

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: **Engineering and Public Works Committee**
MEETING DATE: **May 27, 2008**
REPORT NO.: **EPW.08.59 (REVISED)**
SUBJECT: **Reconstruction of Carmichael Crescent,
Plater Street, Campbell Crescent and
Kinsey Place (Plan 915 Development)
Phase 1 and Phase 2– Project Budget
Increase**

PREPARED BY: **Tom Gray, Engineering Design
Technologist**

A. Recommendations

THAT Council approve increasing the total project budget for the reconstruction of Carmichael Crescent, Plater Street, Campbell Crescent and Kinsey Place (Plan 915 Development) by \$782,000 to \$3,039,000 as outlined in Report EPW.08.59 (REVISED).

B. Background

At its May 13, 2008 Committee meeting, Report EPW.08.59 was presented. Committee concurred to direct Staff to revise the Report to include more specific budget impact information. Report EPW.08.59 (REVISED) has been prepared to provide additional information.

The Town is undertaking the reconstruction of Carmichael Crescent, Plater Street, Campbell Crescent and Kinsey Place known as Plan 915 Development. It is intended to reconstruct Campbell Crescent and Kinsey Place (Plan 915 Development Phase 1) with construction expected to commence in early August of this year for completion in November. Reconstruction of Carmichael Crescent, Plater Street (Plan 915 Development Phase 2) is to be undertaken in the 2009 construction season.

Project Budget

An estimate of the capital cost was undertaken in preparation of the 2008/2009 Capital Budgets. Since that estimate was prepared, the cost of construction has generally increased more than anticipated and the project scope has been modified slightly.

Table 1 presented below provides a summary of the 2008 Capital Budget, the Proposed Project Budget and the Proposed Project Budget Increase given the Engineer's estimate based on the Town's experience on recent tenders. The overall project budget increase is \$782,000 to a total of \$3,039,000.

**TABLE 1
 PLAN 915 RECONSTRUCTION BUDGET IMPLICATIONS**

	2008	2009	Total
2008/2009 Capital Budget			
Roads and Drainage	\$580,000	\$580,000	\$1,160,000
Street Lighting	\$48,500	\$48,500	\$97,000
Water	\$240,000	\$240,000	\$480,000
Sanitary	\$260,000	\$260,000	\$520,000
Total	\$1,128,500	\$1,128,500	\$2,257,000
Proposed Project Budget			
Roads and Drainage	\$588,400	\$744,600	\$1,333,000
Street Lighting	\$62,650	\$78,350	\$141,000
Water	\$285,350	\$317,650	\$603,000
Sanitary	\$522,200	\$439,800	\$962,000
Total	\$1,458,600	\$1,580,400	\$3,039,000
Proposed Project Budget Increase			
Roads and Drainage	\$8,400	\$164,600	\$173,000
Street Lighting	\$14,150	\$29,850	\$44,000
Water	\$45,350	\$77,650	\$123,000
Sanitary	\$262,200	\$179,800	\$442,000
Total	\$330,100	\$451,900	\$782,000

The increase in Roads and Drainage Budget can be partially attributed to construction cost escalation. After completing a detailed design and progressing towards final design, the total length of road is slightly longer than was estimated from the base maps. It was assumed for budget purposes that the road lengths were equal for Phase 1 and Phase 2. Phase 2 is longer and the change in budget reflects this difference.

The cost to install street lighting has increased due to the need to install street light poles. It was initially intended to provide new lights and arms on existing hydro poles. Hydro One is now taking this opportunity to move their plant underground with pad mounted transformers, thereby eliminating the need for poles. The cost of the new poles has been added to the estimated cost.

The increase in Water Budget can be partially attributed to construction cost escalation. Although the length has not changed from the pre-budget estimate, the number of fittings and hydrants has increased, over what would be on a typical road, due to the configuration of the streets.

The increase in the Sanitary Sewer Budget can be partially attributed to construction cost escalation but mostly due to an increase in overall length of sewer to be installed. The original budget estimate did not include the replacement of 400 metres of sanitary sewer adjacent to

County Road 19 from Kinsey Place to Jozo Weider Blvd. The previous unidentified sanitary sewer is of the same age and deteriorated condition as the rest of the sewers within the Plan 915 development area. It would not be appropriate to leave this section in place downstream from the new sewers proposed in the Plan 915 Reconstruction projects.

Staff recommends that the various Town budgets be increased as outlined above and detailed below in Section D, Budget Impact.

C. The Blue Mountains' Strategic Plan

This Report supports the Town's Strategic Goal #2, "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

- Leaks from and infiltration into the sanitary system will be significantly reduced thereby eliminating adverse impact on groundwater and infiltration which add to treatment costs
- Leaks from the water distribution system will be significantly reduced which will result in lower water loss and energy consumption
- Streetlighting will consist of "dark sky" fixtures thereby reducing light pollution over conventional lighting.

E. Budget Impact

Staff have undertaken a review of various means of funding the budget shortfalls, in particular those funded through taxation. Within the 2008 Capital Budget, there are no projects that are expected to be deferred that immediately impact taxation. Within the 2008 Operating Budget, there is no opportunity to defer spending without impacting the level of service. Therefore, through a discussion with the Financial Services Department, Staff are recommending that the budget shortfalls for the roads components be funded from the Municipal Road and Bridge Infrastructure Investment grant recently received from the provincial government and allocated to specific projects within Report EPW.08.63 entitled "2008 Municipal Road and Infrastructure Investment – Grant Allocation", May 27, 2008.

Staff recommend the following budget modifications:

2008 Capital Budget

Roads and Drainage:

- 2008 Capital Budget - \$580,000
- Proposed Project Budget - \$588,400

- An increase consisting of \$8,400 to be funded from a “2008 Municipal Road and Bridge Infrastructure Investment” grant (as outlined in Report EPW.08.63 entitled “2008 Municipal Road and Infrastructure Investment – Grant Allocation”, May 27, 2008.

Street Lighting:

- 2008 Capital Budget - \$48,500
- Proposed Project Budget - \$62,650
- An increase consisting of \$14,150 from street light upgrade reserve (1-312-0000-31001)

Water

- 2008 Capital Budget - \$240,000
- Proposed Project Budget - \$285,350
- An increase consisting of \$45,350 from Craigleith Water Reserve (2007 ending balance \$2.375 million)

Sanitary

- 2008 Capital Budget - \$260,000
- Proposed Project Budget - \$522,200
- An increase consisting of \$262,200 from Craigleith Sewer Reserve (2007 ending balance \$5.94 million)

2009 Capital Budget

Roads and Drainage:

- 2009 Capital Budget - \$580,000
- Proposed Project Budget - \$744,600
- An increase consisting of \$164,600 to be funded from a “2008 Municipal Road and Bridge Infrastructure Investment” grant (as outlined in Report EPW.08.63 entitled “2008 Municipal Road and Infrastructure Investment – Grant Allocation”, May 27, 2008.

Street Lighting:

- 2009 Capital Budget - \$48,500
- Proposed Project Budget - \$78,350
- An increase consisting of \$29,850 to be funded through taxation in 2009

Water

- 2009 Capital Budget - \$240,000
- Proposed Project Budget - \$317,650
- An increase consisting of \$77,650 from Craigleith Water Reserve

Sanitary

- 2009 Capital Budget - \$260,000
- Proposed Project Budget - \$439,800
- An increase consisting of \$179,800 from Craigleith Sewer Reserve

These budget modifications have been confirmed with the Town’s Capital Accountant.

F. Attached

None.

Respectfully submitted,

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Reg Russwurm
Director of Engineering and Public Works