

**Municipality of Chatham-Kent**

**Finance, Budget and Information Technology Services**

**Financial Services**

**To:** Mayor and Members of Council  
**From:** Matt Torrance, MBA, CPA, CGA  
Director, Financial Services  
**Date:** June 1, 2020  
**Subject:** Erie Shore Drive Phase 1 Expenses

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**Recommendation**

It is recommended that:

1. The total costs related to the Erie Shore Drive dike repair in the amount of \$462,576 be funded from the Paved Roads Lifecycle Reserve.

**Background**

On February 28, 2020, in response to information received by the Municipality, Mayor Darrin Canniff declared a state of emergency under the Emergency Management and Civil Protection Act. The information received by the Municipality indicated that there was a substantial risk that conditions could develop that would render Erie Shore Drive and dike unstable between 18416 Erie Shore Drive to the intersection of Erie Shore Drive and Erieau Road.

Council approved the following recommendation at the March 2, 2020 Council meeting:

*“That Council delegate to the General Manager of Infrastructure and Engineering Services the authority to complete all work and to make all necessary purchases to respond to unstable conditions on the Erie Shore Road and dike (phase 1). Council waive all requirements of Chatham-Kent Purchasing By-law 3-2016 in relation to such purchases.”*

**Comments**

The cost of necessary services to immediately improve the stability of the dike was originally estimated at \$450,000 (Phase 1 only). The original construction plan was to outsource the majority of the work to contractors. However, through detailed planning and the rental of specific equipment, Public Works was able to perform the majority of the work internally using in-house resources. The original estimated timing to complete the work was 6 to 8 weeks. Through extended hours and the hard work of Public Works

staff, and the prompt supply of material, the project was completed in just 3 weeks. Costs were also significantly reduced due to the use of in-house labour and equipment, along with the donation of clay, equipment and operators from Waste Connections of Canada.

With Phase 1 now complete and all accounting transactions processed, the total of all direct costs related to Phase 1 is \$462,576. The construction costs include consulting and contracted services along with material, equipment and labour for Public Works staff. Expenses related to municipal staff who were reassigned to provide services such as communications, security, social services and housing are also included in this total. The indirect costs related to management and internal engineering labour are not included in the cost.

<b>Erie Shore Drive Phase 1 Statement of Expenses</b>	
Material	\$120,597
Equipment	\$63,544
Labour	\$70,709
Consulting / Contracted Services	\$134,915
Social Services & Housing	\$32,941
Security & Support	\$26,309
Communications	\$5,601
Miscellaneous	\$7,961
<b>TOTAL</b>	<b>\$462,576</b>

### **Consultation**

The Director, Public Works was consulted in the development of this report.

### **Financial Implications**

The \$462,576 expense related to Phase 1 will be funded from the Paved Roads Lifecycle Reserve. The 2020 budget allocation for Paved Roads Lifecycle is \$11.5 million. The expenses related to Phase 1 will reduce the number of paved roads maintenance projects that are able to be completed in future years.

Prepared by:

Reviewed by:

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Matt Torrance, MBA, CPA, CGA  
Director, Financial Services

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Gord Quinton, MBA, CPA, CGA  
Chief Financial Officer, Treasurer

Consulted and confirmed the content of the consultation section of the report by:

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Ryan Brown, P. Eng.  
Director, Public Works

Attachment(s): None

Cc: Ryan Brown, Director, Public Works  
Thomas Kelly, General Manager, Infrastructure & Engineering Services  
Mark McFadden, Manager, Infrastructure Services

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