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Item No. 11.2.3
Halifax Regional Council
August 17, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: - Original Signed-
Councillor Paul Russell, Chair, Audit and Finance Standing Committee

DATE: July 27, 2021

SUBJECT: **Budget Changes – Road Safety Improvement – Traffic Calming Program**

ORIGIN

July 21, 2021 meeting of the Audit and Finance Standing Committee, Item 12.2.4:

MOVED by Councillor Purdy, seconded by Councillor Deagle Gammon

That the Audit and Finance Standing Committee recommend that Halifax Regional Council:

1. Approve a budget transfer of \$215,000 from capital account CT180003 – Traffic Signal Re-lamping to capital account CT190006 – Road Safety Improvement; and
2. Approve a budget transfer of \$385,000 from capital account CR200005 – Road Ops & Construction – State of Good Repair to capital account CT190006 – Road Safety Improvement.

MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, clause 79A (1)(a)

79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if

- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

Administrative Order One, Schedule 2, *Audit and Finance Standing Committee Terms of Reference*, section 8(c):

8. The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:
 - (c) proposed changes in any operating or project budget items

RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve a budget transfer of \$215,000 from capital account CT180003 – Traffic Signal Re-lamping to capital account CT190006 – Road Safety Improvement; and
2. Approve a budget transfer of \$385,000 from capital account CR200005 – Road Ops & Construction – State of Good Repair to capital account CT190006 – Road Safety Improvement.

BACKGROUND

A staff recommendation report dated July 15, 2021 pertaining to budget changes for the Traffic Calming Program was before the Audit and Finance Standing Committee for consideration at its July 21, 2021 meeting.

For further information, please refer to the attached staff recommendation report dated July 15, 2021 (Attachment 1).

DISCUSSION

The Audit and Finance Standing Committee considered the request and approved the recommendations as outlined in this report.

FINANCIAL IMPLICATIONS

Financial implications are outlined in the attached July 15, 2021 staff report.

RISK CONSIDERATION

Risk considerations are outlined in the attached July 15, 2021 staff report.

COMMUNITY ENGAGEMENT

The agenda, reports, and minutes of the Audit and Finance Standing Committee are posted on Halifax.ca.

ENVIRONMENTAL IMPLICATIONS

Environmental implications are outlined in the attached July 15, 2021 staff report.

ALTERNATIVES

Alternatives are outlined in the attached July 15, 2021 staff report.

ATTACHMENTS

Attachment 1: Staff recommendation report dated July 15, 2021

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Annie Sherry, Legislative Assistant, Office of the Municipal Clerk. 902.943.8741.

BACKGROUND

Recent construction tender results are exceeding budget estimates. Industry discussions have indicated that there is considerable cost pressure from the impact of COVID-19 as a result of increases from commodities, supply chain logistics, labour market availability and reduced productivity due to health protocols. Consensus indicates that a 20-30% increase in project costs from pre-COVID budget assumptions can be anticipated.

Over recent weeks these cost increases have been seen in many construction tenders. Despite the increases, staff will continue to tender all projects based upon available funding within respective capital accounts. Inevitably there will be a funding shortfall in some construction accounts for which the tenders may need to be withheld and the accounts topped up through the 2022/23 budget deliberations (as per past practice). Given that road safety, and traffic calming specifically, is a top priority of Regional Council, staff is bringing forward this specific budget shortfall now with the intent of acquiring sufficient funding to tender all traffic calming project commitments in 2021/22.

DISCUSSION

In May 2021, Regional Council approved the 2021/22 capital budget which included \$3,577,000 for Road Safety Improvements (\$537,000 carry over and \$3,040,000 new funding). Included in the Road Safety Improvement capital project is the Traffic Calming Program. This year's Traffic Calming Program budget totals \$2,215,000 and, in addition to complete streets recapitalization funding, includes traffic calming on an estimated 85 streets which includes 24 school zones. Tender costs for the initial standalone traffic calming projects to date have exceeded budgeted amounts by approximately 25%. Based upon general construction tender experience over the past several weeks it is anticipated that this trend will continue for the remaining traffic calming tenders resulting in a projected shortfall of \$600,000.

To deliver the Traffic Calming project commitments as directed by Regional Council, staff has developed a funding option to offset the projected cost increase for Regional Council's consideration. This option involves reallocation of TPW-related capital and operating budgets as outlined in the Financial Implications section.

FINANCIAL IMPLICATIONS

To cover the projected \$600,000 shortfall, staff is recommending reallocating an available surplus of \$215,000 in Capital Project CT180003 - Traffic Signal Re-lamping, and reallocating \$385,000 (originally intended for asphalt street patching) from Capital Project CR200005 – Road Ops & Construction – State of Good Repair to Project Account No. CT190006 – Road Safety Improvements.

\$385,000 for asphalt street patching can be accommodated from the Road Ops and Construction Operating budget instead and will be mainly offset by a current forecasted operating budget surplus from Solid Waste. The surplus is primarily due to implementing bi-weekly recyclable collection sooner than anticipated.

The transactions to accommodate the cost increase for CT190006 – Road Safety Improvement can be summarized as follows:

Budget Summary, Project Account No. CT180003 - Traffic Signal Re-lamping

Cumulative Uncommitted Budget	\$215,018
Less: Withdrawal Per Recommendation	<u>(\$215,000)</u>
Balance	\$18

Budget Summary, Project Account No. CR200005 – Road Ops & Construction – SOGR

Cumulative Uncommitted Budget	\$3,898
Plus: Reduction of Reservation #2715 Asphalt Street Patching	\$385,000
Less: Withdrawal Per Recommendation	<u>(\$385,000)</u>
Balance	\$3,898

Budget Summary, Project Account No. CT190006 – Road Safety Improvements

Cumulative Uncommitted Budget	\$1,317,468
Plus: Transfer from CT180003	\$215,000
Plus: Transfer from CR200005	<u>\$385,000</u>
Balance	\$1,917,468

RISK CONSIDERATION

The 2021/22 Traffic Calming Program as directed by Regional Council will not be delivered in full potentially delaying Regional Councils goal ‘Toward Zero’ to reduce fatal and injury collisions by 20% by 2023.

There is a risk that one or two of the remaining streets to be tendered for traffic calming may not achieve design approval in time to be tendered this year despite the approval of additional funding.

COMMUNITY ENGAGEMENT

There was no community engagement undertaken for this report.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Audit and Finance Standing Committee could recommend to Regional Council not proceeding with the changes to the capital budgets. This alternative would result in the following 20 streets not receiving speed table traffic calming measures as part of the 2021/22 Traffic Calming Program.

Street Name	District
Wright Lake Run	13
Oceanstone Dr	13
Basinview Dr	16
Oceanview Dr (upper)	16
Millrun Cres	16
Osborne St	9
Collins Grove	3
Celtic Dr	5
Glenwood Ave	5

Helene Ave	6
Raymoor Dr	6
Carver St	6
Guysborough Ave	6
Flying Cloud Dr	4
Cranberry Cres	3
Fiddlers Green	4
Flagstone Dr (loop section)	4
Flagstone Dr	4
Fireside Dr	4
Deerbrooke Dr	4

** In an effort to obtain best prices, tenders were divided geographically. Streets are not listed in order of ranking.*

ATTACHMENTS

None.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Tracey Dickson, Coordinator, 902.717.1739
