

The Corporation of the City of Kawartha Lakes
Council Report

Report Number CA2020-003

Meeting Date: September 15, 2020

Title: Early-Start Approval for Selected 2021 Capital Projects

Description: This report asks Council to provide early-start approval for certain proposed 2021 capital projects for which early-start approval is considered essential.

Ward Number: All Wards

Author and Title: Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report CA2020-003, **Early-Start Approval for Selected 2021 Capital Projects**, be received; and

That the proposed capital projects outlined in Tables 1-3 of Report CA2020-003 be approved and included in the forthcoming 2021 tax-supported capital budget and 2021 water-wastewater capital budget, whichever is applicable.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

As part of the capital budget process, staff has identified certain proposed 2021 capital projects for which early-start approval is considered essential. These projects are outlined in Tables 1-3, wherein estimated capital costs and related financing are indicated:

Road Section	Estimated Cost (\$)	Financing (\$)				
		Capital Reserve	DC Reserve	Federal Gas Tax Reserve	Debenture	Total
Cambridge St. - Russell St. to Peel St.	1,684,000	315,600	168,400	1,200,000	-	1,684,000
Kent St. - William St. to Victoria Ave.	5,076,000	968,400	507,600	3,600,000	-	5,076,000
Total	6,760,000	1,284,000	676,000	4,800,000	-	6,760,000

Road Section	Estimated Cost (\$)	Financing (\$)				Total
		Water Debenture	SCF Grant (Water)	Sewage Debenture	Sewage DC Reserve	
Cambridge St. - Russell St. to Peel St.	1,281,000	178,059	357,399	398,391	347,151	1,281,000
Kent St. - William St. to Victoria Ave.	2,094,000	326,664	651,234	596,790	519,312	2,094,000
Total	3,375,000	504,723	1,008,633	995,181	866,463	3,375,000

Project	Primary Treatment or Activity	Estimated Cost (\$)	Financing (\$)		
			Capital Reserve	Debenture	Total
Eldon Landfill Final Cover - Phase 1 and 2 Cells	Emplacement	1,160,000	1,160,000	-	1,160,000
Contaminated Stockpile at 68 Lindsay St. N.	Disposal	400,000	400,000	-	400,000
Ambulances (2)	Remount	330,000	330,000	-	330,000
	Total	1,890,000	1,890,000	-	1,890,000

This report asks Council to provide early-start approval for the projects outlined in Tables 1-3.

Rationale:

Just as with the previous phases of Downtown Lindsay Reconstruction, Phase 3 will benefit greatly from early-start approval. In order to (i) realize cost and project management efficiencies (e.g. more competitive pricing), (ii) minimize disruption to downtown merchants and (iii) ensure exhaustion of the final installment (about \$1M) of the Small Communities Fund grant before that grant expires, it is imperative that the Phase 3 of the project be tendered in the fall of 2020.

As Council is aware, the construction of the new Human Services facility at 68 Lindsay St. N. in 2018-2019 resulted in the stockpiling of roughly 11,500 m³ of soil at the north end of the property. Testing and analysis indicates roughly 5,500 m³ of the stockpile is uncontaminated and hence suitable material for final cover at a landfill. The remaining 6,000 m³ is contaminated and hence must either be landfilled or taken to a special treatment facility, where the latter option costs

about 3.5 times that of the former. As it turns out, the Eldon Landfill requires final cover in 2021, and the entire stockpile can be taken to the Eldon Landfill to be landfilled and used as final cover. This presents the City with a rare opportunity to dispose of the problematic stockpile in a cost-effective and timely manner.

In Table 3, the cost of the Eldon Landfill Final Cover project reflects usage of the suitable part of the stockpile, and the cost of the Contaminated Stockpile project reflects landfilling of the unsuitable part of the stockpile. Efficiencies will be realized from Engineering and Corporate Assets' managing the two projects jointly. As the stockpile must be removed in a timely fashion in order for Kawartha Lakes-Haliburton Housing Corporation to construct housing on the site as planned, it is essential that the Eldon Landfill Final Cover and Contaminated Stockpile projects be tendered jointly in the fall of 2020.

Finally, Table 3 also includes the Ambulances project, which is to facilitate the remounting of two ambulances in accordance with lifecycle requirements. Early-start approval for the project is needed to ensure timely project completion, given ambulances require specialized chasses that must be ordered well in advance. Having the chasses ordered during or after Q1, 2021 would cause undue project delay and risk to the Paramedic Service.

Other Alternatives Considered:

The alternative to staff's recommendation is for Council to provide approval for the projects outlined in Tables 1-3 during regular capital budget deliberations, which are scheduled for mid-Q1, 2021 due to the pandemic. Staff strongly advises against this approach for the reasons noted in the previous section, namely that it would unnecessarily result in undue delays and risks, increased costs, foregone grant revenue and foregone project management synergies and other opportunities.

Financial/Operation Impacts:

Without early-start approval, the projects outlined in Tables 1-3 can be expected to incur cost increases in the range of 10%-20% and or be unduly delayed. In the case of Downtown Lindsay Reconstruction, there would be an added loss of up to \$1M in revenue from the Small Communities Fund grant for cast iron watermain replacement in Lindsay. That grant expires October 31, 2021.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The recommendations of this report align with the following strategic enablers: (i) Responsible Fiscal Resource Management and (ii) Efficient Infrastructure and Asset Management.

Consultations:

Director of Engineering and Corporate Assets
Supervisor of Infrastructure Construction and Design
Manager of Environmental Services
Paramedic Chief

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