

Report TR-TAPS-06-15

To: Chair Barfoot and Members of the Transportation and Public Safety Committee
From: M.J. Kelly, Director of Transportation Services
Meeting Date: January 8, 2015
Subject: Draft 2015 Transportation Services Department Budget Overview
Status: Recommendation adopted by Committee as amended per Resolutions TAPS17-15 and TAPS18-15; Endorsed by County Council per Resolution CC35-15 February 3, 2015;

Recommendation(s)

THAT Report TR-TAPS-06-15 regarding the Draft 2015 Transportation Services budget be received;

AND THAT the 2015 Transportation Services budget as presented/amended be forwarded to County Council for consideration.

Background

Overview

The Transportation Services Department's overall net budget of operating and capital combined totals a net levy increase of \$172,490, or 1.10 percent, over the 2014 budget. This budget includes \$733,090 of 2014 funds being allocated from the 2014 budget to the 2015 budget as per Report FR-TAPS-02-15. This reflects a 0.33 percent increase to the corporate net levy required for 2015.

Ordinary Maintenance

Summer Maintenance

The summer maintenance budget has been reduced \$103,700 from \$3,148,900 in 2014 to \$3,045,200 in 2015. The reduction is contributed to the improvements that have been implemented in various operations. In addition the modifications to the equipment charge out rates (as identified in the Equipment Section) will reduce the overall cost.

The budget includes \$45,000 for spraying the right-of-way to eradicate broad leaf vegetation including wild chervil.

Winter Maintenance

The 2014 winter maintenance budget was \$4,570,000, with an expected net expenditure of \$5,070,000. This will result in a deficit of \$500,000.

The Department recognizes that the 2014 winter was significant. However, several cost saving measures have been implemented for 2015. In addition, the budget has been reduced as a result of the reduced equipment charge out rates as described in the Equipment section below. As a result, a net budget of \$4,765,000 for winter maintenance is proposed.

Combining the summer and winter maintenance, as well as miscellaneous revenue, a \$91,300, or 1.2%, increase from the 2014 budget to the 2015 budget is recommended.

Construction, Resurfacing and Minor Capital

The overall expenditure for this budget is projected to be \$17,230,300, of which \$5,858,952 will be from levy, and the remaining is revenue from other sources. This budget represents a \$202,285, or 3.58%, increase in the levy.

The projects identified are consistent with the projects identified on the five year program for 2015 as presented in TR-TAPS-45-14, and adjusted as per TR-TAPS-03-15. The estimated cost has been adjusted and will continue to be refined as the tender packages are developed.

The attached map and chart identifies the proposed construction projects.

Supervision and Overhead-Operational

The proposed 2015 net budget of \$1,424,455 is \$86,945, or 5.69%, less than in 2014. The reduction to the budget is a result of assessing every entry and considering the historical and projected spending.

Housing and Depots

The net operating and capital budget for 2014 represents a decrease of \$42,350. It was determined that the operational could be reduced by \$32,500 because of cost saving measures incorporated and the capital budget is being reduced by \$10,000 to reflect the projected capital expenditures.

Equipment

The equipment budget in 2015 has been planned to have a balanced budget. Based on an analysis of the County's equipment replacement reserve, it has been determined that

there can be a reduction in the annual contribution to this reserve. In 2014 \$950,000 was transferred to the reserve – in 2015 the budgeted transfer amount is \$655,000. In order to maintain a balanced equipment budget, the Department's equipment "charge out rates" will be reduced for 2015. This will reduce the equipment charge out "revenue" and at the same time it will reduce the expense of activities that include equipment usage.

A surplus grader will be sold in 2015 for an amount estimated at \$120,000, with the proceeds going to the equipment replacement reserve, which will help offset planned equipment purchases of \$410,000.

Asset Management

The asset management budget identifies the non-capital studies planned for 2015. This budget has been increased by \$29,200, or 16.13%. For the last several years the Department's internal staff has been trying to inspect all culverts under the road. Unfortunately the program has not been successful. It is recommended to retain the services of people who specialize in culvert inspections to complete the work for an estimated \$100,000. \$20,000 has also been included to support the wayfinding sign study that is to be completed jointly with Tourism.

Quarry

The Quarry budget is being reduced by \$21,000, or 45%, to \$17,000 in 2015. The operating cost will consist of direct routine costs to maintain the status of the quarry as well as some money to complete the quarry evaluation and business plan which will be completed in 2015.

Financial / Staffing / Legal / Information Technology

Considerations

The Transportation Services 2015 budget as proposed, requests a net levy of \$15,901,197, which represents an increase of \$172,490, or 1.10%, from the 2014 approved budget.

Link to Strategic Goals / Priorities

Communication and planning are key values to Grey County's strategic plan. This report provides information to the Transportation and Public Safety Committee and County Council on the proposed work to be completed in 2015, for the planning of the long term health of Grey County's road system.

Respectfully submitted by,

M.J. Kelly
Director of Transportation Services

List of Attachments:

[2015 Projects Map - Transportation Services](#)

[Transportation Services Draft Budget January 8, 2015](#)

[TR-TAPS-45-14 Transportation Services – 2015 Draft Five Year Capital Forecast](#)

[TR-TAPS-03-15 2015 Construction and Minor Capital Update](#)

