



Report

Subject: Infrastructure Services Staff Proposed Budget Adjustments for Three Capital Projects

Department: Infrastructure Services

Division: Transportation and Development

Report #: INS-2025-006

Meeting Date: 2025-02-10

Recommendations

That report INS-2025-006, Infrastructure Services Staff Proposed Budget Adjustment for Three Capital Projects, be received; and

That Council increase the 2024 expenditure budget by \$100,000 for Project No. 26057.0000 – PXO-Wellington and Broadway and fund the increase from the General Capital Reserve; and

That Council increase the 2024 expenditure budget by \$20,000 Project No. 25017.0000 – Traffic Signal Upgrades and fund the increase from the General Capital Reserve; and

That Council reallocate 2024 expenditure budget of \$212,000, funded from Water Capital Reserve, from Project No. 26008.0000 – Standpipe Cleaning & Painting to Project No. 26046.0000 – Watermain and Valve Replacement - Rotary Park.

Overview

This report is requesting additional budget approval for two capital projects and a budget reallocation for a third project. There is sufficient capacity in the capital reserves to accommodate this request. Additional information on each of the projects being completed is provided below.

Project 1 – Broadway and Wellington PXO

As part of the 2024 Budget, Council approved Project No. 26057.0000 to design and install a Pedestrian Crossing on Broadway at Wellington Street. This project also included the necessary reconfiguration of curbing and other surface works to ensure the crossing was constructed in accordance with the Ontario Traffic Manual and good

Transportation Engineering Practice. The total allocated budget for this project is \$205,000. The total amount to complete, including engineering and contract administration is estimated to be approximately \$305,000 resulting in a funding shortfall of approximately \$100,000.

Project 2 – Traffic Signal Upgrades, First Street and Mall Entrance and Third Street and Fifth Avenue.

As part of the 2024 Budget, Council approved Project No. 25017.0000 to upgrade the traffic signals at First Street and the mall entrance and Third Street and Fifth Avenue. These upgrades are part of a 12-year cycle to ensure traffic signals are maintained to current standards and comply with applicable regulations including AODA requirements. The total allocated budget for this capital initiative is \$190,000. Although the work is not complete, the estimates provided will result in a shortfall in funding expected to be in the amount of \$20,000.

Project 3 – Watermain and Valve Replacement – Rotary Park.

As part of the 2024 Budget, Council approved Project No. 26046.0000 for the replacement of the spun steel watermain pipe and valves that runs north to south through Rotary Park. This replacement is the first phase of the overall redevelopment of the Park as was imperative to keep on track in order to for phase 2 to be on schedule. The total allocated budget for this initiative is \$325,700.00 which is for both construction and design/engineering fees. This project was completed, with a shortfall of funding in the amount of \$212,000.00.

Background

Project 1 Project 1-Broadway and Wellington PXO

The design and installation of the PXO on Broadway was approved by Council as part of the 2024 budget process. The work was procured through a tendering process and completed by the Town's current traffic signal maintenance contractor. The project is complete, and the crossing is functioning as designed and intended. There will be some expenditures in 2025 that are accounted for in the additional funding request.

During the construction and namely during the re-alignment of curbs, stairs and ramps, Staff noted that there were a number of issues with subsurface wiring and other surface works that needed to be addressed to ensure longevity of the asset and compliance with AODA requirements, limit liability and ensure a safe environment for motorists and pedestrians alike. Although the additional work resulted in an over expenditure of an estimated \$100,000, the Town realized good value for the additional work because the contractor was already on site and was willing to complete the additional work with minimal mark-up and the additional work was required to ensure a seamless transition from existing to new construction.

Project 2- Traffic Signal Upgrades, First Street and Mall Entrance and Third Street and Fifth Avenue.

As part of an on-going regular maintenance/upgrade cycle to ensure traffic signals are maintained in good working order and comply with current Ontario Traffic Regulations,

the Town has adopted a plan to upgrade 2 sets of traffic signals annually. The Town currently has 25 sets of traffic signals with each set slated for upgrade approximately every 12 years. This program has been in place since 2014.

This year's program includes upgrades to the intersections of:

- First Street and the Orangeville Fairgrounds Mall; and
- Third Street and Fifth Avenue.

Since the approval of this project, there has been a substantial increase in equipment and specialized labour services costing. In addition, the traffic signals on First Street also control the signals at Fifth Avenue and Hansen Boulevard resulting in some upgrade requirements to ensure they continue to function properly and in sync. The additional funding is crucial to ensure that the traffic signals continue to function properly and comply with current regulations and best practices.

Project 3- Project 3 – Watermain and Valve Replacement – Rotary Park.

As part of the redevelopment of Rotary Park, it was determined the spun steel watermain pipe and valves that runs north to south through Rotary Park was in need of a complete replacement. As this watermain currently rest in a location that will have new surface infrastructure placed, it was imperative to have this work complete prior to starting phase 2 of the redevelopment process. Pre-construction geotechnical boreholes determined that the existing underground water levels were around the 3.0 metre mark, being well below the elevation of 1.5 meters the new watermain was to be placed. During construction it was discovered that the underground water elevation was actually at the 1.0 metre elevation, thus flooding the excavation area. This caused three major issues: the first being the constant need to pump out the incoming water to keep the open area in the dry. To achieve this, two 6-inch pumps were required to constantly work. The second issue was the backfill material. Initially the plan was to backfill the open excavation using the material that was dug up, unfortunately this material was completely saturated and un-usable. Fill material had to be imported to backfill the entire excavated area; and third, the time required to complete the work doubled. All three of these issues are the reasons for the need of additional funding.

Analysis/Current Situation

The purpose of this report is to seek Council's authorization for the following projects that require budget ammendments:

Project 1: Increase the expenditure budget by \$100,000 for Project No. 26057.0000, in 2024 funded from the General Capital Reserve to cover increased costs that were incurred in the year as described above and any trailing costs incurred in 2025 to fully complete the project.

Project 2: Increase the expenditure budget by \$20,000 for Project No. 25017.0000, funded from the General Capital Reserve to cover cost overages incurred in 2024 as described above.

Project 3: Reallocate project expenditure budget of \$212,000, funded from the Water Capital Reserve, from Project No. 26008.0000 to Project No. 26046.0000. Project No. 26008.0000 is for the cleaning, repair and painting of the Commerce Road standpipe is complete and has surplus funding.

Corporate Implications

Staff propose to address funding shortfalls for three projects as follows:

1. Project No. 26057.0000 requires an additional \$100,000 to cover expenditure overages as described in this report and staff propose to fund the additional costs from the General Capital Reserve.
2. Project No. 25017.0000 requires an additional \$20,000 to cover expenditure overages as described in this report and staff propose to fund the additional costs from General Capital Reserve.
3. Project No. 26008.0000 requires an additional \$212,000 in expenditure approval and staff propose to redirect unspent budget from to Project No. 26046.0000, funded from the Water Capital Reserve.

There is sufficient capacity in the General Capital Reserve to cover the increases noted above. The third budget adjustment does not impact the Water Capital Reserve as it is a reallocation of funding approval.

Subject to Council approval of the recommendations outlined in this report, the above noted projects will have sufficient funding to cover costs incurred.

Staff will be undertaking a review of current capital budgeting practices and the Town's overall financial management framework and will be bringing back recommendations for Council's consideration in a staff report later this year. The goal will be to keep projects moving in a cost effective way, and when required, seek Council support earlier in the process.

Conclusion

Staff's recommendations, as outlined in the Corporate Implications section of this report are to approve increased expenditures of \$120,000 (\$100k + \$20k), funded from the General Capital Reserve to address the funding shortfalls in Project No. 1 and Project No. 2 and that Council approve the reallocation of expenditure and funding budget in the amount of \$212,000 from project 26008.0000 to project 26046.0000 for Project No. 3.

Strategic Alignment

Strategic Plan

Strategic Goal: Future-Readiness

Objective: To provide resilient and sustainable infrastructure

Sustainable Neighbourhood Action Plan

Theme: Infrastructure Maintenance and Sustainability

Strategy: Promote more sustainable and efficient infrastructure and transportation options

Notice Provisions

Not Applicable

Respectfully submitted,

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Attachment(s): None