



Meeting Date: November 10, 2021

Submitted by: Tiffany Farrell, Director of Corporate Services

Report No: CPS-54-2021

Subject: Delaware Hydro Reserve Fund - Delaware Lions Sign Request

Recommendation:

THAT Report CPS-54-2021 regarding the Delaware Hydro Reserve Fund – Delaware Lions Sign Request be received;

AND THAT the request for use of the Delaware Hydro Reserve Fund for a new electronic sign in Delaware be denied.

Purpose:

To provide Council with information regarding a request put forward to the municipality on-behalf of the Delaware Lions.

Background:

Staff have been working with the Delaware Lions and all stakeholders with respect to the request for an electronic sign. The sign would have a display screen that is approximately 3'x6' and come with a 6mm pitch (resolution).

In the fall of 2021, the Delaware Lions approached the municipality about donating money to purchase an electronic sign for Delaware. The sign would be located at the Delaware Fire Station. Based on the costs outlined in the Analysis section, the Delaware Lions are intending to use monies from the Delaware Hydro Reserve Fund.

The Delaware Hydro Reserve Fund Policy was last updated in September of 2001. Unless otherwise approved by specific Council resolution, expenditures from the fund are limited to 50% of the interest earned by the fund in the previous year. Where an expenditure is approved for a capital project that is initiated by an individual(s) or a community organization, the amount of the expenditure paid from the fund is limited to 50% of the capital project, with the 50% balance to be contributed by the individual(s) or the community organization.

In the past five years, the fund has been used for two municipal initiatives:

1. In 2017, the Canada 150 Celebrations took place at the Delaware Community Centre. The community centre flooring needed to be replaced. The Delaware Lions wanted to assist in the costs to replace the flooring, however could not afford to pay for 50% of the project. Staff proposed that the municipality use leftover interest not spent in previous years on this project. This was reported to council in November of 2016, report CS016-050, and was approved.
2. On October 13, 2021, Council approved the use \$62,370 for assisting in the payment of a watermain extension on Longwoods Road (report CAO-24-2021). The fund will subsequently be paid back when properties pay to connect to the watermain. Based on land area, 33.8% is being paid for by the municipality and 66.2% by the developer.

Analysis:

The Delaware Lions Club has proposed donating \$2,000 for the electronic sign. Staff worked with the Delaware Lions to ensure the procurement policy was being followed and three quotes were obtained. Based on the costs obtained for the equipment and electrical and other associated costs, the budget for this project would be \$40,000. Therefore the request is to use \$38,000 from the Delaware Hydro Reserve Fund and the Delaware Lions would provide a 5% donation (\$2,000).

There will be additional costs for hydro to operate the sign as well as staff time to administer it. At this time it is suggested that Fire Services staff will operate and update the sign.

Staff have reviewed the proposal in detail and it was brought forward as a capital item for discussion at the capital budget committee meeting in October. It is the recommendation of the committee that this request be denied.

The reasons the committee and staff feel that this should not proceed include:

1. The sign does not fall under the three criteria in which the committee was reviewing capital assets:
 - a. Asset Management – replace and rehabilitate existing assets
 - b. Development related capital due to growth
 - c. Efficiency related asset
2. The municipality is concentrating on our current infrastructure gap – funding our current assets – which is a difficult task to begin with. Once a new asset is purchased, it will be part of our capital assets and require replacement in the future. At this time we are struggling paying for replacing assets we already own. New assets are only being considered if there is a growth component or an efficiency component. This project does not fall into either category.
3. Although this project would be funded from the Delaware Hydro Reserve Fund and does not have a levy impact, it still impacts the balance of this fund.

Although an electronic sign can be an effective way to communicate information to the public, there is more work to be done internally to ensure that the municipality approach communications using electronic signs in a more holistic way. Currently electronic signs and other manual signs are being managed at each individual site, by different team members. Staff would prefer to review this situation holistically and then put in place an efficient sign plan for the public.

4. The management of the sign could be an issue. The sign would be the property of the municipality, however, the messaging on the sign would be guided by an outside organization. Staff would need to consider a policy for what organizations could request to post messages, and what types of information would be eligible for posting on a municipally-owned sign.
5. Although this sign would be nice to have in Delaware, staff do not see this responding to an issue or initiative that has been discussed previously.

Financial Implications:

Electronic Sign - \$40,000

Donation - \$2,000

Delaware Hydro Reserve Fund - \$38,000

Strategic Plans:

This matter aligns with following strategic priorities:

- Responsive Municipal Government

This report responds directly to Objective 5.3 – Foster a culture of innovation, continuous improvement, and cost-effective services by sharing information and gathering input, by continuing our timely and effective communication to the public.

- Sustainable Infrastructure and Services

This report responds directly to Objective 4.3 – By progressively updating our asset management plan and building the reserve funds for the timely repair/replacement of our assets.

- Sustainable Infrastructure and Services

This report responds directly to Objective 5.3 – By communicating our approach to capital projects, specifically communicate clearly with the public on capital spending priorities in terms of costs, benefits, funding sources and timing.

Attachments:

N/A