

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Engineering and Transportation Division

To: Mayor and Members of Council

From: Chris Thibert, P.Eng.
Director, Engineering and Transportation

Date: December 18, 2019

Subject: 2020 Capital Budget

Recommendations

It is recommended that:

1. The 2020 Capital Projects as outlined in Appendices A and B, be approved.
2. The Capital Projects, as outlined in Appendix C, be deferred to future Capital Budget consideration in 2021 or later.
3. An additional \$517,000 be added to the 2020 Capital Budget to support the Municipal financial requirement for the Disaster Mitigation Fund. This amount represents the first year of a three year annual increase.

Background

The Capital Budget is contained with Chatham-Kent's total Infrastructure Lifecycle Budget. The Capital Budget sets out construction and special projects from all departments not considered in, nor presently part of a specific lifecycle program or other special program. The capital budget provides direction and forecasting of strategic projects needed to fulfill Council's priorities. In 2019, the capital budget was increased to \$6,109,000 from \$5,960,000 in 2018, and is assumed to be increasing to \$6,373,000 for 2020.

At the December 2, 2019 regular Council meeting, Council approved an additional \$6,727,037.53 to be added to the 2020 capital budget to support road projects. This amount represents a one-time doubling of Chatham-Kent's federal gas tax allocation along with the surplus of federal gas tax administration fees and interest.

Comments

The capital budget is compiled for all departments and reviewed with the staff of Infrastructure and Engineering Services (IES), Community Development, Community Human Services, Finance, Budget and Information Technology Services (FBIS) and the Director, Budget and Performance Services before being presented to the Executive Management Team (EMT). All capital projects have been ranked according to the five budget ranking criteria:

- Sustainability
- Impact to CK-Community
- Strategy
- Risk
- Impact to Ward/User Community

As in past capital budgets, timing of projects was adjusted based on ability to defer or overall readiness.

For 2020, the assumed starting capital budget is \$6.373M. Due to various major road projects identified as a high priority in the 2020 capital plan, \$6.727M (one-time federal gas tax increase) is being added to the capital budget as previously approved by Council. As per the federal gas tax funding eligibility criteria, the following recommended projects are eligible for this fund:

- Keil Drive Extension - \$2,100,000
- Prosperity Way & Seventh Line – Bloomfield Business Park - \$1,550,000
- Intersection improvements to Queens Line and Merlin Road - \$2,000,000
- Park Ave. West Upgrade - \$1,000,000 (partial funding)

Administration is recommending adding \$517,000 to the 2020 capital budget. This amount equates to a 0.33% property tax increase. It represents the first year of a three year plan to support the \$2.4M annual Municipal contribution to the Disaster Mitigation and Adaptation Funded (DMAF) projects. This funding is a requirement to obtain 40% of matching funds (\$1.6M) in annual funding from the federal grant government. All of the approved DMAF projects have been moved to a reserve account that will be managed by IES as budget/funds permit through future capital budgets. A number of projects that were approved through DMAF have already received Municipal capital funding in previous years. Administration is continuing to analyse other sources of funding to support the Municipal contribution that will be reflected on future capital plans and report to Council.

In total with the starting capital base budget, the one-time Federal Gas Tax addition and the recommended 0.33% tax increase requirement for DMAF projects, the assumed 2020 capital budget is \$13.617M.

Appendix A identifies capital projects proposed to receive full funding in 2020 in the amount of \$10.596M and in ranked order. **Appendix B** identifies capital projects proposed to receive partial funding in 2020 in the amount of \$3.0M with the remaining funding required for the project to follow in 2021 or later. A brief explanation has been included to identify the project and the stage of the project, that is whether it is at a design and build status, etc. **Appendix C** identifies projects that are currently either not funded or partially funded and are deferred until 2021 or later for consideration in annual capital budgets.

The projection for future funding between 2021 and 2030 is included in Appendix B and C. The current projected funds for existing projects required between 2021 and 2030 is \$126,006,000. The projected funds only includes items that are currently on the capital budget list. There are a number of projects which are in the early planning stages which will be added onto the capital budget at a later date.

The 2020 net project expenditures include:

2020 Capital Projects

<u>Department</u>	<u>Net Amount</u>
Chatham-Kent Police Services	\$ 50,000
Community Development	\$ 606,000
Infrastructure & Engineering Services	\$ 12,940,000
Total	\$ 13,596,000

Alternative revenue sources for each project include senior levels of Government, Public Utility Commission, base lifecycle budgets, external agencies, local improvement assessment recoveries and reserves. These revenue sources have been identified where applicable. The management of each project is the responsibility of the department noted.

Projects recommended to receive 2020 capital funding that are identified with an alternative revenue source are as follows:

- Next Generation 911 (NG911)
 - Reserve funding from Chatham-Kent Police reserves
- Thames River Trail – Round the River (Phase 3)
 - Portion of project supported through lifecycle reserves
- LED Ornamental Conversion
 - Portion of project(s) supported through Entegrus as well as cost savings going to LED
- Disaster Mitigation Funding – Reserves
 - 40% contribution on approved projects through DMAF (Federal grant)
- Victoria Ave. Reconstruction
 - Portion of project supported through lifecycle reserves

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The Executive Management Team and Senior Management Team provided input on any new projects to be added to the capital budget list for ranking.

Financial Implications

The current capital funding is \$13,596,000. The funding will be allocated as noted in the recommendations. Projects associated with the capital funding will be tendered or quotations received and individual reports will come back to Council for subsequent review and approval as per the Municipal Purchasing Policy. If capital funding is reduced during budget deliberations, lower ranked projects either in Appendix A or Appendix B will be reduced or removed accordingly.

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Attachment(s): Appendix A 2019 Proposed Capital Projects – Full Funding
 Appendix B 2019 Proposed Capital Projects – Partial Funding
 Appendix C Deferred Funding Capital Projects

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2020 Capital Projects List - 2020 Full Funded Projects

Appendix A

Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000 '000	Carry Over Budget, Prior Years '000	DC Eligible	2020 Net Capital
1	IES	Engineering	Keil Drive Extension	Chatham	Extension of Keil Drive (Urban Arterial) to Indian Creek. Project identified as a 0-2 year priority through TMP	\$ 2,100	\$ -	\$ -	Y	\$ 2,100
2	IES	Asset Mngt	New Chatham-Kent Fleet Garage	Chatham	Design and construction of the new Fleet Repair Facility	\$ 3,700	\$ -	\$ 1,200		\$ 2,500
3	IES	Engineering	Prosperity Way & Seventh Line-Bloomfield Business Park	Bloomfield Business Park	Extension of Prosperity Way to 7th Line and extension of Seventh Line including all municipal services and infrastructure	\$ 3,200	\$ -	\$ 1,650	Y	\$ 1,550
4	CKPS	Police Services	Next Generation 911 (NG911)	Chatham-Kent	NG911 will enhance emergency services to create a faster, more resilient system that allows voice, photos, videos and text messages to flow seamlessly from the public to the 911 network.	\$ 200	\$ 150	\$ -		\$ 50
5	IES	Engineering	Intersection improvements to Queens Line and Merlin Road	Raleigh	Installation of new Controlled intersection	\$ 2,000	\$ -	\$ -		\$ 2,000
6	CDF	Fire	Volunteer Fire Paging System	Chatham-Kent	Volunteer Fire Paging System	\$ 406	\$ -	\$ -		\$ 406
12	IES	Parks	Thames River Trail - Round the River (Phase 3)	Chatham - Dover - Raleigh	Completion of the Round-the-River bike trails	\$ 4,256	\$ 450	\$ 2,406		\$ 1,400
15	IES	Public Works	LED Ornamental Conversion	Chatham-Kent	Conversion of ornamental streetlights to LED in various Downtown Business Centres	\$ 2,000	\$ 500	\$ 750		\$ 550
16	IES	Engineering	Blenheim Rotary Park On-Street Parking Improvements	Blenheim	Upgrade to existing on-street parking along John St. servicing Blenheim Rotary Park - Cost savings to combine with 2020 Hot-Mix Contract	\$ 40	\$ -	\$ -		\$ 40
						\$17,902	\$1,100	\$6,006		\$10,596

2020 Capital Projects List - 2020 Partial Funded Projects

Appendix B

Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000 '000	Carry Over Budget, Prior Years '000	DC Eligible	2020 Net Capital	Future Net Capital Projects 2021 to 2030 '000
7	IES	Engineering	Park Ave. West Upgrade	Chatham	Widen and improve Park Ave. West from Keil Drive to Bloomfield Road. Project identified as a 0-5 year priority through TMP	\$ 4,000	\$ -	\$ -	Y	\$ 1,000	\$ 3,000
9	IES	Drainage	Disaster Mitigation Funding - Support Reserves	Thames River and Sydenham River	Support for projects approved under DMAF - 10 year commitment. \$16M from Fed. Fund	\$ 41,438	\$ 16,575	\$ -		\$ 1,000	\$ 23,862
10	IES	Engineering	Sidewalks/Locals	Chatham-Kent	Council Policy Initiative - New Sidewalks on Arterials and Collectors (multi year project), Safe Route to School - Subject to Council's decision of new sidewalk maintenance standards	\$ 3,661	\$ -	\$ 1,500		\$ 50	\$ 1,861
11	IES	Engineering	Victoria Ave Reconstruction	Chatham	Reconstruction of Victoria Ave between McNaughton and Thames Street in 2022	\$ 6,615	\$ 2,000	\$ 800		\$ 450	\$ 3,365
13	CS	Clerk	Electronics Records Management	Chatham-Kent	Moving the organization towards Electronic Records Management	\$ 2,000		\$ 400		\$ 200	\$ 1,400
14	IES	Cemeteries	Cemetery Road Improvements	All Cemeteries	Repair to access roadways in CK Cemeteries	\$ 1,950	\$ -	\$ 1,200		\$ 300	\$ 450
						\$59,664	\$18,575	\$3,900		\$3,000	\$33,938

2020 Capital Projects List - 2020 Deferred Funded Projects										Appendix C	
Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000	Carry Over Budget, Prior Years '000	DC Eligible	Future Net Capital Projects 2021 to 2030 '000	
8	IES	Engineering	Grand Ave. East Improvements	Chatham	Grand Ave East Reconstruction - Pending Connecting Links approval for 2021 Construction	\$ 7,000	\$ 5,500	\$ -		\$ 1,500	
17	IES	Engineering	1st Concession Line Upgrade	Wheatley	Upgrade 1st Concession Line in Wheatley to Urban Local (Industrial). Project identified as a 0-5 year priority through TMP	\$ 1,800	\$ -	\$ -	Y	\$ 1,800	
18	IES	Engineering	Tilbury Stormwater Management	Tilbury	Storm Water Management for the southwest quadrant of Tilbury to provide new 5 year design storm outlet, including storm water pond into Tremblay Creek.	\$ 4,000	\$ -	\$ 280	Y	\$ 3,420	
19	IES	Parks	Parks, Cem, Hort	Chatham, Tecumseh Park	Archeological Survey, Required Prior to Redevelopment	\$ 1,046	\$ -	\$ -		\$ 1,046	
20	IES	Engineering	Howard Road Upgrade	Chatham	Upgrade Howard Rd. in Chatham to an Urban Collector Status. Project identified as a 0-5 year priority through TMP	\$ 1,800	\$ -	\$ -	Y	\$ 1,800	
21	IES	Engineering	Hitchcock Road Upgrade	Chatham	Upgrade Hitchcock Road from Howard to Bloomfield to Urban Collector. Project identified as a 0-5 year priority through TMP	\$ 800	\$ -	\$ -	Y	\$ 800	
22	IES	Engineering	Given Road Upgrade	Chatham	Upgrade Given Road from Limits of Development to McNaughton Ave to Urban Collector. Project identified as a 0-5 year priority through TMP	\$ 200	\$ -	\$ -	Y	\$ 300	
23	IES	Engineering	Middleton Line Upgrade	Wheatley	Upgrade Middleton Line from Klondyke to Harbour in Wheatley to a Urban Collector. Project identified as a 0-5 year priority through TMP	\$ 800	\$ -	\$ -	Y	\$ 800	
24	IES	Engineering	Harbour Road Upgrade	Wheatley	Upgrade Harbour Road from Middleton to Talbot Trail to Urban Local. Project identified as a 0-5 year priority through TMP	\$ 500	\$ -	\$ -	Y	\$ 500	
25	IES	Asset Mngt	Review of Corporate Facilities	Chatham-Kent	Contingency - asset rationalization project and office/security upgrades	\$ 300	\$ -	\$ 100		\$ 200	
26	HFS	Library	Chatham Central Library Property Purchase, Renovations and Expansion	Queen St., Chatham	Master plan provision - expansion, funding over 4 years	\$ 3,756	\$ -	\$ 50		\$ 3,656	
27	IES	Engineering	Border Road Relocation, slope failure	Border Road Relocation, Dover Twp.	Relocate Road due to Slope Failures (project funding over multi years - design & build) - Move to DMAF Reserve	\$ 1,355	\$ -	\$ 355		\$ 1,000	
28	IES	Parks	Wallaceburg Boardwalk, North Shoreline Improvements	Wallaceburg	Wallaceburg Boardwalk, North Shoreline Improvements -Move to DMAF Reserve	\$ 1,100		\$ 250		\$ 850	
29	IES	Parks	Seawall	Chatham Legion Park	Legion Park Seawall Repairs - Move to DMAF Reserve	\$ 2,357	\$ -	\$ 350		\$ 2,007	
30	IES	Parks	Mitchell's Bay Marina Contingency Fund	Mitchell's Bay Marina	Mitchell's Bay Marina Contingency Fund	\$ 182	\$ -	\$ 132		\$ 50	
31	IES	Public Works	Airport Hanger 6 Fire Station Conversion	Raleigh Township	Convert existing aircraft and training hangar to a fire station - On Hold pending Master Plan	\$ 250		\$ -		\$ 250	
32	IES	Parks	Chatham Pathway Repairs	Chatham	Reconstruction of multiple 8 foot wide asphalt pathways sections in the community of Chatham due to disintegration - support new reserve	\$ 400	\$ 100	\$ -		\$ 300	

2020 Capital Projects List - 2020 Deferred Funded Projects											Appendix C	
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33	CDF	Fire	Highgate Fire Equipment Upgrades	Highgate	Standardization of rural water supply - Highgate Cistern Replacement	\$ 40	\$ -	\$ -		\$ 40		
34	IES	Engineering	Municipal Lot 'O' Upgrade	Wallaceburg	Upgrading of Municipal Lot 'O' in Wallaceburg. Parking Lot Upgrade Policy for 50/50 cost share with BIA (not yet received)	\$ 78	\$ 39	\$ -		\$ 39		
35	IES	Public Works	Thamesville PW Garage Lunch Room	Thamesville	Addition of a lunch room to the PW Garage in Thamesville	\$ 150	\$ -	\$ -		\$ 150		
36	IES	Engineering	McLean St. Extension	Wheatley	Extend and upgrade McLean St. in Wheatley to Urban Local (Industrial). Project identified as a 0-5 year priority through TMP	\$ 1,000	\$ -	\$ -	Y	\$ 1,000		
37	IES	Engineering	Rose Beach Line, Slope Stabilization - Slope Failure, .5 KM	12255 Rose Beach Line, Howard Twp.	Slope Failure - Design & Construction - Move to DMAF Reserve	\$ 13,000	\$ -	\$ 1,240		\$ 10,520		
38	IES	Engineering	Capital (new)/Seawall	Sydenham River, Bridgen Road Seawall, Chatham Twp.	Sydenham Seawall Repairs - Move to DMAF Reserve	\$ 450	\$ -	\$ -		\$ 450		
39	IES	Parks	Mitchell's Bay Trail	Mitchell's Bay	Construction of a paved shoulder trail along Main Street.	\$ 350	\$ -	\$ -		\$ 350		
40	IES	Public Works	Salt Storage - Kent Centre	Harwich	Build a new Salt Shed at Kent Centre Garage	\$ 400	\$ -	\$ -		\$ 400		
41	IES	Engineering	Western Link EA Phase 1 - Bridge Construction	Chatham	Construction of the first phase (of 4) of the Western Link EA - Bloomfield Road Bridge and associated road work in 2033	\$ 18,000	\$ -	\$ -	Y	\$ 18,000		
42	IES	Engineering	Pedestrian Signal - McNaughton Ave Chatham	Chatham	Relocation of the pedestrian signal for the Tecumseh Public School	\$ 100	\$ -	\$ -		\$ 100		
43	IES	Engineering	Pedestrian Crossover (PXO) - Grand River Line Chatham	Chatham	Installation of new PXO type B on Grand River Line between Bear Line and Keil Drive	\$ 100	\$ -	\$ -		\$ 100		
44	IES	Engineering	Baldoon Road Reconstruction	Valencia Drive to Gregory Drive	Reconstruction of Roadway, lowering and improvement to Urban Cross Section - Including Drain enclosure.	\$ 2,800	\$ -	\$ -	Y	\$ 2,800		
45	IES	Engineering	Seventh Line Relocation	Bloomfield Business Park	Bloomfield Business Park Seventh Line Relocation	\$ 8,900	\$ 2,500	\$ -	Y	\$ 6,400		
46	IES	Public Works	New Chatham PW Garage	Chatham	Build new building for the Public Works Chatham water Crew at the Hyslop yard location	\$ 1,500		\$ -		\$ 1,500		
47	IES	Engineering	Traffic & Lighting	Queen St. @ Indian Creek Rd East, Chatham	All Way, Opposing Left Turns	\$ 750	\$ -	\$ -	Y	\$ 750		
48	IES	Recreation Facilities	Memorial Arena Upgrades	Tweedsmuir Ave., Chatham	Memorial Arena Upgrades	\$ 18,500	\$ -	\$ -		\$ 18,500		
49	IES	Parks	Parks, Cem, Hort	Chatham	New Soccer Field Development to Replace Lost Thames Campus Fields	\$ 325	\$ -	\$ -		\$ 325		
50	IES	Engineering	Traffic & Lighting	Park Ave. @ Creek/Sass, Chatham	Signals & Intersection Improvements or Roundabout	\$ 800	\$ -	\$ -	Y	\$ 800		
51	IES	Engineering	Drake Road Slope Stabilization	Drake Road, Raleigh Twp	Drake Road Slope Protection - Design - Move to DMAF Reserve	\$ 150	\$ -	\$ -		\$ 150		
52	IES	Engineering	Dillon Road Slope Stabilization	Dillon Road, Raleigh Twp.	Dillon Road Slope Protection - Design - Move to DMAF Reserve	\$ 150	\$ -	\$ -		\$ 150		

2020 Capital Projects List - 2020 Deferred Funded Projects										Appendix C	
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53	IES	Engineering	St. Phillippe Line Slope Stabilization	St. Phillippe Line, Dover Twp.	St. Phillippe Slope Protection - Design - Move to DMAF Reserve	\$ 150	\$ -	\$ -		\$ 150	
54	IES	Engineering	Traffic & Lighting	Lacroix St. @ Tweedsmuir, Chatham	East, West Turn Lanes	\$ 700	\$ -	\$ -	Y	\$ 700	
55	IES	Recreation Facilities	Keil Dr. Soccer Washroom Construction	Keil Drive, Chatham, Non-Municipal Property	Washroom Constuction	\$ 400	\$ -	\$ -		\$ 400	
56	HFS	Library	Ridgetown Library Renovations and Expansion	Ridgetown	Ridgetown Master Plan Provision - Renovations & Expansion (lifecycle upgrades planned in 2019) - Decision to expand subject to EMT approval before proceeding	\$ 760	\$ 160	\$ 20		\$ 600	
57	HFS	Library	Tilbury Library Renovations and Expansion	Tilbury	Tilbury Master Plan Provision - Renovations & Expansion - Funding over 2 Years	\$ 1,200	\$ -	\$ -		\$ 1,200	
58	HFS	Library	Wallaceburg Library Renovations and Expansion	Wallaceburg	Wallaceburg Master Plan Provision - Renovations & Expansion	\$ 500	\$ -	\$ 75		\$ 425	
59	HFS	Library	Dresden Library Renovations and Expansion	Dresden	Dresden Master Plan Provision - Renovations & Expansion	\$ 1,200	\$ -	\$ -		\$ 1,200	
60	HFS	Library	Blenheim Library Renovations and Expansion	Blenheim	Blenheim Master Plan Provision - Renovations & Expansion - Funding over 2 Years	\$ 1,954	\$ -	\$ -		\$ 1,954	
61	IES	Engineering	Signal Updgrades and Intersection Illumination - Grand Avenue West at Bear Line	Signal Updgrades and Intersection Illumination - Grand Avenue West at Bear Line, Dover Twp.	Realignment of Intersection and Upgrades to Illumination and Signals	\$ 300	\$ -	\$ -	Y	\$ 300	
62	IES	Recreation Facilities/Engineering	Shrewsbury Brock Street Road reconstruction	Shrewsbury	Reconstruction of Brock Street - Recommend to move to Road Upgrade Policy. On hold due to water levels	\$ 280	\$ 10	\$ -		\$ 270	
63	IES	Parks	Parc Royale Development	PainCourt	Park Development	\$ 150	\$ -	\$ -		\$ 150	
64	IES	Engineering	Lyon Ave Extension	Tilbury	Connecting Lyon Ave at Sundance - Feasibility Review	\$ 441	\$ -	\$ -	Y	\$ 441	
65	IES	Engineering	Fargo Road Upgrade to Safety Village	Community of Harwich	Upgrade of roadways to either tar & chip or asphalt - Recommend to move to Road Upgrade Policy	\$ 1,400	\$ -	\$ -		\$ 1,400	
66	IES	Public Works	Ridgetown Garage Water Pressure	Ridgetown	Lack of water pressure at garage limits operational requirements - To be confirmed following completion of new PW Garage	\$ 75	\$ -	\$ -		\$ 75	
						\$104,699	\$8,309	\$2,852		\$92,068	