

## REPORT

### Council

Meeting Date: July 12, 2022

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**FROM:** Finance Department

**DATE:** July 5, 2022

**SUBJECT:** Capital Projects Funding Request

**LOCATION:**

**WARD:** Town-wide

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#### RECOMMENDATION:

1. That the staff report dated July 5, 2022, entitled *Capital Projects Funding Request* from the Finance department, be received.
2. That the 2022 capital budget be amended to add \$796,000 to project 52212102 North Park Sports Park funded from Parks and Recreation Development Charges.
3. That the 2022 capital budget be amended to add \$75,000 to project 52212106 George Savage All Seasons Sport Court funded from the Capital Reserve.
4. That the 2022 capital budget be amended to add \$150,000 to project 52212111 Cornwall Park Skateboard Park funded from the Capital Reserve.

#### KEY FACTS:

The following are key points for consideration with respect to this report:

- The Council approved budget is currently \$14,810,000 for 52212102 North Park Sports Park; \$176,000 for 52212106 George Savage All Seasons Sport Court; and \$250,000 for 52212111 Cornwall Park Skateboard Park.
- In 2022, inflation accelerated in Canada and around the world with consumer and construction prices increasing at levels not seen in decades resulting in financial pressures for the town.
- Staff are requesting additional funding for capital projects that have been impacted by the elevated inflationary environment.

#### BACKGROUND:

This report requests additional funding for various capital projects.

**COMMENT/OPTIONS:**

As previously stated in the staff report dated June 14, 2022 entitled *North Park Development Update – Community Centre, Library and Park*, based on the current economic and supply chain market, construction costs have increased dramatically over the last year. Verified by the architectural consultant, the current market impact can range anywhere from 15% to 50% or more on some types of projects. According to Statistics Canada, non-residential construction building costs in the Toronto area rose 17.3% year over year in the first quarter of 2022, which was the largest increase since the third quarter of 2008.

Select materials incurring significant cost increases since 2021 include union labour up 5%, hardware up 50%, wood up 25%, steel up 30% and drywall up 25%. The construction market continues to face the same cost pressures that were heightened by COVID including a shortage of skilled labour, an abundance of projects in both the public and private sectors, supply chain delay issues, the unavailability of products and materials, and a continued upward pressure on the supply cost materials.

**52212102 North Park Sports Park**

The tender pricing for Part 2 of the sports park development was received after the June 14, 2022 staff report entitled *North Park Development Update – Community Centre, Library and Park* was brought to Council. The additional funding is for cost increases for site restoration, pump track, splash pad and playground, and the dog park. Staff recommend that the 2022 capital budget be amended to add \$796,000 to project 52212102 North Park Sports Park funded from Parks and Recreation Development Charges.

**52212106 George Savage All Seasons Sport Court**

Given inflationary increases, staff recommend that the 2022 capital budget be amended to add \$75,000 to project 52212106 George Savage All Seasons Sport Court funded from the Capital Reserve.

**52212111 Cornwall Park Skateboard Park**

Given inflationary increases and detailed design following public consultation, staff recommend that the 2022 capital budget be amended to add \$150,000 to project 52212111 Cornwall Park Skateboard Park funded from the Capital Reserve.

**CONSIDERATIONS:****(A) PUBLIC**

This report provides information to the public regarding the additional funding requested for capital projects.

**(B) FINANCIAL**

This report and the information contained therein are in compliance with the town's financial policies.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

Various departments will be involved in the delivery of the capital projects in this report.

**(D) CORPORATE STRATEGIC GOALS**

This report addresses the corporate strategic goal(s) to:  
Be an Accountable Government

**(E) CLIMATE CHANGE/ACTION**

N/A

**APPENDICES:**

N/A

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