

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

Date: January 4, 2021

Subject: 2021 Capital Budget

Recommendations

It is recommended that:

1. The 2021 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 2022 or later.
3. That \$3,564,000 currently in the Capital reserve marked as DMAF funds and projects be transferred to the DMAF Reserve.

Background

The Budget Committee considered lifecycle expenditures during the 2020 budget deliberation process. These expenditures form part of the approved 2020 Lifecycle Budget. The capital portion of the Lifecycle Budget sets out construction and special projects from all departments not normally considered in, nor presently part of a specific lifecycle program or other special program. The Capital Budget summarizes the strategic direction and forecasting of projects on a long-term basis.

For 2020, the total Capital Budget was \$13.1M which included a one-time federal gas tax increase and support for the Disaster Mitigation and Adaptation Funded (DMAF) projects.

At the December 14th, 2020 Council meeting, Council approved a transfer of \$11.2M into the DMAF reserve. This amount has been included in the carry-over budget to support the Municipal contribution of \$24.8M required within a ten year period (2028) in order to receive a 40% contribution of \$16.6M from the Federal government. To date, with the carry over budgets and with last year's capital contribution, \$16.4M has been allocated to the DMAF reserve, resulting in a current municipal shortfall of \$8.5M.

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 2021, the assumed Capital Budget is \$6.3M. Appendix A identifies capital projects proposed to receive full funding in 2021 in the amount of \$3.1M and in ranked order. Appendix B identifies capital projects proposed to receive partial funding in 2021 in the amount of \$3.2M with the remaining funding required for the project to follow in 2022 or later. A brief explanation has been included to identify the project and the stage of the project. Appendix C identifies projects that are currently either not funded or partially funded and are deferred until 2022 or later for consideration in future annual Capital Budgets.

The projection for future required funding between 2022 and 2030 is included in Appendix B and C. The current projected funds for existing projects required between 2022 and 2030 is \$446.6M. 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.

Administration is recommending \$517,000 for DMAF projects in the 2021 Capital Budget. This amount represents a portion of the annual contribution needed to address the shortfall of \$8.5M previously identified of the total \$24.8M required to take full advantage of the 40% Federal contribution. This annual contribution will need to be increased in future years. All of the approved DMAF projects have been moved to a reserve account that will be managed by IES as funding permits 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.

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 2021 capital funding that are identified with an alternative revenue source are as follows:

- Grand Avenue East Improvements
 - Reserve funding from approved Provincial Connecting Links Program as well as through lifecycle reserves.
- Chatham Pathway Repairs
 - Portion of project supported through lifecycle reserves
- Disaster Mitigation Funding – Reserves
 - 40% contribution on approved projects through DMAF (Federal grant)
- Tilbury Stormwater Management
 - Portion of project supported through lifecycle reserves
- Victoria Avenue 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 \$6.3M. 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.

Prepared by:

Reviewed by:

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Attachment(s): Appendix A 2021 Proposed Capital Projects – Full Funding
 Appendix B 2021 Proposed Capital Projects – Partial Funding
 Appendix C Deferred Funding Capital Projects

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2021 Capital Project List - 2021 Full Funded Projects

Appendix A

Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000	Carry Over Budget, Prior Years '000	DC Eligible	Net Capital '000	Future Net Capital Projects 2022 to 2030 '000
1	IES	Engineering	Grand Ave. East Upgrades	Chatham	Grand Ave East Reconstruction - Rev amount includes Connecting Links allocation as well as lifecycle contributions. Capital request is for project upgrades	\$ 7,000	\$ 5,500	\$ -		\$ 1,500	\$ -
6	IES	Parks	Chatham Pathway Upgrades	Chatham	Reconstruction and upgrade of multiple 8 foot wide asphalt pathways sections in the community of Chatham due to disintegration	\$ 400	\$ 100	\$ -		\$ 300	\$ -
8	IES	Public Works	Salt Storage - Kent Centre	Harwich	Build a new Salt Shed at Kent Centre Garage	\$ 400	\$ -	\$ -		\$ 400	\$ -
12	IES	Engineering	Traffic & Lighting	Queen St. @ Indian Creek Rd East, Chatham	Installation of new left turn signals on Charing Cross/Queen Street. Due to road diet project in 2020, this project has been reduced from \$750K to \$100K.	\$ 100	\$ -	\$ -	Y	\$ 100	\$ -
13	IES	Parks	Mitchell's Bay Marina Contingency Fund	Mitchell's Bay Marina	Mitchell's Bay Marina Contingency Fund	\$ 182	\$ -	\$ 132		\$ 50	\$ -
14	IES	Engineering	Traffic Calming	Chatham-Kent	Implementation of new traffic calming pilot projects as recommended through new Traffic Calming Policy (to be completed mid-2021)	\$ 300	\$ -	\$ -		\$ 300	\$ -
15	IES	Cemeteries	Cemetery Road Improvements	All Cemeteries	Repair to access roadways in CK Cemeteries	\$ 1,950	\$ -	\$ 1,500		\$ 450	\$ -
Totals						\$10,332	\$5,600	\$1,632		\$3,100	\$0

2021 Capital Project List - 2021 Partial Funded Projects

Appendix B

Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000	Carry Over Budget, Prior Years '000	DC Eligible	Net Capital '000	Future Net Capital Projects 2022 to 2030 '000
2	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	\$ 16,387		\$ 517	\$ 7,959
3	IES	Engineering	Tilbury Stormwater Management	Tilbury	Implementation of Projects as identified in Tilbury Storm Water Master Plan. \$20M Rev amount will be the lifecycle requirement associated with the individual project upgrade requests	\$ 30,000	\$ 20,000	\$ -	Y	\$ 500	\$ 9,500
4	IES	Engineering	Lake Erie Shoreline Erosion Upgrades	Chatham-Kent - Lake Erie Shoreline	Shoreline protection and upgrades as required at various locations in coordination with Lake Erie Shoreline Study	\$ 217,000	\$ -	\$ -		\$ 800	\$ 216,200
5	IES	Engineering	Victoria Ave Reconstruction	Chatham	Reconstruction of Victoria Ave between McNaughton and Thames Street in 2023	\$ 6,615	\$ 2,000	\$ 1,250		\$ 500	\$ 2,865
7	CDF	Clerk	Electronics Records Management	CK	Moving the organization towards Electronic Records Management	\$ 2,000		\$ 400		\$ 200	\$ 1,400
9	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	\$ 500	\$ 1,300
10	IES	Engineering	Hitchcock Road Upgrade	Chatham	Upgrade Hitchcock Road from Howard to Bloomfeild to Urban Collector. Project identified as a 0-5 year priority through TMP	\$ 800	\$ -	\$ -	Y	\$ 200	\$ 600

Totals	\$299,653	\$38,575	\$18,037		\$3,217	\$239,824
Total from Appendix A					\$3,100	
Overall Capital 2021 Total					\$6,317	

2021 Capital Project List - 2021 Deferred Projects

Appendix C

Rank	Dept	Division	Project Name	Project Location 1	Explanation	Gross '000	Rev '000	Carry Over Budget, Prior Years '000	DC Eligible	Future Net Capital Projects 2022 to 2030 '000
11	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	\$ -	\$ 1,000	Y	\$ 3,000
16	IES	Engineering	Rose Beach Line	12255 Rose Beach Line, Howard Twp.	Implementation of recommended solutions from Rose Beach Line Municipal Class EA	\$ 8,940	\$ -	\$ 1,226		\$ 7,714
17	IES	Engineering	Talbot Trail	Chatham-Kent	Talbot Trail Road realignment from Concession Line 2 to Charing Cross Rd. - To Be Confirmed following outcome of Municipal Class EA	\$ 132,000	\$ -	\$ -		\$ 132,000
18	IES	Engineering	Erie Shore Drive - Dike Improvements	Erie Shore Drive, Chatham-Kent	Erie Shore Drive - Dike Repairs. Project to be confirmed pending direction through the Drainage Act.	\$ 10,000	\$ -	\$ -		\$ 10,000
19	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
20	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
21	IES	Engineering	Sidewalks/Locals	Chatham-Kent	Council Policy Initiative - New Sidewalks on Arterials and Collectors (multi year project), Safe Route to School - On hold pending outcome of new Sidewalk Policy	\$ 6,000	\$ -	\$ -		\$ 6,000
22	IES	Parks	Mitchell's Bay Trail	Mitchell's Bay	Construction of a paved shoulder trail along Main Street.	\$ 350	\$ -	\$ -		\$ 350
23	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	\$ 200
24	HFS	Library	Chatham Central Library Property Purchase, Renovations and Expansion	Queen St., Chatham	Master plan provision - expansion, funding over 4 years	\$ 3,756	\$ -	\$ 50		\$ 3,706
25	IES	Engineering	Intersection Improvements - Adelaide and King	Chatham	Intersection improvements for Adelaide St. S. and King St. E. including consulting and construction	\$ 200	\$ -	\$ -		\$ 200
26	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
27	IES	Asset Mngt	Review of Corporate Facilities	Chatham-Kent	Contingency - asset rationalization project and office/security upgrades	\$ 300	\$ -	\$ 100		\$ 200
28	IES	Parks	Parks, Cem, Hort	Chatham, Tecumseh Park	Archeological Survey, Required Prior to Redevelopment	\$ 1,046	\$ -	\$ -		\$ 1,046

2021 Capital Project List - 2021 Deferred Projects

Appendix C

Rank	Dept	Division	Project Name	Project Location 1	Explanation	Gross '000	Rev '000	Carry Over Budget, Prior Years '000	DC Eligible	Future Net Capital Projects 2022 to 2030 '000
29	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
30	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
31	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
32	IES	Engineering	Pedestrian Signal - McNaughton Ave Chatham	Chatham	Relocation of the pedestrian signal for the Tecumseh Public School	\$ 100	\$ -	\$ -		\$ 100
33	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
34	IES	Engineering	Seventh Line Relocation	Bloomfield Business Park	Bloomfield Business Park Seventh Line Relocation	\$ 8,900	\$ 2,500	\$ -	Y	\$ 6,400
35	IES	Engineering	Transit Loading Zone	Chatham	Installation of a new Transit loading zone along St. Clair St. servicing the Chatham SmartCentres	\$ 250	\$ -	\$ -	Y	\$ 250
36	IES	Engineering	Briar Hill Greenspace Play Structure	Chatham	Installation of a new play structure at 10 Briar Hill Road in Chatham	\$ 80	\$ -	\$ -		\$ 80
37	IES	Parks	Parks, Cem, Hort	Chatham	NewSoccer Field Development to Replace Lost Thames Campus Fields	\$ 325	\$ -	\$ -		\$ 325
38	IES	Engineering	Traffic & Lighting	Park Ave. @ Creek/Sass, Chatham	Signals & Intersection Improvements or Roundabout	\$ 800	\$ -	\$ -	Y	\$ 800
39	IES	Engineering	Drake Road Slope Stabilization	Drake Road, Raleigh Twp	Drake Road Slope Protection - Design	\$ 150	\$ -	\$ -		\$ 150
40	IES	Engineering	Dillon Road Slope Stabilization	Dillon Road, Raleigh Twp.	Dillon Road Slope Protection - Design	\$ 150	\$ -	\$ -		\$ 150
41	IES	Engineering	St. Phillippe Line Slope Stabilization	St. Phillippe Line, Dover Twp.	St. Phillippe Slope Protection - Design	\$ 150	\$ -	\$ -		\$ 150

2021 Capital Project List - 2021 Deferred Projects

Appendix C

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42	IES	Engineering	Traffic & Lighting	Lacroix St. @ Tweedsmuir, Chatham	East, West Turn Lanes	\$ 700	\$ -	\$ -	Y	\$ 700
43	IES	Recreation Facilities	Keil Dr. Soccer Washroom Construction	Keil Drive, Chatham, Non-Municipal Property	Washroom Constuction	\$ 400	\$ -	\$ -		\$ 400
44	HFS	Library	Ridgetown Library Expansion	Ridgetown	Ridgetown Master Plan Provision - Expansion (lifecycle rennovations completed in 2019)	\$ 760	\$ 160	\$ -		\$ 600
45	HFS	Library	Tilbury Library Renovations and Expansion	Tilbury	Tilbury Master Plan Provision - Renovations & Expansion - Funding over 2 Years	\$ 1,200	\$ -	\$ -		\$ 1,200
46	HFS	Library	Wallaceburg Library Renovations and Expansion	Wallaceburg	Wallaceburg Master Plan Provision - Renovations & Expansion	\$ 500	\$ -	\$ 75		\$ 425
47	HFS	Library	Dresden Library Renovations and Expansion	Dresden	Dresden Master Plan Provision - Renovations & Expansion	\$ 1,200	\$ -	\$ -		\$ 1,200
48	HFS	Library	Blenheim Library Renovations and Expansion	Blenheim	Blenheim Master Plan Provision - Renovations & Expansion - Funding over 2 Years	\$ 1,954	\$ -	\$ -		\$ 1,954
49	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
50	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
51	IES	Parks	Parc Royale Development	PainCourt	Park Development	\$ 150	\$ -	\$ -		\$ 150
52	IES	Engineering	Lyon Ave Extension	Tilbury	Connecting Lyon Ave at Sundance - Feasibility Review	\$ 441	\$ -	\$ -	Y	\$ 441

2021 Capital Project List - 2021 Deferred Projects

Appendix C

Rank	Dept	Division	Project Name	Project Location 1	Explanation	Gross '000	Rev '000	Carry Over Budget, Prior Years '000	DC Eligible	Future Net Capital Projects 2022 to 2030 '000
53	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
Totals						\$211,960	\$2,709	\$2,451		\$152,714