



## Town of Huntsville Staff Report

**Meeting Date:** September 26, 2022

**To:** Council

**Report Number:** OPS-2022-34

**Confidential:** No

**Author(s):** Tarmo Uukkivi, Director of Operations and Protective Services

**Subject:** Veterans Way - Construction Progress and Budget Update

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### Report Highlights

Report updating Council on the Veterans Way progress of the storm sewer rehabilitation and road replacement project including a budget update.

### Recommendation

For information only.

### Background

Veterans Way is 380 m in length and is a 2 lane Class 4L Road in the urban section of the Town of Huntsville running west from Brunel Road to Centre Street (third street south of Main Street East running west from Brunel Road). It has an average annual daily traffic count of 725 vehicle (10 year average). It is classified as having storm sewer drainage. The Veterans Way Storm Sewer drainage is a main trunk drainage for the Town.

The 2020 Roads Needs Study identified the road as deficient structure with deficient drainage and in need of rehabilitation (Condition ratings: 68 from Brunel to West and 69 from West to Centre). Additionally, engineering studies using cameras were conducted to evaluate the storm sewer system. The engineering study recommended the replacement and upgrade of the drainage and storm sewers along Veterans Way. The storm sewers need to be upgraded to a larger diameter to account for anticipated additional water drainage as a result of climate change. The work restoring and rehabilitating Veterans Way also provides the opportunity to bring Veterans Way in line with the Council approved Urban Roads Standards (sidewalks, lamp posts/lighting, etc.).

As presented in the 2022 roads capital work plan (OPS-2022-04), an initial estimated capital cost of \$750,000 was included and approved as part of the overall roads capital work plan for Veterans Way. This was a best guess at the time of the writing of the report based on the then market conditions.

## Discussion

The work on Veterans Way is currently taking place with Phase 1 underway from Brunel Road to West St. The phase 1 work has an anticipated completion of early October. Phase 2 will begin, running from West St to Centre Street, once Phase 1 is substantially complete. Phase 2 is expected to be completed shortly after Thanksgiving but no later than November 1, 2022. As at the date of this report, the project is on schedule with no anticipated delays. The project must be completed prior to the winter operations season.

The roads capital work plan as outlined in report OPS-2022-04 for urban/asphalt rehabilitation in this category of work is \$2,000,000. The initial estimated cost of the rehabilitation of Veterans Way was anticipated to be approximately \$750,000 based on market conditions at the time the budget was developed. The Roads Needs Study estimated the road surface work alone costing \$94,649.36, i.e., did not include storm sewer replacement, in 2020 (Since the 2020, even within the 2022 construction season, the market conditions have changed substantially). When the rehabilitation of Veterans Way underwent the Town's procurement process, the cost of the project came back at \$1,143,310.61 (including HST). The additional \$280,000 (after HST rebate) in costs were the result of contractor availability (one contractor bid on the project), increased contractor labour costs, and a significant increase in materials costs (due in part to materials availability). If it is expected the overall expense is approximately \$1,240,395 (including engineering and any other recovered expenses).

The Veterans Way rehabilitation project costs are partially offset by a Canada Community Building Fund grant with the remainder of the project costs, to be funded through the Roads Capital [Reserve](#). The cost of the Veterans Way project is within Council's approved 2022 roads capital work plan overall. The Director of Operations and Protective Services has the delegated authority, as per the Budget and Financial Controls policy, to change the order of roads projects using the Road Capital Plan priority. This includes which projects can be completed and which projects cannot be completed. These decisions are based on the actual project costs (as opposed to budget estimates) and the condition of roads and infrastructure requiring work, i.e., conditions may change significantly from the time the budget work is started to the time that a project may be undertaken. Other factors also contribute to reprioritizations including government project grants, contractor availability, engineering availability, weather, surveyor availability, and the ability to get timely locates among other factors.

Staff can increase the amount of work and the number of roads projects completed when the actual costs of projects come in below the budgeted amount. When the actual value of the project exceeds the budgeted value but remains in the overall budget for the type of project, it means that staff are not able to complete as many of the projects as were contemplated when the budget was created.

## Capital

The 2022 Roads Capital Work Plan for urban/asphalt rehabilitation of roads and storm infrastructure is \$2,000,000.

The total cost of the contracted rehabilitation work for Veterans Way is \$1,240,395. \$628,467 of this capital infrastructure cost will be paid through a Canada Community Building Fund (formerly Federal Gas Tax) funding. The remaining expenses will be funded through the roads capital reserve. Regular capital roads maintenance work will be budgeted for in 2023 and beyond based on the Roads Needs Studies.

## Operational

There are no additional operating costs associated with the Veterans Way rehabilitation.

## **Council Strategic Direction / Relevant Policies / Legislation / Resolutions**

### 2.4 Roads and Infrastructure

#### 2.4.1 Transportation

a. Goal: RdInf 1.1: Maintain an up to date roads needs study every 4 years and use that information to develop short term development, construction, and maintenance schedules and to inform long-term capital plans

#### 2.4.2 Asset Maintenance

b. Goal: RdInf 2.2: Complete Storm Sewer inventory and replacement program

Strategic Asset Management Policy

Municipal Asset Management Plan

Delegation of Authority By-law 2021-17

*Municipal Act, 2001, S.O. 2001, c. 25*

[Report OPS-2022-04 Roads Capital Project Update and Proposed 2022 Projects](#)

Budget and Financial Controls Policy - Budget&Financial-21

### **Consultations**

Brandon Hall, Engineering Technologist

Julia McKenzie, Director, Finance/Treasurer

Denise Corry, CAO

**Respectfully Submitted:** Tarmo Uukkivi, Director of Operations and Protective Services

**Manager Approval (if required):** \_\_\_\_\_

**Director Approval:** Tarmo Uukkivi, Director, Operations and Protective Services

**CAO Approval:** Denise Corry, Chief Administrative Officer