

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: January 30 , 2017

SUBJECT: Proposed 2017/18 Multi-year Transportation & Public Works Budget and Business Plan

ORIGIN

As per Administrative Order 1 and the Budget and Business Plan consultation schedule presented in the Information Report of November 22, 2016, staff is required to present the 2017/18 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2017/2018 Multi-year **Transportation and Public Works** Budget and Business Plan, including 2018/2019 in principle, as proposed in the accompanying presentation and consistent with the preliminary fiscal direction.

BACKGROUND

As part of the design of the 2017/2018 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the December 6, 2016 Committee of the Whole Regional Council considered and confirmed their Council Priority Outcomes and on December 14, 2016 provided fiscal direction for the 17/18 multi-year budget, directing staff to: "develop the 2017/18 Multi-year Budget and Business Plans in support of the fiscal direction and approved priorities."

DISCUSSION

Staff has prepared the proposed 17/18 Budget consistent with the preliminary fiscal direction received from Council on December 14, 2016 and aligned with Council Priorities as approved on December 6, 2016.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2017/18 Multi-year Budget and Business Plan documents to be presented to Council, as per the process and schedule in the November 22, 2016 Information Report.

RISK CONSIDERATION

None are specifically associated with this report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed 2017-18 Multi-year budget. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole can choose to amend the Budget and Business Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

ATTACHMENTS

Transportation & Public Works 2017 – 2018 Multi-year Budget and Business Plan Presentation

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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Report and Financial Approval by: Original Signed
Amanda Whitewood, Director of Finance & ICT/CFO, 902.490.6308

The background features a large, abstract graphic composed of several overlapping triangles in various shades of blue. The word "HALIFAX" is prominently displayed in white, bold, uppercase letters within the upper right portion of this graphic.

HALIFAX

**Transportation &
Public Works
Multi-Year Budget &
Business Plan**

Committee of the Whole on Budget

February 8, 2017

TPW Vision

We aim to be:

A trusted organization to its customers

Adaptable

Innovative while being aware of risks

A supportive and high performing organization



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Service Areas



Project Planning & Design – Delivers road asset-related professional and technical services including surveying, engineering design, infrastructure management and records management. Plans and delivers the Active Transportation priorities.

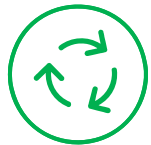


Road Operations & Construction– Proactively maintains and improves a safe, efficient, aesthetic and clean street and sidewalk system for use by residents and visitors.

Service Areas



Traffic Management– Provides safe and efficient management of the municipality’s transportation system network including traffic flow, signal and street light maintenance, signage and pavement markings. Coordinates and manages the municipality’s Right of Way.



Solid Waste Resources – Manages municipal solid waste source separated collection and diversion for residential properties, facilities for disposal, processing, recycling and composting. Responsible for marketing of solid waste resource materials. Delivers education programs and administers the construction and demolition waste management strategy.

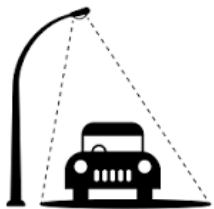
Asset Responsibility



3,824 lane kms roads;
944 kms of sidewalks and
85 bridges;



Average annual solid waste tonnage collected and processed
28,000 tonnes recyclables (approx.)
53,000 tonnes organics
50,000 tonnes refuse



268 signalized intersections,
43,789 street lights;



180,000 street trees, **9 million** trees on HRM properties;



Licensing of sites that divert **92,000 tonnes** of construction and demolition material



2480 crosswalks; **730** bike symbols painted

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TPW Accomplishments

- Accessible Pedestrian Signals installed at 6 locations
- 82 crosswalk upgrades completed
- 15 new crosswalk locations approved
- 50% of LED streetlights installed
- Tendered \$34,000,000 in projects
- Successfully transitioned to new contract and business model for Landfill operations



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TPW Accomplishments

- Rainbow art installed at four signalized intersections across the region

Active Transportation Public Consultations:

- South Park Bike Lane Improvement April 2016; 65 attendees;
- Macdonald Bridge Bikeway Connector; November 2017;
 - three open houses and presentations;
 - 150 + attendees;
 - 120+ Shape Your City survey responses.

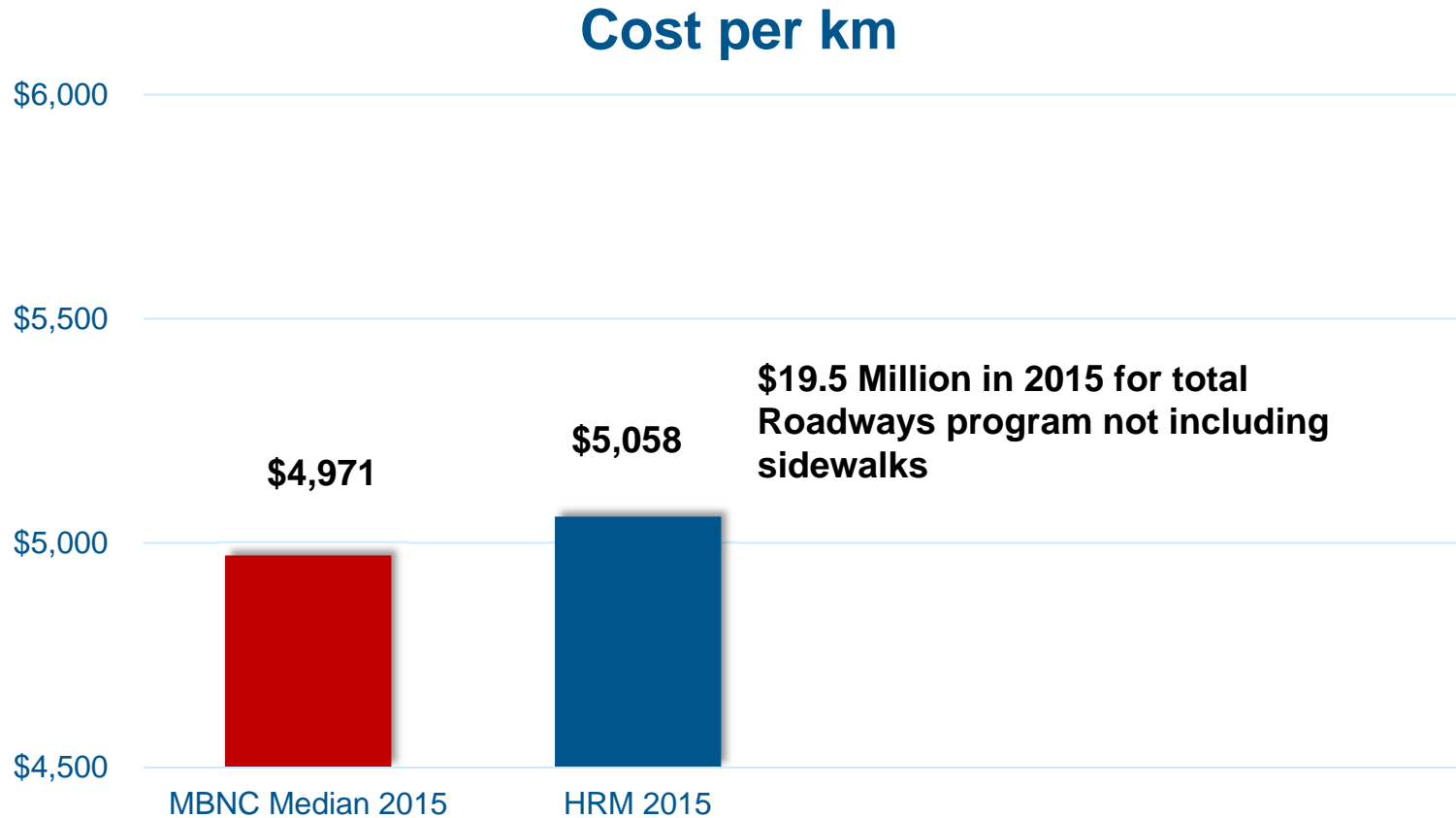
Plus two to come:

- South Park Bike Lane Improvement (II); January 2017;
- Forest Hills Parkway AT facility public engagement; March 2017.

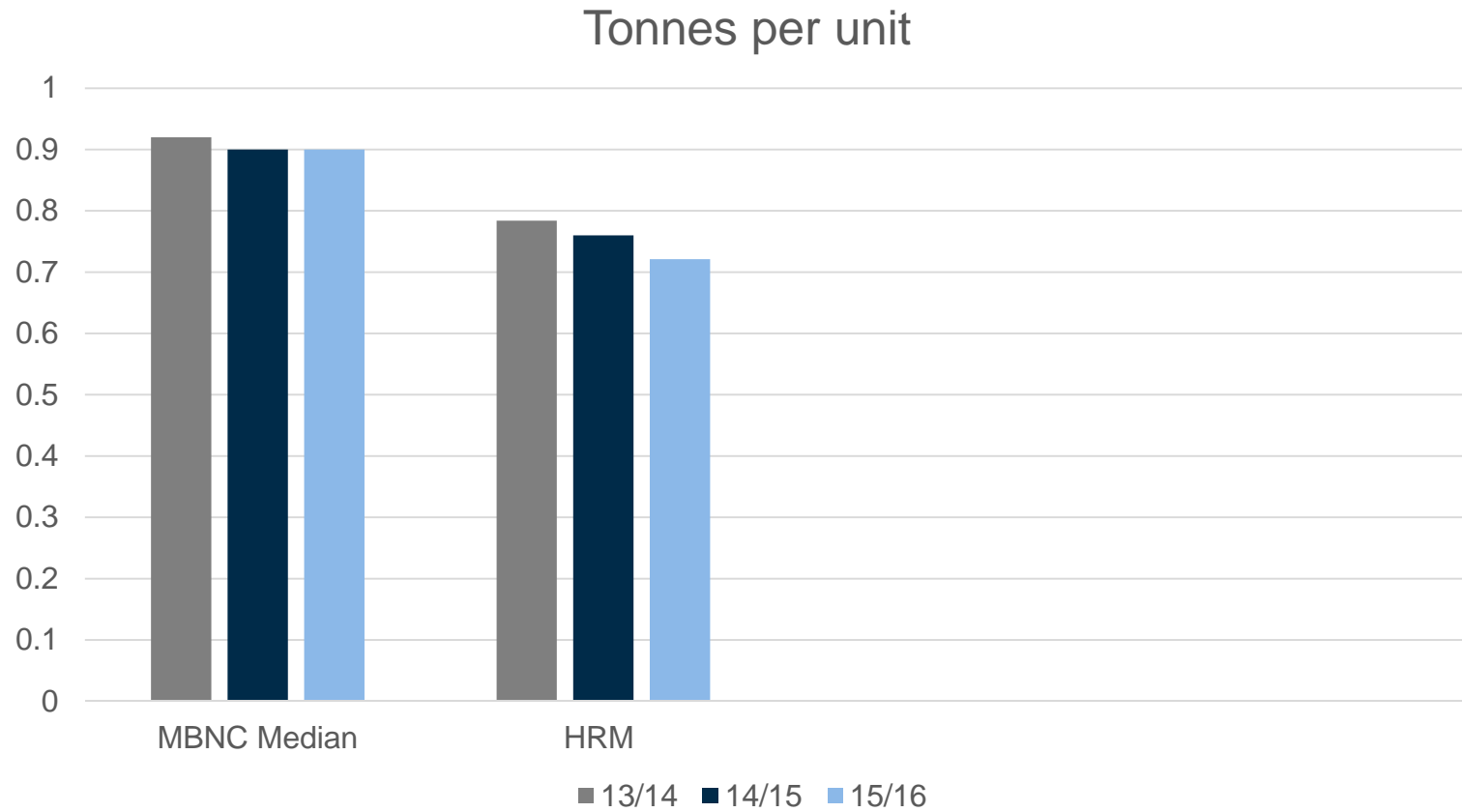


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Total Cost for Winter Maintenance of Roadways per Lane Km Maintained



Tonnes of all Residential Material Collected per Household



16/17 Update – LED light conversion

- Approximately 50% installed
- Project results in increased light efficiency, better lighting, improved reporting for outages resulting in improved response
- Network upgrade complete by end of 2017



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16/17 Update – Clear Bag

- First full year of Clear Bag implementation (Aug '15- Aug '16)
- curbside collection of garbage has **decreased by 13,900 tonnes**
- recycling has **increased by 2,200 tonnes**



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16/17 Update – High Speed Data Collection

- Engineering Consultant hired in fall of 2016 to conduct **high speed pavement condition surveys**
- Data will help calculate a Pavement Condition Index (PCI)



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16/17 Update – Accessibility Work

- Developed accessibility awareness training program for winter works employees
- Supervisors attended training at NS rehabilitation centre
- Installed accessible park benches in parade square



Initiatives

Initiative and Priority Outcome	Proposed 17/18 Cost	Projected 18/19 Cost	Efficiency Gain / Value for \$ / Comment
Road Safety <i>Road Safety Study</i>	\$70,000 (operating: study)	\$1,200,000* (capital)	Study will provide direction for road safety projects, identify trends and supporting evidence
Active Transportation <i>MacDonald Bridge Bike- Way Connector</i>	\$400,000 (capital)	\$1,000,000 (capital)	Project will assess requirements and cost of specific options that improve cycling infrastructure in HRM.
Solid Waste Program Upgrades <i>Organics Management and expansion of recycling facility</i>	\$250,000 (capital)	\$250,000 (capital)	Funds allocated for consulting, RFP,RFQ development and legal/project management work.

*Previously planned work that will align with the road safety strategy



Operating Budget Overview

Cost Element Groups	2015-16 Budget	2016-17 Budget	2017-18 Base	2018-19 Base
Expenditures				
* Compensation and Benefits	20,749,200	20,476,100	21,033,700	21,206,200
* Office	215,600	212,700	278,700	276,200
* External Services	61,682,000	61,264,200	60,754,400	61,077,050
* Supplies	220,600	257,300	321,400	321,400
* Materials	2,548,000	1,597,700	1,775,000	1,775,050
* Building Costs	5,183,900	3,189,400	3,031,300	2,861,600
* Equipment & Communications	216,500	464,900	496,500	495,500
* Vehicle Expense	9,700	9,500	30,600	30,600
* Other Goods & Services	2,629,800	2,591,200	2,728,700	2,946,000
* Interdepartmental	23,200	38,200	48,200	48,200
* Debt Service	2,707,000	2,518,400	2,518,400	2,518,400
* Other Fiscal	494,200	3,935,000	5,069,200	5,339,900
** Total	96,679,700	96,554,600	98,086,100	98,896,100
Revenues				
* Area Rate Revenue	(40,800)	(40,900)	(40,900)	(40,900)
* Transfers from Other Gov	(2,123,100)	(2,623,100)	(2,154,100)	(2,154,100)
* Fee Revenues	(12,999,500)	(3,109,500)	(3,400,000)	(3,400,000)
* Other Revenue	(2,067,800)	(1,484,900)	(1,341,100)	(1,331,100)
** Total	(17,231,200)	(7,258,400)	(6,936,100)	(6,926,100)
Net Surplus/Deficit	\$79,448,500	\$89,296,200	\$91,150,000	\$91,970,000

Service Area Budget Overview

Net Operations Support Expenses by Service Area	15/16		16/17		17/18	18/19
	Budget	Actual	Budget	Nov. 2016 Projection	Proposed Budget	Proposed Budget
Director's Office	750,700	605,174	749,400	747,200	790,000	801,200
Project Planning and Design	2,983,700	2,785,103	2,939,100	2,916,500	2,989,700	2,995,400
Traffic Management	11,231,700	11,650,068	12,192,600	12,384,700	12,747,200	12,993,500
Road Operations and Construction	32,115,700	37,182,220	38,548,300	38,860,100	39,381,200	40,235,000
Solid Waste Resources	32,366,700	32,701,433	34,866,800	34,301,100	35,241,900	34,944,900
Business Unit Total	\$79,448,500	\$84,923,998	\$89,296,200	\$89,209,600	\$91,150,000	\$91,970,000



Staff Counts (FTEs)

Service Area	2015/16	2016/17	2017/18 (Proposed)	2018/19 (Proposed)
Director's Office	3	3	3	3
Project Planning and Design	39	39	39	42*
Traffic Management	47	47	47	47
Road Operations and Construction	175	174	174	174
Solid Waste Resources	17	17	18*	18*
Business Unit Total	281	280	281	284
Term/Seasonals	22.3	21.5	22.2	22.2

*TBD pending review

Business Unit Capital Budget Implications

Capital Project Name	17/18, 18/19 Capital Budget	OCC in 16/17 (Annualized)	OCC in 17/18 (Prorated)	OCC in 18/19 (Prorated)	Total 2 Year Operating Impact	Outcome Supported / Description of New Cost
New infrastructure through development	N/A	159,500	316,500	228,900	545,400	Ongoing Annual Maintenance
Active Transportation including new sidewalks	9,053,000	7,800	17,500	65,900	83,400	Ongoing Annual Maintenance
New Paving Streets – HRM owned Roads	1,000,000*	34,000		7,200	7,200	Ongoing Annual Maintenance
Street Recapitalization	51,000,000		27,500	25,500	53,000	Ongoing Annual Maintenance
Other Related Roadworks	3,750,000	2,700				Ongoing Annual Maintenance

*Pending direction from Council



Business Unit Capital Budget Implications

Capital Project Name	17/18, 18/19 Capital Budget	OCC in 16/17 (Annualized)	OCC in 17/18 (Prorated)	OCC in 18/19 (Prorated)	Total 2 Year Operating Impact	Outcome Supported / Description of New Cost
Streetlighting and Traffic Signal Installs (including developer installs)	835,000	21,700	9,200		9,200	Ongoing Annual Maintenance
Traffic Signal System Integration	517,000		9,100	41,300	50,400	Ongoing Annual Maintenance
Controller Cabinet and Detection Program	1,600,000	22,200	23,500	6,800	30,300	Ongoing Annual Maintenance
Downtown Streetscapes – Capital Improvement Campaign	7,500,000		83,400	27,800	111,200	Ongoing Annual Maintenance
TOTAL	\$75,255,000	\$247,900	\$486,700	\$403,400	\$890,100	



Summary of 2-Year Budget Changes

	Proposed 2017/18 Budget	Proposed 2018/19 Budget
Starting Budget 2016-17	89,296,200	89,296,200
Total Change Included	1,853,800	2,673,800
Proposed Budget	\$91,150,000	\$91,970,000

Service-Related Changes Included in Proposed Budget

Proposed Change	Proposed 17/18 Impact	Proposed 18/19 Impact	2-year Cumulative
Compensation Costs: Reduced Vacancy Duration, Contract Increases	557,600	730,100	1,287,700
Solid Waste Operations Contracts & Revenues	510,400	212,700	723,100
Tipping Fees for ICI Sector Recycling	-165,500	-165,500	-331,000
Materials/Supplies/Services	168,750	201,700	370,450
Service Delivery Assessment	64,400	39,000	103,400
Roads & Traffic Devices Contracting Costs	518,150	1,255,800	1,773,950
Increase to Urban Forest Master Plan	200,000	400,000	600,000
Total Impact of Change	1,853,800	2,673,800	4,527,600

Operating Options for Snow

Option Description	17/18 Amount	17/18 Rate Implication on average tax bill	18/19 Amount	18/19 Rate Implication on average tax bill	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Above: Additional Funding for Senior Snow Removal Program	\$200,000	\$0.79	\$200,000	\$0.79	\$400,000	Social Development: accessible communities
Below: Eliminate all residential sidewalk contracts: 402 km of sidewalks removed from program at an average savings of \$4360.00 per km	-\$1,000,000* (+HST)	-\$4.10	-\$1,000,000* (+HST)	-\$4.10	-\$2,000,000 (+HST)	Transportation – A well maintained transportation network
Total Impact of options	-\$800,000	-\$3.31	-\$800,000	-\$3.31	-\$1,600,000	

*Total contract savings = \$1,752,720.00 + HST however, staff have factored in the need for increased compliance monitoring and funds to provide support services for seniors and persons with disabilities

Operating Options for Solid Waste Resources

Option Description	17/18 Amount	17/18 Average Bill Impact	18/19 Amount	18/19 Average Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Above: Adding weekly recycling collection to areas with biweekly collection	\$1,600,000	\$6.29	\$1,600,000	\$6.29	\$3,200,000	Service Delivery: residents having greater satisfaction with the recycling collection service
Below: Adjust Recycling schedule to bi-weekly for all residents* <small>*Savings TBD staff would revisit in 2019/20 after contract renewal</small>	\$0		\$0		\$0	Healthy Liveable Communities
Total Impact of options	\$1,600,000	\$6.29	\$1,600,000	\$6.29	\$3,200,000	

Capital Option for Streets

Option Description	17/18 Amount	17/18 Average Bill Impact	18/19 Amount	18/19 Average Bill Impact	2 Year Cumulative	Strategic Alignment (Priority Outcome)
Increase streets Capital Program	\$150,000 For staffing (capital)	\$0.78	\$0	\$0	\$150,000 (capital)	Transportation – A well maintained transportation network
Total Impact of options	\$150,000	\$0.78	\$0	\$0	\$150,000	



Questions and Discussion

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