2008 Roads Business Plan & Operating Budget

Transportation and Works Committee

February 6, 2008

Reference Agenda Item D1

Roads Objectives

- Provide a safe and effective arterial road network for personal travel and goods movement.
- Maintain in good repair the arterial road network:
  - over 3,300 lane-kms of roadway
  - over 700 traffic control signals and
  - 137 bridge structures
- Manage Regional Forests (Urban Forest & Rural Tracts).

2008 Operations Highlights

- Working increasingly with the development industry to ensure quality integration of adjacent development with the Region’s transportation network.
- Maintain in good repair the growing road and signal network.
- Commencing the implementation of new intelligent transportation solutions as per the plan approved in 2007.
- The pre-wetting road salt program will be expanded to the newly renovated Central Patrol Yard in 2008.
- Snow Removal Strategy to be implemented to address snow windrows in urban areas due to reduced snow storage capacity, expanded road system, urbanization, and Rapid Transit bus ways.
- Optimize Fleet Strategy to continuously update the Regional fleet vehicles to ensure that the latest technological advances, alternate fuels and hybrid technologies are incorporated into the fleet units.

Key Challenges

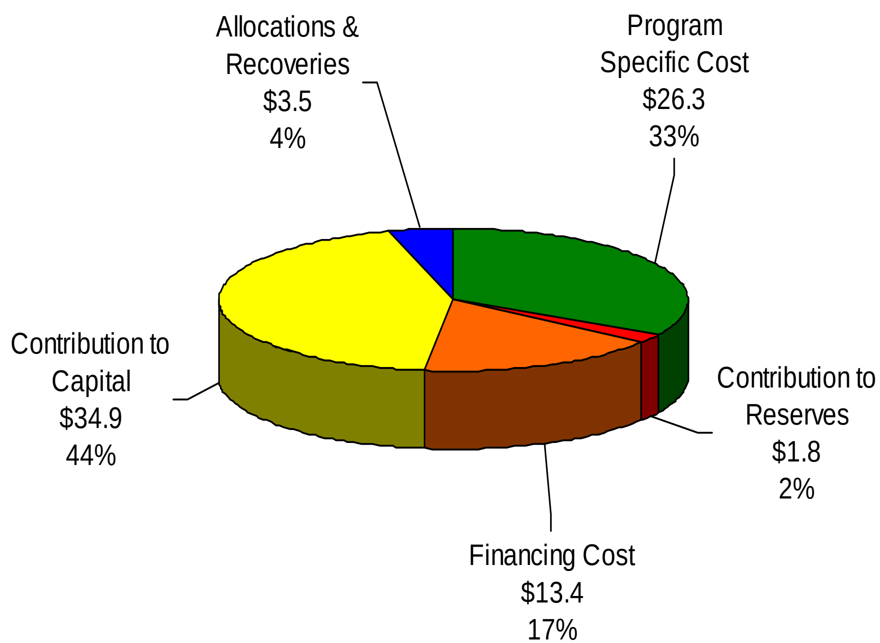
- The continued increase in growth throughout the Region is causing traffic congestion levels to increase.
- Salt prices and contracted services prices for snow removal have increased dramatically recently adding significant pressures to the Roads 2008 budget.
- Higher road maintenance costs due to the urbanization of the Region's roads. Grass cutting, curb and catch-basin, road sweeping and street tree maintenance costs are greatly affected with the additional urban roads.
- Population growth has increased the volume of recreational use of the York Regional Forest.

2007 /08 Budget Overview - Roads Operating

2007

GROSS EXPENDITURES

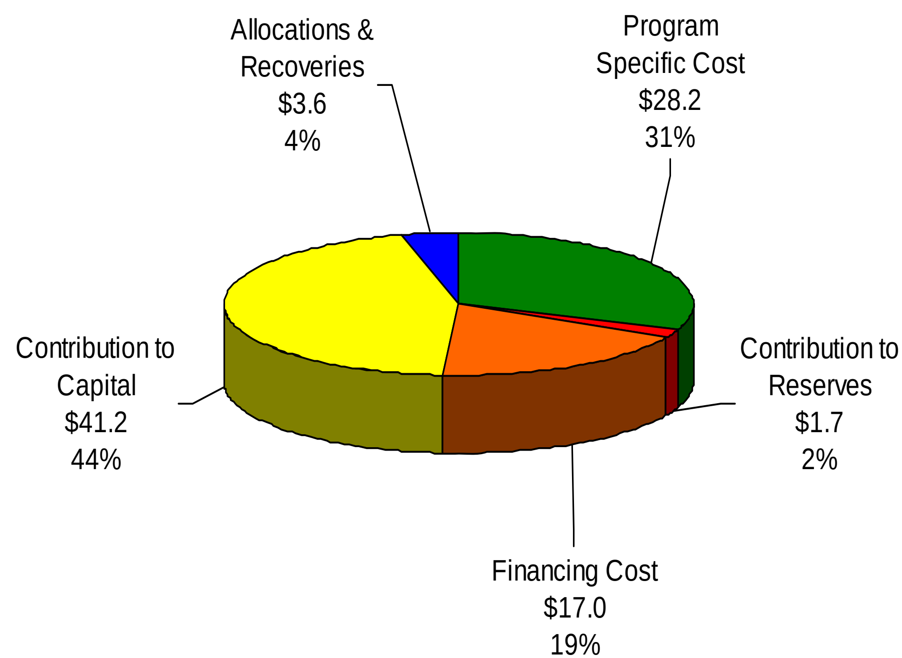
$79.9 Million



2008

GROSS EXPENDITURES

$91.7 Million



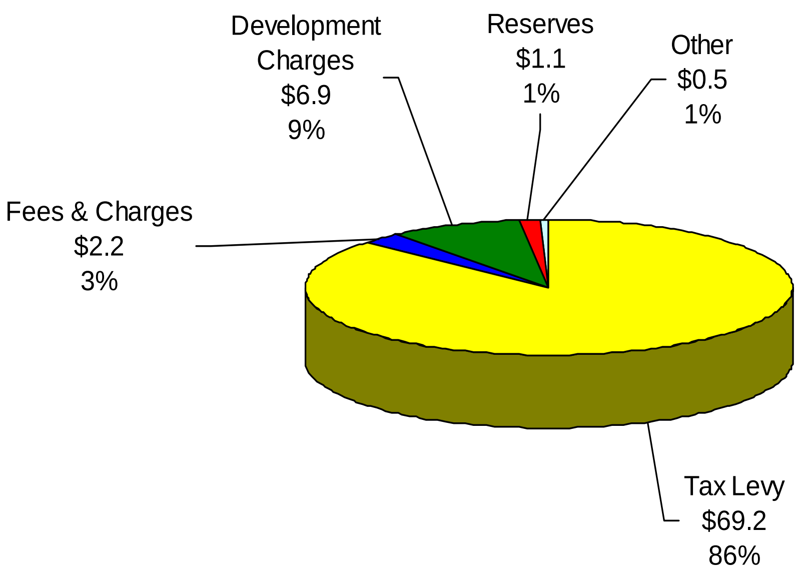
Note: Financing costs include Debt repayment and insurance

2007 /08 Budget Overview – Roads Operating

2007

GROSS REVENUES

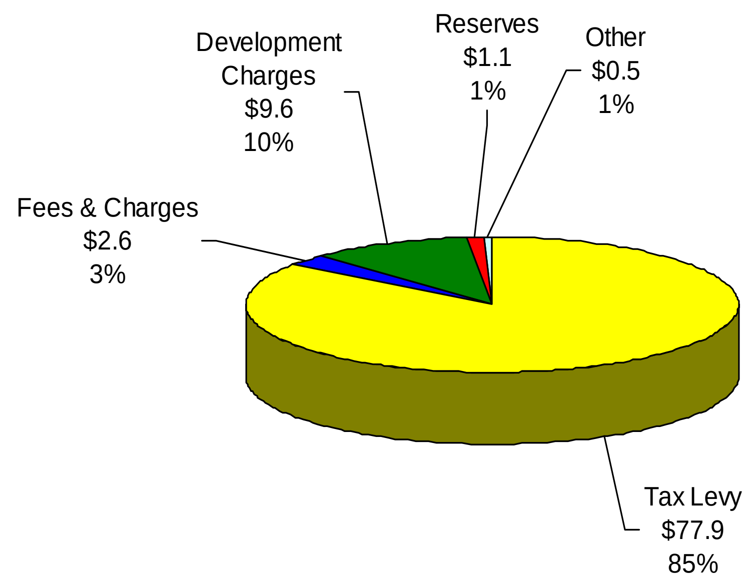
$79.9 Million



2008

GROSS REVENUES

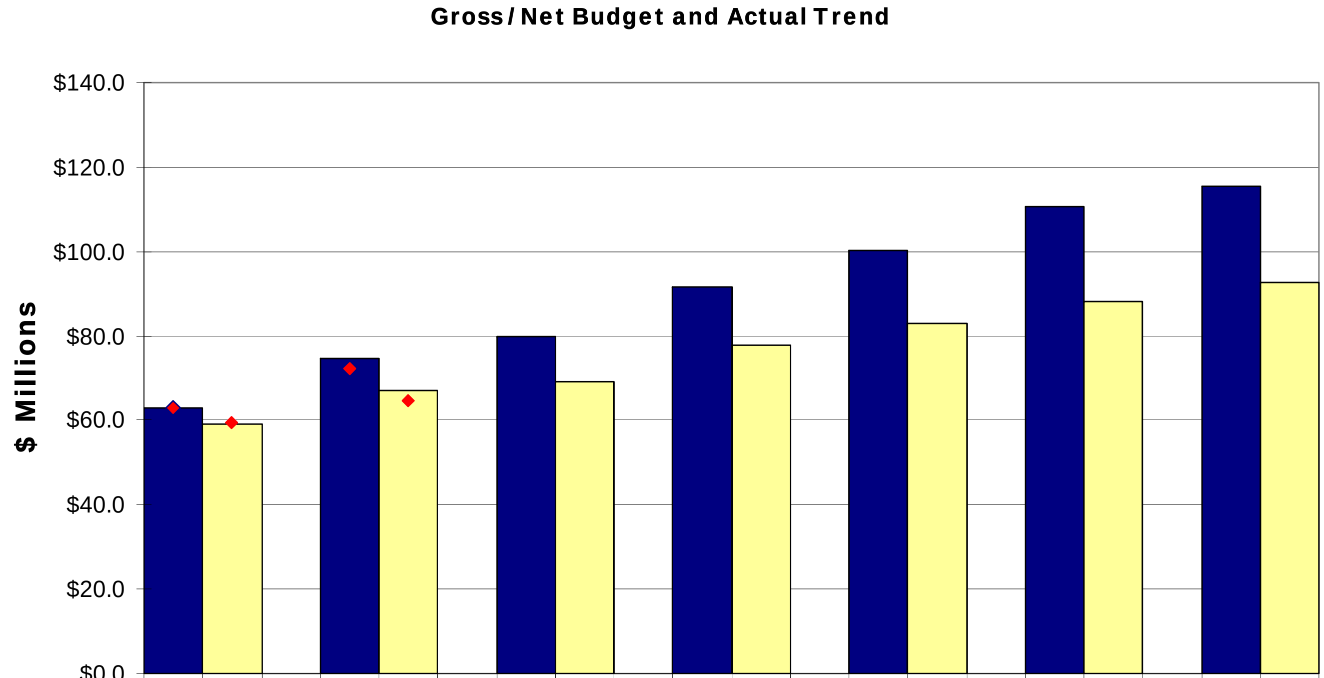
$91.7 Million



2007/08 Budget Summary –Roads Operating

	$ Millions			
	2007	2008	Inc / (Dec)	% Change
GROSS EXPENDITURES				
Program Related Costs	32.9	35.1	2.2	6.7
Sub-total Operations	32.9	35.1	2.2	6.7
Debt Repayment	12.1	15.4	3.3	27.3
Contribution to Capital	34.9	41.2	6.3	18.1
Total Gross Expenditures	79.9	91.7	11.8	14.8
REVENUES				
Tax Levy	69.2	77.9	8.7	12.6
Fees & Charges	2.2	2.6	0.4	18.2
Development Charges	6.9	9.6	2.7	39.1
Reserves	1.1	1.1	0.0	0.0
Other	0.5	0.5	0.0	0.0
Total Revenues	79.9	91.7	11.8	14.8

Roads Operating Budget Trend



	2005 Gross	2005 Net	2006 Gross	2006 Net	2007 Gross	2007 Net	2008 Gross	2008 Net	2009 Gross	2009 Net	2010 Gross	2010 Net	2011 Gross	2011 Net
Budget	$62.8	$59.0	$74.6	$66.9	$79.9	$69.2	$91.7	$77.9	$100.2	$82.9	$110.5	$88.2	$115.3	$92.8
Actuals	$62.9	$59.3	$72.3	$64.6										

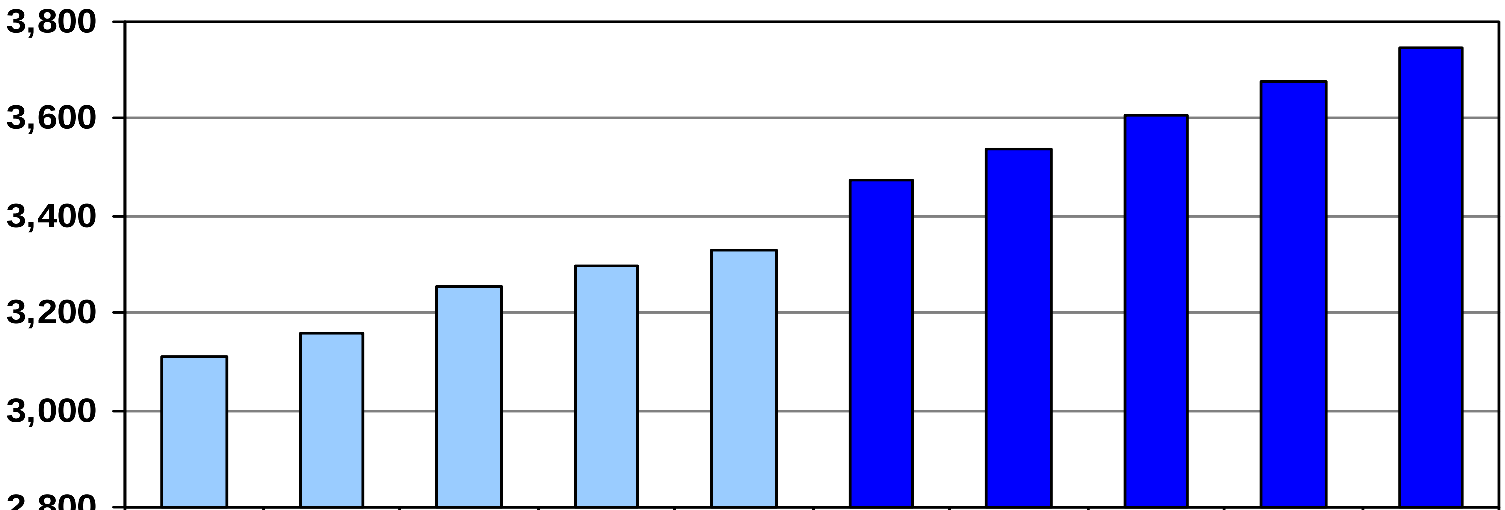
•Operating Costs include Contribution to Capital

2008 Net Operating Budget Pressures - Roads

2007 Net Operating Budget (including 2007 Interdepartmental & Contribution to Capital)	**$69.2 M**
ENHANCEMENTS New services or increases in service above the 2007 level.	**$0.1 M**
GROWTH Additional costs required to maintain service at 2007 levels for the Region's increased population.	**$0.3 M**
ANNUALIZATION Full year impact of 2007 growth and enhancement related Council commitments.	**$0.6 M**
MANDATORY / LEGISLATIVE New costs related to funding decisions and program requirements specified by other levels of government.	**$0.1 M**
BASE Salaries and benefits, inflation, utilities and other contracted service costs. Efficiencies and other cost reductions to offset base cost increases.	**$1.4 M**
Contribution to Capital Increase	**$6.2 M**
2008 Net Operating Budget	**$77.9 M**

2008 Key Performance Indicators – Roads Operating

Number of Lane Kilometres

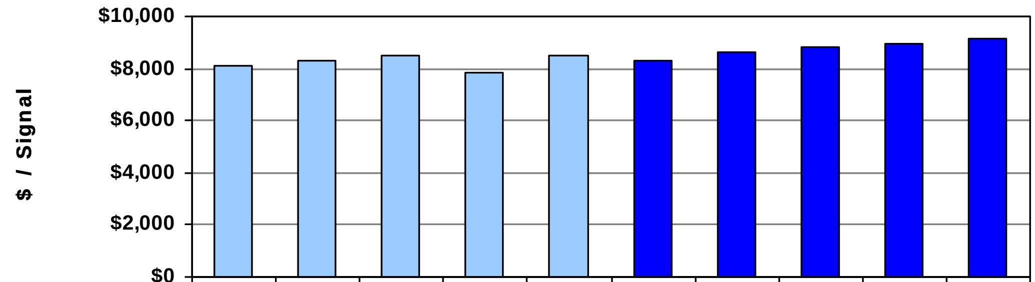


	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Budget	2008 Budget	2009 Outlook	2010 Outlook	2011 Outlook
# of lane kms	3,112	3,158	3,256	3,298	3,327	3,473	3,539	3,606	3,675	3,745

2008 Key Performance Indicators – Roads Operating (con't)

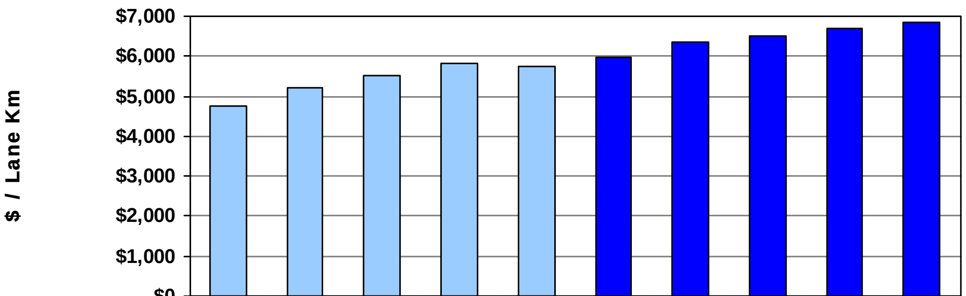
- 5% increase in Traffic Maintenance contractor prices
- 7% increase in hydro prices

Cost per Traffic Signal



	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Budget	2008 Budget	2009 Outlook	2010 Outlook	2011 Outlook
cost per signal	$8,116	$8,303	$8,491	$7,811	$8,468	$8,329	$8,624	$8,792	$8,975	$9,171

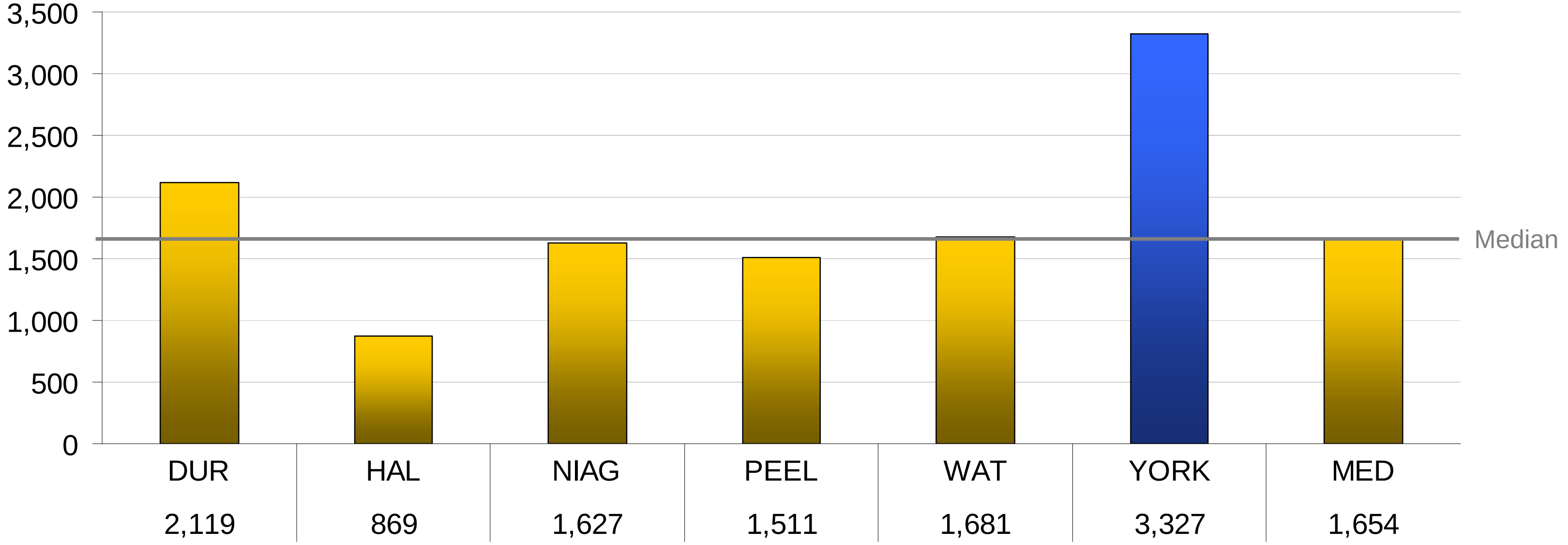
Cost per Lane Kilometre of Road Maintenance



	2002 Actual	2003 Actual	2004 Actual	2005 Actual	2006 Actual	2007 Budget	2008 Budget	2009 Outlook	2010 Outlook	2011 Outlook
cost per lane km	$4,774	$5,214	$5,500	$5,838	$5,743	$5,988	$6,355	$6,518	$6,687	$6,860

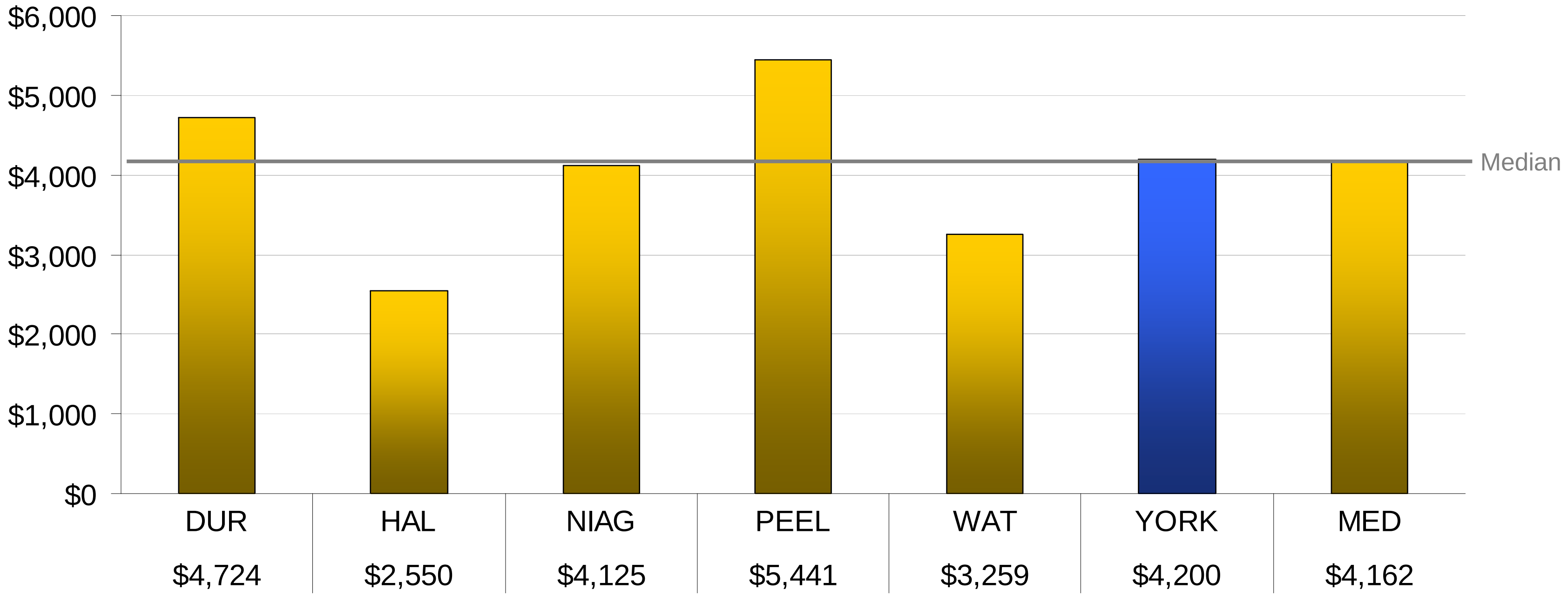
- 21% increase in Winter Maintenance contractor prices
- 6% increase in Salt prices

Number of Lane KM



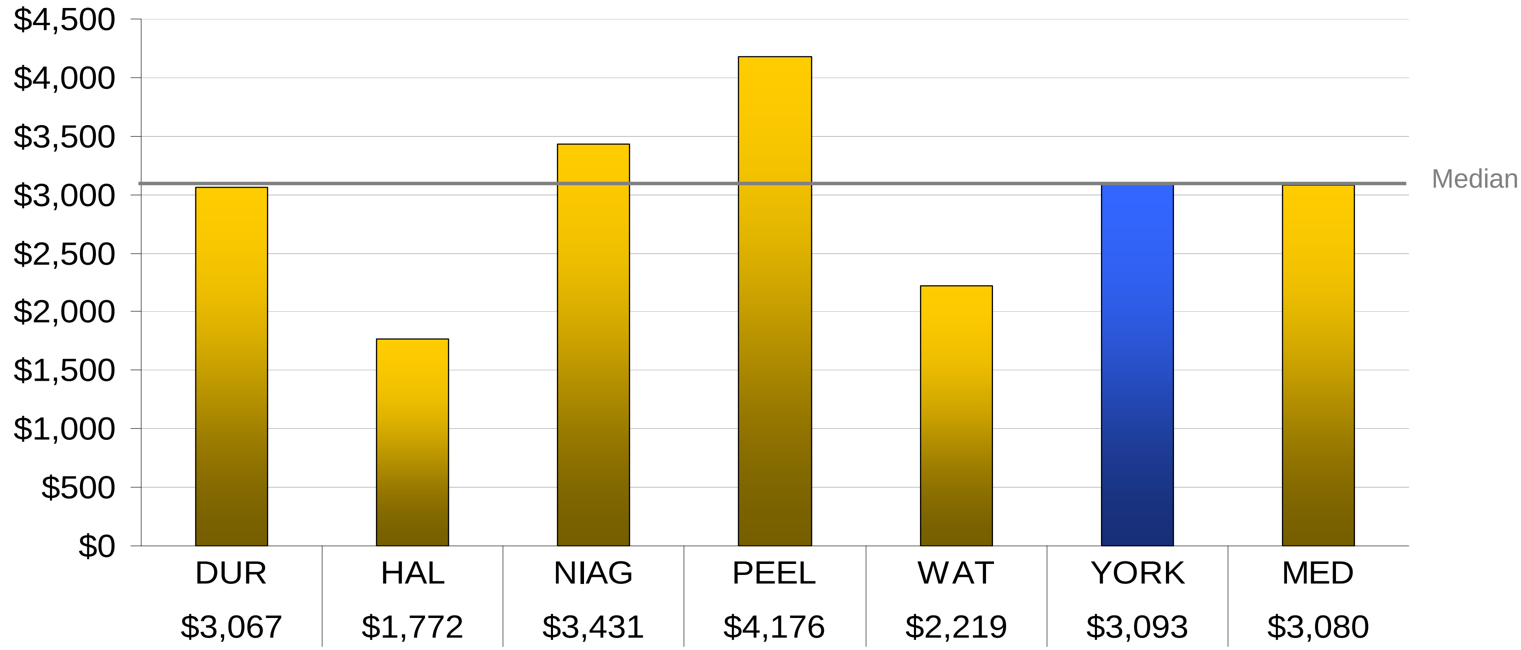
Source: OMBI Measure ROAD206 for 2006 (Numerator Only)

Road (Paved, Unpaved & Winter) Cost / Lane KM



Source: OMBI Measure ROAD305 for 2006

Operating Costs for Winter Maintenance of Roadways / Lane KM Maintained in Winter (MPMP)



Source: OMBI Measure ROAD903 for 2006