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Council-In-Committee Meeting – June 11, 2024

Subject: Connecting Links Funding – Queensway East
Report Number: EIS-24-046
Division: Environmental and Infrastructure Services
Department: Engineering
Ward: Ward 5
Purpose: For Decision

Recommendation(s):

That Report EIS-24-046 Connecting Links Funding – Queensway East be received as information; and

That Council authorize staff to enter into a contribution agreement with the Ministry of Transportation pertaining to the Connecting Links Funding discussed within this report; and

Further that the Approved Capital Budget be amended to include \$792,000 of the construction component of Project 5533016 Queensway East – Norfolk Street to Ireland Road in 2024, to be funded by Provincial Grants and the Roadway Construction Reserve.

Executive Summary:

The purpose of Staff Report EIS-24-046 is to notify Council of a successful funding application through the Connecting Links Program, request authorization for staff to enter into a contribution agreement with the Ministry of Transportation (Program Requirement), and request an amendment to the Approved Capital Budget.

Staff were successful in obtaining funding through the Connecting Links Program for assistance in completing the reconstruction of Queensway East from Norfolk St. to Ireland Road in Simcoe. This project includes the resurfacing of Queensway East from Ireland Road to 150 metres west of Donly. The approved funding will provide for 90% of eligible costs of construction, to a maximum of \$641,898.

Discussion:

Project Selection

Through Staff Report EIS-23-064 on October 11, 2023, Council authorized staff to apply for funding through the Connecting Links Program. The projects selected for the

application included:

1. The resurfacing of Queensway East from Ireland Road to 150m west of Donly Drive in Simcoe, and
2. Traffic signal upgrades and intersection improvements at Norfolk Street North and Davis Street (project 5532343).

On May 21, 2024, Norfolk County was notified that we have been selected for funding through the Ministry of Transportation's 2024-25 Connecting Links Program, with a maximum provincial contribution of \$641,898 towards completion of the Queensway East road resurfacing project.

As mentioned in detail in Staff Report EIS-23-064 (attached); Queensway East from Ireland Road to 150 meters west of Donly Drive is a four-lane major arterial road. Queensway East from Ireland Road to Norfolk Street is currently identified in the Approved 2024-2033 Capital Plan for full reconstruction in 2031 (Project 5533016). The section of road from Ireland to 150 meters west of Donly will require resurfacing work prior to 2031. The underground infrastructure in this section is in good shape, so staff are proposing that this section of road be milled and resurfaced. There will also be minor repairs to the curb and sidewalk. This section of road (and its resurfacing) was proposed in advance of the planned work in 2031 to take advantage of some potential provincial funding opportunities.

Suggested upgrades to the traffic signals were noted as part of the project, however these suggested upgrades will be considered within a separate undertaking (e.g. the active and ongoing Traffic Signal Optimization Program) given that the work involved (electrical and technical components) is unique in nature and substantively different than that of the main works which is roadway resurfacing.

Estimated Project Completion Timelines

Tendering/Award of Construction: Summer 2024

Construction Timeline: Fall 2024

Substantial Completion: November 15, 2024

Connecting Links Program Timelines

There are a few requirements and timelines for this program that are worth noting. Firstly, a signature from the Head of Council and the Minister of Transportation are necessary to execute the contribution agreement. Three (3) copies of the signed agreement will be couriered to the Ministry of Transportation (MTO) Program Coordinator in compliance with the program guidelines. Municipalities are encouraged to obtain a Council Resolution as soon as possible (included in this report).

Municipalities will be required to provide reports to the MTO over the course of the project, which are directly linked to when provincial funds will be received. The Ministry staff are expected to follow up with County staff on the milestones and other

requirements that need to be met. Traditionally, however, 50% of the funding (\$320,949) will be received by Norfolk County after the Contract Award Report, which includes a resolution or by-law authorizing the first contract to initiate the project. The construction tender for the proposed resurfacing works is actively being developed and should be out for tender bidding in mid-June. Upon award of a contract to a successful bidder, such award would suffice as the project initiation milestone as typically required under MTO's program guidelines. All costs incurred after April 1, 2024, will be eligible for reimbursement.

A Substantial Completion Report is required to be submitted after the project has reached substantial completion (anticipated to be November 2024). The submission of this report typically triggers the second milestone payment of 35% of the funding (\$224,664). The remaining 15% of funding (\$92,285) would be received after the submission of the Final Report, which is typically due 60 days after project completion, or no later than a date defined by the Ministry (typically March, 2026) based on past practice.

The Connecting Links Program also requires regular progress reporting, and revised budget reports after the award of additional tenders, which do not trigger any milestone payments, and will be completed on a regular basis by staff.

The Norfolk Street North and Davis Street traffic signal upgrades and intersection improvements was included in the submission for Connecting Link funding, however, the application for this project was not approved. The 2024 Capital Budget, however, does provide funding of \$528,000 for the design and modification of the traffic signals at this location. This funding is sufficient to proceed with signal modifications and line marking modifications within the intersection area. Staff have examined a range of modifications that can be made to the signals and their timing/phasing that can improve the safety at this intersection. The design work for these changes is nearly complete, following which the work will be tendered for bid. At the moment we anticipate this signal modification work to proceed in September 2024. Such work, however, does not include any significant intersection reconstruction works (e.g. addition of dedicated left turn lanes) as there are insufficient funds to accommodate such changes, nor does the project funding accommodate the consideration of introducing a road diet (reduction of lanes from 4 down to 2) along this section of Norfolk Street North as was mentioned in the September 2022 report (EIS-22-071) to Council. Given the current traffic volumes on this section of roadway, further examination (inclusive of a risk analysis and forecasted impact on the roads capability to meet/accommodate future demands) would need to be completed on such a proposal should that option be considered in the future.

Financial Services Comments:

The Final 2024-2033 Capital Plan includes an allocation of \$9,581,000 (\$1,180,000 Engineering, \$8,401,000 Construction) for Project 5533016 Queensway East – Norfolk St to Ireland Rd, scheduled in 2031. A portion of the roadway construction component of this project includes the resurfacing of Queensway East – Ireland Rd to 150 metres

west of Donly, which was encompassed in the scope of the Connecting Links application because staff assessed the underground infrastructure under this section remains in good condition and repairs to the curb, sidewalk, and traffic signals are also warranted in advance of the reconstruction.

In Report EIS-23-064 presented October 11, 2023, Council approved that this work would be moved forward to 2024, contingent on a successful funding application (Report included for reference as Attachment A). Norfolk was notified on May 21st, 2024 that the funding application was indeed successful. The funding notification letter is included as Attachment B to this report.

Staff are recommending an amendment to the timing of the budget be approved in order to proceed with the planned works. There is no change to the anticipated total costs of the project. Table 1 summarizes the amended project timing.

Table 1 – Change in Project Timing

	Approved Budget	Amendment	Recommended Budget
Approved Capital Plan (2024)	\$0	\$792,000	\$792,000
Engineering (2029)	\$1,180,000	\$0	\$1,180,000
Reconstruction (2031)	\$8,401,000	(\$792,000)	\$7,609,000
Total	\$9,581,000	\$0	\$9,581,000

Table 2 summarizes the recommended funding amendment. The benefits of approving the amendment include reducing the County-funded portion of the costs required to complete this project, allowing a portion of the Roadway Construction Reserve’s balance to be re-allocated to other projects or even used to mitigate debt in the future. The projected balance of the Roadway Construction Reserve in 2024 is sufficient to handle the minimal portion of project costs not anticipated to be eligible under the Provincial funding.

Table 2 – Recommended Funding Amendment

	Approved Budget	Amendment	Recommended Budget
Provincial Funding	\$0	\$641,000	\$641,000
Roadway Construction Reserve	\$6,961,000	(\$641,000)	\$6,320,000
Water Reserve	\$1,478,000	\$0	\$1,478,000
Wastewater Reserve	\$1,142,000	\$0	\$1,142,000
Total	\$9,581,000	\$0	\$9,581,000

Interdepartmental Implications:

Engineering: The receipt of funding requiring an adjustment to timing for this project will increase the project load within the Engineering Department for 2024/25. Staff will balance this project with existing capital commitments to avoid any major impacts to ongoing or future projects.

Consultation(s):

Consultation occurred with Finance through the application for funding and completion of reports.

Strategic Plan Linkage:

This report aligns with the 2022-2026 Council Strategic Priority Building Norfolk - Develop the infrastructure and supports needed to ensure complete communities.

Explanation: The surface of this road section is nearing the end of its lifecycle and resurfacing is required to maintain the asset in a state of good repair and ensure the community who uses this section of roadway is well supported.

Conclusion:

Staff were successful in obtaining funding from the Connecting Links Program. The funding was approved at 90% of eligible costs, to a maximum of \$641,898. Staff are recommending Council approved the amendments to the Approved Capital Budget to include the component related to resurfacing of Queensway East (Ireland Road to 150 metres west of Donly).

The additional funds to be provided from the Connecting Links Program will have a positive impact on Council's efforts to support long term financial sustainability of Norfolk County.

Attachment(s):

- Attachment A: Report EIS-23-064 Connecting Links Program – 2024 Project Selections
- Attachment B: Funding Notification from the Hon. Prabmeet Singh Sakaria (MTO)

Approval:

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