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**TO:** GENERAL COMMITTEE

**SUBJECT:** FUNDING REQUESTS: EMERGENCY RETAINING WALL RECONSTRUCTION AND ASSET MANAGEMENT PLAN UPDATE

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** S. DREWETTE, C.E.T., SENIOR ASSET MANAGEMENT PROGRAM COORDINATOR, EXT 5153

**SUBMITTED BY:** K. OAKLEY, P. ENG., ASSOCIATE DIRECTOR OF CORPORATE ASSET MANAGEMENT

**GENERAL MANAGER APPROVAL:** B. ARANIYASUNDARAN, P. ENG., PMP, GENERAL MANAGER OF INFRASTRUCTURE AND GROWTH MANAGEMENT

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

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**RECOMMENDED MOTIONS**

1. That a new capital project be created in 2024 capital plan, for emergency reconstruction of the retaining wall on the south side of Blake Street and the west side of Nelson Square West at 18 Nelson Square West, with funding in the amount of \$425,000 with the funding sources outlined in the Financial section of Staff Report CAM001-24.
2. That the approved budget for Capital Project EN1470 - Asset Management Plan Updates - Regulatory Compliance and Program Advancement be increased by \$200,000 with the funding sources outlined in the Financial section of Staff Report CAM001-24.

**PURPOSE & BACKGROUND**

3. The retaining wall on Blake St. and Nelson Sq. W., at 18 Nelson Sq. W. is in a state of failure and has partially collapsed onto the adjacent private residential property. Funding is required for emergency reconstruction of the wall.
4. The current phase of project EN1470 will update the City's existing Asset Management Plans to address the requirements in Ontario Regulation 588/17: ASSET MANAGEMENT PLANNING FOR MUNICIPAL INFRASTRUCTURE (O.Reg. 588/17) by the July 2025 deadline. After completing a competitive procurement process for the consultant assignment to complete the update, the financial analysis shows that the capital project has insufficient funds to complete the work. Additional funding is required in order to award the assignment and proceed with the project.

**ANALYSIS**

**Blake St. Retaining Wall Emergency Reconstruction**

5. The retaining wall is approximately 84m long and runs east-west for approx. 57m along the south side of Blake St. and then for another 27m north-south along Nelson Sq. W, with an average height around 1m and the tallest part being about 1.5m high. The wall is in a state of failure and has partially collapsed onto the adjacent residential property.

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6. City Operations staff have completed a temporary repair to prevent further damage to the adjacent residential property and the undermining of the sidewalk supported by the retaining wall.
  7. A permanent repair must be completed urgently to prevent further damage.
  8. \$425,000 in funding is being requested to complete the emergency reconstruction of this retaining wall. Upon approval of the funding, staff in the Infrastructure Department will commence engineering activities for the repairs. The construction is planned to be completed in 2024.

#### EN1470 - Asset Management Plan Update Additional Funding Request

9. Project EN1470 - Asset Management Plan Updates - Regulatory Compliance and Program Advancement was introduced in the 2021 budget and included a number of phases to achieve compliance with O.Reg. 588/17 and advance the City's asset management program. The first phase was completed in 2023 and included an asset management plan update for the City's facilities, parks, and recreation assets in order to achieve compliance with the 2024 requirements of the provincial regulation.
10. The current phase of EN1470 is an update to all of the City's asset management plans to achieve compliance with the 2025 requirements of the regulation. The budget for this phase of EN1470 was approved in the 2023 Capital Budget and was estimated based on the best available information from historical costs on similar projects.
11. A competitive procurement process was used to select a consultant to assist the City in completing the current phase. The selected consultant's price is substantially higher than the estimated budget. Overall, an additional \$200,000 is required in 2024 to award the contract and complete the project. Given that most municipalities in Ontario are undertaking this work, consultants' prices for this type of project have escalated considerably.
12. The project must proceed without delay to meet the 2025 regulatory requirements under O.Reg. 588/17.
13. Additional funding of \$200,000 is being requested in order to proceed with the project.

#### ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS

14. The following environmental and climate change impact matters have been considered in the development of the recommendation:
  - a) The completion of this project will be in accordance with the City's Strategic Asset Management Policy, which includes considerations for climate change and community resiliency to be considered as part of the City's risk management strategy related to asset management planning. This strategy will balance the potential cost of vulnerabilities to climate change impacts and other risks against the costs of reducing these vulnerabilities.

#### ALTERNATIVES

15. The following alternatives are available for consideration by General Committee:



**Alternative #1** General Committee could choose to not approve the additional funds for the retaining wall.

- a) This alternative is not recommended as the retaining wall is in a state of failure and represents a safety risk to the public right-of-way as well as the risk of further damage to the adjacent private residential property.

**Alternative #2** General Committee could choose to not approve the additional funds for EN1470.

- b) This alternative is not recommended as it would result in the City being unable to complete the project, and being out of compliance with provincial regulation.

**FINANCIAL**

**Blake St. Retaining Wall Emergency Reconstruction**

- 16. Based on the emergency nature of the needed work, and the assumed scope of the replacement work related to the retaining wall, the total cost of the work is estimated at \$425,000. The new retaining wall may require upgrades such as guardrails and pedestrian railings to comply with current standards. Additionally, there may be considerations for local subsurface utilities and a need to tie drainage components to the existing storm sewers under Blake St.
- 17. The new capital project should be funded from the Tax Capital Reserve.

Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$0	\$425,000	\$425,000
<b>Total</b>	<b>\$0</b>	<b>\$425,000</b>	<b>\$425,000</b>

**EN1470 - Asset Management Plan Update Additional Funding Request**

- 18. Project EN1470 (Asset Management Plan Updates - Regulatory Compliance and Program Advancement) is included in the 2024 approved capital budget.
- 19. The total of all approved funds for the entirety of EN1470 is \$814,000, of which approximately \$389,000 has been spent on the previous project phase.
- 20. The remaining approved funds, for the current phase, totals \$425,000.
- 21. The total cost for the current project phase, including the consultant assignment and City staff time, is estimated at \$625,000, or approximately \$200,000 more than the available budget.
- 22. The project is currently funded primarily from the Tax Capital Reserve, with a small amount coming from the DC Administration Reserve.
- 23. The scope of the current phase will address all City assets, including water and wastewater assets, which each represent approximately 20% of the City's asset portfolio. Therefore, it is proposed that the additional requested funding be provided from the Water Capital Reserve and the Wastewater Capital Reserve as shown below.

24. The current approved funding plan for EN1470 is shown in the table below along with the impact of the proposed changes:

Funding Source	Current	Proposed	Change
Tax Capital Reserve	\$775,100	\$775,100	\$0
DC Administration Reserve	\$38,900	\$38,900	\$0
Water Capital Reserve	\$0	\$100,000	\$100,000
Wastewater Capital Reserve	\$0	\$100,000	\$100,000
<b>Total</b>	<b>\$814,000</b>	<b>\$1,014,000</b>	<b>\$200,000</b>

25. The capital budget will be adjusted as follows:
- a) EN1470.15.97 to be increased by \$200,000, from \$814,000 to \$1,014,000.

**LINKAGE TO 2022-2026 STRATEGIC PLAN**

26. The recommendations included in this Staff Report support the following goals identified in the 2022-2026 Strategic Plan.
- Affordable Place to Live
  - Thriving Communities
  - Infrastructure Investments
  - Responsible Governance
27. By completing the emergency retaining wall reconstruction, the City will restore this structure to its intended function, protect private property, and enhance pedestrian and vehicular safety.
28. By completing the current phase of EN1470, the City will achieve provincial compliance and develop a newly updated and enhanced Asset Management Plan for the City's assets that identifies proposed levels of service and a lifecycle management and financial strategy to achieve those levels of service over the 10-year planning period.