



**TOWNSHIP OF ESQUIMALT**

# **Capital Plan Update - 2026**

# AGENDA

## 1. 20-YEAR CAPITAL PLANS

- Overview and Projections
- Updates In 2025
  - Building Condition Assessments
  - Pavement Management Plan
  - ATNP Priorities Refresh
- Project Manager Update
- Risks and Impacts
- Next Steps

## 2. LONG-TERM CAPITAL FUNDING

- Infrastructure Reserves
- Machinery and Equipment



# 20-Year Capital Plans: Parks, Recreation, Engineering & Public Works

# Capital Plan Overview

## 20-YEAR CAPITAL PLAN

- Projections based on information available and focus on meeting existing service levels
- Primarily includes renewal, with limited new infrastructure (example: ATNP)
- Ongoing refinement continues through asset management plans and project delivery

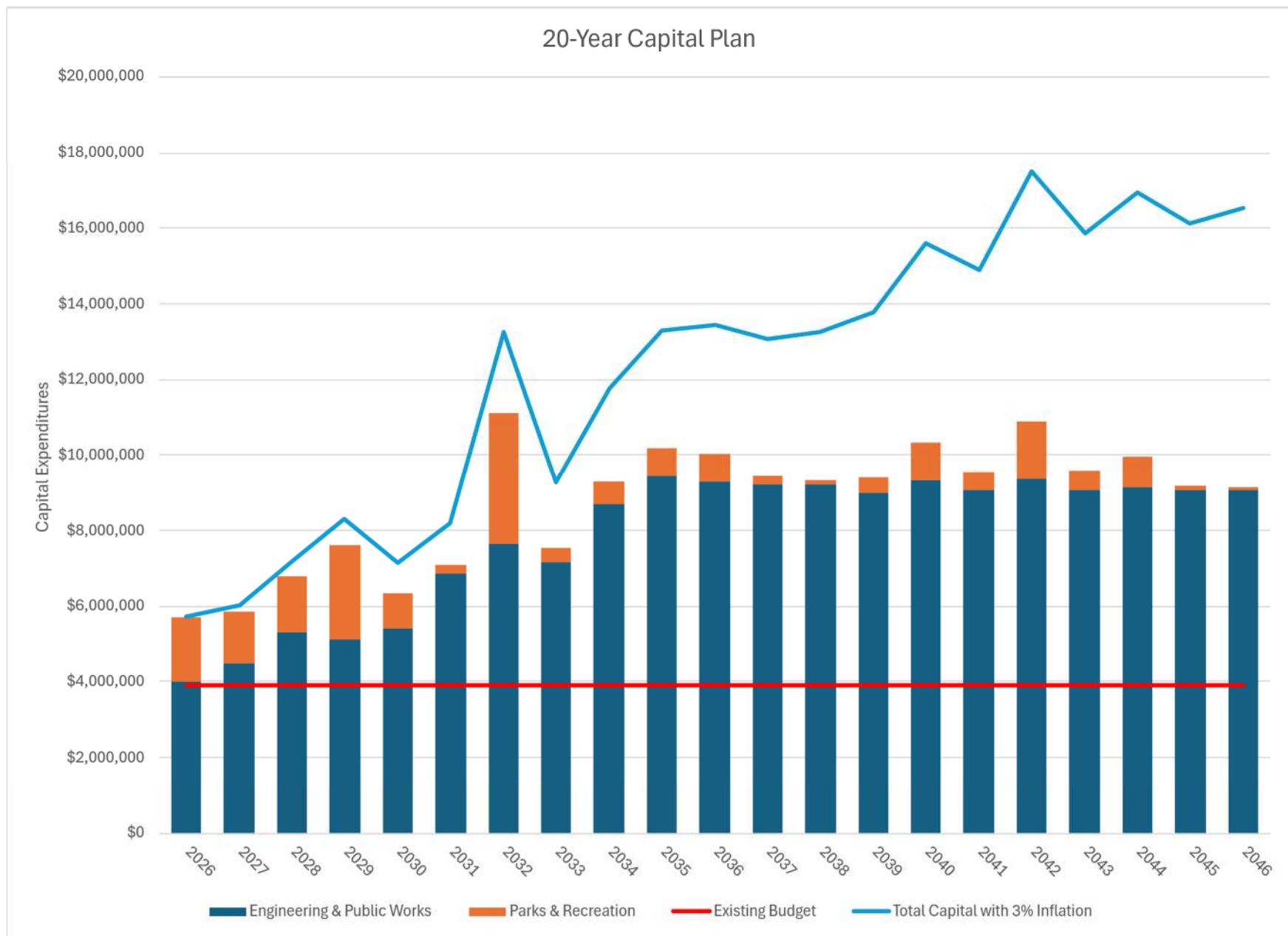
## MAJOR DRIVERS

- Short term: active transportation, arena floor, pool HVAC and roof replacement, and utility renewals
- Medium to long term: aging infrastructure renewals (sewer, drain, roads, signals, and facilities – example: pool basin)

## NOT INCLUDED

- Full facility replacements (in progress)
- Fleet renewals (later in presentation)
- New initiatives

# 20-Year Capital Plan – Engineering & Public Works and Parks & Recreation



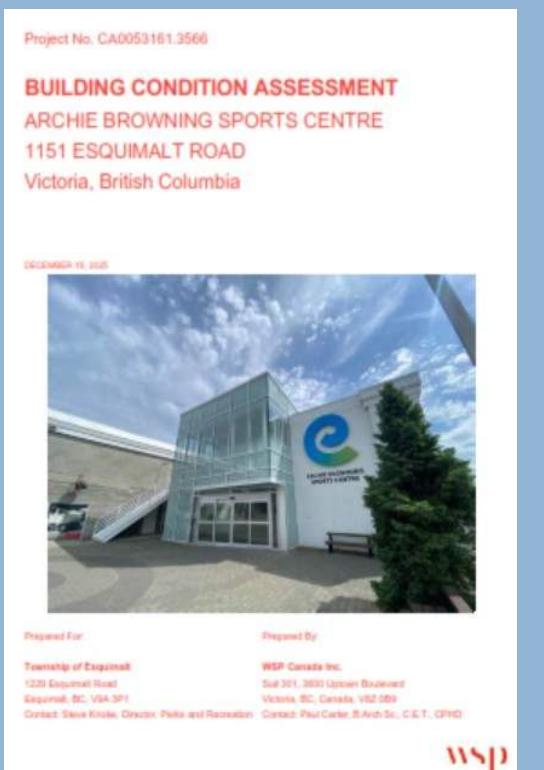
# Updates In 2025

## CHANGES TO 20-YEAR CAPITAL PLANS IN 2025

- Building Condition Assessments
  - Building Repair Costs over 20-years
    - 3.8% inflation rate included:
      - Sports Centre = \$10.4m (\$520k/yr)
      - Rec Centre = \$10.4m (\$520k/yr)
      - Parks Nursery = \$110k (\$5.5k/yr)
      - Municipal Hall = \$992,516 (\$50k/yr)
      - Public Works Yard = \$498,605 (\$25k/yr)
- Pavement Management Plan
  - Prioritized based on condition data collected in 2025
  - Updated sustainable funding level identified
- Active Transportation Network Plan Priorities Refresh
  - December 2025 priority projects update included

# Building Condition Assessments

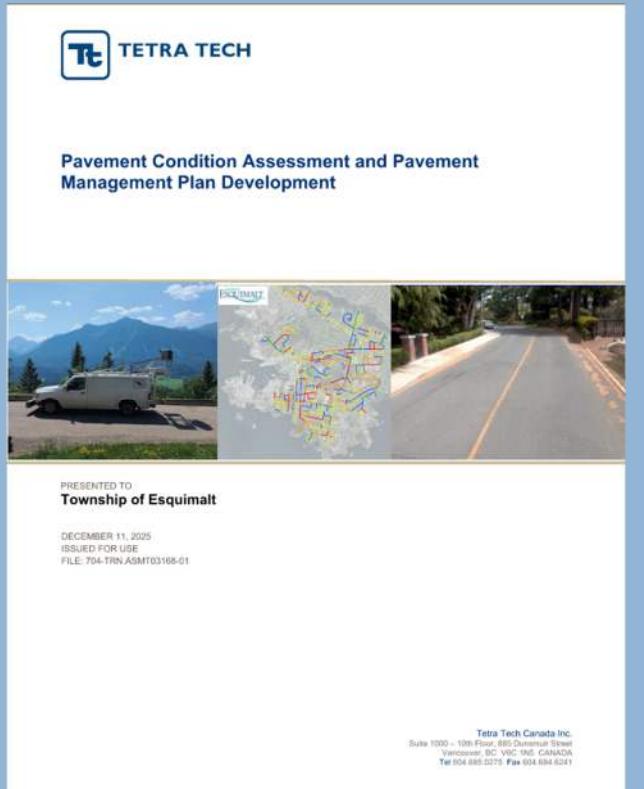
1. Recreation Centre
2. Sport Centre
3. Municipal Hall
4. Public Works
5. Parks Nursery



## SCOPE AND OBJECTIVE

- Provide an objective, data-driven understanding of building health
- Highlight deferred maintenance and long-term renewal needs
- Ensures buildings support community expectations
- Helps staff maintain consistent, safe, and sustainable operations
- Strengthens justification for grant applications and external funding
- Early identification of failing systems prevents costly emergency repairs
- Improves asset reliability and service continuity
- Supports current lifecycle replacement schedules
- Prioritize projects based on risk, condition, and service impact
- Inform multi-year budgeting and reserve planning

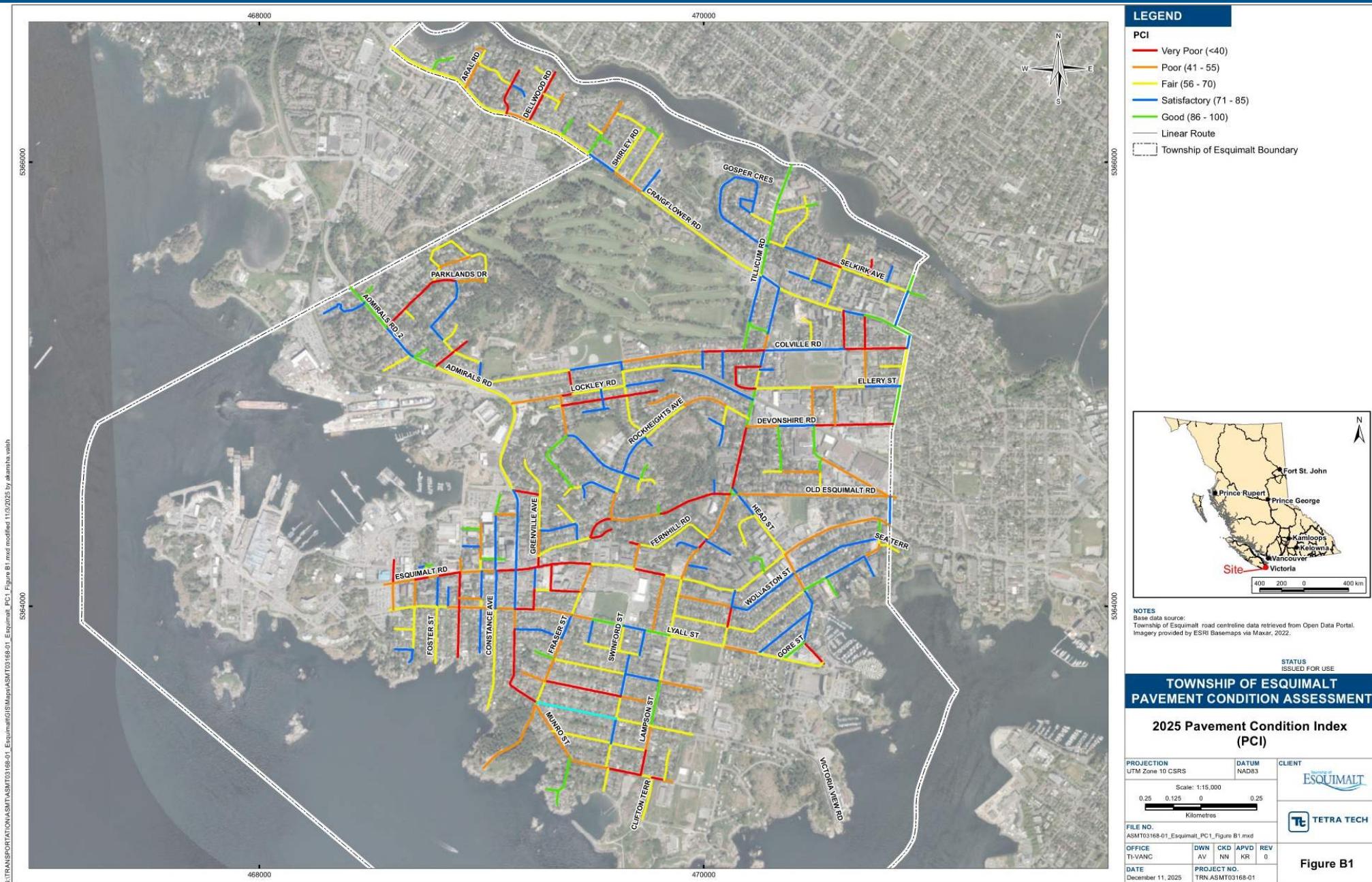
# Pavement Management Plan



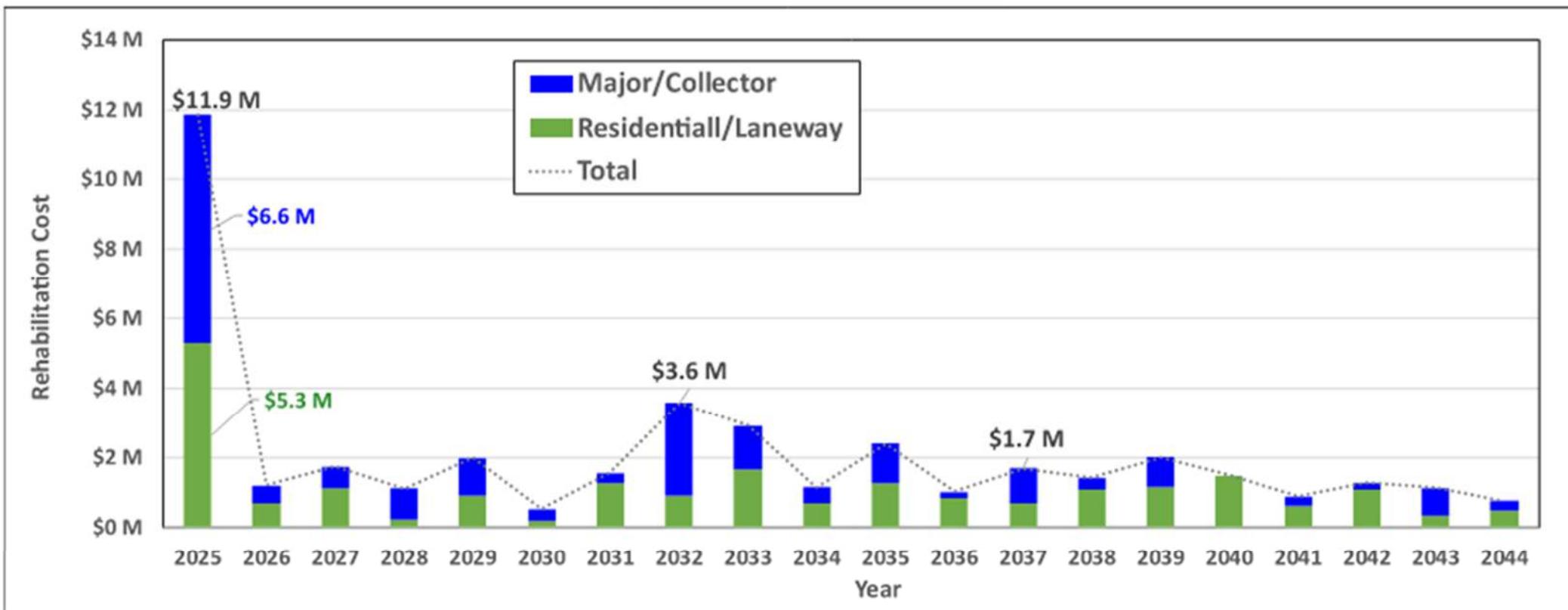
## SCOPE AND OBJECTIVE

- Complete a pavement condition assessment across the entire road network
- Recommend repair methodologies
- Provide a prioritized paving plan for every road segment
- Develop 20-year funding scenarios
- Identify sustainable funding levels
- Full plan available at: [esquimalt.ca/municipal-services/roads-sidewalks-boulevards](http://esquimalt.ca/municipal-services/roads-sidewalks-boulevards)

# Pavement Management Plan – PCI Map



# Pavement Management Plan – Unconstrained Budget Scenario



**Figure 12: Rehabilitation Needs based on Unconstrained Budget Scenario**

# Pavement Management Plan – Funding Scenarios

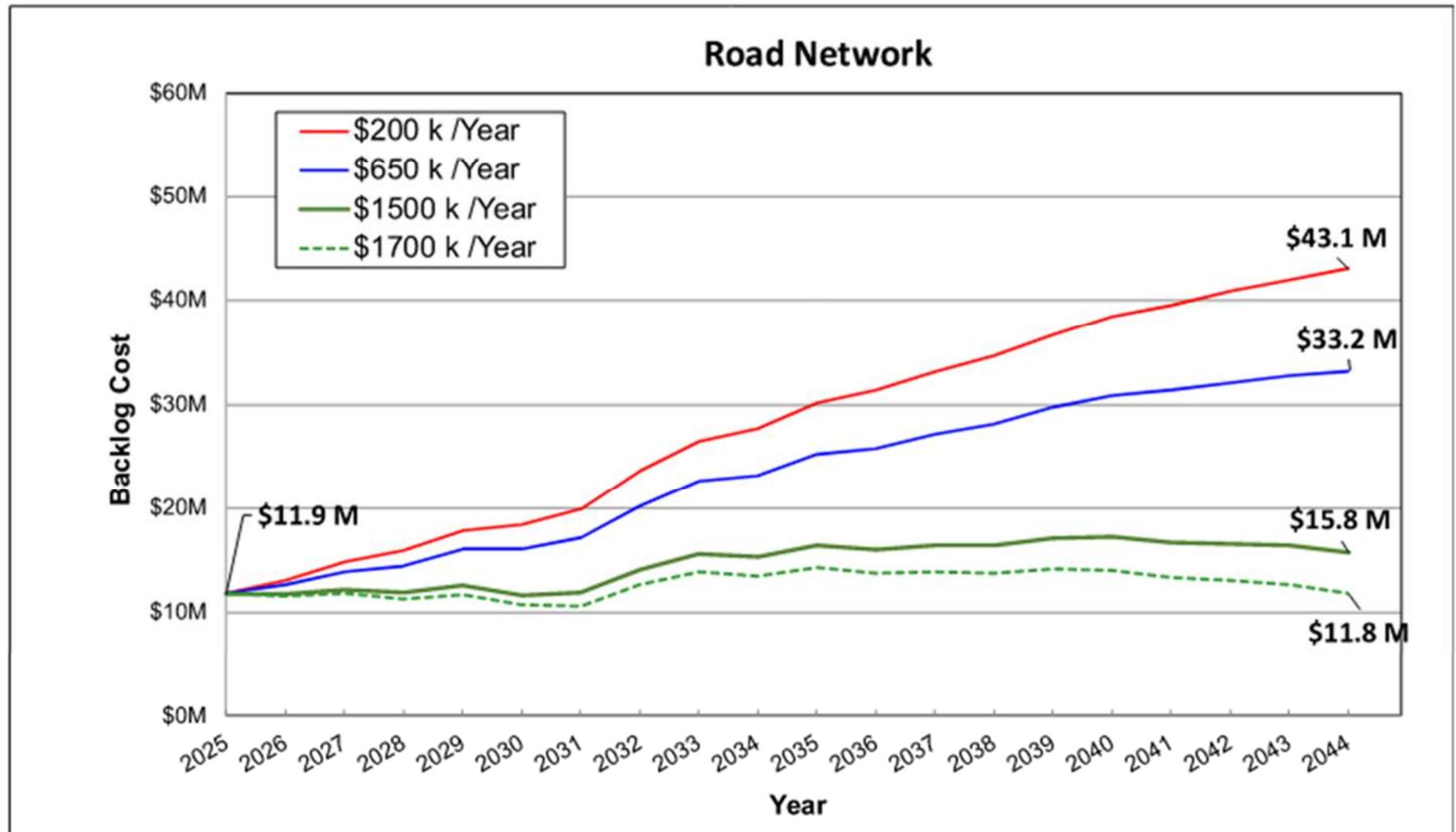


Figure 13: Future Backlog Projection based on Various Rehabilitation Budget Scenarios

# Project Manager Update

## 2026 UPDATE ON PROJECT MANAGER POSITION

- 2026 Financial Plan identifies a new Project Manager in Engineering & Public Works funded through Capital

## WHY USE CAPITAL FUNDING?

- Position will focus on delivering capital infrastructure work

## WHAT IS THE ROLE OF A PROJECT MANAGER

- Ensure efficient execution and delivery of projects

## WHAT CAPITAL PROJECTS WILL THEY WORK ON

- Parking Action Plan (when Capital funding is involved)
- Paving renewals
- Sanitary and storm sewer renewals
- West Bay Walkway inspection and repairs
- Active Transportation Network Plan priority projects

# Risks and Impacts

## LEVELS OF SERVICE DECREASE

- Insufficient funding affects levels of service (example: pool closures)

## COSTS INCREASE

- Ineffective management of assets results in higher maintenance and repair costs (example: emergency repairs)

## INACCURATE DATA

- Projections based on current information
- Projections will never be perfect and will require acceptance of risk based on the level of risk tolerance
- Reduce risk through asset management best practices
  - Building condition assessments
  - Strategic Planning
  - Pavement Management Plan
  - Facilities Management Plan
  - Storm Management plan

# Next Steps

## **EXPECTED REFINEMENTS THROUGHOUT 2026**

- Recreation Strategic Plan (new initiatives)
- GHG Facility Reduction Strategy
- Facilities Management Plan with Long-Term Asset Replacement
- Storm Sewer Asset Management Plan
- Improve project readiness (example: 2026 designs for 2027 construction)

## **FUTURE UPDATES IN 2027+**

- Asset Management Plans
  - Natural Assets
  - Sidewalks
  - Curb and Gutters
  - Traffic Signals
  - Streetlights
  - Structures
- Improved Project Management Processes
- Asset Score Cards



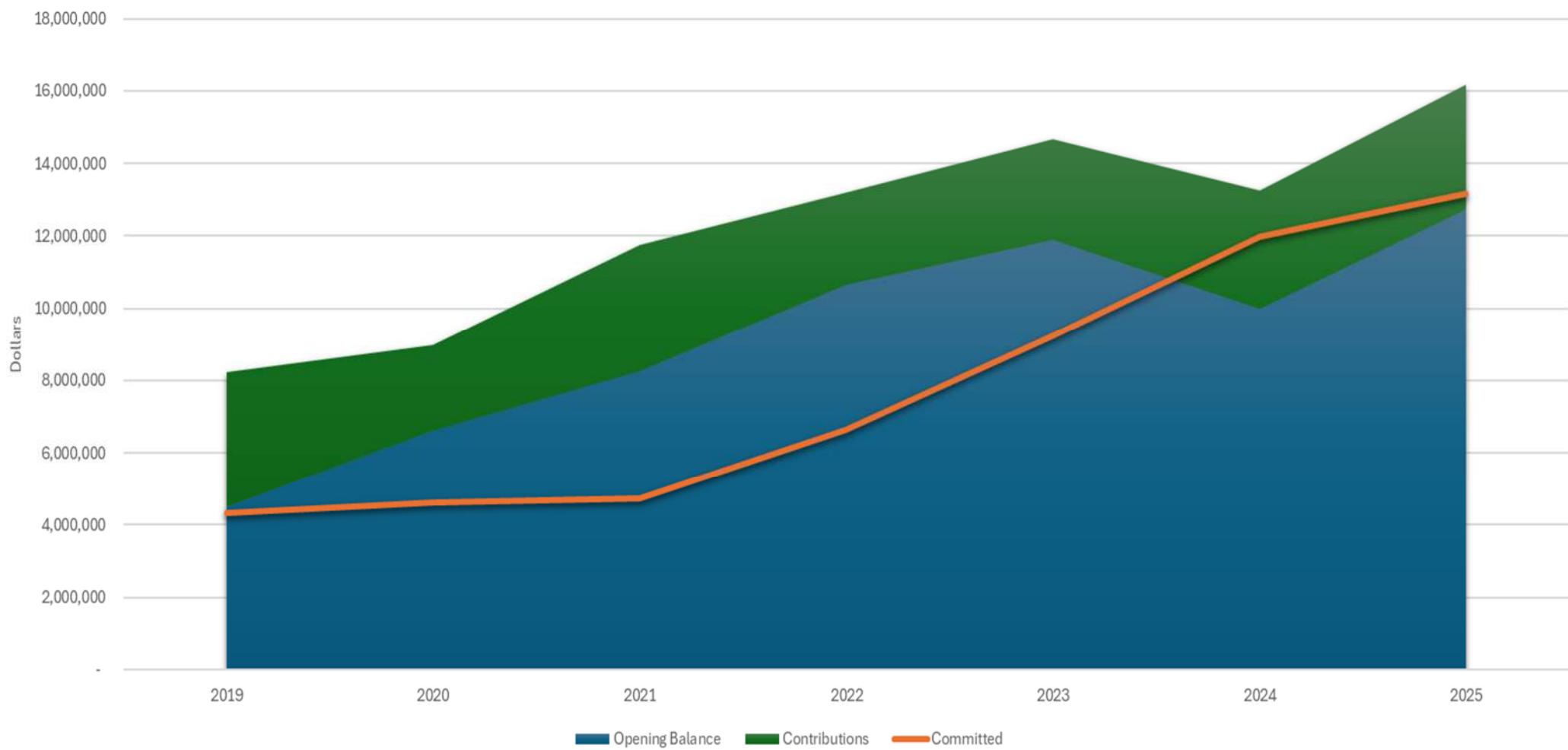
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# **Long Term Capital Funding**

# Infrastructure

# Infrastructure Reserves

Infrastructure Reserves  
2019-2025

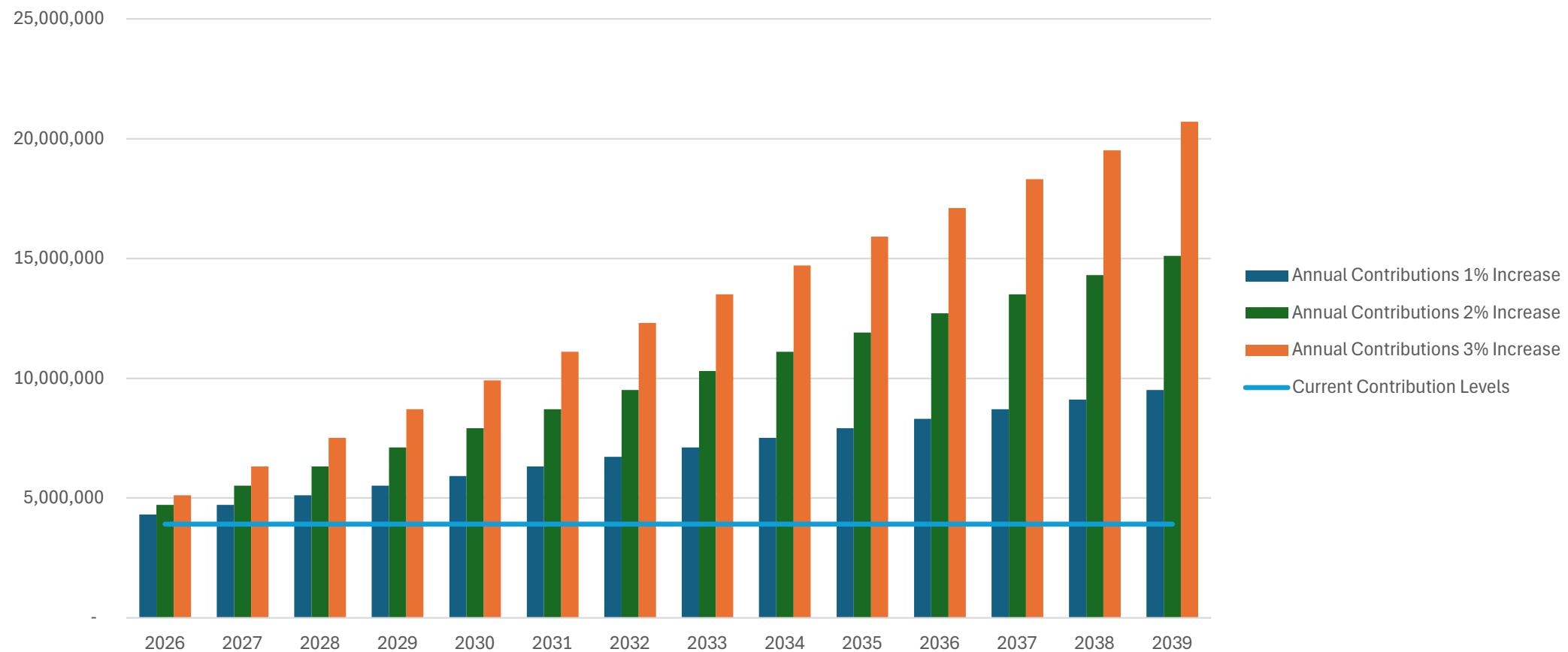


# Infrastructure Reserves

- Capital Projects Reserve, Infrastructure Reserve, and Canada Community Building Fund (Gas Tax)
- Long term infrastructure replacement continues to be unsustainable at current funding levels of \$3.9M per year
- Annual funding gap identified as \$6.3M with \$25M of infrastructure overdue for replacement

# Infrastructure Reserves Funding Plan

## Infrastructure Reserve Contributions



# Infrastructure Reserves

## RECOMMENDATION:

- Approve annual contribution increases of 2.5% for the period of 2026-2029 and increasing those to 3% in 2030
- Would increase total available infrastructure reserves by:
  - \$15.2M by 2030
  - \$59.2M by 2035
  - \$116.0M by 2039

# Machinery & Equipment

# Machinery & Equipment Reserve

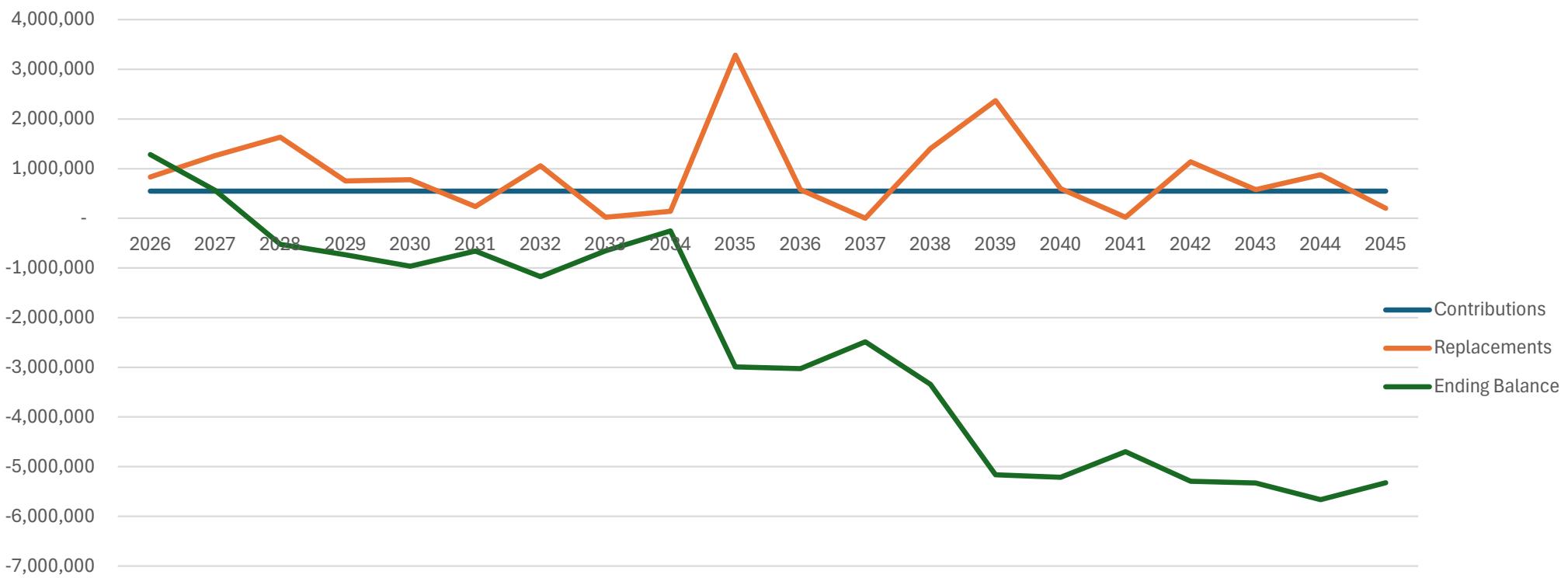
- Funds the replacement of Township's vehicle fleet, IT hardware, major equipment
- Annual contributions are made based on long term replacement plan (self funding)
- Continually updating useful life and replacement cost estimates to consider:
  - Anticipated future cost increases of Public Works heavy use vehicles and Fire apparatus
  - Costs of potential future electrification options

## Machinery & Equipment Reserve

- Without additional contributions in 2028, the reserve will be fully depleted
  - Scheduled replacement of 18 fleet units during the next two years
  - Continually increasing costs
- Increased contribution of 0.5% was approved for last year but doesn't address long term sustainability
- Future replacements to be funded:
  - Garbage Trucks: \$1,200,000
  - Fire apparatus
    - 2032: \$930,000
    - 2035: \$2,500,000
    - 2039: \$2,000,000

# Fleet Reserve – With No Funding Increase

Machinery and Equipment Reserve – 2026-2045



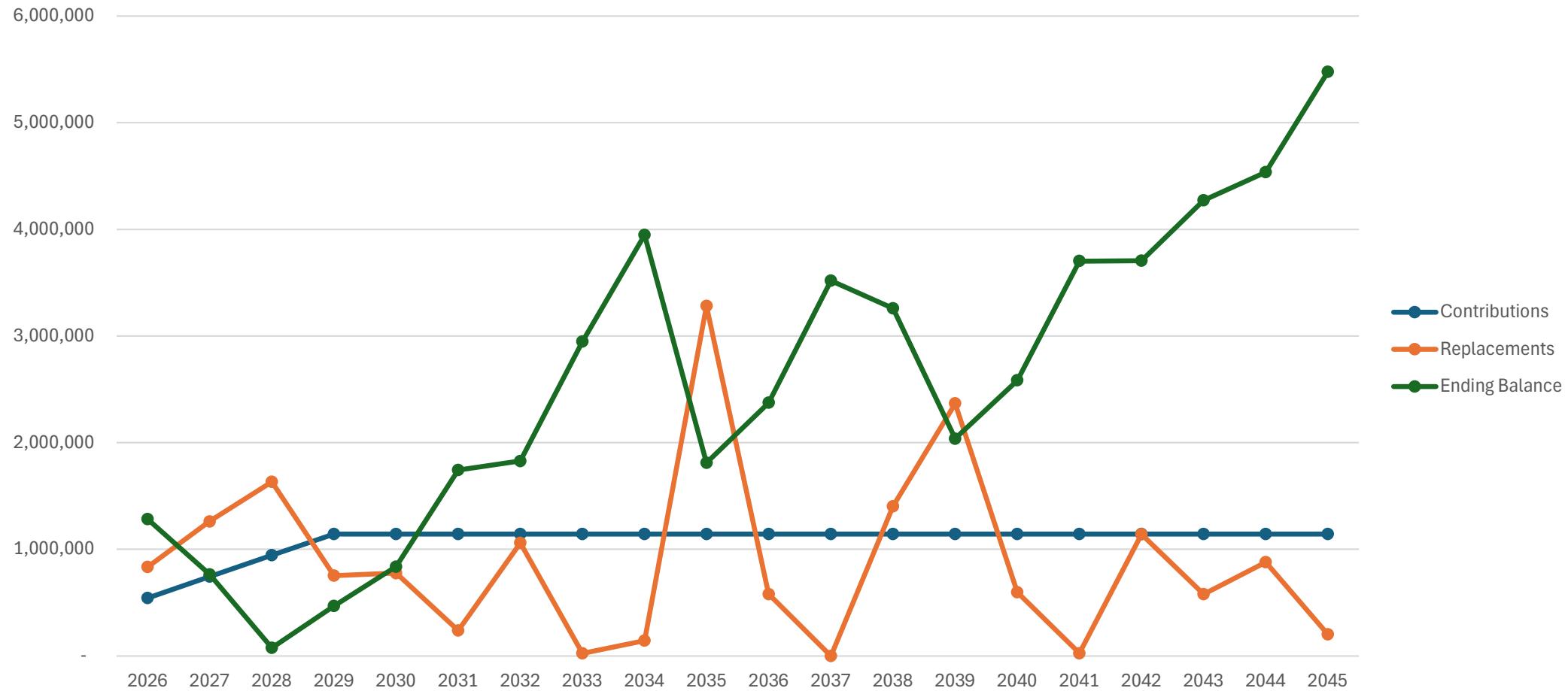
# Machinery & Equipment Reserve

## RECOMMENDATIONS:

- Approve annual increased contributions of 0.5% for the period of 2026-2029
- Starting in 2030, shift the annual 0.5% increase to Infrastructure Reserve to support long term renewal

# Fleet Reserve – 0.5% Increase (annually to 2029)

Fleet Reserve 2026-2045



# Infrastructure Planning Summary

- Increasing demands will need to be met with more robust and mature approach to capital program management
- Continued focus on asset management planning:
  - Storm Master Plan
  - Sewer Master Plan
  - Facilities Management Plan
  - EV Fleet Plan
  - Pavement Condition Assessment
- Consistent message now accompanied by updated estimated funding requirements