



2025 Budget Request

Request: 2025 Budget Request – Hard Surface Preservation Program Additional Road Sections

From: Kevin Verkindt, Manager of Engineering and Infrastructure

Department: Development and Engineering Services

Total Financial Ask: \$1,485,000

Type of Budget Request: Capital

This document and its attachments are public and available in an accessible format upon request.

Background and Strategic Priority

Staff completed nearly 10 km of hard surface preservation in 2024 utilizing various technologies including Single Surface Treatment (SST) and Hot Mix Asphalt (HMA). Staff are proposing a similar program in 2024 that will utilize SST and HMA on various section of roads throughout the Township.

Staff presented to Council during the [Special Council Meeting](#) on September 27, 2024 a Draft Budget Request for Proposed 2025 Road Preservation Program in the amount of \$950,000. The Proposed 2025 Road Preservation Program include the following road sections:

Table 1: Proposed 2025 Road Preservation Road Sections

| Road Section | From | To | Length (km) | Proposed Preservation Technology |
|---------------------|------------------|----------------------|--------------------|---|
| Concession 2 NCD | Highway 6 | Concession 14 | 3.5 | Single Surface Treatment |
| Concession 14 | Concession 2 NCD | End (Hepworth Creek) | 2.5 | Single Surface Treatment |



| | | | | |
|-------------------|-------------------------------|------------------|-----|--------------------------|
| Stone School Road | Queen Street East (Highway 6) | Concession 2 NCD | 4 | Single Surface Treatment |
| West Street | Vault Works Road | Grey Road 17B | 2.3 | Hot Mix Asphalt |

Council has instructed Staff to establish a Hard Surface Preservation Program with an amended total budget of \$2,000,000. This initiative is designed to enhance and maintain the Township’s hard surface infrastructure. It will prioritize essential maintenance, enhance durability, and extend the lifespan of our road surfaces, ultimately improving the overall lifecycle of these vital assets.

Analysis

Staff have prepared two options in addressing Councils direction.

- **Option 1**, which is staffs recommended approach, would see the Township move toward a \$2M annual budget associated with hard surface preservation works. This would see a sustained increase in the hard surface program from the current level of approximately \$1M annually, to a \$2M annual program. In order to move toward this approach in a fiscally sustainable approach without significant decrease to reserves or impact to the tax base, staff are recommending an incremental increase in transfers to reserves of \$200,000 annually over the next five years and, using 2024 anticipated surplus funds to support a \$1.5M hard surface preservation program in 2025.

A more aggressive phase in could be contemplated that would see an additional approximate \$280,000 annually transferred to reserves and would see the \$2M program implemented in three years.

Under Option 1, staff would complete an estimated \$1,485,000 of works in 2025 including the roads shown below.

- **Option 2** would see a one-time annual program of \$2M of works completed in 2025. While this does not have the same impact to the tax base as Option 1, it does not progress toward a \$2M annual hard surface program and the additional \$1M investment in 2025 should be considered as a one-time enhancement. The additional roads staff would include in such a one-time approach in 2022 are detailed below.

Staff recognize the pressures on the Townships roads infrastructure and as such would recommend incremental increases toward a sustained road program, rather than a one-time program. This significantly improves staffs’ ability to develop a sustainable hard surface preservation program as part of the emerging asset management plan process.



The roads to which preservation techniques are to be applied were identified using data generated by the 2022 review of pavement conditions completed using Streetlogix. Staff focused on road sections believed to be in “fair” condition to include in the surface preservation program.

The maintenance of the road sections will essentially prolong the asset and prevent further deterioration, delaying the need for more expensive capital repairs and improvements.

Table 2: Proposed Amended 2025 Road Preservation Road Sections - Option 1

| Road Section | From | To | Proposed Preservation Technology | Length (km) | Budget Estimate (\$) |
|---------------------|-------------------------------|----------------------|---|--------------------|-----------------------------|
| Concession 2 NCD | Highway 6 | Concession 14 | Single Surface Treatment | 3.5 | 150,000.00 |
| Concession 14 | Concession 2 NCD | End (Hepworth Creek) | Single Surface Treatment | 2.5 | 100,000.00 |
| Stone School Road | Queen Street East (Highway 6) | Concession 2 NCD | Single Surface Treatment | 4.0 | \$200,000.00 |
| Lindenwood Road | Zion Church Road | Grey Road 17 | Single Surface Treatment | 2.0 | \$85,000.00 |
| Concession 21 | Zion Church Road | Side Road 20 | Pulverization / Single and Double Surface Treatment | 4.0 | \$375,000.00 |
| West Street | Vault Works Road | Grey Road 17B | Hot Mix Asphalt | 2.3 | \$500,000.00 |
| TOTAL | | | | 18.3km | \$ 1,410,000 |



Table 3: Proposed Amended 2025 Road Preservation Road Sections – Option 2

| Road Section | From | To | Proposed Preservation Technology | Length (km) | Budget Estimate (\$) |
|---|-----------------------------|------------------------|----------------------------------|----------------|----------------------|
| All of Table 2 projects, plus: | | | | | |
| Concession 17 | Zion Church Road | Lindenwood Road | Single Surface Treatment | 5.3 | \$235,000.00 |
| Noble Street | Princess Street (Highway 6) | 1 st Street | Hot Mix Asphalt | 0.11 | \$60,000.00 |
| 1 st Street | End (Noble Street) | 2 nd Street | Hot Mix Asphalt | 0.2 | \$46,000.00 |
| 2 nd Street | Princess Street (Highway 6) | End | Hot Mix Asphalt | 0.6 | \$86,250.00 |
| Derby Street Subdivision (1 st Street SW, 4 th Street SW, 2 nd Avenue SW, 3 rd Avenue SW, Kramer Court) | | | Micro Surfacing | .750 | \$88,000.00 |
| TOTAL | | | | 25.26km | \$ 1,925,250 |

Additions:

In addition to the costs above, staff have identified the need for additional engineering services to support the hard surface preservation program. These include an allowance for geotechnical work to help inform road redesign and construction needs and will support external expertise in providing quality assurance and control processes if and as needed by staff.

The engineering support will help gain a greater insight into factors affecting the Hard Surface Preservation program and will help identify where alternative technologies may be appropriate and facilitate the integration of innovative rehabilitation technologies. This knowledge will allow the Township to leverage advanced materials and methods, ensuring the Township is at the forefront of industry best practices. Staff would only utilise such supports where needed and advantageous to the Township. These funds would also allow staff to undertake preparatory work for subsequent road renewal and rehabilitation projects, enabling staff to have shovel ready projects in future years.

Next Steps

With Council approval of the Proposed 2025 Hard Surface Preservation Program, staff will seek to move toward procurement as quickly as possible to ensure we have works being tendered early to maximize contractor availability and competitiveness for completing 2025 works.



1. Council to Direct Staff on Program Future

- Leaving the September 27, 2024, Special Council meeting staff interpreted Council's requests to mean that the Hard Surface Preservation Program should be an annual \$2,000,000 program for the Township going forward. Since this meeting staff were asked again at the October 23, 2024, about the program and were left with uncertainty as to Council's direction.
- If Council's direction for this program is to be a one-time \$2,000,000 program staff recommend completing all road sections as outlined below, this would be funded from the Road reserve. This would also mean that come 2026 the program would return to the historical project costs of approximately \$1,000,000 annually.
- If Council's direction for this program to become an annual \$2,000,000 staff are proposing not to complete the full \$2,000,000 of work in 2025 to allow for a phased in funding approach thereby, not placing a larger infrastructure funding deficit on the Roads reserve. The projects which would be deferred to be completed in 2026 are bolded in the above chart. (Concession 17, Noble Street, 1st Street, 2nd Street and Derby Street Subdivision). This would result in a minimum additional \$200,000 funded from the tax levy annually for the next five years.

Financial Impact

Staff recommend adopting Option 1 which would see:

\$1,485,000 of works completed in 2025 and \$200,000 (up to \$280,000) invested into reserves to build toward a sustained \$2M annual hard surface preservation program.

If Council's direction is to have this program be a one-time \$2,000,000 program this would be funded from the Roads reserve in 2025, with no additional funds required to be levied from taxation for reserves.