
HALDIMAND COUNTY

Report ENG-04-2025 Budget Amendment – Hagersville Reconstruction Project



For Consideration by Council in Committee on April 8, 2025

Objective:

To obtain Council approval for a budget amendment to the capital funding for the 2025 road reconstruction projects in Hagersville.

Recommendations:

1. THAT Report ENG-04-2025 Budget Amendment – Hagersville Reconstruction Project be received;
2. AND THAT the 2025 Tax Supported Capital Budget be amended as outlined in Report ENG-04-2025;
3. AND THAT the 2025 Rate Supported Operating and Capital Budget be amended as outlined in Report ENG-04-2025.

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Reviewed by: Kristopher R. Franklin, Manager, Engineering Services

Respectfully submitted: Tyson Haedrich, M. Eng., P. Eng., General Manager of Engineering & Capital Works

Approved: Cathy Case, Chief Administrative Officer

Executive Summary:

The Hagersville Reconstruction Project includes watermain upsizing along Tuscarora Street, King Street West and Parkview Road to allow for future development as identified in the recently completed Hagersville Master Servicing Plan. The project also includes the replacement of a watermain on Athens Street, the replacement of sanitary sewer pipes along Tuscarora Street and the resurfacing of the Hagersville Arena parking lot.

The project was tendered in February 2025 and five compliant bids were received. Based on the lowest compliant bid from Network Sewer and Watermain Ltd. a budget amendment is required to increase total funding for the project. This funding increase is related to higher than estimated bid prices in labour and material costs as well as cost impacts related to CN Rail crossing requirements.

The proposed budget amendment impacts the capital replacement reserve funds (CRRF) balances noted within the report and therefore have no impact on the proposed rates included in the 2025 Rate Supported Operating Budget and Capital Forecast and 2025 Tax Supported Capital Budget and Forecast.

Background:

The Hagersville Reconstruction Project includes the following work (see Attachment 1):

- Tuscarora Street – King Street West to Emily Street – new transmission watermain upsizing for development, replacement and lining of sanitary mains, replacement of existing sidewalks, adding curb to east side and road resurfacing.
- King Street West – Tuscarora Street to north of railway tracks – new transmission watermain upsizing for development, including boring under the railway tracks, repairs to sidewalks, curbs and road in affected areas.
- Parkview Road – Main Street West to railway tracks – new transmission watermain upsizing for development, installation of new sidewalks, curbs on north side and road resurfacing.
- Athens Street – Sherring Street to Carrick Street – cast iron watermain and urbanizing the roadway including the addition of new sidewalks on the north side, full curb and gutter and road resurfacing.
- Hagersville Arena Parking Lot Resurfacing – replacing the surface asphalt at the arena to tie into the new roadway, including replacing water services, and updating the parking for accessibility requirements.

Section 4.6 of Procurement Policy 2023-02 provides the parameters for reallocating budget funds for capital projects to address budget deficits. Under this policy, if the budget shortfall exceeds \$100,000 or 20% of the approved project budget, a report to Council is required to authorize the proposed amendments. Reallocations within specific programs or technical functional areas are also permitted, as outlined in the Procurement Procedures.

Analysis:

The Hagersville Reconstruction Project tender closed on March 11, 2025, with five compliant bids. The lowest acceptable bid was received from Network Sewer and Watermain Ltd. in the amount of \$4,107,215 (including non-rebateable HST). The total approved budget for all components of the project is \$3,728,600 resulting in an overall funding shortfall of approximately \$379,000.

However, as shown in the Financial/Legal section, the project has a number of distinct funding sources which cannot be transferred to fund a shortfall in any given area. As a result an additional \$625,000 is required for the water related components of the project and \$367,000 for the roads related components. It should be noted that while both the Hagersville Arena parking lot paving and sanitary sewer replacement components came in under budget within the tender, the approved budgets were not reduced at this time and any surpluses at the end of the project will be returned to the respective reserves. As a result the overall funding increase for the project is \$992,000.

Based on the tender review, various costs came in higher than estimated bid prices, particularly for watermain material items, which were on average 58% higher than 2024 prices. This may be due to supply concerns and economic uncertainty related to tariffs on incoming materials. In addition, there is an increased cost of approximately \$160,000 to accommodate CN Rail requirements for working around and boring under the tracks.

Soils testing has also identified contaminated soils within the project area, requiring an additional cost of \$111,000 for the management and disposal of that material.

Financial/Legal Implications:

The 2025 Tax Supported Capital Budget includes \$640,000 related to road reconstruction and excess soil for the roadwork component of this project. The Tuscarora Street and King Street West components of the road works are identified in the Hagersville Master Servicing Plan (MSP) as development related and 50% of the project costs are funded from the Development Charges Reserve Fund. A funding

shortfall totalling \$367,000 allocated to Athens Street, Tuscarora Street and King Street West road components of the project are required to proceed with the work.

The 2025 Rate Supported Operating Budget and Capital Forecast includes \$1,985,000 for construction costs related to the replacement and upsizing of the watermain for this project. A significant percentage of the costs for the replacement and upsizing of the watermain on Tuscarora Street, King Street West and Parkview Road are identified in the Hagersville Master Servicing Plan as direct recoveries from developers and will be collected following the completion of the project. A funding shortfall totalling \$625,000 allocated to Athens Street, Tuscarora Street and King Street West watermain components of the project are required to proceed with the work.

The remaining components for sanitary sewer construction and the resurfacing of the Hagersville Arena Project closed within the approved budgets and do not require budget amendments to award the work.

Based on the tender results, staff propose the following revisions to the existing project budgets:

	2025 Approved Budget	Additional Funds Required	Proposed Revised Budget
Capital Expenditures:			
<u>Road Reconstruction</u>			
822303 – Hagersville – Athens Street – Sherring Street North to Cedar Street	\$200,000	\$61,000	\$261,000
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$303,000	\$217,000	\$520,000
822306 – Hagersville – King Street West – Rail Line to Tuscarora Street	\$72,000	\$89,000	\$161,000
Total Road Reconstruction	\$575,000	\$367,000	\$942,000
<u>Watermain Replacement</u>			
822303 – Hagersville – Athens Street – Sherring Street North to Cedar Street	\$200,000	\$35,000	\$235,000
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$820,000	\$290,000	\$1,110,000
822306 – Hagersville – King Street West – Rail Line to Tuscarora Street	\$215,000	\$300,000	\$515,000
632302 - Parkview/Concession 12 - Watermain Upsizing	\$750,000		\$750,000
Total Watermain Replacement	\$1,985,000	\$625,000	\$2,610,000
<u>Sanitary Replacement</u>			
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$380,000		\$380,000
822113 - Sanitary Lining / Replacement	\$148,600		\$148,600
Total Sanitary Replacement	\$528,600		\$528,600

<u>Excess Soils</u>			
932203 - Excess Soils	\$140,000		\$140,000
Total Excess Soils	\$140,000		\$140,000
<u>Arena Parking Lot</u>			
121956 - Hagersville - Arena Parking Lot Resurfacing	\$500,000		\$500,000
Total Arena Parking Lot	\$500,000		\$500,000
Total Capital Expenditures:	\$3,728,600	\$992,000	\$4,720,600
Financing:			
<u>CRR Roads Infrastructure:</u>			
822303 – Hagersville – Athens Street – Sherring Street North to Cedar Street	\$200,000	\$61,000	\$261,000
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$151,500	\$108,500	\$260,000
822306 – Hagersville – King Street West – Rail Line to Tuscarora Street	\$36,000	\$44,500	\$80,500
932203 - Excess Soils	\$140,000		\$140,000
<u>Total CRR Roads Infrastructure:</u>	\$527,500	\$214,000	\$741,500
<u>DCRF Roads:</u>			
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$151,500	\$108,500	\$260,000
822306 – Hagersville – King Street West – Rail Line to Tuscarora Street	\$36,000	\$44,500	\$80,500
<u>Total DCRF Roads:</u>	\$187,500	\$153,000	\$340,500
<u>CRRF Water:</u>			
822303 – Hagersville – Athens Street – Sherring Street North to Cedar Street	\$200,000	\$35,000	\$235,000
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$336,200	\$118,900	\$455,100
822306 – Hagersville – King Street West – Rail Line to Tuscarora Street	\$64,500	\$90,000	\$154,500

632302 - Parkview/Concession 12 - Watermain Upsizing	\$37,500		\$37,500
<u>Total CRRF Water:</u>	\$638,200	\$243,900	\$882,100
<u>Water Recoveries:</u>			
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$483,800	\$171,100	\$654,900
822306 – Hagersville – King Street West – Rail Line to Tuscarora Street	\$150,500	\$210,000	\$360,500
632302 - Parkview/Concession 12 - Watermain Upsizing	\$712,500		\$712,500
<u>Total Water Recoveries:</u>	\$1,346,800	\$381,100	\$1,727,900
<u>CRRF Sewer:</u>			
822305 – Hagersville – Tuscarora Street – King Street to Oneida Street	\$380,000		\$380,000
822113 - Sanitary Lining / Replacement	\$148,600		\$148,600
<u>Total CRRF Sewer:</u>	\$528,600		\$528,600
<u>CCBF Reserve Fund:</u>			
121956 - Hagersville - Arena Parking Lot Resurfacing	\$500,000		\$500,000
<u>Total CCBF Reserve Fund:</u>	\$500,000		\$500,000
Total Financing:	\$3,728,600	\$992,000	\$4,720,600

Provided the funding is approved, staff will proceed with the award of the tender through a purchase order.

Stakeholder Impacts:

Not applicable.

Report Impacts:

Agreement: No

By-law: No

Budget Amendment: Yes

Policy: No

References:

1. [Policy No. 2023-02 Procurement Policy](#)

Attachments:

1. Map of Proposed Work