

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: December 17, 2021

Subject: 2022 Capital Budget

Recommendations

It is recommended that:

1. That \$1.9M from the 2022 Chatham-Kent Ontario Community Infrastructure Fund (OCIF) allotment be applied to the 2022 Capital Budget Reserve (17771).
2. The 2022 Capital Projects as outlined in Appendices A and B, be approved, which includes transferring \$632,000 to the DMAF Reserve (17395) from the Capital Budget Reserve (17771).
3. The Capital Projects, as outlined in Appendix C, be deferred to future Capital Budget consideration in 2023 or later.

Background

The Budget Committee considered lifecycle expenditures during the 2021 budget deliberation process. These expenditures form part of the approved 2021 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. In 2021, the Capital Budget was \$6.3M and is assumed to be increasing to \$6.55M for 2022. In addition to this assumed amount, administration is also recommending adding \$1.9M from the 2022 OCIF allotment to the Capital Budget which represents a total of \$8.45M for 2022.

In 2020, a reserve was created for Disaster Mitigation and Adaptation Funded (DMAF) projects. The Municipal contribution of \$25.8M is required to obtain the 40% contribution of \$16.6M from the Federal government. To date, with the carry over budgets and with last year's capital contribution, \$16.9M has been allocated to the DMAF reserve, resulting in a current municipal shortfall of \$8.0M.

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 (FBITT) 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 2022, the assumed Capital Budget is \$8.45M which includes the \$1.9M from OCIF. Appendix A identifies capital projects proposed to receive full funding in 2022 in the amount of \$1.35M and in ranked order. Appendix B identifies capital projects proposed to receive partial funding in 2022 in the amount of \$7.095M with the remaining funding required for the project to follow in 2023 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 2023 or later for consideration in future annual Capital Budgets.

The projection for future required funding between 2023 and 2031 is included in Appendix B and C. The current projected funds for existing projects required between 2023 and 2031 is \$320.2M. 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 \$632,000 for DMAF projects in the 2022 Capital Budget. This amount represents a portion of the annual contribution needed to address the shortfall of \$8.0M 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 funding, 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 2022 capital funding that are identified with an alternative revenue source are as follows:

- Electronics Records Management
 - Portion of project supported through lifecycle reserves
- Disaster Mitigation Funding
 - 40% contribution on approved projects through DMAF (Federal grant)
- Lake Erie Shoreline Erosion Upgrades
 - Portion of project(s) being supported through reserves and Provincial grants/funding
- 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 \$8.45M which includes the \$1.9M from OCIF. 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:

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

Thomas Kelly, P.Eng., MBA
General Manager
Infrastructure and Engineering Services

c EMT

Attachment(s): Appendix A 2022 Proposed Capital Projects – Full Funding
 Appendix B 2022 Proposed Capital Projects – Partial Funding
 Appendix C Deferred Funding Capital Projects

P:\RTC\Infrastructure and Engineering\I & ES\2021\4456 - 2022 Capital Budget

2022 Capital Project List - 2022 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	2022 Net Capital	Future Net Capital Projects 2023 to 2031 '000
6	CDF	Clerk	Electronics Records Management	Chatham-Kent	Moving the organization towards Electronic Records Management	\$ 2,000	\$ 350	\$ 600		\$ 1,050	\$ -
11	IES	Engineering	Intersection Improvements and Realignment - Grand Avenue West at Bear Line	Grand Avenue West at Bear Line, Dover Twp.	Intersection improvements and realignment at Grand Ave West and Bear Line. Work includes channelized right turn lane.	\$ 300	\$ -	\$ -	Y	\$ 300	\$ -
Totals						\$2,300	\$350	\$600		\$1,350	\$0

2022 Capital Project List - 2022 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	2022 Net Capital	Future Net Capital Projects 2023 to 2031 '000
1	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	\$ 17,904		\$ 632	\$ 6,327
2	FBITT	ITT	Next Generation 9-1-1	Chatham-Kent	Public-Safety Answering Points (PSAPs) are mandated by the CRTC to implement Next Generation 9-1-1 (NG9-1-1) systems and decommission the current Enhanced 9-1-1 service by March 4, 2025.	\$ 2,000	\$ -	\$ -		\$ 1,000	\$ 1,000
3	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, the Talbot Trail EA and the Rose Beach Line EA. (Phase 1 Talbot Trail - Coatsworth to Stevenson Detour, being fully funded in 2022 with partial funding from CCBF)	\$ 225,940	\$ 5,000	\$ 2,026		\$ 2,000	\$ 215,688
4	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	\$ 500	Y	\$ 1,000	\$ 8,500
5	IES	Engineering	Victoria Ave Reconstruction	Chatham	Reconstruction of Victoria Ave between McNaughton and Thames Street in 2023	\$ 9,000	\$ 2,000	\$ 1,750		\$ 600	\$ 4,650
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	\$ -	\$ 1,000	Y	\$ 750	\$ 2,250
8	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	\$ -	\$ 200	Y	\$ 100	\$ 500
9	FBITT	ITT	Corporate Internet	Chatham-Kent	Providing 48 Municipal locations (Firehalls, Arenas, Libraries, Garages, Office, etc.) with adequate internet connectivity	\$ 8,000	\$ -	\$ -		\$ 500	\$ 7,500
12	IES	Engineering	Mitchell's Bay Retaining Wall and Laneway Improvements	Mitchell's Bay	Design and construction of a new steel sheet pile retaining wall and reconstruction of the laneway/parking area on Main Street at the Mitchell's Bay Wharf	\$ 700	\$ -	\$ -		\$ 200	\$ 500
13	IES	Parks	Parkland Development in New Subdivisions	Chatham-Kent	Construction of new park facilities in New Subdivisions that have dedicated parkland to the Municipality - Base Budget Supplementary allocation required annually for operations and lifecycle of new parks	\$ 3,000	\$ -	\$ -	Y	\$ 313	\$ 2,687
Totals						\$324,878	\$43,575	\$23,380		\$7,095	\$249,602
Total from Appendix A										\$1,350	
Overall Capital 2022 Total which includes \$1.9M from OCIF										\$8,445	

2022 Capital Project List - 2022 Deferred Projects										Appendix C
Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000 '000	Carry Over Budget, Prior Years '000	DC Eligible	Future Net Capital Projects 2023 to 2031 '000
10	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
14	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	\$ -	\$ 500	Y	\$ 1,300
15	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
16	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
17	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	\$ -	\$ 1,250		\$ 4,750
18	IES	Parks	Mitchell's Bay Trail	Mitchell's Bay	Construction of a paved shoulder trail along Main Street.	\$ 350	\$ -	\$ -		\$ 350
19	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
20	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
21	IES	Engineering	Intersection Improvements - Adelaide and King	Chatham	Intersection improvements for Adelaide St. S. and King St. E. including consulting and construction	\$ 200	\$ -	\$ -		\$ 200
22	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
23	IES	Parks	Mitchells Bay Marine Park Extension	Mitchell's Bay	Construct a crusherdust trail to connect North Lakeshore Trail to the Community Park Trail and South Lakeshore Trail	\$ 51	\$ -	\$ -		\$ 51
24	IES	Asset Mngt	Review of Corporate Facilities	Chatham-Kent	Contingency - asset rationalization project and office/security upgrades	\$ 300	\$ -	\$ 100		\$ 200
25	IES	Parks	Parks, Cem, Hort	Chatham, Tecumseh Park	Archeological Survey, Required Prior to Redevelopment	\$ 1,046	\$ -	\$ -		\$ 1,046
26	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
27	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

2022 Capital Project List - 2022 Deferred 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 2023 to 2031 '000
28	IES	Parks	Chatham Hydro One Trail Corridor	Chatham	Construction of a 2.71km long trail along the Hydro One Corridor between Mud Creek and Maple Leaf Cemetery	\$ 530	\$ -	\$ -		\$ 530
29	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
30	IES	Engineering	Pedestrian Signal - McNaughton Ave Chatham	Chatham	Relocation of the pedestrian signal for the Tecumseh Public School	\$ 100	\$ -	\$ -		\$ 100
31	IES	Parks	Erie Street South Bike Lanes	Wheatley	Construct paved shoulders along Erie Street South in Wheatley on both sides of the road for 3km's from Middleton Line to South end.	\$ 1,900	\$ -	\$ -		\$ 1,900
32	IES	Engineering	Intersection Improvements - Grand Ave East and Taylor Ave	Chatham	Intersection improvements to Grande Ave East and Taylor Ave. Improvements include signalized intersection at full build-out of land to South, as outlined in TIS	\$ 500	\$ 150	\$ -	Y	\$ 350
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	Parks	Chatham to Mitchell's Bay - Bear Line Paved Shoulders	Chatham	Construct paved shoulders along Bear Line from Grande River Line to Bay Line.	\$ 4,000	\$ -	\$ -		\$ 4,000
36	IES	Engineering	Transit Loading Zone	Chatham	Installation of a new Transit loading zone along St. Clair St. servicing the Chatham SmartCentres	\$ 250	\$ -	\$ -	Y	\$ 250
37	IES	Engineering	Briar Hill Greenspace Play Structure	Chatham	Installation of a new play structure at 10 Briar Hill Road in Chatham	\$ 80	\$ -	\$ -		\$ 80
38	IES	Parks	Parks, Cem, Hort	Chatham	New Soccer Field Development to Replace Lost Thames Campus Fields	\$ 325	\$ -	\$ -		\$ 325
39	IES	Engineering	Traffic & Lighting	Park Ave. @ Creek/Sass, Chatham	Signals & Intersection Improvements or Roundabout	\$ 800	\$ -	\$ -	Y	\$ 800
40	IES	Engineering	Drake Road Slope Stabilization	Drake Road, Raleigh Twp	Drake Road Slope Protection - Design	\$ 150	\$ -	\$ -		\$ 150

2022 Capital Project List - 2022 Deferred 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 2023 to 2031 '000
41	IES	Engineering	Dillon Road Slope Stabilization	Dillon Road, Raleigh Twp.	Dillon Road Slope Protection - Design	\$ 150	\$ -	\$ -		\$ 150
42	IES	Engineering	St. Phillippe Line Slope Stabilization	St. Phillippe Line, Dover Twp.	St. Phillippe Slope Protection - Design	\$ 150	\$ -	\$ -		\$ 150
43	IES	Engineering	Traffic & Lighting	Lacroix St. @ Tweedsmuir, Chatham	East, West Turn Lanes	\$ 700	\$ -	\$ -	Y	\$ 700
44	IES	Recreation Facilities	Keil Dr. Soccer Washroom Construction	Keil Drive, Chatham, Non-Municipal Property	Washroom Constuction	\$ 400	\$ -	\$ -		\$ 400
45	HFS	Library	Ridgetown Library Expansion	Ridgetown	Ridgetown Master Plan Provision - Expansion (lifecyle rennovations completed in 2019)	\$ 760	\$ 160	\$ -		\$ 600
46	HFS	Library	Tilbury Library Renovations and Expansion	Tilbury	Tilbury Master Plan Provision - Renovations & Expansion - Funding over 2 Years	\$ 1,200	\$ -	\$ -		\$ 1,200
47	HFS	Library	Wallaceburg Library Renovations and Expansion	Wallaceburg	Wallaceburg Master Plan Provision - Renovations & Expansion	\$ 500	\$ -	\$ 75		\$ 425
48	HFS	Library	Dresden Library Renovations and Expansion	Dresden	Dresden Master Plan Provision - Renovations & Expansion	\$ 1,200	\$ -	\$ -		\$ 1,200
49	HFS	Library	Blenheim Library Renovations and Expansion	Blenheim	Blenheim Master Plan Provision - Renovations & Expansion - Funding over 2 Years	\$ 1,954	\$ -	\$ -		\$ 1,954
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
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

2022 Capital Project List - 2022 Deferred Projects										Appendix C
Rank	Dept	Division	Project Name	Project Location	Explanation	Gross '000	Rev '000 '000	Carry Over Budget, Prior Years '000	DC Eligible	Future Net Capital Projects 2023 to 2031 '000
Totals						\$75,501	\$2,859	\$1,975		\$70,617