



City of
Peterborough

To: Members of the General Committee

From: Sheldon Laidman, Commissioner of Community Services

Meeting Date: December 1, 2020

**Subject: Report CSD20-007
Investing in Canada Infrastructure Fund – COVID-19
Resilience Infrastructure Stream Funding**

Purpose

A report to recommend staff submit an application to the Investing in Canada Infrastructure Fund (ICIP) – COVID-19 Resilience Infrastructure Stream for the Peterborough Sports and Wellness Centre Dectron/Changerooms/Reception Project (PSWC-COVID Rehabilitation Project) and if successful, establish a capital budget, pre-commit the 2022 budget for a portion of the municipal share of the project and enter into a transfer payment agreement.

Recommendations

That Council approve the recommendations outlined in Report CSD20-007 dated December 1, 2020, of the Commissioner of Community Services, as follows:

- a) That an application be submitted to the Investing in Canada Infrastructure Fund- COVID-19 Resilience Infrastructure Stream for the PSWC-COVID Rehabilitation Project;
- b) That, if the application is successful, a new \$3.25 million 2020 capital project be created and funded as described in Table 1 of Report CSD20-007, dated December 1, 2020 and that of the approximate \$2.2 million municipal share, \$1,925,000 be pre-committed in the 2022 Capital Budget; and
- c) That a by-law be passed authorizing the Mayor and Clerk to sign the Investing in Canada Infrastructure Fund- COVID-19 Resilience Infrastructure Stream transfer payment agreement and any subsequent amendments between Her Majesty the

Queen in Right of Ontario and the Corporation of the City of Peterborough in a form acceptable to the Commissioner of Corporate and Legislative Services and the City Solicitor.

Budget and Financial Implications

By submitting the Investing in Canada Infrastructure Fund (ICIP) – COVID-19 Resilience Infrastructure Stream for the PSWC-Rehabilitation Project, if the application is approved, Council is committing to fund the City's \$2.2 million portion.

Pending Council approval of the 2021 Capital Budget, \$150,000 from the PSWC – Changeroom/Dectron/Heating Plant Replacement (2021 Budget Ref#3-1.02-2) and \$20,000 from the PSWC – Front Reception Counter Replacement for Accessibility (2021 Budget Ref#3-1.02-6) projects will be utilized as part of the municipal share. \$100,810 will be transferred from the PSWC Capital Reserve, leaving a balance of \$9,600 in the reserve. The remaining \$1,925,000 would be funded through a pre-commitment of the 2022 Capital Budget.

In summary, should Council direct staff to submit the funding application and the application be successful, staff recommend that the \$3.25 million project costs be funded from the sources identified in Table 1.

Table 1 - Proposed Funding Sources for the Project

Ref	Description (1)	Original Funding (2)
1	Direct Revenue - Grant (ICIP-COVID-19 Resilience Fund)	\$1,054,190
2	PSWC – Changeroom/Dectron/Heating Plant Replacement (2021 Budget Ref#3-1.02-2) – subject to Council approval of the 2021 Capital Budget	\$150,000
3	PSWC – Front Reception Counter Replacement for Accessibility (2021 Budget Ref#3-1.02-6) – subject to Council approval of the 2021 Capital Budget	\$20,000
4	PSWC Capital Reserve	\$100,810
6	Pre-commitment of 2022 Capital Budget (or Alternative Recommendation - addition to 2021 Capital Budget)	\$1,925,000
7	Total Funding	\$3,250,000

Background

Current Funding Opportunity

On October 28, 2020, Ontario announced the COVID-19 Resilience Infrastructure Stream (“COVID stream”) under the Investing in Canada Infrastructure Program (ICIP) in Ontario. On November 6, 2020 the City was advised that its allocation under the COVID-19 Resilience Infrastructure Stream is \$1,054,190. The federal government has indicated that investments under this stream are to support public infrastructure, defined as tangible capital assets, including temporary infrastructure related to pandemic response, primarily for public use and/or benefit. According to federal parameters, eligible projects include:

1. **Retrofits, Repairs and Upgrades** for municipal, provincial, territorial, and indigenous buildings, health infrastructure and educational infrastructure;
2. **COVID-19 Response Infrastructure**, including measures to support physical distancing;
3. **Active Transportation Infrastructure**, including parks, trails, foot bridges, bike lanes and multi-use paths; and
4. **Disaster Mitigation and Adaptation**, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

Municipalities should work with the federal eligibility criteria to identify projects to address COVID-19 responses and resilience, including in municipal/regional owned long-term care homes. Municipalities can partner with not-for-profit and broader public sector organizations (e.g. any public sector body) and submit projects on their behalf, using their municipal allocations. This will be subject to the municipality’s own project evaluation prior to submission to the province.

Projects that have already commenced construction or contain no capital components (i.e. planning projects) are ineligible for funding under this intake. Costs for land acquisition, infrastructure for tourism or facilities home to a professional sports team, and any project already nominated to the federal government under another ICIP stream are ineligible under the COVID stream.

Municipalities will not be required to cost share under this stream. The federal government will cover 80% of the total eligible costs associated with any approved project and Ontario will cover 20%. Total eligible costs for all submitted projects cannot exceed the municipal allocation noted above.

Municipalities will have the opportunity to submit projects for review and approval, but eligible costs associated with any given project cannot exceed \$10 million. Applications must be submitted by December 21, 2020. Projects must have started construction by September 30, 2021 and be fully complete by December 31, 2021.

Brief Description of the Work

The PSWC-COVID Rehabilitation Project entails the following key elements:

1. Demolition and Replacement of the Dectron Unit which is a Heating, Ventilation and Air Conditioning (HVAC) Unit responsible for the maintenance of the Aquatic Centre's air humidity, temperature and pool temperature settings. This unit controls the overall aquatic environment, allowing for the safe operation of the pools and removal of air particles;
2. Renovation of the three (3) changerooms located off the pool/fitness centre, into a single universal changeroom design with increased space design considered;
3. Reconfiguration of existing office, boardroom, and café space;
4. Relocation and construction of the City office space, allowing for the increased changeroom space and designed around distancing measures; and
5. Relocation and build of the reception desk area required to obtain AODA and COVID Standards.

Funding Eligibility Justification

The Wellness Centre falls under both the Municipal Infrastructure and Health Infrastructure according to Schedule B of the Criteria. The project meets the eligibility criteria as follows:

1. PSWC is now in its 15th year of operation, requiring updates to changeroom, flooring, fixtures, etc.
2. Approaching end of life for HVAC-Pool Equipment.
3. Changeroom updates allow PSWC to be inclusive of gender identity, meet universal standards and improve accessibility for clients.
4. Increased spacing within the changerooms, allows for great physical distancing and overall capacity increase.
5. Realignment of the offices and the front desk allows for meeting COVID Safety Guidelines (Protective Barrier, Physical Distancing, etc.), in addition to bringing the Reception Desk up to AODA Standards.
6. Replacement of aging HVAC equipment (Dectron) allows for improved air circulation and decreasing power consumption.

Partial Shutdown of PSWC

Estimated time for shutdown of the aquatic/changeroom/office space is approximately 4 to 6 months (April 2021 – September/October 2021), at which time the fitness centre, multiuse rooms and gymnasiums would remain online. This would maintain a portion of PSWC Membership Revenue as opposed to a complete building shutdown. Staff would engage in conversations about remote work and use of the Fleming office spaces

during the renovations to reduce overall impact to staff. The plan would allow for public washrooms to remain online and shift entry to the building through the Fleming entrance doors. The Fleming gymnasium and changeroom space (4 changerooms) would be used for clients during the renovations.

The suggested project timeline allows for the aquatic winter session to be completed. The summer membership is traditionally smaller, therefore lessening the impact on membership overall. Camp programming would be relocated to the Navy Club, along with fitness and youth programs. Gymnasiums would remain online allowing for on-site fitness and sport programs to continue. The Fitness Centre would remain online, which was the primary draw of membership during the COVID restart (Approximately 60% of total participants utilized the Fitness Centre since the July 27th re-opening).

A planned shutdown during the reduced membership summer month in 2021 will reduce the future possibility of an emergency shutdown due to a future Dectron failure. The Dectron is reaching its anticipated end of life and any failure of this equipment would leave the pool shut down for many months without the ability to properly plan for its shutdown. A 2021 construction will also allow the PSWC to have an improved and fully functional facility to be competitive with other fitness centres post-COVID.

During construction, PSWC-Recreation would utilize the Navy Club for additional program space. It is projected that the property could be used “as is” without immediate capital costs in 2021. This model was successfully utilized in summer 2020 for camps and would be expanded during the shutdown. Green space, outdoor aquatic (beaches) and existing indoor space will be utilized to accommodate programs

Alternative Recommendation for Municipal Funding

Staff are recommending to pre-commit the 2022 budget to fund the \$1.925M portion of the project. Staff would note that Council passed the following motion as part of Report CLSFS20-028 2021 Budget Guidelines at its July 27, 2020 meeting (Appendix A):

d) That in response to Federal or Provincial announcements such as stimulus funding becoming available as part of the COVID-19 pandemic recovery plan, staff be directed to provide a further Report at a later date in 2020 seeking up to an additional 0.5% All-Inclusive increase to provide the local funding share, if required.

This grant program would seem to comply as a stimulus program related to the COVID-19 recovery. The municipal portion, if funded instead through the 2021 draft budget would amount to a 0.12% increase to the all inclusive tax rate which would be within the 0.5% guideline in the July Council motion.

If Council wished to fund this project through the 2021 budget instead staff would recommend the following to replace Recommendation (b):

b) That, if the application is successful, a new \$3.25 million 2020 capital project be created and funded as described in Table 1 of Report CSD20-007, dated December 1,

2020 and that of the approximate \$2.2 million municipal share, \$1,925,000 be funded by additional tax-supported debt through the 2021 Capital Budget.

Summary

The City has an opportunity to apply for its allocation of \$1,054,190 under the COVID-19 Resilience Infrastructure Stream by applying for the PSWC-Rehabilitation Project, if the application is approved, Council is committing to fund the City's \$2.2 million portion which includes a 2022 capital budget pre-commitment of \$1,925,000. The timelines are aggressive, and staff is seeking Council endorsement to move the application process forward.

Submitted by,

Sheldon Laidman
Commissioner of Community Services

Contact Name:
Rob McAulay
Wellness Centre Facility Manager
Phone 705-742-7777, ext. 2204
Toll Free: 1-855-738-3755
E-mail address: rmcaulay@peterborough.ca

Attachments:
Appendix A - Report CLSFS20-028 2021 Budget Guidelines