

County Highways 2015 Budget Summary

2015 Operating Budget

Union (2%) and non-union (1.5%) salaries increases.

Material cost increases assumed at 1.5%

Council direction of 7% increase to winter maintenance. This direction was given to ensure that the County could establish a winter maintenance reserve due to the volatility of the winter weather. The reserve would be used to eliminate the impact of winter maintenance overruns. Unfortunately due to several severe winters this reserve is currently in a deficit.

2015 Capital Budget

Transfer to capital reserves for roads projects \$8,324,832 (1% increase from 2014). The amounts of all transfers are based on the PSAB guidelines for capital investment in road assets including roads, bridges, equipment and facilities.

49.6 km scheduled for reconstruction/rehab in 2015 as per the five year capital guide. The amount of paving prescribed in the guide will maintain the County road system in its current state with an average rehabilitation cycle of 18 years.

Transfer to capital reserves for bridge projects \$2,500,000

Transfer to equipment capital as per policy \$800,000

Transfer to facilities capital as per policy \$150,000

2015 Fire/EMS/911

Increased expenditures due to changes in the fire inspection code related to institutional inspections. The budget also includes the beginning of departmental succession planning to address upcoming retirements of fire safety personnel.

2015 Environmental Services

A large percentage increase due to reduced funding from the Province and increased costs to the City of London for operating the household hazardous waste program. The cost of the delivery of the program has risen from around \$15,000 to over \$200,000. County residents account for approximately 10% of the users therefore the actual cost has been raised to approximately \$20,000.

**COUNTY OF MIDDLESEX
BUDGET COMMITTEE
2015 BUDGET**

TRANSPORTATION - OPERATING

REVENUES

	2014 PROJECTED	2014 BUDGET	2015 BUDGET	Ref #
COUNTY OF MIDDLESEX	\$ 16,337,293	\$ 15,657,372	\$ 15,985,523	
TRANSFER FROM RESERVES	-	-	-	1
CITY OF LONDON	1,122,289	1,250,000	1,250,000	2
GRAVEL ROYALTY	59,710	50,000	50,000	3
FEDERAL GAS TAX	2,049,927	2,049,927	2,049,927	4
ONIEDA AND OTHER	888	11,085	-	

Total Revenues

\$ 19,570,107 \$ 19,018,384 \$ 19,335,451

EXPENDITURES

OPERATING COSTS

ROAD MAINTENANCE	\$ 6,624,125	\$ 5,842,500	\$ 6,158,800	5
BRIDGE & CULVERT MAINTENANCE	367,819	380,000	250,000	6
OVERHEAD	1,287,223	1,286,548	1,336,809	7
EQUIPMENT & HOUSING OPERATIONS	(921,408)	(672,522)	(697,002)	8
ENVIROMENTAL SERVICES	15,000	3,000	25,000	9
EMERGENCY PLANNING, FIRE & 911	504,052	486,450	487,012	10

Total Operating Costs

\$ 7,876,811 \$ 7,325,976 \$ 7,560,619

TRANSFERS

TRANSFER TO ROADS CAPITAL	\$ 8,242,408	\$ 8,242,408	\$ 8,324,832	11
TRANSFER TO EQUIPMENT CAPITAL	800,000	800,000	800,000	12
TRANSFER TO FACILITIES CAPITAL	150,000	150,000	150,000	13
TRANSFER TO BRIDGE CAPITAL	2,500,000	2,500,000	2,500,000	14

Total Transfers to Capital & Reserves

\$ 11,692,408 \$ 11,692,408 \$ 11,774,832

Total Expenditures

\$ 19,569,219 \$ 19,018,384 \$ 19,335,451

2015 Estimates - Transportation Operating

Revenues	2014 Projected	2014 Budget	2015 Budget	
Transfer from Reserves	\$ -	\$ -	\$ -	1
No transfer from reserves anticipated for 2015.				
City of London	\$ 1,122,798	\$ 1,250,000	\$ 1,250,000	2
Payments made to the County by the City of London as per the Municipal Act.				
Gravel Royalty	\$ 56,215	\$ 50,000	\$ 50,000	3
Royalty received by the County as per the Aggregates Act.				
Federal Gas Tax	\$ 2,049,927	\$ 2,049,927	\$ 2,049,927	4
Federal gas tax rebate to County as per AMO agreement schedule to be spent on roads projects.				

2015 Estimates - Transportation Operating

Expenditures

	2014 Projected	2014 Budget	2015 Budget
Road Maintenance	\$ 6,624,125	\$ 5,842,500	\$ 6,158,800

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Road maintenance estimates calculated as cost per kilometer (approx. 811 km)
 Estimated increases due to negotiated union salary increase and material costs.
 Additional increase due to mileage assumed from Strathroy-Caradoc in July 2013.

	2013 / km	2014 / km	2015 / km	2015 Total
Weeds & Grass	\$ 169.91	\$ 165.05	\$ 188.66	\$ 153,000

Weeds & grass includes grass cutting and weed control.
 This item will vary depending on the dryness of the weather.

	2013 / km	2014 / km	2015 / km	2015 Total
Clearing	\$ 299.05	\$ 158.34	\$ 266.35	\$ 216,000

Clearing includes tree cutting and removal.
 This item is affected by weather conditions.

	2013 / km	2014 / km	2015 / km	2015 Total
Roadside Drainage	\$ 314.74	\$ 461.64	\$ 271.28	\$ 220,000

Roadside drainage includes ditch maintenance.

	2013 / km	2014 / km	2015 / km	2015 Total
Debris Pickup	\$ 30.62	\$ 20.98	\$ 35.14	\$ 28,500

Pick up and disposal of roadside waste. Usually consistent year to year.

	2013 / km	2014 / km	2015 / km	2015 Total
Patching	\$ 119.86	\$ 69.72	\$ 90.02	\$ 73,000

Patching of potholes and other road surface repairs.

Expenditures

Road Maintenance Continued

	2013 / km	2014 / km	2015 / km	2015 Total
Sweeping	\$ 70.88	\$ 80.45	\$ 85.08	\$ 69,000

Sweeping of County roads in urban areas.

	2013 / km	2014 / km	2015 / km	2015 Total
Shoulder Maintenance	\$ 458.53	\$ 267.36	\$ 339.59	\$ 275,400

Maintenance of gravel shoulders.

	2013 / km	2014 / km	2015 / km	2015 Total
Plowing, Sanding & Salting	\$ 4,439.60	\$ 4,742.76	\$ 4,670.70	\$ 3,787,800

Winter maintenance activities including purchase of sand and salt, operation of snow plow equipment. Very dependant on weather conditions. Restored increase of 7% after 0% increase in 2013.

	2013 / km	2014 / km	2015 / km	2015 Total
Winter Patrol & Dispatch	\$ 437.69	\$ 367.13	\$ 388.42	\$ 315,000

Monitoring of County road system during winter season.

	2013 / km	2014 / km	2015 / km	2015 Total
Winter Standby	\$ 20.78	\$ 35.92	\$ 49.32	\$ 40,000

Wages for staff when not actively participating in winter or other maintenance activities during winter season, or for compliance with hours of work legislation.

	2013 / km	2014 / km	2015 / km	2015 Total
Line Marking	\$ 397.21	\$ 413.63	\$ 471.66	\$ 382,500

Line painting on County roads. Increases due to additional widening which requires additional white edge lines, and new turning lanes and traffic signals.

Expenditures

Road Maintenance Continued

	2013 / km	2014 / km	2015 / km	2015 Total
Signs	\$ 208.80	\$ 238.65	\$ 223.81	\$ 181,500

Maintenance and production of signs.

	2013 / km	2014 / km	2015 / km	2015 Total
Railway Crossings	\$ 120.87	\$ 110.88	\$ 113.44	\$ 92,000

Shared maintenance cost of railway crossings on County Roads.

	2013 / km	2014 / km	2015 / km	2015 Total
Guide Rail Maintenance	\$ 23.16	\$ 20.09	\$ 38.23	\$ 31,000

Maintenance of guide rails.

	2013 / km	2014 / km	2015 / km	2015 Total
Traffic Signals & Flashers	\$ 165.06	\$ 102.77	\$ 162.15	\$ 131,500

Traffic signal & flasher maintenance. Increases based on number of signalized intersections in County system.

	2013 / km	2014 / km	2015 / km	2015 Total
Regular Patrol	\$ 167.09	\$ 146.59	\$ 163.51	\$ 132,600

Road patrol as per minimum maintenance standards.

	2013 / km	2014 / km	2015 / km	2015 Total
Traffic Counting	\$ 30.18	\$ 4.50	\$ 36.99	\$ 30,000

Traffic counting activities including intersection analysis. Bi-annual County wide traffic counting creates large budget swings.

Expenditures

	2014 Projected	2014 Budget	2015 Budget
Bridge & Culvert Maintenance	<u>\$ 367,819</u>	<u>\$ 380,000</u>	<u>\$ 250,000</u>

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Maintenance activities such as bridge deck cleaning & repair and culvert lining not directly accountable to road reconstruction/rehab projects. Decrease due to scheduling of capital work projects and work for local municipalities being performed by County forces.

	2014 Projected	2014 Budget	2015 Budget
Bridge Maintenance	\$ 150,000	\$ 150,000	\$ 150,000
Culvert Maintenance	\$ 100,000	\$ 100,000	\$ 100,000

Expenditures

	2014 Projected	2014 Budget	2015 Budget
Overhead	\$ 1,287,223	\$ 1,286,548	\$ 1,336,809

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Salaries & Benefits

	2014 Projected	2014 Budget	2015 Budget
Overhead Salaries	\$ 692,114	\$ 714,000	\$ 728,280
Bereavement leave	\$ 6,691	\$ 8,000	\$ 8,000
Jury Duty	\$ 246	\$ 1,000	\$ 1,020
Vacation	\$ 196,733	\$ 210,000	\$ 214,200
Sick leave	\$ 84,907	\$ 80,000	\$ 81,600
Stat. Holiday	\$ 117,474	\$ 148,000	\$ 150,960
Lieu Day	\$ 10,051	\$ 12,000	\$ 12,240
Employee Assistance Program	\$ 2,228	\$ 3,000	\$ 3,000
WSIB Claims	\$ 38,052	\$ 50,000	\$ 50,000
Payroll Clearing Account	\$ (570,408)	\$ (581,816)	\$ (593,452)

Salaries & benefits adjusted for 2015 as per increases as indicated by contracts and treasurers office. Increase in overhead salaries due to non-union increases and safety officer. Payroll clearing account is a reallocation of paid time off and other costs proportionally to all other accounts. WSIB is based on anticipated and ongoing claims.

	2014 Projected	2014 Budget	2015 Budget
Conventions, Training & Memberships	\$ 7,086	\$ 17,500	\$ 18,000

Annual expenditures on conventions, education and professional memberships.

Expenditures

	2014 Projected	2014 Budget	2015 Budget
Miscellaneous Revenue and Expenses	\$ (542,548)	\$ (75,000)	\$ (75,000)

Revenue and expenses incurred on items not covered in other areas, plus funds collected from permit fees. Huge variance in 2014 due to wind tower permit fees.

	2014 Projected	2014 Budget	2015 Budget
Overhead Vehicles and Travel	\$ 46,790	\$ 55,000	\$ 57,000

Travel expenses not directly chargeable to specific projects.

	2014 Projected	2014 Budget	2015 Budget
Tools, Equipment & Supplies	\$ 120,069	\$ 110,000	\$ 120,000

Estimated breakdown for 2014: (tools includes safety equipment)	Office Supplies	Tools	Computers
	\$ 10,000	\$ 95,000	\$ 15,000

	2014 Projected	2014 Budget	2015 Budget
Telephone	\$ 12,344	\$ 15,000	\$ 15,000
Heat	\$ 20,651	\$ 25,000	\$ 25,000
Hydro	\$ 43,768	\$ 50,000	\$ 50,000
Water	\$ 297	\$ 1,400	\$ 1,400

Utility costs for all roads facilities and traffic signals. Estimates based on expected increases to utility prices. Water rate revised to reflect average costs.

	2014 Projected	2014 Budget	2015 Budget
Garage Maintenance	\$ 40,000	\$ 65,000	\$ 40,000

Garage maintenance typically level year to year, slight increase for inflation.

	2014 Projected	2014 Budget	2015 Budget
Insurance	\$ 405,017	\$ 408,725	\$ 436,927

Increase based on estimate provided by Treasury. (6.9%)

Expenditures

	2014 Projected	2014 Budget	2015 Budget
Radio System	\$ 9,257	\$ 10,000	\$ 10,000

Expenses incurred for the maintenance and operation of the radio system.

	2014 Projected	2014 Budget	2015 Budget
Miscellaneous Legal and Consulting Fees	\$ 4,259	\$ 10,000	\$ 10,000

Legal fees for Board hearings and other actions against the County.

Expenditures

	2014 Projected	2014 Budget	2015 Budget	
Equipment and Housing Operations	\$ (921,408)	\$ (672,522)	\$ (697,002)	8

	2014 Projected	2014 Budget	2015 Budget
Equipment Operating Expenses			
Wages	\$126,400	\$142,800	\$145,000
Fuel	\$596,000	\$612,000	\$612,000
Expenses	\$543,500	\$459,000	\$468,000
Insurance	\$43,535	\$41,762	\$44,644

Wages and insurance increased as indicated by treasury. Fuel held at no increase.
Expenses adjusted by assumed rate of inflation of approximately 2.0%.
Wages account for labour spent maintaing vehicles, operating labour is charged to the appropriate maintenance or project accounts.

	2014 Projected	2014 Budget	2015 Budget
Equipment Rental	\$ (2,230,843)	(\$1,928,084)	(\$1,966,646)

Equipment rental rates are calucalted by staff to operate the Couty fleet at a surplus in order to compensate for transfers to equipment and facility reserves.
Shortfall or surplus normally attributed to severity of winter.

	2014 Projected	2014 Budget	2015 Budget	
Environmental Services	\$ 15,000	\$ 3,000	\$ 25,000	9

Significant changes to the funding by the Province has increase the cost of the delivery of this service by the City of London to the County, but it is still considered to be much more cost effective than any attempt to provide this service directly.

	2014 Projected	2014 Budget	2015 Budget	
Emergency Planning, Fire & 911	\$ 504,052	\$ 486,450	\$ 487,012	9

Expenditures

	2014 Projected	2014 Budget	2015 Budget	
Transfers to Roads Capital	<u>\$ 8,160,800</u>	<u>\$ 8,242,408</u>	<u>\$ 8,242,408</u>	11

As per Tangible Capital Asset Policy. Annual increase of 1% approved by County Council.

	2014 Projected	2014 Budget	2015 Budget	
Transfers to Equipment Capital	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	12

As per Tangible Capital Asset Policy.

	2014 Projected	2014 Budget	2015 Budget	
Transfers to Facilities Capital	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>	13

As per Tangible Capital Asset Policy.

	2014 Projected	2014 Budget	2015 Budget	
Transfers to Bridge Capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	14

As per Tangible Capital Asset Policy.

2015 Estimates - Transportation Operating

EMS, Fire and 911

Expenditures

	2014 Projected	2014 Budget	2015 Budget
Strathroy-Caradoc Fire Dispatch	\$ 266,931	\$ 219,804	\$ 226,179

Payment to Strathroy-Caradoc for emergency dispatch services as per agreement.
Some overrun in 2014 due to costs associated with transfer of service from City of London.

	2014 Projected	2014 Budget	2015 Budget
Emergency Planning	\$ 99,891	\$ 102,198	\$ 104,242

Emergency planning salaries, benefits and operations for the Community Management Co-Ordiantor along with training and emergency exercises. Also includes CERV team expenditures.

	2014 Projected	2014 Budget	2015 Budget
Fire and 911	\$ 237,121	\$ 221,804	\$ 260,833

Fire inspector salaries salaries, radio repeater and maintenance fees. Expected to begin succession planning in

	2014 Projected	2014 Budget	2015 Budget
Transfer to Capital	\$ -	\$ -	\$ -

No capital projects anticipated for 2015

Totals	2014 Projected	2014 Budget	2015 Budget
Emergency Planning, Fire & 911	\$ 504,052	\$ 486,450	\$ 487,012

2015 Estimates - Transportation Operating

Expenditures - Capital

Capital expenditures are funded through reserves, reserve funding established as per PSAB criteria.

Construction

	Project Length:	Estimated Cost:
County Road 25 (Gore Road) from CR 73 to Oxford	2.8	\$ 1,200,000
TOTAL:	2.8	\$ 1,200,000

Resurfacing

	Project Length: (in km)	Estimated Cost:
County Road 5 from Neil Road to Mt Carmel	10.0	\$1,000,000
County Road 6 from CR 22 to River Drive	8.6	\$1,311,000
County Road 12 from CR 6 to CR 81	4.4	\$817,000
County Road 21 from CR 7 to CR 24	6.0	\$1,080,000
County Road 24 from CR 21 to CR 81	10.2	\$1,728,000
County Road 25 from CR 73 to London	7.6	\$1,251,000
TOTAL:	46.8	\$ 7,187,000
TOTAL:	49.6	\$ 8,387,000

Construction and resurfacing costs based on staff estimates using unit costs changed year to year based on previous contract experience and forecasted changes. Increases to fuel and asphalt cement have the biggest impacts. Recommended that the County Road 6 project be funded through Federal Gas Tax funding. County Road 5 is a shared project with the County of Huron.

Expenditures

Special Projects

	Estimated Cost:
Deleware Bridge Rehabilitation CR 2	\$ 220,000
Troops Bridge Rehabilitation CR 14	\$ 140,000
Denfield Road Bridge Rehabilitation CR 20	\$ 70,000
Beers Bridge Repaint	\$ 245,000
Smithrims Bridge Repaint	\$ 125,000
Sign shop upgrade incl. new sign printer	\$ 45,000
County Master Cycling Plan	\$ 75,000
County Road 12 Slip Repair	\$ 200,000
Miscellaneous Cleanup	\$ 50,000
TOTAL:	\$ 1,170,000

Municipal Drains and Engineering

	Estimated Cost:
Future Engineering and Right-of-Way	\$ 50,000
Municipal Drain Construction	\$ 125,000
TOTAL:	\$ 175,000

Future engineering increased to reflect changes in wages and benefits.
Municipal drain construction determined by County's assessment on drainage projects initiated through the local municipalities.