Public Works Committee
REPORT 11-003
Wednesday, February 16, 2011 (9:30 a.m.)
Monday, March 7, 2011 (11:35 a.m.)
Council Chambers
Hamilton City Hall
71 Main Street West

Wednesday, February 16, 2011:

Present:
Councillor B. McHattie, Vice Chair
Mayor, B. Bratina
Councillors C. Collins, S. Duvall, L. Ferguson, S. Merulla, R.
Pasuta, T. Whitehead, T. Jackson

Absent with Regrets:
Chair R. Powers
Councillor S. Duvall

Also Present:
Councillors M. Pearson, B. Johnson, B. Morelli
G. Davis, General Manager, Public Works
R. Rossini, General Manager, Finance and Corporate
Services
B. Goodger, Senior Director, Operations and Waste
Management Division
J. Mater, Senior Director, Transportation, Energy
and Facilities Division
G. Rae, Senior Director, Environment and Sustainable
Infrastructure Division
G. Lupton, Director of Energy, Fleet, Facilities & Traffic
Management
D. Hull, Director of Transit
J. Stephen, Director Rapid Transit
P. Parker, Director of Support Services
B. Shynal, Director of Operations, Operations and Waste
Management
G. Moore, Director of Engineering Services
C. Murdoch, Director of Environmental Services
R. Norman, Acting Director Strategic Services
A. Grozelle, City Clerk's Office

General Issues Committee Budgets – April 1/7, 2011
Monday, March 7, 2011:

Present: Councillors R. Powers (Chair), B. McHattie (Vice Chair), C. Collins, S. Duvall, L. Ferguson, S. Merulla, T. Jackson and T. Whitehead

Absent with Regrets: Councillor R. Pasuta – Vacation

Also Present: C. Murray, City Manager
G. Davis, General Manager, Public Works
R. Rossini, General Manager, Finance & Corporate Services
H. Tomasik, Exec. Director, HR & Organizational Development
B. Goodger, Senior Director, Operations and Waste Management
J. Mater, Senior Director, Transportation, Energy & Facilities
G. Rae, Senior Director, Environment & Sustainable Infrastructure
G. Lupton, Director, Energy, Fleet, Facilities & Traffic Management
D. Hull, Director of Transit
J. Stephen, Director Rapid Transit
D. McKinnon, Director, Water and Wastewater Operations
B. Shynal, Director, Operations, & Waste Management
G. Moore, Director of Engineering Services
C. Murdoch, Director, Environmental Services
R. Norman, Acting Director Strategic Services
S. Paparella, City Clerk’s Office

THE PUBLIC WORKS COMMITTEE PRESENTS REPORT 11-003 AND RESPECTFULLY RECOMMENDS THE FOLLOWING:

1. 2011 Tax Supported Operating Budget – Budget Summary Report (FCS11023) (City Wide)

That Report FCS11023 respecting the 2011 Tax Supported Operating Budget – Budget Summary Report, be received.

2. Opportunities for Reduction – Public Works Program – Red Hill (PW11013) (City Wide)

That Report PW11013 respecting Opportunities for Reduction – Public Works Program – Red Hill, be received.
3. **2011 Tax Supported Operating Budget – Public Works (FCS11023(a))**

That the following recommendations be referred to the General Issues Committee for consideration:

(a) That the 2011 net operating levy for Public Works of $181,460,351, inclusive of Recommended Savings Options as per hereto attached Appendix A to Report 11-003, be approved;

(b) That the 2011 Council Referred Items pertaining to Public Works as per hereto attached Appendix B to Report 11-003, be approved;

(c) That the 2011 Requested Program Enhancements pertaining to Public Works as per hereto attached Appendix C to Report 11-003, be approved.

4. **Road and Sidewalk Safety Maintenance – Roads Maintenance Activities (PW11017)**

That Report PW11017, respecting Road and Sidewalk Safety Maintenance – Roads Maintenance Activities, be received.

5. **Winter Control Program – Stabilization Reserve (PW11014)**

That the following recommendations be referred to the General Issues Committee for consideration:

(a) That a target balance for the Winter Control Reserve (112205) be established as 25% of the five (5) year average actual expenditures for Winter Control; (Report PW11014 attached hereto as Appendix D to Report 11-003)

(b) That the transfer of the Winter Control operating expenditure surplus to the Winter Control Reserve (112205) be subject to the overall Tax Supported operations reporting a year-end positive variance and subject to recommendation (a) (target 25% of 5 year average);

(c) That the transfer of the Winter Control operating expenditure surplus to the Winter Control Reserve (112205) be approved by Council through the Year-End Tax Operating Budget Variance Report and through the Disposition of the Year-end Surplus/Deficit Report, and be subject to final financial audit;

(d) That the Winter Control Reserve Policy be incorporated into the Corporate Reserve Policies.
FOR THE INFORMATION OF THE GENERAL ISSUES COMMITTEE:

Wednesday, February 16, 2011:

(a) **CHANGES TO THE AGENDA (Item 1)**

The Committee Clerk advised of that there were no changes to the agenda. The agenda was approved, as presented.

(b) **DECLARATIONS OF INTEREST (Item 2)**

There were none declared.

(c) **APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)**

None

(d) **2011 Tax supported Operating Budget – Public Works (FCS11023(a)) (Item 5.1)**

Gerry Davis, General Manager, Public Works addressed the Committee with the aid of a Power Point Presentation and hand out. Highlights included but were not limited to the following:

- Outlined the current budget starting point
- Discussed the challenges heading in the 2011 budget
- Discussed the 2010 years budget accomplishments, showed detailed slides listing all the accomplishments individually
- Discussed the budget Challenges in 2011 and beyond, showed detailed slides listing all the current foreseen challenges
- Discussed Mitigating budget Impacts with the aid of detailed slides
- Presented the 2011 budget overview with the aid of detailed charts
- Touched on the main points of these charts
- Discussed the Incremental Operating Costs which were impacted by the poor economic conditions and other factors
- Discussed that the total revenues of 4.6 million
- Discussed how the employee compensation being presented excludes any negotiated increases that may occur
- Discussed the net levy which has been set at 3.1 percent and doesn’t impact the service levels
- Discussed that the budget process is an evolving process and ongoing and there are more budget reductions that will be presented today and if supported by the committee they can move forward on that basis
- Discussed potential budget reductions in addition to the draft budget including:
- Discussed Item 6.1 on the agenda Report PW11014- Winter Control Program Stabilization Reserve indicating that what is being presented is recommendations to build up the reserve balance
- Discussed unredeemed transit tickets and how they feel that some monies can be taken out of this fund as it is the belief that a certain number of these tickets will not be redeemed
- Discussed the Energy Report indicating that staff will go into the item in further detail later
- Discussed the funds raised from the Red light camera program
- Discussed that they believe through review of attrition and other examinations of staffing they believe that there can be another 1.4 million in savings, discussed that they would report back to Public Works basis on a quarterly basis updating them on these efforts
  - Discussed the restructuring and how there were 31 managers reported last year however technically with the restructuring there are 35 with the addition of the Senior Directors
  - Went through the divisions of Public Works and touched on the main budgetary points with the aid of detailed slides
  - Discussed the changes within the reorganization of Public Works went through all the Divisions and their operating sections
  - Environmental and Sustainable Infrastructure discussed the increases of energy costs, discussed the costs associated with Rapid Transit
  - Operations & Waste Management Division discussed the increase based on contracts, some with increase clauses as well as the increase in HST taxes
  - Discussed the accomplishments of the Waste Diversion rate and indicated that this would be brought back for further discussion with the Solid Waste Management Master Plan review
  - Discussed how they have switched from a five-year average of the recycling revenues to actuals for 2011 because of the improved commodity prices
  - Forecasting a year end surplus in the Winter Control Program for 2010 of $4 million dollars as a result of a favourable winter
  - Discussed the need to work with power authorities to in hopes of achieving a global adjustment
  - Indicated that there is no transit fare increase in this budget at this point
  - Discussed Council suggested options on page three of the Report went through each suggestion with the aid of detailed slides
  - Discussed the Program Enhancement Options with the aid of detailed slides
  - Indicated that with an increase in Road and Sidewalk Maintenance the City would not see the mitigation in claims resolutions cost for several years
  - Discussed sidewalk power washing service to be done by two new full-time employees rather than contracting it out for the same cost
  - Discussed the 2 million dollar shortfall in Storm Water Facilities Maintenance Program
Provided additional information outlining services which are contracted out with the aid of a detailed slide
Discussed the illegal dumping statistics that were requested at a previous meeting of Public Works indicated that the requests have gone up however the tonnages have stayed the same
Showed a detail slide indicating the increase cost related to Diesel and Gasoline
Discussed the historical transit service levels

Committee members asked several questions of staff. Highlights included but were not limited to the following:

- Councillor Merulla asked that the compliment hasn’t changed between 2010 and 2011 however the budget has gone up.
- Staff indicated that OMERS has gone up, as well as contracts have gone up, HST increase and electricity increases, increased in risk management and insurance, so while the compliment hasn't increased the costs have increased
- Councillor Merulla asked about the $500,000 savings indicated through the reorganization of Public Works
- Staff indicated that the gross budget of the 2010 budget was brought in at 1.5 percent below the 2 percent target
- Councillor Merulla asked if there was a budget impact of the 2010 reorganization through additional costs or termination pay
- Staff indicated that there is one time budget costs that are absorbed in that fiscal year
- Councillor Merulla asked for the numbers of how much the costs in terms of how much was paid out in terms of termination pay
- Staff indicated that they would put it in terms of 18-months of salary paid out to one Full-Time employee and that the $500,000 in savings was achieved
- Councillor Collins asked in terms of the 2010 restructuring in terms of where the all the four full-time employees have been removed. Also asked about the initial indication made was that there would be a 2 million dollar annual savings
- Part of the reorganization was through transferring staff to the Planning Department however and other items, staff indicated that overall there was $7 million in savings which they could outline for committee
- Councillor Collins indicated that he was surprised that Non-Union and Union wage increases were not included in the budget presented
- Staff indicated that the budget does not include any employee negotiated increases
Staff indicated that they would be working on getting a full organizational chart as requested.

Councillor Collins asked if this meant that they could trace back past organizational charts for past years.

Staff indicated if they did would review what information is available for previous years, indicating that the information is being prepared for the General Issues Committee on March 3.

Councillor Collins indicated that three years ago we had 6 Directors and now we have 12 Directors. 3 of them are Senior Directors indicating that this is the reverse trend of what Council has wanted to see in terms of management. Asking why there is the need for more management when the Employee numbers is the same.

Staff indicated in the case of Public Works they combined six divisions into three so while they have increase the role of three Directors there is more management and better service level deliveries.

Mayor Bratina asked why the cleaning of the catch basins is not an annual event but once every seven years.

Staff indicated that they have over 33,000 catch basins.

Mayor Bratina asked about the ratio of staff to managers is 1 to 49 in Public Works what is the range of the minimum number of staff and maximum number of staff.

Staff indicated that it could be 5 to 6 or in transit it could be 80-100 and that it also deals with the duties and the section.

Staff indicated that they can provide an exact break down to Committee.

Staff suggested that we are in or around the municipal benchmark for manager to staff ratio.

Councillor Ferguson indicated that the manager to staff ratio can be misleading clarifying that there are supervisory roles that are not counted as management.

Staff indicated that this is correct.

Councillor Ferguson asked what a one percent increase in negotiated increase would be.

Staff indicated that a one percent increase would be somewhere around a $1 million dollar increase in the budget.

Councillor Ferguson asked about the 13% increase in the population in Hamilton.

Staff indicated that the 13% is in the defined urban transit area which means that they will not be the same as the overall City population.

Councillor Ferguson asked for an update on the HSR proposed fare increase.
Staff indicated that this has been sent to the budget process and the General Issues Committee and the revenue cost ratio increase has to be looked at.

Staff indicated that if they aren't increasing service we should not look at increasing fares.

Councillor Johnson asked about the tree trimming program and vehicle purchases inquiring about the deferral for the 2011 budget.

Staff indicated that this is something that they could look into.

Councillor Johnson asked about the contracting out of the smaller cemeteries asking if it could be done for cheaper.

Staff indicated that the major cost savings enjoyed through providing the services were at larger areas where big mowers can be used indicating that contractors are used for smaller cemeteries that require detailed work.

Councillor Pearson asked about the Risk Management and the Insurance Claims indicating that this would be appropriate to go to the Audit Finance and Administration Committee with further details.

Staff indicated that the insurance cost has gone down however the city is self insuring more and these costs have increased.

Councillor Pearson asked what the cost would be to get all these projects maintained to mitigate Risk Management costs.

Staff gave the ballpark figure of around 4.3 million.

Councillor Jackson congratulated Public works on their accomplishments in 2010 and asked about the $0.5 million in snow clearing, this doesn’t have any level of service reduction.

Staff indicated that the budget being presented has no service reductions, indicating that they are comfortable that they can reduce that budget by $0.5 million and it will not result in a lower level of service.

Councillor Jackson asked about the new staff reorganizations and where the staff such as Human Resource or Finance staff in Public Works and asking if there was any duplication.

Staff indicated that there is no duplication in staffing and that some finance staff are physically embedded in another department however they report to Finance.

Councillor Jackson indicated that a 12.7 cycle for tree trimming is too long in his opinion asking why we are delaying the ten year cycle.

Staff indicated that there was a ten-year plan however the additional funding needs to be approved at the budget process and that this would mean that staff would be requesting somewhere around $700,000 and $800,000 dollars.

Councillor Jackson indicated that there is a need to improve the sidewalks and why is this being brought forward as an enhancement as it is a priority that he thinks would merit reallocating existing resources towards.
Staff indicated that working towards addressing the issue however with the infrastructure deficit they are lagging and committing further resources towards this would leave other areas underserviced.

Councillor Jackson asked if there was any increase in their budget in relation to the one container limit and illegal dumping.

Staff indicated that one Full-Time position and related funding was provided through the 2010 by-law enforcement costs for this program.

Councillor Whitehead asked about the number of policies that are in place that are operational and have an impact on cost requesting more information on this.

Councillor Whitehead asked about the organizational chart and about how supervisors are not necessarily captured in the Manager ratio provided.

Staff indicated that there is probably no clear standard used by municipalities however they information was provided at a previous budget as being in capturing of what was requested by Committee at that time.

Councillor Whitehead asked about the functions and how they are judged.

Staff indicated that this was a factor in the overall review.

Councillor Pasuta asked overall how many Full-Time employees they are looking to increase through the 2011 budget.

Staff indicated there are 29 for the HSR enhancement and two for power washing downtown that have no impact to the bottom line. Staff indicated the total Full-Time increase being requested is 32 employees.

Councillor Collins indicated that he looked into the past budgets and found that more money was attributed to the HST cost last year and this year there is a cost savings.

Staff indicated that there has been a cost savings to be demonstrated and that there have been rebates found as a result of a finding after the conclusion of the 2010 budget relating to transit parts.

Councillor Collins asked about the reorganizational savings and whether that would be sent through the budget process or throughout the year.

Staff indicated that this would be done throughout the year.

Councillor Collins indicated that the staff levels should be addressed at the Committee level on a future agenda.

Staff indicated that they could bring this issue forward to a future General Issues Committee budget meeting.

Vice Chair McHattie indicated that further discussions should occur in relation to whether this item can be discussed In Camera or in Open Session.

Councillor Collins asked about that Sport Field Line Marking budget item asking about how there are no savings illustrated there and indicated in the 2010 budget the money was taken and applied to the Sport Field Line.
\begin{itemize}
  \item Staff indicated that it should say budget savings/efficiencies and this is avoided costs
  \item Staff indicated that this is something that they have been able to absorb in the budget
  \item Councillor Collins indicated that savings from previous years should be removed from this years budget report as savings as they have been attributed to the previous year
  \item Staff indicated that Councillor Collins was correct and that the ones referred to should be listed separately as efficiencies and not savings found for the 2010 budget and could revise the slide 16.
  \item Councillor Collins asked about the Light Rail Transit Issue as it is not listed as a budget risk although it should be on the budget
  \item Staff indicated that they are expecting that LRT will fund those positions and there is a risk that related to four full-time positions and that the other employees are all on contract
  \item Staff indicated that the decision on the B-Line priority will not be made on the February 18, 2011
  \item Staff indicated that there is a risk involved in the budget process there is a additional staffing risk of around $1.1 million
  \item Councillor Collins indicated that he would like that recorded as a budget pressure and would like it included
  \item Councillor Jackson asked for staff to come back with a report on the leaf vacuum equipment at a Council meeting last term and that be included at a future budget meeting
  \item Councillor Whitehead asked about the Red Light Camera Program
  \item Staff indicated that there is a financial benefit from the program that they want to channel back to safety programs
  \item Staff indicated that they will bring back further information for the high risk intersections
\end{itemize}

Vice-Chair McHattie thanked staff for their presentation.

(a) The staff presentation respecting Report FCS11023(a), 2011 Tax supported Operating Budget – Public Works, was received.

(b) On a Motion Report FCS11023(a) respecting Report FCS11023(a) 2011 Tax supported Operating Budget – Public Works, was received.

The following staff directions and/or additional information was requested of staff:

(i) Further details requested on the annual fleet reserve contribution
(ii) Further details related to Public Works reorganization, related savings, staffing changes and updated organizational charts

(iii) Requested further details on the management to staff ratios/comparable municipalities

(iv) Further details on the budgetary impacts of possible wage increases

(v) Request for details on the historical cost of graffiti removal

(vi) Request for more information on insurance claims and costs from Risk Management

(vii) Request for a ten year history of HSR fare increases

(viii) Request for staff to provide an information report on leaf vacuuming services

(ix) Request for further information on Red Light Cameras program including selection criteria for intersections, program history and potential to expand the program

(x) Request to review options for the program enhancement request to power washing of the downtown sidewalks

(xi) Request for further clarification on energy efficiencies, revenues and reductions/further clarity in reporting/actuals versus avoided

(xii) Report back on Energy Office staffing options

(xiii) Review of $0.87/L rate for fuel should this be increased to avoid possible budget pressures in the future

(e) Road and Sidewalk Safety Maintenance – Roads Maintenance Activities (PW11017) (Item 5.2)

On a Motion Report PW11017 respecting Road and Sidewalk Safety Maintenance – Roads Maintenance Activities and respective staff presentation, was tabled until the next Public Works Committee budget meeting.

(f) Energy Report (no copy) (Item 5.3)

Geoff Lupton, Director - Energy, Fleet, Facilities & Traffic, Public Works addressed the Committee with the aid of a Power Point Presentation and hand out. Highlights included but were not limited to the following:
Outlined the current budget position
Discussed the 2011 pressures in terms of Energy
Discussed the Key Performance Indicators indicating that the overall Energy Intensity is 15.8% lower than in 2006, this year was used because previous years City Hall was closed for renovations
Indicating that at 13% we are ahead of the game in terms of energy savings part of that is due to agreeable weather
Indicated that 2009/2010 budgeted vs. actuals for Natural gas have been very favourable
Indicated that there has been about 9 million dollars in savings based on energy consumption
Discussed that the Global adjustment has sent the price of power up using the aid of detailed slides
Discussed the Street Lighting Budget Impact with the aid of detailed slides
Discussed the 2011 Energy Initiatives
Discussed the Fuel pricing and the budget pricing
Indicated that they are proposing $0.87 for diesel and gasoline as was done in 2010
Indicated that a one cent increase in diesel it creates around a $100,000 increase
Showed a trend lines of Fuel Market Price volatility

Committee members asked several questions of staff. Highlights included but were not limited to the following:

Councillor Collins how the savings attributed to natural gas is reflected in the budget materials
Staff indicated that it would go back into cost allocations
Councillor Collins indicated that it is an issue of the information being presented in the actuals for budget deliberations
Staff indicated that the natural gas savings go into the facilities budget often times they use it to pay back the funds
There was some discussion on the need to represent items and show the information such as Energy Savings separately to Committee members

Councillor Jackson indicated that he also agreed with getting further details to clarify where savings have been addressed
Councillor Jackson also suggested in information be related to tax payers at the conclusion of the process outlining where they are making improvements
Councillor Jackson asked about staffing in the Office of Energy Initiatives
Staff indicated that they are dealing with a few issues such as retaining staff on contract

Councillor Ferguson inquired about the end savings for the Energy Savings for the 2010 budget
Staff indicated that they could clarifying those numbers and bring forward a summary
Councillor Ferguson asked if we were at risk by budgeting at $0.87 per litre for diesel

Staff indicated that the answer would be yes

Councillor Whitehead asked about staff in the energy office compensation and what is being doing to correct that

Staff indicated that they are looking to address that issue and are getting some good staff and are reviewing options

Councillor Whitehead indicated that he would want to look at providing full-time positions for those currently working on contract

Staff indicated they will review the job evaluation and market place availability in considering options

Committee requested that staff report back on the $0.87 per litre rate for diesel

Vice-Chair McHattie thanked staff for their presentation.

On a Motion the staff presentation respecting the Energy Report, was received.

(g) Winter Control Program – Stabilization Reserve (PW11014) (City Wide) (Item 6.1)

On a Motion Report PW11014 respecting Winter Control Program – Stabilization Reserve, was tabled until the next Public Works Budget meeting.

(h) GENERAL INFORMATION/OTHER BUSINESS (Item 11)

(i) Items on Outstanding Business List (Items 11.1)

(a) Removal of Outstanding Business Items

On a Motion the following item was removed from the Outstanding Business List:

(i) Item D: Opportunities for Reduction – Public Works Program

(i) ADJOURNMENT (Item 13)

There being no further business, the Committee adjourned at 2:14 p.m.
Monday, March 7, 2011:

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

There were no changes to the agenda.

The March 7, 2011 Public Works Committee agenda was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.

(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 3)

The Minutes of the February 16, 2011 Public Works Budget meeting were approved as presented.

(d) Road and Sidewalk Safety Maintenance – Roads Maintenance Activities (PW11017) (Item 7.2)

On a Motion Report PW11017, respecting Road and Sidewalk Safety Maintenance – Roads Maintenance Activities, was lifted from the table and be added as Item 7.2.

Bryan Shynal, Director of Operations, Operations and Waste Management, provided a PowerPoint presentation with respect to Report PW11017, regarding Road and Sidewalk Safety Maintenance – Roads Maintenance Activities. Mr. Shynal’s comments included, but were not limited to, the following:
Road and Sidewalk Maintenance Activities:

Objective:

- Maintain the City’s roadways and sidewalks in a safe condition within the provincially legislated Minimum Maintenance Standards (MMS).

Strategy:

- Use best practices to ensure effective and efficient program delivery;
- Establish adequate program funding to ensure achievement of approved service levels; and,
- Encourage continual program improvements.

Road and Sidewalk Asset Inventory – City Wide:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadways</td>
<td>6,522 lane km</td>
</tr>
<tr>
<td>Sidewalks</td>
<td>2,367 km (approx. 1.57 million bays)</td>
</tr>
<tr>
<td>Bridges/Structures</td>
<td>390</td>
</tr>
</tbody>
</table>

Minimum Maintenance Standards (MMS):

- Ontario Regulation 239/02 establishes MMS for municipal roadway maintenance and operation including:
  
  - Frequencies for routine road patrolling;
  
  - Maintenance of bridge decks and approaches;
  
  - Specifies maximum response times for repairing potholes, cracks, discontinuities and shoulder drop offs and sidewalk discontinuity deficiencies;
  
  - MMS regulations were amended in 2010 relating to Winter and Summer patrolling and Trip & Falls on Sidewalks, which impacts service delivery requirements.

Proposed budget enhancement request:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk Discontinuity</td>
<td>$ 600</td>
</tr>
<tr>
<td>Road Patrol</td>
<td>$ 100</td>
</tr>
<tr>
<td>Bridge Repairs (Decks and Approaches)</td>
<td>$ 500</td>
</tr>
<tr>
<td>Total</td>
<td>$1,200</td>
</tr>
</tbody>
</table>
Sidewalk Inspection and Repairs:

Existing Program:

- **Service Level:** Annual sidewalk condition inspection and reporting structure to identify hazardous conditions (i.e. cracks and trip hazards).
- **2010 Inspection Report Identified:** Approximately 43,000 defective sidewalk bays.
- **Budget:** $2.1 Million (operating)

Proposed Program:

- **Service Level:** Annual inspection and timely repairs of deficiencies.
- **Budget:** Additional $600,000 will provide the necessary funding to meet the proposed service level.
- **Return on Investment:** Improved public safety, risk management and claims defence.

Road Patrol – Existing Program:

- **Service Level:** Road patrol activities include monitoring roadway conditions and record keeping (24/7 during the winter season) to determine activity response.
- **Budget:** Current resources (approximately $442,000 operating) are embedded within the Roads Program budget and will be managed going forward through separate activity codes for accountability purposes.

Roads & Sidewalks – Program Status – Existing Service level:

Currently there is a reactive approach to address concerns.

The Risks Associated with this approach: The City received approximately 2,700 claims related to roads infrastructure, between 2001 to 2010; resulting in an expenditure of approximately $14.2 million in claims resolutions.

Proposed Service Levels – Proposed Program:

- **Service Level:** Per the Minimum Maintenance Standards
- **Budget:** Additional $100,000 will fund patrol service level and data collection technology (e.g. upgrades to meet the amended MMS patrolling requirements)
- **Return on Investment:** Compliance with the MMS regulations for patrolling, which will improve overall program compliance and the City’s ability to successfully defend against claims.
Staff Direction:

Road Patrol – that staff be directed to investigate the feasibility of training other City vehicle drivers (garbage truck, snow plow, etc.) to record severe potholes noticed during the date and reporting back at the end of each shift.

(a) On a Motion the presentation, respecting Road and Sidewalk Safety Maintenance – Roads Maintenance Activities, was received.

(b) On a Motion Item “A”, respecting Report PW011017 – Road and Sidewalk Safety Maintenance – Roads Maintenance Activities, was removed from the Public Works Committee’s Outstanding Business List.

(e) **Storm Water Management Program – Budget Enhancement Presentation (Item 7.3)**

Bryan Shynal, Director of Operations, Operations and Waste Management, provided a PowerPoint presentation with respect to the Storm Water Management Program budget enhancement contained in Report FCS11023(a). Mr. Shynal’s comments included, but were not limited to, the following:

**Storm Water Facility Maintenance Program:**

Overview:

To provide effective management of surface municipal storm water system through the inspection, evaluation, maintenance and rehabilitation of municipally owned storm water infrastructure facilities including:

- Culverts
- Catch Basins
- Creeks
- Drainage Channels
- Inlet/Outfall
- Storm Ponds Facilities
- Storm Water Treatment System
- Storm Water System – Infrastructure Value and Condition

Asset value:

- Approximate replacement value of the City’s storm water system is $1.6 billion, which includes $53 million for storm ponds and inlet/outfall structures.

Asset Condition Rating:

- Overall condition rating of “D” for storm ponds, inlet/outfall structures, and stormceptors.
Storm Water Facility Maintenance Program Status:

Existing Service level: Reactive approach to address concerns.

Risks: Potential infrastructure failure or substandard operation of existing system; legal implications with non-compliance with Environmental Protection Act (EPA).

Catch Basin Cleaning - Existing Program:

- Service Level: Currently there is no approved service level. The current practice is to clean approximately 5,000 (of the 33,500) catch basins on a rotating schedule.

Budget:

- $234,000 (Approximately 65% of the budget is for planned maintenance activities, 35% is for emergency cleaning.)

Proposed Program:

- Service Level: Annual inspection and cleaning of entire inventory.
- Budget: Request for an additional $735,000 to fund the service level.
- Return on Investment: Avoidance of nuisance flooding, due to sedimentation and litter.

Storm Water Facility Maintenance Program:

Proposed budget enhancement request:

- Annual catch basin cleaning. $ 735
- Catch basin repairs. $ 150
- Storm water maintenance ponds (SWMP) - facility capital repairs and lifecycle rehabilitation. $ 650
- Maintenance of culverts, outfalls, and structures. $ 270
- Annual inspection and maintenance of stormceptors. $ 75
- Program development and monitoring system. $ 75
- Asset inventory & condition data management. $ 45
- Total $2,000

Catch Basin Repairs – Existing Program:

- Service Level: Currently no approved service level. Increasing backlog of repairs due to aging infrastructure.
- Budget: Current annual budget is $370,000.
Proposed Program:

- Service Level: timely repair of all damaged and substandard catch basin structures.
- Budget: Request for an additional $150,000 to fund the service level.
- Return on Investment: Improvement to road surface condition, safety and risk management

SWMP Facility Maintenance:

Existing Program:

- Service Level:
  - No approved Service Level.
  - Inventory: 145 sites (wet ponds, dry ponds, constructed wetlands)

- Budget:
  - No available current budget for preventative maintenance.

Proposed Program:

- Service Level
  - Planned annual inspection, ongoing asset management program including planned maintenance and lifecycle rehabilitation works. (approx. 12 year rehab cycle).

- Budget: Request for an additional $150,000 to fund the service level.

- Return on Investment:
  - Benefits of the enhancement include optimized functionality of the system which may mitigate the possibility of downstream flooding and improved water quality effluent, e.g. silt and other contaminants

Culverts, Outfalls and Structures:

Existing Program:

- Service Level:
  - No approved service level for the preventative maintenance of road crossing culverts, box culverts, entrance culverts, creeks and tributaries (City-owned)

- Budget: No Existing operating budget.
Proposed Program:

- **Service Level:**
  - Develop a full inventory of assets and maintain current condition assessments.
  - Perform priority capital maintenance and planned lifecycle rehabilitation works.

- **Budget:** Requested enhancement of $270K.

- **Return on Investment:** Optimal and reliable performance of critical infrastructure for improved service, safety and risk management.

**Stormceptor:**

Existing Program:
- **Service Level:**
  - No approved service level for the maintenance of underground engineering structures that are subject to M.O.E. regulations.

- **Budget:** No current budget.

Proposed Program:
- **Service Level:** Annual inspection and cleaning of the existing inventory of 46 municipally-owned stormceptors.

- **Budget:** $75,000 to fund the service level.

- **Return on Investment:** Optimal infrastructure performance yielding improved water quality.

**Program Support:**
- Requested enhancement of $75K to support monitoring requirements for the storm water management program and for technical assistance with development and implementation of maintenance programs, i.e. ditching maintenance.

**Asset Inventory & Condition Data Management:**

- Enhancement request of $45K to develop inventory and infrastructure condition assessment databases and acquire technology to support program management.
On a Motion the presentation, respecting the Storm Water Management Program, was received.

(f) Winter Control Program – Stabilization Reserve (PW11014) (Item 8.1)

That Report PW11014, respecting the Winter Control Program – Stabilization Reserve, be lifted from the table and be added as Item 8.1.

On a Motion Item “B”, respecting the Winter Control Program – Stabilization Reserve, was removed from the Public Works Committee’s outstanding business list.

(g) Budget Overview (Item 7.1)

Gerry Davis, General Manager, Public Works provide a PowerPoint presentation and hand out. Highlights included but were not limited to the following:

Public Works Department Overview:

• Capacity building – collaboration and building on demonstrated strengths within the Public Works Department.
• Workforce Management – Productivity Enhancements
• Culture – Let Employees Excel / Succession Planning

Public Works Department – Timelines:

• September 3, 2009 - SMT Review of Public Works Department
• September 14, 2009 – Communication - Public Works Department
• September 14, 2009 - Appointment of three (3) Senior Directors
• September 15, 2009 – Communication – Public Works Department
• Directors with existing portfolios identified.
• New Director positions identified and filled through competition.
• Revised Department structure incorporated with the 2010 Budget Process.

Public Works FTE Adjustments:

• 4 FTEs deleted as part of 2010 Budget process.
• 4 FTEs transferred to the Planning & Economic Development Department – Efficiencies between Departments
• 3 FTEs transferred to the City Manager’s Office:
• Return to Work Program
• Organizational Behaviour Program
• Support Staff
• Base savings of $130,000 transferred to fund program

• 2 FTEs transferred from Distributed Model Complement

On a Motion the staff presentation respecting the Budget Overview was received.

(h) **Staff Direction**

(i) Staff was directed to prepare the appropriate policy for the documentation and retention of claims, with respect to trips and falls related to sidewalk or road damage and report back to the Public Works Committee.

(ii) Staff was directed to review the program enhancement request of $1,200,000, for:

(aa) Sidewalk Maintenance - $600,000;
(bb) Road Patrol (pot holes, cracks) - $100,000; and,
(cc) Bridges, Decks and Roadway Surfaces (pot holes, cracks, etc.)

To determine if the investment could be phased in over several years, and report back to the General Issues Committee budget deliberations.

(i) **ADJOURNMENT (Item 13)**

There being no further business, the Public Works Committee adjourned at 2:40 p.m.

Respectfully submitted,

Councillor R. Powers, Chair
Public Works Committee

Stephanie Paparella
Legislative Assistant
March 7, 2011
APPENDIX A
of Item 3 to Report 11-003
Public Works Committee
RECOMMENDED SAVINGS OPTIONS
Public Works Committee

2011 Tax Supported Operating Budget – Public Works (FCJ
City of Hamilton

Proposed Operating Budget Changes - Year 2011

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Winter Operations - revised budget calculation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Current Service Level

The Winter Control Program budget is based on the application of the approved service level to the City’s existing roadway infrastructure and is adjusted annually based on a five year rolling average of costs. In 2011 the budget would be calculated on the average of the 2005 to 2009 actual expenditures.

Proposed Service Level & Potential Impact

As a budget mitigation measure, a $500,000 adjustment has been made to reflect an expected lower than budgeted actual cost for 2010. As such, the revised budget is based on 2006 to 2009 actuals and 2010 projected actuals. This will result in a budget reduction of approximately $500,000. This reduction will not impact Council approved service levels, however, while the average cost approach helps to smooth budget variations from one year to the next, it does not address years where demands are higher than average resulting in budget pressures. The service delivery is weather dependent and varies from season to season.

Financial Analysis:

<table>
<thead>
<tr>
<th>Description</th>
<th>Operating Budget Impact</th>
<th>Strategic Plan Linkage:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Description</td>
<td>Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements</td>
</tr>
<tr>
<td></td>
<td>Financial Sustainability</td>
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</tr>
<tr>
<td>Employee Expenses</td>
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</tr>
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<td>(500,000)</td>
<td>(500,000)</td>
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<td>(500,000)</td>
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<tr>
<td>Less: Revenues</td>
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<td>- 0%</td>
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<tr>
<td>Net Impact</td>
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<td>(500,000)</td>
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<tr>
<td>FTE</td>
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</table>

Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
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</thead>
<tbody>
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</table>

Winter Operations
APPENDIX B
of Item 3 to Report 11-003
Public Works Committee

COUNCIL REFERRED ITEMS
## Council Referred Items

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Waste collection services for Festivals &amp; Special Events</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Proposed Service Level & Potential Impact

- **Waste Management Services for Festivals and Special Events**
  - Is part of the City's effort to increase waste diversion in the community.
  - The current service includes: recycling collection to approx. 30 events/year, bin garbage collection to 8 events/year, green cart collection to one event/year and is provided on an 'on request basis', at an annual cost of approx. $30,000.

- **Proposed Service Level**
  - Includes full waste management services including collection of green carts, recyclables, and garbage from eligible festivals and special events that meet the criteria for provision of waste management services funded by the City.
  - The program change will see the City control the garbage stream, including recycling and organics.

- **Impact**
  - Without control of garbage collection and disposal, it can be expected that event organizers would simply not participate in the diversion programs and place all waste into the garbage stream.
  - The additional $40,000 expenditure is the preferred approach in moving forward in order to provide a consistent service level.
  - The request for the enhancement was included in Report PW08057a.

## Financial Analysis:

### Operating Budget Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Annualized Amount</th>
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<tbody>
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<tr>
<td>Net Impact</td>
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</table>

### Strategic Plan Linkage:

- **6.1: Environmental Stewardship**
  - Increase waste diversion to 65%, by 2011

### Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
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</table>
## Council Referred Items

### Impact - Moderate

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</thead>
<tbody>
<tr>
<td>Service</td>
<td>Diversion Options - Street Sweeping Recycling</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Current Service Level

Street Sweepings are currently collected from roads and then transported to be landfilled at the City's Glanbrook Landfill site.

### Proposed Service Level & Potential Impact

In follow up to direction received from Report PW07151c, this request provides funding to effect the removal of approximately 10,000 tonnes per year of street sweepings from landfill resulting in approximately 4% diversion

Through a competitive tender C11-97-10, bids have been received for material recycling and constructive reuse applications. The service contract provides for the pick up of street sweeping materials at various City of Hamilton yard locations and its transport to a reclamation facility for processing and subsequent reuse. The net Divisional cost for this service is $320,000 as outlined in Report PW07151d.

### Financial Analysis:

#### Operating Budget Impact

<table>
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<th>Annualized Amount</th>
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#### Strategic Plan Linkage:

6.1: Environmental Stewardship

Increase waste diversion to 65%, by 2011

#### Capital Budget Impact

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<th>Year 2011</th>
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<tbody>
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OWM-St Sweepings
### Council Referred Items

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<th>Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Diversion Options - Drywall Recycling</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Service Level</td>
<td>Currently drywall (gypsum board) received at the City's Community Recycling Centres and Transfer Stations is landfilled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Service Level &amp; Potential Impact</td>
<td>As recommended in Report PW07151c, costs to recycle drywall were confirmed. Collecting and recycling drywall received at the Community Recycling Centres (CRCs) has the potential to divert ~3,500 tonnes from landfill each year. As outlined in report PW07151d the proposed program could be provided through the existing Transfer Station service provider at the Kenora Community Recycling Centre. Drywall could be collected for recycling using a dedicated bunker and then sent to a processing recycler to be converted into new drywall with 15% recycled content. The program can not be provided at the Dundas and Mountain CRCs due to space limitations. The operating costs include transportation and processing fees for the collected materials. Program not considered to be cost effective, so not recommended at this time.</td>
<td></td>
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</table>

### Financial Analysis:

<table>
<thead>
<tr>
<th>Description</th>
<th>Annualized Amount</th>
<th>Pro Rata for 2011 @ 100%</th>
<th>Strategic Plan Linkage:</th>
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<tbody>
<tr>
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<tr>
<td>Other Expenses</td>
<td>297,000</td>
<td>297,000</td>
<td></td>
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<tr>
<td>Total Gross Expenditure</td>
<td>297,000</td>
<td>297,000</td>
<td>Increase waste diversion to 65%, by 2011</td>
</tr>
<tr>
<td>Less: Revenues</td>
<td>-</td>
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<td></td>
</tr>
<tr>
<td>- 0%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Net Impact</td>
<td>297,000</td>
<td>297,000</td>
<td></td>
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<tr>
<td>FTE</td>
<td>-</td>
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### Capital Budget Impact

<table>
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<tr>
<td>12,000</td>
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OWM-Drywall

36 of 44
### Council Referred Items

<table>
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<tr>
<th>Department</th>
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<th>Division</th>
<th>Impact - Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Street Tree Trimming Program</td>
<td>Operations and Waste Management</td>
<td></td>
</tr>
</tbody>
</table>

#### Current Service Level

Currently at a 12 year street tree trimming cycle, down from 19 years in 2006. Annual enhancements to operating budget proposed over a 10 year implementation span per Public Works Report PW05015a&b to get the City of Hamilton to a 5 year street tree trimming cycle.

#### Proposed Service Level & Potential Impact

To achieve the originally approved 10 year implementation schedule, the Street Tree Trimming Program should be entering Phase 6, which would require an enhancement of $786,000 and 9 FTEs. Due to Council requested deferrals, program implementation is 2 years behind. Phase 3 of the 10 Phases was approved in two separate years, the In house portion in 2008 and the contracted portion in 2009. For the 2010 budget, Phase 4 was recommended for approval and the contracted portion was approved, deferring the in house component of the program to mitigate budget increases.

### Financial Analysis:

#### Operating Budget Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Annualized Amount</th>
<th>Pro Rata for 2011 @ 100%</th>
<th>Strategic Plan Linkage:</th>
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<tbody>
<tr>
<td>Employee Expenses</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>786,000</td>
<td>786,000</td>
<td>6.5: Environmental Stewardship Maintain or increase the cumulative amount of tree cover in the City with the objective of moving towards the Environment Canada guideline of 30%</td>
</tr>
<tr>
<td>Total Gross Expenditure</td>
<td>786,000</td>
<td>786,000</td>
<td></td>
</tr>
<tr>
<td>Less: Revenues</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- 0%</td>
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<td>-</td>
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<tr>
<td>Net Impact</td>
<td>786,000</td>
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#### Capital Budget Impact

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<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
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FTE

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<th>9.00</th>
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STTP
## Council Referred Items

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<th>Transit</th>
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</thead>
<tbody>
<tr>
<td><strong>Service</strong></td>
<td>2011 HSR Service Level Enhancement</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Service Level</strong></td>
<td>HSR provides transit service to all communities within the City of Hamilton with the exclusion of Bunbrook</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Service Level &amp; Potential Impact</strong></td>
<td>The enhancement is to add service to the existing HSR routes as per Council report # PW 10101. The proposed $3 million short-term HSR improvement strategy will make a measurable and valuable contribution towards addressing a growing community concern that Transit service level growth is not keeping pace with community expectations. The key Operational Review study findings contained within the predecessor report PW10077 conclude that &quot;fundamental changes will be required if transit is to succeed in a world of increasing social, economic, environmental, technological and policy change citing the need for a significant shift in policy, from cost driven to a market-driven policy with less emphasis on cost recovery.&quot;</td>
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## Financial Analysis:

### Operating Budget Impact

<table>
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<th>Description</th>
<th>Annualized Amount</th>
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<tr>
<td>Other Expenses</td>
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<tr>
<td><strong>Total Gross Expenditure</strong></td>
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<td>Less: Revenues</td>
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<td>(2,670,000)</td>
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<tr>
<td><strong>Net Impact</strong></td>
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<tr>
<td><strong>FTE</strong></td>
<td>29.00</td>
<td>29.00</td>
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</tbody>
</table>

### Strategic Plan Linkage:

- **7.4: Healthy Community**
  - Increase alternative transportation usage in areas such as transit, ridership, walking and cycling

### Capital Budget Impact

<table>
<thead>
<tr>
<th></th>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
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<tbody>
<tr>
<td><strong>HSR Service Level</strong></td>
<td>2,000,000</td>
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## Council Referred Items

<table>
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<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>To provide legislated, growth in corporate mandated and transit due diligence training requirements as per PW10101</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Service Level</td>
<td>Current Transit (HSR) training initiatives include New Operator training, Maintenance Employee training, airbrake refreshers, licence renewals, Return to Work safety assessments, Operator Ride Checks, Presto training, Smart Driver training, Defensive Driving, etc, while ensuring compliance of our Recognized Authority Status for the MTO Driver Certification Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Service Level &amp; Potential Impact</td>
<td>The enhancement is to add legislated, corporate mandate, transit specific and additional new operator training including AODA training requirements (Customer Service Standards, Information and Communication Standards, Transportation Standards), Transit Ambassador training, MTO (CVSA) Pre-trip inspection refreshers, Emergency Evacuation Training, and Performance Appraisals</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Financial Analysis:

<table>
<thead>
<tr>
<th>Description</th>
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<td>(330,000)</td>
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### Capital Budget Impact

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</table>

| HSR Service Level | 39 of 44 |
APPENDIX C
of Item 3 to Report 11-003
Public Works Committee
REQUESTED PROGRAM ENHANCEMENTS
### Program Enhancements

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Road &amp; Sidewalk Safety Maintenance - Roads Maintenance Activities (Various)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Service Level</td>
<td>The roads maintenance program includes a wide range of activities that address safety requirements such as winter control, debris removal and sidewalk inspections. The requirements are set out in the Provincially Legislated Minimum Maintenance Standards (MMS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed Service Level &amp; Potential Impact</td>
<td>The Minimum Maintenance Standards were revised in 2010 and additional activities are required to increase safety and minimize risks in the areas of sidewalk maintenance, road patrol, bridges, decks and roadway surfaces. The resulting increase in repairs and maintenance in the identified activity areas will also increase the City’s ability to manage risk and defend against claims. Further detail pertaining to this proposed program enhancement is provided in Report PW11016.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Proposed Budget Allocation:**
- $600,000 - Sidewalk Maintenance
- $100,000 - Road Patrol (pot holes, cracks)
- $500,000 - Bridges, Decks & Roadway Surfaces (pot holes, cracks, etc.)

### Financial Analysis:

<table>
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<th>Operating Budget Impact</th>
<th>Strategic Plan Linkage:</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Other Expenses</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Total Gross Expenditure</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Less: Revenues</td>
<td>-</td>
</tr>
<tr>
<td>- 0%</td>
<td>-</td>
</tr>
<tr>
<td>Net Impact</td>
<td>1,200,000</td>
</tr>
</tbody>
</table>

**Strategic Plan Linkage:**
2.1: Financial Sustainability
- Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements

### Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Road & Sidewalk Safety Mte
## Program Enhancements

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service</strong></td>
<td>Downtown Cleanliness Program - enhance sidewalk power-washing</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Service Level</strong></td>
<td>The Waste Collections Section within the Operations Group is responsible for the Downtown Cleanliness Program. This program includes sidewalk power-washing along major streets in the Downtown Core. Prior to 2010, the service was provided once per year under contract. In 2010, as a result of the reorganization in the Public Works Dept, a new focus on service delivery in the downtown core was initiated which included this service being brought in-house in order to provide an increased level of service at lower cost through enhanced equipment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Service Level &amp; Potential Impact</strong></td>
<td>The enhancement is to designate two FTEs to provide the downtown sidewalk power-washing service. The funding for the FTEs is provided from the original power-washing contract. Council received information on this service as part of Information Update-Downtown Cleanliness Initiative OWM10-013. Approval of this proposed change will ensure continuance of the increased frequency from the former once per year contracted arrangement to the minimum twice per year service as well as increased responsiveness of service delivery to address additional improvement opportunities in the program. These designated FTEs can be redeployed elsewhere when weather conditions restrict sidewalk powerwashing operations (i.e., icing conditions, major snowfall, etc.).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Financial Analysis:

#### Operating Budget Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Annualized Amount</th>
<th>Pro Rata for 2011 @ 100%</th>
<th>2.1: Financial Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Total Gross Expenditure</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: Revenues</td>
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</tr>
<tr>
<td>- 0%</td>
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<td>-</td>
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</tr>
<tr>
<td>Net Impact</td>
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<tr>
<td>FTE</td>
<td>2.00</td>
<td>2.00</td>
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</table>

#### Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
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<tbody>
<tr>
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</table>

**Downtown Powerwashing**
### Program Enhancements

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service</strong></td>
<td>Composting Facility and Leaf &amp; Yard Program Optimization</td>
<td></td>
</tr>
<tr>
<td><strong>Current Service Level</strong></td>
<td>Residential curbside collection allows two (2) LYW containers weekly in the green cart program. Separate seasonal collection of LYW is provided bi-weekly. Grass is acceptable in the LYW and Green Cart programs. Material collected in the Green Cart program is processed at the CCF. Material collected in the LYW is processed at the windrow composting facility at the Glanbrook Landfill.</td>
<td></td>
</tr>
<tr>
<td><strong>Proposed Service Level &amp; Potential Impact</strong></td>
<td>Optimize CCF capacity and operations by removing grass as an acceptable item in curbside collection programs (LYW and Green Cart), while maintaining collection frequencies to minimize changes required for residents. Grass is sticky and causes collection and processing problems. Redirect a portion of LYW (2 containers) from the Green Cart program through up to 4 additional separate collections of LYW. Grasscycling has nutritional benefits to soil and is easy for residents. Grass can be mulched or composted in a backyard composter. Grass could still be taken to Community Recycling Centres free of charge as LYW. Redirecting some LYW from the CCF reduces processing costs (the cost of processing LYW at the Glanbrook composting site is significantly lower) and improves efficient processing at the CCF. Impacts relate to the removal of 4,400 tonnes of grass from the waste management system and the redirection of 1,800 tonnes of LYW from the CCF to Glanbrook resulting in additional capacity at the CCF that can be used by the City as well as retaining revenues as outlined in Report PW07151d.</td>
<td></td>
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</tbody>
</table>

### Financial Analysis:

#### Operating Budget Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Annualized Amount</th>
<th>Pro Rata for 2011 @ 100%</th>
<th>2.1: Financial Sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Expenses</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(23,000)</td>
<td>(23,000)</td>
<td>Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements</td>
</tr>
<tr>
<td><strong>Total Gross Expenditure</strong></td>
<td><strong>(23,000)</strong></td>
<td><strong>(23,000)</strong></td>
<td></td>
</tr>
<tr>
<td>Less: Revenues</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>- 0%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Net Impact</strong></td>
<td><strong>(23,000)</strong></td>
<td><strong>(23,000)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>-</td>
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#### Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
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<tbody>
<tr>
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</tbody>
</table>

Green Cart chgs
### Program Enhancements

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Operations and Waste Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm Water Facility Maintenance Program - includes inspection, assessment, cleaning, repair and rehabilitation of municipally owned culverts, outfalls, structures, catch basins, drainage channels, creeks, stormceptors and storm pond facilities.</td>
<td></td>
<td></td>
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<tr>
<td>Current Service Level</td>
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</tr>
<tr>
<td>Current program resources do not support a comprehensive and proactive approach to storm water facility maintenance program management, which increases risk related to infrastructure failure or substandard operation of drainage infrastructure or systems.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Proposed Service Level &amp; Potential Impact</td>
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<td></td>
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</tr>
<tr>
<td>Consistent with the State of the Infrastructure Report recommendations, the request supports a comprehensive and proactive approach to storm water management systems maintenance that will ensure optimal system performance, minimize risk due to infrastructure failures or substandard performance, ensure regulatory compliance, support corporate strategic objectives as well as assist water/wastewater programs relative to stormwater control and water quality. The enhancement proposes annual cleaning of 33,500 catch basins (versus current 7 year) cycle, the development and implementation of programs to include regularly scheduled inspections, condition monitoring and required life cycle maintenance of 145 stormwater management ponds, creeks, drainage channels, culverts, outfalls, stormceptors and related structures to maintain design function, compliance with the C of A, and optimize operating conditions. The enhancement will also include the development and implementation of a comprehensive annual roadside ditching maintenance program and the ability to aid in the correction of historical localized drainage deficiencies.</td>
<td></td>
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</table>

### Financial Analysis:

<table>
<thead>
<tr>
<th>Operating Budget Impact</th>
<th>Strategic Plan Linkage:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Pro Rata for 2011 @ 100%</td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>-</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Total Gross Expenditure</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Less: Revenues</td>
<td>-</td>
</tr>
<tr>
<td>- 0%</td>
<td>-</td>
</tr>
<tr>
<td>Net Impact</td>
<td>2,000,000</td>
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### Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
<th>Years 2012 &amp; Beyond</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>FTE</td>
<td>TBD</td>
<td>TBD</td>
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## Program Enhancements

<table>
<thead>
<tr>
<th>Department</th>
<th>Public Works Tax</th>
<th>Division</th>
<th>Environment and Sustainable Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service</td>
<td>Public Works Tax</td>
<td>Division</td>
<td>Environment and Sustainable Infrastructure</td>
</tr>
<tr>
<td>Corridor Control Management (Right Of Way Project Management)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Service Level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permits issued by 3 different sections of the Public Works Department. Coordination of activities and service to customers has been difficult. Comprehensive review of proposed works in the Right of Way are becoming very complex due to congestion of space, demands for additional services, and turnaround time required by utility planners.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Proposed Service Level &amp; Potential Impact</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase complement by 1 FTE to lead the initiative and the staff team which will be fully covered by permit fees. Transfer the responsibility for the issuance of all Right of Way permits to Corridor Control Management Section under Surveys &amp; Technical Services to maximize the use of automation in that area. Staff will deliver road restoration program, research and analysis of submissions, and the subsequent issuance of approvals from one location to improve service for applicants. Improved customer service through a single point of contact for applicants of permits. Improved communication with applicants regarding responsibilities for worksites resulting in safer work environments on City Rights of Way. Improved record keeping through the use of existing technology that will facilitate faster and more efficient service to permit applicants.</td>
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</tbody>
</table>

## Financial Analysis:

### Operating Budget Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Annualized Amount</th>
<th>Pro Rata for 2011 @ 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Expenses</td>
<td>107,000</td>
<td>107,000</td>
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<tr>
<td>Other Expenses</td>
<td>3,000</td>
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<tr>
<td>Total Gross Expenditure</td>
<td>110,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Less: Revenues</td>
<td>(110,000)</td>
<td>(110,000)</td>
</tr>
<tr>
<td>- 0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Impact</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FTE</td>
<td>1.00</td>
<td>1.00</td>
</tr>
</tbody>
</table>

### Strategic Plan Linkage:

2.1: Financial Sustainability

Tax increase/hold at or below rate of inflation, net of downloading, program changes and service level enhancements.

### Capital Budget Impact

<table>
<thead>
<tr>
<th>Year 2011</th>
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<th>Total</th>
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</thead>
<tbody>
<tr>
<td>-</td>
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</tbody>
</table>

Form 1

Update Ver 1.00
TO: Chair and Members
Public Works Committee

WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: February 16, 2011

SUBJECT/REPORT NO:
Winter Control Program - Stabilization Reserve (PW11014) - (City Wide)

SUBMITTED BY:
Gerry Davis, CMA
General Manager
Public Works Department

PREPARED BY:
Bryan Shynal, BSc., BLA
(905) 546-2424, extension 4622

SIGNATURE:

RECOMMENDATION

(a) That a target balance for the Winter Control Reserve (112205) be established as 25% of the five (5) year average actual expenditures for Winter Control;

(b) That the transfer of the Winter Control operating expenditure surplus to the Winter Control Reserve (112205) be subject to the overall Tax Supported operations reporting a year-end positive variance and subject to recommendation (a) (target 25% of 5 year average);

(c) That the transfer of the Winter Control operating expenditure surplus to the Winter Control Reserve (112205) be approved by Council through the Year-End Tax Operating Budget Variance Report and through the Disposition of the Year-end Surplus/Deficit Report, and be subject to final financial audit;

(d) That the Winter Control Reserve Policy be incorporated into the Corporate Reserve Policies

EXECUTIVE SUMMARY

The current Winter Control Program (WCP) service levels were approved by Council on July 10, 2001 (Report TOE01113) and are in part based on the Minimum Maintenance Standards (MMS) as set out under the Ontario Municipal Act (Revised 2010). The WCP budget is based on the application of the approved service level to the City’s existing roadway infrastructure and is adjusted annually based on a five year rolling average of
costs. This approach is used as costs for winter control are weather dependant and vary from season to season.

While the average cost approach helps to smooth budget variations from one year to the next, it does not address years where demands are higher than average resulting in budget pressures. As a result a WCP reserve has been established to provide a source of funding to assist in managing negative budget variances resulting from above average program demands of the winter season. The Winter Control Reserve (112205) balance is $2.7 million as of December 31, 2010, and is supported by an annual operating budget contribution of $302,180, investment income and occasional budget surpluses as deemed appropriate. The annual contribution is insufficient to build the reserve to a sustainable level, which is estimated to be 25% of the annual budget.

There currently is no approved Council policy that sets out how sustainability would be achieved resulting in ongoing budget surpluses and variances for the WCP as illustrated in Table 1, ranging from a positive variance of $4.6 million in 2006 to a negative variance of $8.2 million in 2008.

Staff are recommending that a reserve policy be established where by positive year end variances are used to contribute to the WCP Reserve and negative Program variances funded from the Reserve, to a maximum reserve balance of 25% of the average budget (five year rolling average). The 2010 winter season was a light one, resulting in an expected positive variance for the WCP Budget. This represents an opportunity to implement the policy and fund the reserve.

A deviation from the five year average budget methodology has been incorporated into the 2011 budget submission to reduce the average costs by $500,000 to take into account the lower 2010 projected actual costs. The budget is based on a one year delay of the five year average, i.e. 2005-2009 for the 2011 budget, so that actual costs can be used.

Alternatives for Consideration - See Page 4

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: Establishment of a policy for the Winter Control Reserve fund balance at 25% of the five (5) year average of annual actual expenditures for Winter Control will help to reduce budget risks and impacts due to severe winters.

Based on the recommended policy, the target WCP Reserve balance is $6.16 million based 2005-2009 actual costs of $24.62 million. The current balance (as of December 31, 2010) of the Winter Control Program Reserve (112205) is $2.7 million.

Variances and contributions to the reserve would be reported as part of the Corporate budget exception process.

Staffing: N/A

Legal: N/A
HISTORICAL BACKGROUND

The current Winter Control Program (WCP) service levels were approved by Council on July 10, 2001 (Report TOE01113) and are in part based on the Minimum Maintenance Standards (MMS) as set out under the Ontario Municipal Act (Revised 2010). The WCP budget is based on the application of the approved service level to the City’s existing roadway infrastructure and it is comprised of fixed and variable cost components. The variable components (e.g., materials, overtime, contracted equipment activation, etc.) are subject to variations in program demands from winter season to season; as such, annual budget estimates are developed using a five-year rolling average of actual costs. Historic fluctuations in winter season demands result in significant budget variances that create pressures in the budget process.

POLICY IMPLICATIONS

The report recommendations align with the Public Works Innovate Now Business Plan by Sound Financial Management wherein “work is undertaken at approved service levels with budgets that match.”

RELEVANT CONSULTATION

Staff in Finance & Corporate Services have been involved in the development of this report.

ANALYSIS / RATIONALE FOR RECOMMENDATION

A summary of WCP costs is provided in Table 1, which outlines the variances in actual costs compared to budget.

Table 1. Winter Control Program Operating Budget History

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget (without reserve contributions)</th>
<th>Actuals (without reserve contributions)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$16,962,500</td>
<td>$23,831,709</td>
<td>-$6,869,209</td>
</tr>
<tr>
<td>2005</td>
<td>$17,764,290</td>
<td>$25,474,707</td>
<td>-$7,710,417</td>
</tr>
<tr>
<td>2006</td>
<td>$20,183,250</td>
<td>$15,560,770</td>
<td>$4,622,480</td>
</tr>
<tr>
<td>2007</td>
<td>$20,415,090</td>
<td>$27,311,897</td>
<td>-$6,896,807</td>
</tr>
<tr>
<td>2008</td>
<td>$24,416,832</td>
<td>$32,599,816</td>
<td>-$8,182,984</td>
</tr>
<tr>
<td>2009</td>
<td>$24,596,077</td>
<td>$22,172,386</td>
<td>$2,423,691</td>
</tr>
<tr>
<td>2010</td>
<td>$23,795,705</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>2011</td>
<td>$23,966,038</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

It is worth noting that negative program variances are not only driven by severe winter seasons, but also through any circumstances wherein large scale snow removal activation (extensive labour and equipment operation) is required, either by the timing of...
storm sequences or the magnitude of individual storm events, which could occur even within the context of what would be considered to be a "normal winter season." Establishing and maintaining a sustainable WCP Stabilization Reserve balance would ensure resource availability for the achievement of program objectives considering the proven variable nature of the weather and its demand for program response.

Staff recommends a WCP Stabilization Reserve sustainability balance of 25% of the five (5) year average actual annual expenditures. This balance would have the capacity to buffer negative budget variances within the term of the 5 year rolling average and minimize impacts on the operating budget. The target recommendation is intended to increase the funding sustainability of the program and minimize reliance on contributions from other sources (e.g. Departmental or Corporate surpluses). The target does not guarantee sustainability but does minimize risks to annual budget process.

The recommended Reserve target could be achieved over time through the assignment of available operating budget surpluses from the WCP and other areas as available. Approval of the report recommendations would result in the transfer of any year end WCP operating budget surplus to the Winter Control Reserve. For example, a positive year end variance is expected for 2010 and presents an opportunity to make a contribution to the Winter Control Reserve as a step towards sustainability.

There is the potential to reduce the Winter Control Budget over time with the establishment of the reserve as budgeting stabilizes and as the sustainability target is achieved. For example, the annual reserve contribution of $302,180 per year could be reduced or eliminated. Variances have also been affected by the increase in activity as a result of the addition of the Red Hill Valley Parkway in 2008 and adjustments made to the requested budget as part of the annual budget process due to fiscal pressures. Staff are also reviewing options to increase the efficiency of current operations to reduce costs. Service level changes can also be considered.

ALTERNATIVES FOR CONSIDERATION

The alternative would be to continue with the current approach or set a lower percentage for the reserve balance. The current approach continues to create the potential for budget variances on an annual basis. A lower percentage would still be a benefit to the WCP, but would not be at a sustainable level.

CORPORATE STRATEGIC PLAN

Focus Areas 1 Skilled, Innovative and Respectful Organization, 2 Financial Sustainability, 3 Intergovernmental Relationships, 4 Growing Our Economy, 5 Social Development, 6 Environmental Stewardship, 7 Healthy Community

Skilled, Innovative & Respectful Organization

- A culture of excellence - implementing a best practice for winter control program financing

Vision To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
Council and SMT are recognized for their leadership and integrity - through the establishment of the WCP Reserve funding policy

Financial Sustainability

- Financially Sustainable City by 2020 - better control of the annual budget process and management of fluctuations in winter control costs due to seasonal demands.
- Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Healthy Community

- Plan and manage the built environment

APPENDICES / SCHEDULES

None