

Report TR-TAPS-86-15

To: Chair Barfoot and Members of the Transportation and Public Safety Committee

From: M.J. Kelly, Director of Transportation Services

Meeting Date: November 5, 2015

Subject: Transportation Services Financial Update and Year-End Projection as of September 30, 2015

Status: Recommendation adopted by Committee as presented per Resolution TAPS152-15; Endorsed by County Council November 24, 2015 per Resolution CC160-15;

Recommendation(s)

THAT Report TR-TAPS-86-15 regarding the Transportation Services Department Financial Update and Year-End Projection as of September 30, 2015 be received for information.

Background

The purpose of this report is to provide members of the Transportation and Public Safety Committee with a financial update for the Transportation Services Department budget, based upon financial statements as of September 30, 2015.

Summary

The Transportation Services Department's 2015 gross budget was approved with \$30,920,214 in expenditures. As indicated in the following table, the Transportation Services Department is projecting an overall net surplus of \$1,159,000.

Summary of Projected Transportation Services Department Year-End Surplus

| Departmental Budget | Projected Year-End Surplus |
|--|-----------------------------------|
| Winter Maintenance | \$161,300 |
| Summer Maintenance | \$251,700 |
| Equipment Operations | \$0 |
| Quarry | \$6,000 |
| Construction/Resurfacing/Minor Capital | \$490,000 |
| Asset Management/Studies | \$93,000 |
| Housing and Depots | \$131,000 |
| Supervision and Overhead | \$26,000 |
| Total | \$1,159,000 |

Winter Maintenance

If Grey County experiences average winter conditions in November and December a \$161,300 surplus is projected. However, the projected surplus will decline if the weather requires more winter maintenance than the average.

Summer Maintenance

The projected summer maintenance budget is indicating a \$251,700 surplus. The Road Top Maintenance is slightly higher than budgeted (approximately \$20,000), as a result of undertaking additional preventative maintenance that will reduce future spending. The Right of Way and Traffic Safety Device maintenance are expected to be underspent by approximately \$57,000 and \$130,000 respectively. The majority of the savings is in the pavement marking and traffic signal expenditures. However, the department will exceed the sign maintenance budget by approximately \$42,000.

In addition, this cost centre received an additional \$100,000 from NextEra for compensation for utilizing County Roads to haul oversized/overweight wind turbine components.

Equipment Operations

The equipment budget is anticipated to be balanced as per the budget. The revenue from the equipment is less than identified in the 2015 budget; however the fuel and repair expenditures are lower than the budget.

Quarry

There is a projected \$6,000 surplus in the quarry budget. This is a result of the use of approximately \$5,000 worth of quarry material for maintenance which is presented as revenue in the quarry budget.

Construction, Resurfacing and Minor Capital

The majority of the construction projects have been completed and the Construction, Resurfacing and Minor capital budget is projecting a surplus of \$490,000.

The surplus can be contributed to the following:

- The minor capital is approximately \$55,000 under the budget because of the revised techniques in the installation of centreline culverts;
- Bridge Crew under budget by \$108,000;
- Construction Projects reduced by approximately \$339,000. This is a direct result of less contingency spending than anticipated.

Asset Management Studies

It is projected that this budget will experience a surplus of \$93,000. The surplus is a result of not undertaking the culvert inspection program in 2015. This work will be completed in 2016.

Housing and Depots

It is anticipated that there will be a surplus of approximately \$131,000. This includes an over expenditure of \$5,000 in the operating cost and an under expenditure of \$136,000 for capital costs as follows:

- \$35,000 Paving of Pendleton Yard – must consider future plans of facility;
- \$15,500 Meaford Patrol Miscellaneous Repairs – must consider future plans of facility;
- \$48,000 Dundalk Dome and Building Repairs – redundant work with 2016 new sand building;
- \$37,000 Miscellaneous Work – under budget or not required.

Supervision and Overhead

It is anticipated that there will be a surplus of approximately \$26,000. This is attributed to savings in a variety of budget lines.

Financial / Staffing / Legal / Information Technology Considerations

As of September 30, 2015, a review of actuals to budget indicates that these budgets, under the direction of the Transportation Services Department, will end the year with a \$1,159,000 net budget surplus.

Link to Strategic Goals / Priorities

The analysis of current financial statements compared to the approved budget is a key mechanism to ensure Council's goals of ensuring financial sustainability and ongoing public accountability are maintained.

Attachments

[Attachment to TR-TAPS-86-15 Transportation Services Financial Update and Year-End Projection as of September 30, 2015](#)

Respectfully submitted by,

M.J. Kelly
Director of Transportation Services