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Item No. 2
Halifax Regional Council
June 14, 2022

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: April 4, 2022

SUBJECT: Budget Adjustment List – Paving of Municipally Owned Gravel Roads – Funding Source

INFORMATION REPORT

ORIGIN

March 23, 2022 Budget Adjustment List Regional Council meeting. Halifax Regional Municipality's Chief Administrative Officer advised Regional Council that staff would return to Council with an assessment of funding options for Briefing Note BN011 – Paving of Municipality-Owned Gravel Roads.

LEGISLATIVE AUTHORITY

The Municipality may spend money for municipal purposes in accordance with section 79A of the HRM Charter.

BACKGROUND

Briefing Note BN011 – Paving of Municipality-Owned Gravel Roads is attached to this report (Appendix B) and provides details of Regional Council's request to add \$500,000 to the 2022/23 Budget Adjustment List (BAL) for the paving of gravel roads. The Briefing Note indicates "*Regional Council has ratified a four-year Roads and Active Transportation plan. In order to balance the approved funding requirements, one or more projects would need to be displaced in order to accommodate the Gravel Road Paving program in 2022/23. Additional time is required to undertake an analysis to determine which project(s) currently approved under the four-year program would be impacted. Once determined, staff would present a report to Council to outline the implications, and to provide a recommendation. Alternatively, a new funding source would be required to offset the cost of this project.*"

It should be noted that there are currently 40 municipally owned gravel roads (Appendix A), with an additional 10 provincially-owned "J" class gravel roads being transferred from the Province as part of the Road Transfer agreement, effective 1 June 2022.

DISCUSSION

Briefing Note BN011 indicated Devil's Hill Road and Ferguson's Cove Road would be the next roads to consider in the municipally owned gravel road paving program (based on the rating criteria), provided funds were available. During the March 23, 2022 BAL debate Regional Council inquired about the funding source (\$500,000) for the paving of these two roads. Staff indicated that an assessment would be required to determine the impact on the ratified four-year Roads and Active Transportation plan (should the paving of Devil's Hill Road and Ferguson's Cove Road be funded from this plan) prior to returning to Regional Council with funding options for consideration.

As part of the assessment, staff determined that Devil's Hill Road and Ferguson's Cove Road require additional planning and engineering design time and would therefore not be ready for construction until 2023 at the earliest. Since neither road can be paved in 2022, there is no requirement to determine a funding source for the 2022/23 Capital Budget. Regional Council can choose to reconsider this request in future years.

As noted in the March 23, 2022 Briefing Note, the municipally owned gravel road paving program continues to rate "low" relative to other asset classes when incorporating the Capital Project Evaluation Framework. As a result, staff has recommended no funding for this program over the next four years. The municipally owned gravel road paving program considers several criteria that aid in prioritizing the overall list of roads. To date, the list of criteria includes level of maintenance, classification of the road, and geographical proximity. As a result of council's continued interest in advancing the pavement of gravel roads, staff will be undertaking a review of the program with a focus on re-examining the project selection process/criteria, conducting a cost benefit analysis comparing pavement vs gravel, and determining a sustainable approach to address the remaining municipally-owned gravel roads. This assessment is anticipated to begin in fiscal 2023/24, with a report to Regional Council in time to recommend the paving of any qualifying gravel roads as part of the 2024-25 budget deliberations.

FINANCIAL IMPLICATIONS

There are no financial implications at this time.

COMMUNITY ENGAGEMENT

Community engagement was not required.

ATTACHMENTS

Appendix A: Municipality-Owned Gravel Roads

Appendix B: Budget Adjustment List Briefing – Paving of Municipality-Owned Gravel Roads

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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APPENDIX A
HRM Owned Gravel Roads - 2022

| | Street Name | Limits | Community | District | Length (m) |
|----|--------------------|--|--------------------|----------|------------|
| 1 | ALPINE DR | HIGH RD TO END | FALL RIVER | 1 | 210 |
| 2 | CASTLEWOOD DR | ARTHUR JOSEPH - CUL DE SAC | FALL RIVER | 1 | 200 |
| 3 | CONFEDERATION AVE | SANDSTONE - GREENOCK | FALL RIVER | 1 | 1190 |
| 4 | COPPERHEAD RD | WILSON - END | FALL RIVER | 1 | 260 |
| 5 | HOLLAND RD | END OF PAVEMENT - END | FLETCHERS LAKE | 1 | 100 |
| 6 | PROSPECTORS LOOP | MONTAGUE - MONTAGUE | MONTAGUE GOL MINES | 1 | 115 |
| 7 | SOMERSET CRT | ARTHUR JOSEPH - CUL DE SAC | FALL RIVER | 1 | 160 |
| 8 | SUNNYLEA RD | CIVIC 265 - END | WELLINGTON | 1 | 225 |
| 9 | RYDEDALE CRT | CHRIS EVAN - Cul de sac | EAST PRESTON | 2 | 160 |
| 10 | ARMENIA DR | ASTOUR DR - END | EASTERN PASSAGE | 3 | 350 |
| 11 | CLEARY DR | COW BAY RD - end | EASTERN PASSAGE | 3 | 184 |
| 12 | FAULKNER DR | COW BAY RD - END | EASTERN PASSAGE | 3 | 135 |
| 13 | FREDERICK DR | DYKE RD - end | COW BAY | 3 | 198 |
| 14 | LAURA DR | FREDERICKS - END | COW BAY | 3 | 230 |
| 15 | NORMANS LANE | SHORE RD - TURNING CIRCLE | EASTERN PASSAGE | 3 | 173 |
| 16 | ORION DR | COW BAY RD -END | EASTERN PASSAGE | 3 | 170 |
| 17 | SHARONS PLACE | Broom RD to cul de sac | Westphal | 4 | 98 |
| 18 | NIVENS AVE | INDIA RD - END | DARTMOUTH | 6 | 97 |
| 19 | DEVILS HILL RD | RTE 253 - TURNING CIRCLE | FERGUSONS COVE | 11 | 370 |
| 20 | FERGUSONS COVE RD | END PAVEMENT Civic # 66 - CIVIC 197 | FERGUSONS COVE | 11 | 600 |
| 21 | BRANDY CRT | halfway lake - end | HAMMONDS PLAINS | 13 | 722 |
| 22 | COX LAKE RD | YANKEETOWN - 8M PASTT LOT#8 | HAMMONDS PLAINS | 13 | 320 |
| 23 | CREE ST | BRANDY - END OF PAVEMENT | HAMMONDS PLAINS | 13 | 53 |
| 24 | DOVER CRT | NOTTINGHAM - END | Stillwater Lake | 13 | 118 |
| 25 | GRANT LINE RD | HAMMOND PLAINS - END | Stillwater Lake | 13 | 567 |
| 26 | LAKEVIEW TERR | OLD MILL - END | HAMMONDS PLAINS | 13 | 219 |
| 27 | OLD MILL RD | KINGSWAY - START OF PAVEMENT | HAMMONDS PLAINS | 13 | 175 |
| 28 | STILLWATER LAKE DR | HAMMOND PLAINS RD - HAMMONDS PLAINS RD | Stillwater Lake | 13 | 500 |
| 29 | ANDREA LORI DR | LAKEVIEW AVE - END | MIDDLE SACKVILLE | 14 | 640 |
| 30 | BLAIN ERIC DR | ANDREA LORI - CUL DE SAC | MIDDLE SACKVILLE | 14 | 500 |
| 31 | DOUGLAS DR | BEAVER BANK RD - END | BEAVER BANK | 14 | 242 |

HRM Owned Gravel Roads - 2022

| | Street Name | Limits | Community | District | Length (m) |
|----|-----------------|--------------------------|------------------|----------|--------------|
| 32 | ELMWOOD CRT | LAKECREST - CUL DE SAC | MIDDLE SACKVILLE | 14 | 180 |
| 33 | JAMIE DR | KINSAC RD - END | BEAVER BANK | 14 | 500 |
| 34 | PAUL DAVID DR | ANDREA LORI - CUL DE SAC | MIDDLE SACKVILLE | 14 | 300 |
| 35 | REINDEER AVE | CARIBOU - END | | 14 | 130 |
| 36 | SILVER LEAF DR | KINSAC - END | KINSAC | 14 | 495 |
| 37 | SETTLERS LANE | COBEQUID - COBEQUID | LOWER SACKVILLE | 15 | 280 |
| 38 | SUCKER BROOK RD | COBEQUID RD - CUL DE SA | LOWER SACKVILLE | 15 | 160 |
| 39 | MAIN ST | NORTH ST - DARTMOUTH RD | BEDFORD | 16 | 100 |
| 40 | OAKRIDGE DR | LINCOLN - MADISON | BEDFORD | 16 | 130 |
| | | | | | 11556 |

APPENDIX B

Budget Adjustment List Briefing Paving of Municipality-Owned Gravel Roads

COW Date Added: February 9, 2022

Business Unit: Transportation &
Public Works

| Tracking Id | Operating or Capital | 2023/23 Amount (negative is savings/revenue) | 2022/23 Avg Bill Impact (negative is reduction) |
|-------------------------------|---|---|--|
| BN011 (BAL005) | Capital | \$500,000 | \$1.59 |
| Four Year Impact | \$500,000 | | |
| Adjustment Description | Budget Committee has requested a briefing note including a preliminary list of gravel road paving projects. | | |
| Priority Alignment | Integrated Mobility – Safe & Accessible Integrated Mobility Network | | |

Service Implications and/or Impact on Priority

On June 21, 2016 Halifax Regional Council tabled the following motion (regarding item 14.1.10):

That Halifax Regional Council directs staff to revise the Local Improvement Charge (LIC) Policy based on Option 1 as described in the report dated March 23, 2016, eliminating the right of petition, lowering the LIC rate from 50 percent to 33 1/3 percent, resulting in the net cost to HRM of \$4.1m, and staff be further directed to consider including additional criteria when considering the paving of gravel roads, such as public parking, and/or public use, with the intent of reducing the overall costs paid by the taxpayer.

On July 18, 2017, the following motion of Regional Council (regarding Item 14.1.13) was put and passed:

- 1. Adopt By-law S-444, further amending Bylaw S-400, the Street Improvement Bylaw, as set out in Attachment 2 of the staff report dated June 5, 2017 and replace Schedule 1 with the revised version circulated with the motion memo.*
- 2. Adopt the revised Administrative Order 2017-007-ADM The Local Improvement Policy as circulated with the motion memo, including repealing the 1997 Local Improvement Policy adopted by Council on April 29, 1997, and any amendments thereto; and*
- 3. Exclude paving of the following streets for an indefinite period of time: Esso Road (District 11), Deerwood Lane (District 13), Memory Lane (District 15), Station Road (District 14), Tallahassee Avenue (District 3) and Sawlers Road & Old Scott Road (District 1).*

The above-noted motions endorsed the paving of all remaining HRM owned gravel roads and included the following terms: elimination of the survey process, a reduced local improvement charge to abutting residents to 33 1/3% of the construction costs, and an increase in HRM's cost apportionment to 66 2/3% of the construction costs. The June 21, 2016 report identified 62 outstanding gravel roads that were to be paved (less the seven roads noted above in the July 18, 2017 motion (item #3)). The July 18, 2017 report indicated: "Currently, there is no definitive time frame for the paving of all 62 HRM owned gravel roads and no new funding allocated in the 2017/18 capital program. The timeframe will be dependent on Council direction, budget allocation and staff time."

Presently there are 40 remaining HRM owned gravel roads (refer to Appendix A) at a total estimated cost of \$5-\$5.5 million (Class D).

In preparing the annual list of projects for capital budget consideration, staff follow Regional Council's direction by applying the four lenses identified in the Capital Project Evaluation Framework. For evaluation purposes, the lenses include:

- Capacity to Deliver (i.e., Project Readiness);
- Risk;
- Impact to Service Delivery; and,
- Strategic Alignment with Council's Priorities.

Based on this evaluation process the Gravel Road Paving program has scored "low" relative to other asset classes, and therefore, staff has recommended no funding to this program in recent budgets.

Recommendation

Given the rankings through the Capital Project Evaluation Framework process and the overall backlog in programs such as Recapitalization, Active Transportation, Sidewalk Renewals, and Bridges, staff recommends a deferral of the Gravel Road Paving Program for the next four years. However, if Council's direction is to approve \$500,000 (gross budget) for the 2022/23 program, staff recommends the paving of Devil's Hill Road (Route 253 to turning circle, District 11) and Ferguson's Road (end of pavement, Civic 66 to Civic 197, District 11), pursuant to the rating system.

Regional Council has ratified a four-year Roads and Active Transportation plan. In order to balance the approved funding requirements, one or more projects would need to be displaced in order to accommodate the Gravel Road Paving program in 2022/23. Additional time is required to undertake an analysis to determine which project(s) currently approved under the four-year program would be impacted. Once determined, staff would present a report to Council to outline the implications, and to provide a recommendation. Alternatively, a new funding source would be required to offset the cost of this project.

Briefing Approved by: Original Signed
Brad Anguish, Executive Director of Transportation and Public Works, 902.490.4855

Original Signed

Briefing and Financial
Approval by: Jerry Blackwood, CFO, Executive Director of Finance and Asset Management,
902.490.6308