further deterioration will not impact cost as road reconstruction is required. • Sanitary access point requires internal benching work.
Risk: • Further deterioration of the road will require extending road milling work to level the surface, that will result in an unpaved roadway. • Millings will impact the performance of the curb and gutter, resulting in poor storm drainage and water pooling. • Sanitary access point requires regular maintenance impacting operations, further deterioration will result in increased maintenance.
Recommendation

55 Street, Road Reconstruction and Utility Improvement Project (51 Ave to 52 Ave)	
Cost	$214,400
Originally Identified as a Capital Project	October 16, 2017
Description: • 1350 square meters of asphalt road reconstruction, concrete curb and sidewalk replacement as required, 2 water main valves replacement.	
Current condition: • Road surface has failed beyond patching or crack-filling, resulting in road millings being required to fill potholes. • Further deterioration will not impact cost as road reconstruction is required. • Water valve replacement ahead of road reconstruction will take place to reduce risk of water infrastructure failure.	
Risk: • Further deterioration of the road will require extending road milling work to level the surface, that will result in an unpaved roadway. • There have been no significant utility issues in this location, preventative measures in valve replacements have been identified in the project proposal. • Millings will impact the performance of the curb and gutter, resulting in poor storm drainage and water pooling.	
Recommendation	

52 Ave Road Reconstruction Project (55 Street to Alley West)	
Cost	$180,360
Originally Identified as a Capital Project	October 16, 2017
Description: • 1050 square meters of asphalt road reconstruction, concrete curb and sidewalk replacement as required.	

Current condition: • Road surface has failed beyond patching or crack-filling, resulting in road millings being required to fill potholes. • Further deterioration will not impact cost as road reconstruction is required.
Risk: • Further deterioration of the road will require extending road milling work to level the surface, that will result in an unpaved roadway. • There have been no significant utility issues in this location, preventative measures in valve replacements have been identified in the project proposal. • Millings will impact the performance of the curb and gutter, resulting in poor storm drainage and water pooling.
Recommendation

Vibration Roller Packer	
Cost	$20,000
Replacement or New Equipment	New Equipment
Description: Purchase of a Vibration Roller Packer	
Reasoning: • Will assist in operational efficiencies, and service improvements. • Used for road patching, concrete replacement, ditch compaction, alley-way compaction, crack sealing.	
Risk: • Rental costs of equipment high. • Availability of rental units is limited.	
Recommendation	

Rototiller Attachment	
Cost	$12,000
Replacement or New Equipment	New Equipment
Description: Purchase of a Rototiller Attachment	
Reasoning: • Will assist in operational efficiencies, and service improvements. • Required for playground safety surface maintenance. • Required for landscaping of Town owned green space.	
Risk: • Will not be able to maintain playgrounds appropriately, creating safety concerns. • Service needs and cost will exceed purchase price of equipment. • Work planning around contractor impacts service delivery and timing.	
Recommendation	

Ditch Cutter Attachment	
Cost	$12,000
Replacement or New Equipment	New Equipment
Description: Purchase of a Ditch Cutter Attachment	
Reasoning: • Will assist in operational efficiencies, and service improvements. • Will allow us to cut ditches along annexed roads, 47 Ave and creek ditch Safely.	
Risk: • Safety issues trying to cut ditches with improper equipment. • Equipment damage due to improper use. • Excessive staffing time using with weed eaters and hand mowers.	
Recommendation	

½ Ton Truck replacement	
Cost	$45,000
Replacement or New Equipment	Replacement of 2006 1/2 Ton Truck
Description: ½ ton truck (Optional 4x4 and crew cab)	
Reasoning: • Current ½ ton has extended its end of life to 15 years. • Fleet failure negatively impacts operations and service delivery. • Cost of maintenance has increased.	
Risk: • Run the risk of equipment failure beyond repair. • Out of service time delays operational tasks and impacts service delivery.	
Recommendation	