



County of Essex
Administrative Report
Office of the County Engineer

To: Warden Tom Bain and Members of County Council
From: Tom Bateman, P.Eng.
County Engineer
Date: February 5, 2014
Subject: Proposed 2014 Transportation Services Budget
Report #: 2014-R002-ENG-0205-TRB

Purpose

The purpose of this report is to provide to County Council information and recommendations pertaining to the proposed 2014 Transportation Services Budget.

Background

The focus of the 2014 Budget is to maintain the current level of service provided, preserve and improve the condition of the highway infrastructure and provide opportunities to improve the network's capacity.

The development of the budget recognizes and attempts to address the following critical issues:

- Ability to keep up with day-to-day maintenance needs at appropriate service levels
- Ability to maintain funding for and manage the Construction Program
- Ability to fund and manage future planned Capacity Improvements

Projected net 2013 results of Operations indicate an unfavourable variance of \$359,280. Favourable tendering, asphalt price index adjustments that were lower than anticipated and minor scope adjustments resulted in favourable variances in the Construction Program. This favourable variance was offset by higher than anticipated expenditures in road maintenance programs resulting from extended summer operations, ditching, shouldering, mowing and significant winter control operations.

Discussion

An increase in the level of County responsibility is proposed for the 2014 Transportation Services Department's program. Efforts to expand the County's roadway infrastructure are the most significant portion of this budget, as well as the continued trend for increased service demands of the maintenance program and the negotiated increases to wages, contractual increases to benefits and inflationary increases to materials.

The County Road network has been increasing in terms of total lane kilometres as a result of roadway expansion projects. In 2004, the network had an inventory of 1,472.18 km and has since increased by 31.07 lane km to a total of 1,503.25. This increase in the amount of pavement that must be maintained has had a significant impact on maintenance operations in particular the level of annual expenditures for Winter Control. As the network length continues to grow the demands for maintenance will increase.

The proposed increase from the 2013 budget level is \$2,236,540, which represents an increase of 9.0% year over year. The significant factors affecting this increase are:

- 1.5% Levy increase for Capacity Project funding (\$1,124,600)
- Incremental increase to annual Rehabilitation Program (\$450,000)
- Increases in insurance costs (\$103,240)
- Incremental increase to CWATS funding (\$100,000)
- Increase to supplement reduction Federal Gas Tax (\$109,000)
- Increase in Winter Control Program level of expenditure (\$150,000)

- Increases in County Maintenance activities to address maintenance deficiencies (\$250,000). Focus on providing appropriate level of funding to support municipal drain assessments.

The balance of the year over year variance is related to negotiated salary adjustments and inflationary pressures on operational costs, and program adjustments.

The 2014 proposed budget includes an overall Construction Program expenditure level of approximately \$25,018,790 and a Maintenance Program established at \$8,052,530. These represent aggressive programs that will challenge the Department in their delivery while maintaining an appropriate focus on day-to-day operations.

Recommendation

It is recommended that the proposed 2014 Budget for the Transportation Services Department be submitted for County Council's consideration.

Respectfully Submitted

Concurred With,

Tom Bateman

Brian Gregg

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County Engineer

Brian Gregg
Chief Administrative Officer

Appendix No.	Title of Appendix
Appendix A	Transportation Services -2014 Budget

TRANSPORTATION SERVICES

Description

The Roads/Engineering Department of the County of Essex, through programs and policies approved by County Council, provides for all maintenance and construction on the roads, bridges and related infrastructure that constitute the County Road System. The County Road System is comprised of 730 centreline kilometres of various classes of highway from high volume urban arterials to rural highways. In addition to the roadways, the County has responsibility for 87 bridge structures, 47 Traffic control systems and 114 large drainage culverts.

The County Road network has been increasing in terms of total lane kilometres as a result of roadway expansion projects. In 2004, the network had an inventory of 1,472 lane km and has increased by 31 lane km to a total of 1,503. This increase in the amount of pavement that must be maintained has had a significant impact on maintenance operations, particularly the level of annual expenditures for Winter Control. As the network length continues to grow, the demands for maintenance will increase.

Engineering and Administration is provided from the Essex County Civic Centre. Maintenance services are delivered from 4 active locations and 2 storage facilities.

Critical Issues:

- Ability to keep up with day to day maintenance demands at appropriate service levels
- Ability to maintain funding for and manage the Rehabilitation Program
- Ability to fund and manage future planned Capacity Improvements

Prior Year Performance

Projected net 2013 results of operations indicate an unfavourable variance of \$359,280. Favourable tendering, asphalt price index adjustments that were lower than anticipated and minor scope adjustments resulted in favourable variances in the Construction Program. This favourable variance was offset by higher than anticipated expenditures in road maintenance programs resulting from extended summer operations, ditching, shouldering and mowing operations and significant Winter Control Operations.

Proposed Budget – Current Year

An increase in the level of County responsibility is proposed for the 2014 Transportation Services Department's program. Efforts to expand the County's roadway infrastructure are the most significant portion of this budget, as well as the continued trend for increased service demands of the maintenance program. Negotiated increases to wages, mandatory increases to benefits and inflationary increases to materials have also been included as appropriate.

The proposed increase from the 2013 budget level is \$2,236,590, which represents an increase of 9.0% year over year. The significant factors affecting this increase are:

- 1.5% Levy increase for Capacity Project funding (\$1,124,600)
- Incremental increase to annual Rehabilitation Program (\$450,000)
- Incremental increase to CWATS funding (\$100,000)

TRANSPORTATION SERVICES

Proposed Budget – Current Year (cont'd)

- Increases in insurance premiums and deductibles (\$103,240)
- Increase to supplement reduction in Federal Gas Tax (\$109,000)
- Increase to the Winter Control Program level of expenditure (\$150,000)
- Increases in County Maintenance activities to address maintenance deficiencies – focused on Municipal Drain maintenance (\$250,000)

The balance of the year over year variance is related to negotiated and anticipated salary adjustments, mandatory increases in pension and benefit premiums and inflationary pressures on operational costs, and program adjustments.

A Construction Program with an expenditure level of \$25,018,790 and a Maintenance Program of \$8,052,530 is proposed for 2014.

The 2014 Rehabilitation Program totals \$8,017,400, in part through the use of \$2,058,400 in Federal Gas Tax Program Funding and a \$450,000 incremental increase required to advance the program towards its target funding level. The recently completed Asset Management Plan approved by County Council in 2013 identified a required annual expenditure level of \$11,200,000, at the current funding level this results in an annual rehabilitation funding gap in excess of \$3,000,000 per year. The 2014 Federal Gas Tax allocation has been reduced by \$109,000, however the base expenditure level has been maintained. The Rehabilitation program represents an aggressive undertaking of some 28 projects. In addition to the rehabilitation projects, the 2014 budget includes groupings of projects related to capacity improvements, active transportation, drainage projects as well as a series of Engineering projects. The capacity/drainage works have a total value of \$13,489,960, including expansion of CR 22, finalization of the CR 11 expansion project, work on County Connecting Links on CR 6, CR 19, CR 20, CR 23, CR 22 / CR 27 and several large drainage projects.

The Engineering assignments have a value of \$1,389,580, which includes detailed design on CR 22 at County Road 2, Environmental Assessment work on CR 19, CR 42, allowance for land acquisition, and continuation of work on the Roads Funding Study. Work plans also include updating of Traffic Count data across the network and a project to produce new Rainfall Intensity Curves for use in detailed design of infrastructure recognizing the impacts of climate change.

Preliminary estimates suggest that the County portion of the \$59 million CWATS initiative amounts to over \$30 million. Included within the 2014 estimates is an allocation of \$1,300,000, which has been increased by \$100,000 over the prior year to continue planned funding of this program over an estimated 20 year period. In addition to the projects reviewed by the CWATS Steering Committee for 2014 and to take advantage of economies of scale, paved shoulders on rehabilitation projects for County Roads 2, 13 and 34 will be completed as part of the 2014 Rehabilitation Program, with a total funding estimate of \$550,000, offset, in part, by \$300,000 from the Corporation's CWATS Reserve.

As noted, the proposed 2014 Budget includes several initiatives related to intersection and roadway improvements. These include continuation of the Rural Intersection Illumination program, Traffic Signal upgrades with uninterrupted power supply and improvements at the CR46/CR23 intersection. The proposed budget also provides funding for several projects on County Connecting Links to be undertaken in cooperation with the local municipalities (CR 20, CR 6, CR 19, CR 23, CR 22 / CR 27).

Included in the 2014 Budget are projects related to the improvements to CR 22 and several large Municipal Drain projects. Phase 5 of the CR 22 Safety and Capacity Improvement Program provides

TRANSPORTATION SERVICES

Proposed Budget – Current Year (cont'd)

funding of \$9,000,000 to complete work at the Puce River and commence the first phase of construction for the intersection reconstruction and widening at CR22/CR2.

Funds are provided for the detailed design for capacity and safety improvements for the CR 22 / CR 19 corridor in the amount of \$485,000. Included within the Maintenance Operations budget are funds to support the various Municipal Drain assessments levied against the County by the Lower Tier Municipalities. These funds are adequate to address the routine/minor drain maintenance requirements but not the larger drain projects. The annual allocation has been increased by \$250,000 to accommodate these anticipated projects. In addition several projects have been established as standalone projects, including CR 19 in Tecumseh at \$312,000 and CR 8 in Amherstburg at \$81,000, CR 37 in Lakeshore at \$101,340 and CR 31 in Lakeshore at \$384,000.

Current Initiatives:

- Annual Construction/Rehabilitation Program
- Pavement Preservation Program Development
- Roads Funding Mechanism Study
- Bridge and Culvert Condition Survey
- Let's Get Windsor Essex Moving Projects
- Countywide Active Transportation Study Implementation
- Environmental Assessments CR 19, CR 22, CR 42
- Preliminary Design CR 22, CR 19
- Detailed Design CR 22, Bridges, Culverts, CR 46
- Traffic Signals Operations Service Monitoring
- Salt Management Plan Implementation and Monitoring
- Transportation Modeling Update EWRTMP
- Windsor Essex Parkway Municipal Advisory Group Participation
- Essex County Highways (ECH) Policy Manual refinement
- CR 42 Corridor Protection Strategy
- Transportation Impact Study Guidelines
- West End Depot Redevelopment
- Municipal Dataworks Expansion
- BioDiesel Pilot Project
- Fleet/Fuel Management System
- Facility Renewal Program
- Traffic Operations Study, counts, travel time
- Alternative Energy Developments
- SuperPave transition monitoring
- Tilbury North Depot Environmental mitigation Permit Process Review
- Permit Process Update Implementation

TRANSPORTATION SERVICES

Proposed Budget – Current Year (cont'd)

Future Initiatives:

- New EA's in support of future capacity projects
- Corridor Protection Evaluation
- Roadway Weather Information Station Development with MTO
- Salt Vulnerable Areas Analysis and Mitigation Strategy
- Intersection Improvement Program
- Warm Asphalt and rubberized Asphalt trials
- CR 25 Diversion Study

External Initiatives:

In addition to the initiatives noted above that are managed by the County, the Department is heavily involved in numerous projects and undertakings of other agencies including MTO, City of Windsor, Chatham-Kent and the local municipalities.

Expansion Program:

Council has adopted a financial forecasting tool to address the roadway expansionary requirements as identified in the Essex Windsor Regional Transportation Study, updated for inflationary considerations, along with estimates, based on recent reports, for the expansion cost of County Road 17, 19, 22, 42 and 46. The model is premised on a 1.5% Levy increases through 2018 to accommodate the approximate \$400 million of infrastructure. In 2012, the financial model was amended to identify and prioritize expansion requirements exclusive of senior government funding and grade separations. In order to accommodate 100% municipal funding, the schedule has been elongated to manage the financial burden within reasonable limits of the County Levy. As noted, the current plan amounts to approximately \$400 million (excludes grade separations on County Roads 19 & 22) with a time-line extending through 2036. Assuming no change to the current plan of incorporating a 1.5% increase in the annual levy, the annual base funding level will continue to grow from \$10.2 million in 2014 to \$15 million in 2018, providing sufficient financial resources for the management of both the volume of expansion and the timing for financing, without the requirement of debt issuance, and then ultimately position the County to maintain the infrastructure on a go forward basis. Adherence to a structured plan of self funding minimizes costs on the local tax base; affirming the Corporation's pay-as-you-go philosophy of funding infrastructure expansion.

It is important to note that the current analysis assumes: limited receipt of funding from provincial/federal sources (Administration will continue to pressure upper levels of government on the merits of funding expansion projects, County Road 19 & 22 specifically, in light of the anticipated extensive use and degradation associated with the construction of the Rt. Hon. Herb Gray Parkway project); the continued cost share of Federal Gas Tax revenue at 80% local municipal / 20% county, and a modest allowance for inflationary considerations on project cost. If it is Council's desire to narrow the time-frame of expansion, without the receipt of third party funding, the County would need to either substantially increase the annual tax levy allocation to support transportation infrastructure expansion, continue the 1.5% levy allocation beyond 2018 or issue debt; in all cases resulting in a greater tax burden on the residents and businesses of Essex County.

Transportation Services	2013 BUDGET	2013 ACTUAL	2014 BUDGET
	(restated)	(unaudited)	
<u>Construction</u>			
Roads & Bridges	26,140,500	15,110,490	23,826,760
Administration & Overhead	1,161,930	1,155,050	1,192,030
	27,302,430	16,265,540	25,018,790
<u>Maintenance</u>			
Roads & Bridges	5,145,000	5,544,700	5,464,570
Administration & Overhead	2,418,640	2,347,580	2,587,960
	7,563,640	7,892,280	8,052,530
<u>Capital Requirements</u>			
	2,426,580	1,625,070	4,493,180
	37,292,650	25,782,890	37,564,500
<u>Recoveries</u>			
131066301 Ministry of Natural Resources	27,000	30,730	27,000
131033797 Equipment Utilization Recovery	1,264,450	975,120	975,120
131066601 Recoveries, Permit Fees, Signs, Maps, etc.	50,000	93,220	70,000
131036798 Sale of Surplus Equipment	53,000	42,840	54,000
13107-6798-504 Recovery for Signalization of CR 11 & S. Talbot	45,000	45,070	0
13107-6798-505 Trans Canada Trail (Route/Concept Plan)	8,000	8,000	0
13107-6503-506 CR 25 - CPR Pedestrian Crossing at CR 25 (LS)	90,000	113,040	0
13107-6503-507 CR 21 - Via Rail Pedestrian Crossing at CR 21 (LS)	125,000	9,460	115,540
131066404 Federal Gas Tax Program	2,167,400	2,167,400	2,058,400
	3,829,850	3,484,880	3,300,060
Net Operations	33,462,800	22,298,010	34,264,440
<u>Contributions to (from) Reserves</u>			
Contribution from Capital Reserve	(1,553,530)	(60,810)	(3,098,470)
Contribution to (from) Roadway Expansion Reserve	(6,467,260)	2,843,120	(3,371,630)
Contribution to (from) CWATS Reserve	0	537,510	(300,000)
Contribution from Rate Stabilization Reserve	(310,000)	(126,540)	(125,740)
Net Contributions to (from) Reserves	(8,330,790)	3,193,280	(6,895,840)
County Responsibility	25,132,010	25,491,290	27,368,600

TRANSPORTATION SERVICES

County Construction

Description

The County Construction Program, consisting of the Rehabilitation, Capacity Improvement and Engineering programs, provides for major improvements to the roads, bridges, railway crossings and drainage infrastructure that make up the Essex County Highway Network.

The Engineering Division of the Roads Department provides the technical services required for the construction and maintenance of the County Road system, including preparation of plans, tenders and specifications, studies, reports, project surveys, inspection and contract administration. Consultants provide engineering services as required, supplementing in-house staff. Roadside development approvals for subdivisions, severance, access and setback permits, utility and sewer installations involve various staff members.

The increasing number of capacity improvement demands and related projects has subjected the Department to large and very complex engineering programs / projects with multimillion-dollar values. This is challenging the group to maintain appropriate focus on day-to-day operational tasks.

The 2014 Budget, with its increased level of expenditure in the Rehabilitation Program, Engineering Projects and new Capacity Improvement initiatives, is an aggressive undertaking that matches the maximum amount of project management the current staffing levels can provide. The expenditure level of these three programs combined is approximately \$23,826,760.

The Rehabilitation Program, focusing on the rehabilitation projects, is managed within our existing Engineering staff. Progress on these projects will be closely monitored and adjustments to the current staffing may be required to maintain the anticipated schedules.

Staffing Chart

Staffing	2011	2012	2013	2014	2011 Actual (\$000)	2012 Actual (\$000)	2013 Budget (\$000)	2013 Actual (\$000)	2014 Budget (\$000)
Full-time	12	12	12	12	783	827	824	818	849
Part-time	1	1	2	2	10	9	10	17	18
Total	13	13	14	14	793	836	834	835	867

Prior Year Performance

The net 2013 Construction Program (Construction and Administration) is projected to be under budget by \$98,940. Several road rehabilitation projects were under spent as a result of tender pricing, scope revision and asphalt price adjustments. Several bridge projects came in over budget, however, most were significantly under budget. Expenditures were also under budget in preventative maintenance

TRANSPORTATION SERVICES

County Construction

Prior Year Performance (cont'd)

projects. Some initiatives and design projects were also not fully completed in 2013. These projects and initiatives (along with their funding from the Capital Reserve) have been carried forward into 2014 for completion. Co-ordination with the local municipalities and other agencies, weather considerations and approval process delays have necessitated the schedule adjustments.

The Essex Windsor Regional Transportation Study was completed and adopted by County Council in the fall of 2005 and represents an extremely important planning document for the County to utilize in the future. This study identified a series of capacity improvement projects that will be required to maintain an acceptable Level of Service on the County Roads Network in the future. Utilizing the study as a foundation, the County's Capacity Program 2007 – 2020 was developed and is updated annually. This program now identifies the scope, value and timing of the required capacity improvement projects to be considered for undertaking between the current year and 2040.

The early approval of the 2013 Rehabilitation Program provided positive tendering results as well as allowing for completion of work in advance of the onset of poor weather. In addition, it provided an opportunity to organize the work and schedule the contractors more efficiently. This allowed for a more sequential and timely completion of the multi-contract projects. This protocol will be followed again in adopting the 2014 Rehabilitation Program.

The 2013 Rehabilitation Program consisted of 27 projects including 7 bridge projects, 14 road projects, and 6 culvert projects. Utility relocation and archeological site preparation in support of the CR 22 Phase 5 work at the Puce River was undertaken as well as the construction of the new bridge over the Puce River.

The Environmental Assessment and Preliminary Design for CR 19 from VIA Rail to Hwy #3 was completed as a joint management project with MTO funded under the LGWEM Initiative. The approval/clearance of the Environmental Study Report for the project was received in 2009. The project moved into the Preliminary Engineering and Detailed Design Phases which commenced in 2013 with a modified phasing approach to the construction scopes and sequencing. This program is referred to as the County Road 19/22 Advanced Construction Program.

Funds were provided to undertake an Environmental Assessment on CR 42 in 2011. The scope of this project as originally envisioned changed with the development of a partnership with the City of Windsor and the Ministry of Transportation. The work includes a full Environmental Assessment for the CR 42 corridor from Walker Road to CR 25 and Environmental Assessment/Preliminary Design for the extension of Lauzon Parkway from E.C. Row Expressway to Highway 3. A consultant was selected and work commenced in 2011 administered by the MTO. The project will be completed in Winter 2014.

A Roads Funding Mechanism study continued in 2013. The final report with recommendations is expected to be presented in 2014 and Phase Two of the initiative will then commence to establish a detailed plan and implementation strategy.

TRANSPORTATION SERVICES

County Construction

Proposed Budget – Current Year

Proposed for 2014 is a net construction program totalling \$17,456,330, an increase of \$1,547,890 from prior year budget. This increase realizes the continued reduction in dependence on reserves to subsidize reconstruction projects; however some initiatives such as land for Right of Ways and the addition of several capacity improvement initiatives continue to be funded by reserves. Included for 2014 is an incremental increase of \$450,000 to the annual Rehabilitation Program to move towards a targeted annual expenditure level. The Federal Gas Tax program provides a needed increase of \$2,058,400 to the levy-supported rehabilitation program level of \$5,959,000. While the Gas Tax allocation decreased by \$109,000 the base expenditure level of the program has been maintained. **To access the \$2.0 million in Federal Gas Tax Funding the historic rehabilitation program of \$5 million must be maintained.**

The existing inventory of roads, bridges and culverts is aging rapidly and the rate of deterioration is outpacing the rate at which rehabilitation is being undertaken. Some infrastructure rehabilitation is being deferred to a point in time when rehabilitation is no longer an option and more expensive full replacement is required. Current funding levels are considered the very minimum necessary to address the current deficiencies. Additional base funding will be necessary in the future if it is Council's desire to improve the overall condition of the inventory. A rehabilitation program valued at \$8,017,400 is proposed for 2014. This program will be presented in February 2014. Challenges are continuing to be presented related to the purchasing power of the program as the unit rates for rehabilitation work continue to escalate. As a result, the target level of expenditure will require monitoring and an upward adjustment is required in order to keep pace with the cost of rehabilitation and rate of deterioration experienced across the network.

Based on current cost models and the condition rating of the pavements, culverts, and bridges the appropriate level of funding for the annual Rehabilitation Program is targeted at \$11,200,000. In an effort to move towards this target funding level incrementally the 2014 Rehabilitation Program budget was increased by \$450,000. The 2014 Rehabilitation Program totals \$8,017,400, in part through the use of \$2,058,400 in Federal Gas Tax Program Funding and the \$450,000 incremental increase required to advance the program towards its target funding level. The recently approved Asset Management Plan identified a required annual expenditure level of \$11,200,000, at the current funding level this results in an annual rehabilitation funding gap in excess of \$3,000,000. Opportunities to provide additional increases will be explored within future budget development.

Included in the 2014 Budget are several large municipal drain projects in Tecumseh on CR 19 and in Kingsville on CR 34. County Connecting Link projects are proposed on CR 20 in Amherstburg, CR 6 in LaSalle, CR 20 and CR 29 in Kingsville, CR 19 in Tecumseh, CR 23 in Essex and CR22/CR27 in Lakeshore, CR 20 in Leamington. Funding is also provided for capacity improvement projects on CR 22 and CR 19.

County Council adopted the CWATS Master Plan in the fall of 2012 which included a strategic implementation plan. Current estimates suggest that the County portion of the CWAT initiative amounts to over \$30 million. Included within the 2014 Construction projects is \$1,300,000, which includes a \$100,000 increase to the initial annual allocation to continue funding this program over an estimated 20 year period. This funding level will be reviewed for future budgets upon the development and approval of a detailed implementation plan.

TRANSPORTATION SERVICES

County Construction

Proposed Budget – Current Year (cont'd)

In 2007, County Council approved a program for Rural Intersection Illumination that will provide a minimum of two intersection illumination projects per municipality per year. The locations are based on priorities established with the local municipalities. Funding for the program in the amount of \$27,000 is provided in the 2014 Budget.

The 2014 Budget continues to provide funding for an initiative to provide an Uninterrupted Power Supply (UPS) for the traffic signal system at high volume intersections. The UPS will allow for continuous operation of the traffic signals in the event of power failures. This will improve the operational safety of the intersection, eliminate the need for police presence and reduce the costs related to service calls. It is proposed to continue this program in 2014 and provide four installations estimated at \$27,000 in total. The locations will be finalized following field review of the existing hardware and software.

Included in the 2014 Budget is a project to complete the construction at CR 22 and the Puce River and to commence construction at the intersection of CR22/CR2. The improvements to CR 22 from Lakeshore Boulevard to Patillo Road were broken into five phases and the last of the five construction projects was undertaken in 2011. The project at the Puce River will be delivered in two Phases of construction with an estimated value of \$17,000,000. Phase 5a will be undertaken in 2013/2014 to expand the bridge structure and adjacent intersections estimated at \$11,000,000. Phase 5b will follow in 2014/2015 to complete the works to the east of the river joining up with the previously completed four lane expansion with an estimated value of \$6,000,000.

The Essex-Windsor Regional Transportation Study was completed in the fall of 2005 and has identified several large and complex capacity related projects. Further refinements were made under the County's Capital Capacity Program 2009 – 2040. Environmental assessments will be commenced or continued for several corridors / intersections that are experiencing poor levels of service due to high traffic volumes and inadequate capacity. Work will continue in 2014 on Environmental Assessments and Engineering Assignments on CR 42, CR 22 and CR 19 that commenced previously.

Additional Environmental Assessment work and pre engineering will be undertaken in 2014 on these and other corridors.

Included in the 2014 Budget is a project to support the CR19/CR22 Advanced Construction Program which proposes to commence the detailed design for strategic improvements to the corridors targeted at improving existing traffic conditions in the corridors. The funding proposed for 2014 in the amount of \$485,000 will allow the detailed design to be completed and allow for the initial stages of property acquisition. Funds have not been included to allow for the property purchasing as the magnitude and timing of the acquisition has not been fully identified. If acquisitions are required in 2014 funding scenarios will have to be developed and presented to County Council for approval.

In 2012 work on a joint program with the City of Windsor and the Ministry of Transportation commenced on an Environmental Assessment for the CR 42 corridor from Walker Road to CR 25, Environmental Assessment and Preliminary Design for the new Lauzon Parkway Extension from E.C.Row Expressway to Highway 3 and Secondary Plan / Environmental Assessments in the Sandwich South Employment Lands within the City of Windsor. This is a Total Project Management assignment managed through the MTO's Windsor Border Improvement Implementation Group. The County, City and MTO are co-proponents of the Study as per the applicable highway jurisdictions.

TRANSPORTATION SERVICES

County Construction

Proposed Budget – Current Year (cont'd)

Property acquisitions are being budgeted at \$4,600 (funded by Capital reserve) for projects related to the operational improvement on County Roads. These are anticipated to be minor land acquisitions not reflective of the full project based requirements. The larger scale acquisitions are projected at \$450,000, funded from Infrastructure Expansion allocations.

An update to the existing traffic count data will be conducted on the high volume roads in areas experiencing current growth. The biannual Bridge and Culvert Condition survey was conducted in 2011 utilizing internal resources. The data collected will be used to review and update the bridge/culvert rehabilitation program, as well as populate the MDW database. The data was shared with OGRA to assist in their efforts to secure long term sustainable infrastructure funding for municipalities. Updates to the inspections and documentation are required every two years and work to complete these tasks for the bridges and culverts will be done in 2014.

Equipment and software purchases include replacement of 3 computers and workstations. The current AutoCAD suite of software and Microsoft Office are also proposed to be updated this year, as well as the purchase of a software package to assist in Transportation Modelling and Forecasting. Maintenance costs for existing software packages are also included in the estimates.

Construction		2013 BUDGET	2013 ACTUAL	2014 BUDGET
		(restated)	(unaudited)	
<u>Roadway Expansion Projects</u>				
13107-217	CR 19 EA - 401 to Hwy 3	50,000	0	0
13107-454	CR 22 - Phase 5A (Puce Bridge)	11,000,000	5,000,000	6,000,000
	CR 22 - Phase 5B (Puce Bridge) - Part 1	0	0	3,000,000
13106-3826	Land for Right-of-Way - Major	450,000	400,000	450,000
13107-457	CR 29 - (KV CCL) - Improvement	0	(112,790)	0
13107-458	CR 20 - (KV CCL) - Improvement	50,000	0	50,000
13107-455	CR 23 / 46 Intersection Improvement	150,000	40,500	120,000
13107-460	CR 19 (TEC CCL)	402,600	45,000	357,600
13107-456	CR 6 (LA CCL)	300,000	0	300,000
13107-386	CR 42 EA - COW to CR 25 / Lauzon Pkwy	300,000	1,040	300,000
13107-390	CR22 / CR19 Detailed Design	500,000	15,760	484,240
13107-367	CR 22/27 (LS CCL) (Notre Dame -2)	750,000	0	400,000
	CR 22/27 (LS CCL) (Notre Dame -3)	0	0	350,000
13107-468	CR 29 (KV CCL)	200,000	0	200,000
13107-469	CR 23 (SX CCL)	100,000	0	150,000
13107-470	CR 34 (LEA CCL)	200,000	193,930	0
	CR 20 (LEA CCL)	0	0	150,000
		14,452,600	5,583,440	12,311,840
<u>2014 Rehabilitation Program</u>				
				7,767,400
<u>County-Wide Active Transportation Infrastructure</u>				
13107-428	County-Wide Active Transportation Infrastructure	1,075,000	585,420	1,165,000
13107-473	Municipal Partnership Program	125,000	77,070	125,000
13107-505	CR 2 - Paved shoulder - CR 37 to CR 1 (Lake-1) (TCT)	0	0	0
13107-505	Route / Concept Plan (Trans Canada Trail)	8,000	7,200	0
13107-307	Non-motorized Trans Study (CWATS)	30,000	0	10,000
		1,238,000	669,690	1,300,000
<u>Road Reconstruction</u>				
13107-305	Rural Intersection Illumination (annual)	30,000	30,110	27,000
13107-306	Signal Upgrades UPS	30,000	29,090	27,000
13107-504	Signalization of CR 11 & South Talbot (Pkwy)	45,000	41,730	0
		105,000	100,930	54,000
<u>Resurfacing</u>				
	CR 2, 34, 13 - Paved Shoulder	0	0	550,000
13107-401	CR 20 - Mill & Pave - Lowes Sdrd to CR 16 (AB - CCL)	350,000	0	350,000
13107-449	CR 19 Pavement Rehabilitation CR 22 to CR 42 TEC-LA	675,000	594,950	0
13107-492	CR 5 - Pavement Rehabilitation CR 10 to Texas Rd - AB	245,000	222,200	0
13107-493	CR 7 - Recycling and Resurfacing Laurier Pkwy to Kevin - LA	300,000	267,720	0
13107-494	CR 8 - Pavement Rehabilitation CR 15 to CR 19 - LS/SX	285,000	294,130	0
13107-495	CR 8 - Pavement Rehabilitation CR 1 to CR 37 - LEA/LS	115,000	105,630	0
13107-496	CR 8 - Recycling and Resurfacing CR 31 to MN 576 - KV/LS	640,000	639,480	0
13107-497	CR 10 - Recycling and Resurfacing CR 5 to 4th Conc - AB	450,000	476,880	0
13107-498	CR 12 - Recycling and Resurfacing CR 23 to Gesto - SX	300,000	291,830	0
13107-499	CR 14 - Pavement Rehabilitation CR 1 to CR 37 - LEA	215,000	168,510	0
13107-500	CR 19 - Recycling and Resurfacing CR 42 to Hwy 401 - TEC/LS	570,000	614,120	0
13107-501	CR 29 - Recycling and Resurfacing CR 18 to 2nd Conc - KV	450,000	427,550	0
13107-502	CR 34 - Recycling and Resurfacing CR 18 to Hwy 3 - KV	225,000	235,130	0
13107-503	CR 50 - Pavement Preservation CR 20 to CR 41 - AB	120,000	101,310	0
		4,940,000	4,439,440	900,000

Construction	2013 BUDGET	2013 ACTUAL	2014 BUDGET	
	(restated)	(unaudited)		
<u>Bridges & Drainage Systems</u>				
13107-476	Various - Ditching & Additional Shoulders	102,400	75,000	0
13107-477	Various - Pavement Preservation	275,000	259,690	0
13107-478	Various - Bridge Preservation / Deck Patch	225,000	15,000	0
13107-479	Various - Culvert Preservation / Deck Patch	150,000	50,000	0
13107-480	Various - Mid-Size Culvert Replacement	300,000	200,000	0
13107-481	Various - Guiderail Replacement / Upgrades	75,000	82,000	0
13107-482	CR 8 - Bridge at Belle River (B-08-31) - D&A - KV/LA	50,000	31,000	10,000
13107-483	CR 18 - Bridge at Big Creek (B-18-02) - D&A - AB	50,000	34,000	10,000
13107-484	CR 31 - Culvert at Ruscom River (C31-210) - D&A - KV/LEA	50,000	32,000	10,000
13107-485	CR 43 - Culvert at Sullivan Creek (C-43-045) - D&A - TEC	50,000	24,000	8,000
13107-486	CR 14 - Bridge at Silver Creek (B-14-10) - LEA	350,000	419,480	0
13107-487	CR 2 - Bridge at Ruscom River (B-02-19) - LA	550,000	562,000	0
13107-488	CR 31 - Bridge at Ruscom River (B-31-13) - LA	375,000	357,000	0
13107-489	CR 42 - Bridge at Moison Creek (B-42-24) - LA	350,000	300,000	6,500
13107-490	CR 43 - Culvert at Gzowski Drain (C-43-061) - TEC	350,000	350,000	0
13107-491	CR 50 - Culvert at Beaudoin Drain (C-50-016) - AB	350,000	305,780	0
		3,652,400	3,096,950	44,500
<u>Municipal Drain Projects</u>				
13107-384	CR 34 - Drainage Improvements (KV)	300,000	433,380	0
13107-426	CR 19 - ETL Drain (TEC)	312,000	0	312,000
13107-471	CR 50 - Malden Center Drain (AB)	83,000	82,170	0
13107-472	CR 34 - Malden Rd West Drain (TEC)	67,000	0	78,390
	CR 8 - North Townline Drain (AB)	0	0	81,000
	CR 37 - Mellow Drain (LS)	0	0	101,340
	CR 31 - Ruscom River Outlet No. 1 - 9	0	0	384,000
		762,000	515,550	956,730
<u>Miscellaneous</u>				
13106-3806	Land for Right-of-Way - Minor	24,400	19,780	4,620
13106-3896	Capital Financing - Walker Road	451,100	450,670	221,390
13107-259	Roads Funding Study - Phase 2	50,000	4,260	45,740
13107-261	Environmental Assessment / Engineering- County Roads	50,000	0	25,000
13107-388	SMP Update / SVAA	15,000	0	15,000
13107-389	MDW Data Conversion	15,000	0	10,000
13106-3372	Traffic Count Update	45,000	25,000	45,000
13107-474	ERCA IDF	10,000	0	10,000
13107-475	CR 34 - Hydro Relocation	115,000	82,280	0
13107-506	CR 25 - CPR Pedestrian Crossing at CR 25 (LS)	90,000	113,040	0
13107-507	CR 21 - Via Rail Pedestrian Crossing at CR 21 (LS)	125,000	9,460	115,540
		990,500	704,490	492,290
TOTAL - Construction Expense		26,140,500	15,110,490	23,826,760

Construction	2013 BUDGET	2013 ACTUAL	2014 BUDGET
	(restated)	(unaudited)	
<u>Recoveries</u>			
131066404 Federal Gas Tax Program (net)	(2,167,400)	(2,167,400)	(2,058,400)
13107-6798-504 Recovery for Signalization of CR11 & S. Talbot	(45,000)	(45,070)	0
13107-6798-505 Trans Canada Trail (Route/Concept Plan)	(8,000)	(8,000)	0
13107-6503-506 CR 25 - CPR Pedestrian Crossing at CR 25 (LS)	(90,000)	(113,040)	0
13107-6503-507 CR 21 - Via Rail Pedestrian Crossing at CR 21 (LS)	(125,000)	(9,460)	(115,540)
TOTAL - Construction Recoveries	(2,435,400)	(2,342,970)	(2,173,940)
<u>Contributions to (from) Reserves</u>			
Contribution to (from) Roadway Expansion Reserve	(6,467,260)	2,843,120	(3,371,630)
Contribution from Capital Reserve - Prior year projects, carried over (net)	(1,049,400)	(220,230)	(399,120)
Contribution to (from) CWATS Reserve	0	537,510	(300,000)
Contribution from Rate Stabilization Reserve - Various Studies	(280,000)	(111,540)	(125,740)
TOTAL - Contributions to (from) Reserves	(7,796,660)	3,048,860	(4,196,490)
County Responsibility	15,908,440	15,816,380	17,456,330

Construction - Administration & Overhead		2013 BUDGET	2013 ACTUAL (unaudited)	2014 BUDGET
<u>Salaries and Wages</u>				
131061101	Full Time - Salaried	824,300	818,880	848,700
131061105	Students	9,600	16,870	17,800
		833,900	835,750	866,500
<u>Benefits</u>				
131061201	Employment Insurance	13,770	13,990	14,450
131061202	Canada Pension Plan	28,220	28,680	29,550
131061203	O.M.E.R.S.	84,180	83,150	86,730
131061204	Employer's Health Tax	16,260	16,570	16,900
131061205	Health Insurance	77,330	66,360	70,200
131061206	Group Insurance	5,790	5,220	5,170
131061207	Disability Insurance	12,780	12,300	12,160
131061208	W.S.I.B.	17,650	17,730	18,120
		255,980	244,000	253,280
<u>Staff Expense</u>				
131063001	Mileage	1,000	1,420	1,000
131063002	Training	3,000	2,880	3,000
131063003	Workshops & Seminars	9,000	11,640	10,000
131063004	Meetings	500	500	500
131063005	Association Membership Fees	6,100	6,100	6,100
131063006	Clothing Allowance	1,800	1,570	1,800
131063098	Other	500	500	500
		21,900	24,610	22,900
<u>Office Expense</u>				
131063101	Telephone	8,000	8,000	8,000
131063102	Postage	600	600	600
131063103	Office Supplies	1,800	1,800	1,800
131063104	Computer Supplies	1,000	1,230	1,000
131063105	Prints, Plans & Subscriptions	1,500	1,000	1,500
131063106	Copier Charges	1,500	2,150	1,500
131063107	Fax	900	900	900
131063108	Advertisements	3,500	1,500	3,500
131063110	Printing - Internal	1,500	1,880	1,500
131063608	Engineering Supplies	2,000	650	2,000
131063198	Other	750	750	750
		23,050	20,460	23,050
<u>Purchased Services</u>				
131063301	Legal Fees	5,000	19,750	5,000
131063371	Culvert Condition Survey	1,000	0	500
131063370	Bridge Condition Survey	800	0	500
131063303	Consultant Engineering Services	5,000	2,600	5,000
		11,800	22,350	11,000
<u>Capital Expenditures</u>				
131063801	Equipment & Software Purchases	15,300	17,240	15,300
		15,300	17,240	15,300
<u>Allocations to Construction, Roads & Bridges</u>				
131063699	Labour - Union Employees	0	(9,360)	0
TOTAL - Construction Admin. & Overhead Expense		1,161,930	1,155,050	1,192,030
County Responsibility		1,161,930	1,155,050	1,192,030

TRANSPORTATION SERVICES

County Maintenance

Description

Essex County Highways staff, complemented by various specialty contractors throughout the year, performs the maintenance of County roads, bridges and related infrastructure. Specialty areas of responsibility include signs, pavement markings and traffic signal maintenance.

The Maintenance Office of Essex County Highways provides for the supervisory and clerical functions associated with the maintenance of the county road system. The compilation of daily maintenance activity records provides the means for cost control and statistical analysis.

The 2014 Budget provides an expenditure level of \$8,052,530 for the Maintenance Program.

Staffing Chart

Staffing	2011	2012	2013	2014	2011 Actual (\$000)	2012 Actual (\$000)	2013 Budget (\$000)	2013 Actual (\$000)	2014 Budget (\$000)
Full-time (mtce office)	6	6	6	6	477	498	489	465	524
Full-time (mtce crew)	30	30	30	32	1,723	1,766	1,794	1,793	1,887
Students (mtce crew)	6	7	7	7	78	79	98	83	99
Total	42	43	43	45	2,278	2,343	2,381	2,341	2,510

Prior Year Performance

The 2013 actual expenditures for the maintenance operations (including administrative costs) are anticipated to be over budget by \$343,640.

The budgets established for numerous maintenance activities have historically not been adequate in addressing the demand for the service. The level of service required is dependent on issues such as emergency repairs, legislative requirements, increased lane kilometres and severity of weather. As a result, the level of expenditures has exceeded the budget amounts year over year in several programs.

Winter Control expenditures were significantly above the 2013 budget. The early winter period experienced a significant increase in the frequency of small snow events with several large events. The spring period expenditures were aligned with the five year average however numerous full rollouts were required to address the smaller events. The wet and mild conditions also required significant amounts of road patching operations. The month of November was unseasonably mild allowing for approximately four additional weeks of summer maintenance. This extended period of summer based activities resulting in over expenditures in several activities. The December period proved to be challenging with several significant snow events and unseasonably cold temperatures.

TRANSPORTATION SERVICES

County Maintenance

Prior Year Performance (cont'd)

Expenditures in several maintenance activities exceeded the budget estimates. Several program areas had significant expenditures, specifically ditching, roadside mowing and shouldering. The fall of 2013 was mild allowing for extended summer operations such as mowing, concrete repairs, ditching and shoulder grading some of these operations continued into early December. As a result of the increased activity, expenditures exceeded the budget in these programs. The Culvert Repair, Line Painting and Catch Basin/ Curb Repair program expenditures were managed to mitigate some of the other program budget overruns.

Proposed Budget – Current Year

The County of Essex has been aggressively improving its road network through numerous capacity improvements programs and projects. These projects have significantly increased the amount of lane kilometres that the County must maintain as well as adding new traffic control signal installations. These projects have also created additional turn lanes, longer tapers and urbanized sections on high volume, high maintenance classified roads. The additional pavements have resulted in increased maintenance demands and costs. This trend will continue as additional projects are completed and made operational.

Included in the annual maintenance program is a funding allocation for assessments made under the Municipal Drain Act. These Municipal Drain projects are managed and undertaken by the Local Municipalities and the County is assessed as the Road Authority for lands being serviced by these drains. The last several years have experienced increasing assessments which have surpassed the annual budget allocation. The increase in number and complexity of drainage projects is likely a result of the impacts of climate change. The frequency of rainfall events as well as their severity and amounts of rainfall produced are increasing. To address these over expenditures large drainage projects which have been identified during the budget preparation cycle have been established as standalone projects and funded from reserves. This approach is not fully sustainable and several large projects have been brought forward post budget resulting in significant budget shortfalls.

This period of increasing assessments is expected to continue as a trend over the next several years. The 2014 budget includes an increase in Municipal Drainage Assessment of \$250,000 for a total budget of \$350,000.

The majority of programs for 2014 are established at similar levels to 2013. The 2014 Budget also includes adjustments to several programs to more appropriately reflect actual program demands. Winter Control budget was increased by \$150,000, the Municipal Drain program was increased by \$250,000. Reductions were made in the sign budget and for joint maintenance on CR 1 the Chatham – Kent boundary road the budget was decreased to reflect historic level of expenditure. These adjustments together result in an overall increase to the Maintenance Program of \$349,570

Deck, expansion joint and railing repairs are planned for 5 bridges in 2014. Estimates for mowing and spraying, brushing and tree trimming / removal, debris pick-up and washouts are based on the 5-year average of actual expenditures.

TRANSPORTATION SERVICES

County Maintenance

Proposed Budget – Current Year (cont'd)

Winter control estimates have been established to more appropriately reflect the historic expenditure level by increasing the budget by \$150,000 for 2014. However, this level is just at the four year average which creates a degree of risk within the budget should the winter of 2014 continue to prove to be severe. The proposed budget for 2014 Winter Control is established at \$2,250,000. (see chart).

The lifecycle of road paint, particularly special markings at intersections such as stop bars and turn arrows, has been problematic since the industry wide switch to water based paints several years ago. In 2007, Essex County Highways purchased the equipment and materials to install “durable paint markings” to extend the life of these installations. The material is more expensive but frequency of repainting is reduced. In 2014, it is proposed to continue and expand this initiative. Another initiative commenced in 2007 was to expand the amount of white edge lines provided on the high volume County Roads. These continuous edge lines historically had only been provided at locations such as curves, bridges or intersections. Operational safety of the road can be improved with the provision of the edge lines even on straight flat sections of roads. In 2014, the program to provide additional lines will continue.

The sign program continues to experience pressures with programs such as the Share the Road, Water Front Regeneration and CWATS initiatives and expected increase in general signage activity. The budget for 2014 has been reduced by \$30,000 anticipating that the demands have levelled off after the first two years of implementation.

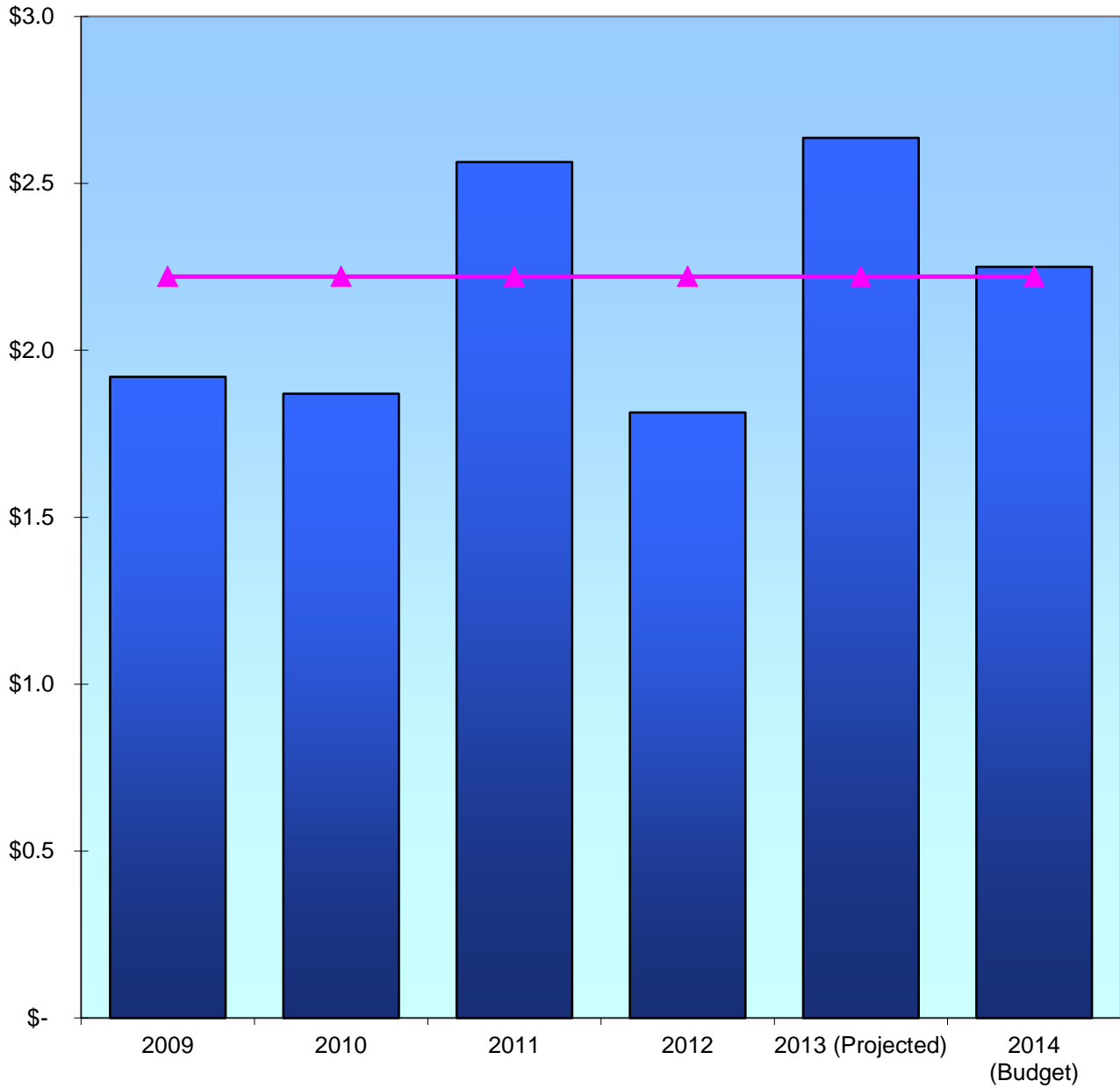
Also impacting Maintenance Administration and Overhead is an increase of \$103,240 to insurance premiums and deductibles, with salary adjustments and inflationary pressures accounting for the balance of the increase.

Equipment and software purchases include the replacement of 2 computers, updating of Sign Shop software and acquisition of computer software for use in engine diagnostics. Software will also be acquired in support of the Traffic Signal systems for diagnostics and programming as well as the fleet/fuel management systems.

In the Fall of 2013 County Council approved the transition for maintenance of the Traffic Control System from an external contracted service delivery methodology to an internal service. The transition is intended to significantly improve the service levels, quality of work, improve adherence to regulations, provide improved scheduling and response times and realize costs savings through co ordinated repair and preventative maintenance activities. It is further intended to extend these services to the local municipalities to assist with the management of their systems. The 2014 budget provides for the addition of two full time staff and acquisition of equipment and vehicles to support these operations. The costs associated with these adjustments are offset by the reduction in costs of contracting the service resulting in no increase to the program budget.

Winter Control Expenditures

Millions



Winter Control Expenditures

4 Yr Avg (2010 - 2013)

County Maintenance		2013 BUDGET	2013 ACTUAL (unaudited)	2014 BUDGET
<u>Roads & Bridges</u>				
<u>Bridge & Culverts</u>				
13101-01	Bridge Repair	30,000	29,090	30,000
13101-27	Culvert Repair	150,000	101,990	150,000
		180,000	131,080	180,000
<u>Roadside Maintenance</u>				
13101-02	Mowing	100,000	142,690	100,000
13101-28	Spraying	35,000	22,850	35,000
13101-03	Brush - Tree Trim Removal	35,000	56,780	35,000
13101-04	Ditching	150,000	180,090	150,000
13101-05	Catch Basin, Drains, Curb, Gutter	125,000	65,760	125,000
13101-06 / 29	Fencing & Debris Pick-up	25,000	9,350	25,000
		470,000	477,520	470,000
<u>Pavement Maintenance</u>				
13101-07/08	Patch - Asphalt, Surface Treatment	450,000	407,900	450,000
13101-09	Sweeping, Cleaning	30,000	8,470	30,000
13101-10	Base Repairs	60,000	60,000	60,000
13101-11	Shouldering	430,000	486,960	430,000
13101-12	Grading Shoulders	80,000	114,530	80,000
13101-13	Washouts, Mail Boxes, Other	10,000	10,600	10,000
13101-14	Surface Treatment/Crack Filling by Contract	100,000	91,640	100,000
		1,160,000	1,180,100	1,160,000
<u>Winter Control</u>				
13101-15	Snow Plowing & Salting	1,762,000	2,318,610	1,890,000
13101-17	Snow Fence, Drainage, Spring Clean	5,000	18,390	15,000
13101-18	Night Crew and Equipment Standby	325,000	269,210	325,000
13101-25	Road Patrol	8,000	30,100	20,000
		2,100,000	2,636,310	2,250,000
<u>Safety Devices</u>				
13101-19	Lane Line Marking	375,000	275,660	375,000
13101-20	Traffic Signal Maintenance	375,000	375,000	334,570
13101-21	Signs, Traffic Count	245,000	214,650	215,000
13101-22	Railroad Signal Maintenance	70,000	65,940	70,000
13101-23	Guiderails & Posts	25,000	2,090	25,000
		1,090,000	933,340	1,019,570
<u>Miscellaneous</u>				
13101-24	Drainage Assessment	100,000	141,350	350,000
		100,000	141,350	350,000
<u>Other Maintenance</u>				
13101-26	Essex / Kent Boundary Roads	45,000	45,000	35,000
TOTAL - County Road Maintenance Expense		5,145,000	5,544,700	5,464,570
Contribution from Rate Stabilization Reserve		(30,000)	(15,000)	0
County Responsibility		5,115,000	5,529,700	5,464,570

County Maintenance - Administration & Overhead		2013 BUDGET	2013 ACTUAL (unaudited)	2014 BUDGET
<u>Salaries and Wages</u>				
131021101	Full Time Salaries and Office	489,300	465,380	524,300
131021103	Full Time Hourly - Teamsters	1,793,600	1,792,960	1,887,300
131021105	Students - Teamsters	97,900	82,880	98,700
		2,380,800	2,341,220	2,510,300
<u>Benefits</u>				
131021201	Employment Insurance	43,650	44,020	47,230
131021202	Canada Pension Plan	89,770	90,300	96,730
131021203	O.M.E.R.S.	204,920	205,280	215,360
131021204	Employer's Health Tax	46,430	46,200	48,960
131021205	Health Insurance	230,120	233,110	252,760
131021206	Group Insurance	15,590	15,430	15,750
131021207	Disability Insurance	33,180	32,250	32,100
131021208	W.S.I.B.	52,820	52,390	55,140
		716,480	718,980	764,030
<u>Staff Expense</u>				
131023001	Mileage	2,000	2,000	2,000
131023002	Training	8,500	7,490	10,000
131023003	Workshops & Seminars	3,500	2,630	3,500
131023004	Meetings	500	300	500
131023005	Memberships	500	1,050	750
131023006	Clothing & Safety Supplies	15,300	17,350	22,000
131023629	Health and Safety	500	500	500
131023098	Other	1,000	1,370	1,000
		31,800	32,690	40,250
<u>Office Expense</u>				
131023101	Telephone	15,090	13,490	15,090
131023103	Office Supplies	2,000	1,400	2,000
131023203	Copier Lease / Maintenance	2,500	370	2,500
131023130	Communication Services	7,400	4,980	7,400
131023198	Other	500	500	500
		27,490	20,740	27,490
<u>Equipment & Building Maintenance</u>				
131023220	Tool and Tool Repairs	10,000	10,310	10,000
131023221	Radio Communications Maintenance	64,000	64,000	64,000
131023405	Janitorial Supplies	3,500	3,500	3,500
131023406-36	Building - Repairs and Maintenance	55,000	65,000	47,500
		132,500	142,810	125,000
<u>Purchased Service</u>				
131023390	Employee Assistance Program	1,500	1,500	1,500
<u>Occupancy Expense</u>				
131023401	Insurance	414,230	426,690	517,470
131023490	Insurance Deductibles	75,000	47,410	75,000
131023403	Utilities	85,000	68,000	85,000
		574,230	542,100	677,470
<u>Operating Expense</u>				
131023117	Answering & Security Service	3,500	3,500	3,500
131023222	AVL / GPS Operational Costs	26,000	27,650	26,000
131023698	Other	500	500	500
		30,000	31,650	30,000
<u>Capital Expenditures</u>				
131023801	Equipment & Software Purchases	15,300	10,000	15,300
131023801	Radio System	2,500	0	2,500
		17,800	10,000	17,800
<u>Allocations to Maintenance, Roads & Bridges</u>				
131023699	Labour - Union Employees	(1,493,960)	(1,494,110)	(1,605,880)
TOTAL - Maintenance Admin. & Overhead Expense		2,418,640	2,347,580	2,587,960
County Responsibility		2,418,640	2,347,580	2,587,960

TRANSPORTATION SERVICES

County Equipment Expense

Description

The operation and replacement, when necessary, of the roads maintenance equipment is funded in part by revenues generated by the hourly rental rates at which equipment use is charged to activities. The difference between the rates and the actual operating expense is intended to generate a surplus which is meant to address amortization and accumulate in an equipment reserve to be used to fund replacements.

Prior Year Performance

In total, net equipment expenditures are projected to be over budget by \$161,530. Reserve funding was reduced from budget due to savings generated by scope changes, favourable tender results and deferral of Tilbury North environmental mitigation to 2014.

The 2013 budget included the replacement of a tandem dump truck, 1.5 ton dump truck and two pickup trucks. The tandem was fully winter control outfitted with a front and wing plow as well as a slide in prewet / spreader units. Replacements were also procured for a road grader, mower and two plows. New purchases included two trailers for emergency road closures. The tendering resulted in savings over the original budget for most of the equipment.

The Yard Rationalization Study was completed in 2008 and recommended the redevelopment of the West End Depot and the activation of the Harrow Yard in support of Winter Control operations. The replacement of the existing salt dome at the Harrow Yard was completed in 2009 and placed into operation for Winter 2010. Funds were also provided in the 2012 Budget for land acquisition and related to the redevelopment of the West End Depot. Preliminary work on siting the new depot and land acquisition commenced in 2011 and a site was identified as meeting the County's requirements and negotiations to acquire the property were expected to be completed in late 2012. Upon completion of the environmental screening and field testing of the site the County chose to not complete the sale and begin a new search process. Another site has been identified and work continues to finalize the purchase agreement. It is expected that the County will take possession of the lands in Spring 2014 and funds are carried forward for project completion in 2014.

In 2013, under the Facilities Renewal Program, several initiatives were undertaken including the repair of the roof systems on the salt domes at the West Pike and Tilbury North Depots and interior renovations at the Harrow Depot. Facility improvements at Tilbury North were rescheduled to 2014 to allow for work to be completed on the new salt storage building and associated site improvements. Environmental mitigation work at the Tilbury North Depot was deferred and will commence in 2014.

Proceeds from the sale of surplus equipment are transferred into the Capital Reserve to offset the funding shortfall caused by the difference between amortized equipment value and replacement value. In 2013, the revenue from the sale of surplus equipment was slightly lower than the original estimates.

TRANSPORTATION SERVICES

County Equipment Expense

Proposed Budget – Current Year

Equipment and facility expenses are estimated to exceed recoveries by \$764,710.

Included in the estimates is the replacement of several pieces of equipment that have reached the end of their life cycle (all significant purchases funded by contributions from the capital reserve). These include the replacement of a tractor and mower, a tandem dump truck, a sweeper truck and two pickups.

New purchases include a bucket truck and outfitting of a panel van in support of the Traffic Control Signals Operations to be undertaken as an internal delivery service funded by contributions from capital reserves.

The tandem to be replaced is 2004 model year with 189,220 kms and 5,915 hours of service. The replacement unit will be fully outfitted for Winter Control Operations with front and wing plows and slide in combination salt / prewet / antiicing units. The pickups are a 2003 model year with 346,334 kms and a 2004 model year with 257,617 kms. The tractor is a 2003 unit with 3,910 hours of service and the sweeper truck is a 2007 model year with 4,112 hours of service and 74,033 kms.

The 2014 Facilities Renewal Program will include several initiatives. Several fencing and exterior lighting improvements will be done at the Depots to address liability and security issues. The electrical service at Tilbury North will be upgraded and the roof will be replaced. Interior renovations will be undertaken at the Maintenance Depot and the existing rental unit will be demolished to allow for the installation of an electronic access gate system.

As noted earlier, work on the redevelopment of the West End Depot will continue into 2014. The County anticipates taking possession of the land in Spring 2014 and will commence the site work. The 2014 Budget has been developed to include funds to construct the buildings and complete the siteworks.

Equipment Expense		2013 BUDGET	2013 ACTUAL (unaudited)	2014 BUDGET
<u>Equipment Lease/Maintenance</u>				
131033700	Equipment Maintenance	874,830	892,450	874,830
		874,830	892,450	874,830
<u>Capital Expenditures</u>				
131033820	1 1/2 Ton Dump	50,000	48,020	0
	Grader	185,000	212,890	0
	Tandem Dump Trucks	275,000	228,570	255,000
	Mower	20,000	10,040	22,000
	Tractor	0	0	78,000
	One Way Plows	12,000	14,260	0
	Pickups (2)	70,000	48,560	70,000
	Panel Van 3/4 Ton	0	24,920	25,000
	Bucket Truck(s)	0	0	200,000
	Sweeper Truck	0	0	250,000
131033898	Mechanics Software & Hardware	10,000	9,700	0
	Sign Shop Road Closure Trailers	15,000	7,830	0
	Miscellaneous	30,000	25,000	30,000
	Facilities:			
131033802	Maintenance Depot - Interior Upgrades	20,000	20,000	50,000
	Maintenance Depot - House Demolition	0	0	20,000
	Maintenance Depot - Yard Gate & Fencing	0	0	35,000
	Harrow Depot - Renovation/Improvements	10,000	11,710	0
131033802-466	Rebuild West End Depot (Redevelop'mt land))	650,000	25,500	2,474,500
131033802	West Pike - Roof Repair (Salt Dome)	30,000	19,720	0
	West Pike - Heating/Cooling Upgrades	0	0	25,000
	West Pike - Yard Lighting Upgrades	0	0	20,000
131033802-465	Tilbury North Environmental Mitigation	64,750	900	63,850
131033802	Tilbury North - Roof Replacement	60,000	25,000	0
	Tilbury North - Upgrade electrical service (Lighting yard)	15,000	0	0
	Tilbury North - Replace Septic System	35,000	0	0
		1,551,750	732,620	3,618,350
TOTAL - Equipment Expense		2,426,580	1,625,070	4,493,180
<u>Recoveries</u>				
131036798	Sale of Surplus Equipment	53,000	42,840	54,000
131033797	Equipment Utilization Recovery	1,264,450	975,120	975,120
TOTAL - Recoveries		1,317,450	1,017,960	1,029,120
Net Equipment Costs		1,109,130	607,110	3,464,060
<u>Contributions to (from) Reserves</u>				
	Contribution to Capital Reserve (re: Surplus Equipment)	53,000	42,840	54,000
	Contribution from Capital Reserve (for equipment)	-497,380	-497,380	-675,000
	Contribution from Capital Reserve	-744,750	-71,040	-2,763,350
	Contribution to Capital Reserve (re: Amortization)	685,000	685,000	685,000
Total Contributions to (from) Reserves		-504,130	159,420	-2,699,350
Excess of Expenditures over Recoveries		605,000	766,530	764,710