April 27, 2005

To: Policy and Finance Committee
From: Works Committee
Subject: 2005 Transportation Services Operating Budget – Adjustment for Utility Cut Repairs (All Wards)

**Recommendations:**

The Works Committee recommended to the Policy and Finance Committee that:

(a) City Council adopt the staff recommendations in the Recommendations Section of the report (April 13, 2005) from the Acting Commissioner of Works and Emergency Services; and

(b) priority be given to repairing utility cuts at major pedestrian and traffic areas.

**Action taken by the Committee:**

The Works Committee requested the Acting General Manager, Transportation Services to:

(a) provide Members of Council with:

- a list of the utility cut repairs undertaken in their Wards, and whether these repairs have been checked and are up to standard; and

- a list of the outstanding utility cut repairs on a ward by ward basis, and the funding available for these repairs;

(b) report to the June 29, 2005, meeting of the Works Committee on the contracts to be issued for all outstanding utility cuts on record across the City; and

(c) report to the Works Committee on a process whereby Members of Council can be kept informed of all utility cut repairs in their Wards on a regular basis; and
(d) report to the Works Committee, prior to the 2006 Budget process, on the results of the National Research Council project on utility cut repairs, and on application of the keyhole technology in utility work.

Background:

The Works Committee on April 27, 2005, considered a report (April 13, 2005) from the Acting Commissioner of Works and Emergency Services advising that utility installation is continuing unabated and the projections for permanent cut repairs to sidewalk and roadway surfaces, and associated costs and revenues, as contained in the Transportation Services 2005 Operating Budget, should be increased to keep pace with the currently anticipated demands this year.

Recommendations:

It is recommended that:

(1) the Transportation Services 2005 Operating Budget be increased by $3 million (gross) and $0 (net) in Account No. TP0131 – Roadway Cut Repair, and $4 million (gross) and $0 (net) in Account No. TP0132 – Roadside Cut Repairs; and

(2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, including the introduction in Council of any Bills that may be necessary.

City Clerk

R. Dyers/tl
Item 5

Sent to: Policy and Finance Committee
Acting General Manager, Transportation Services
Purpose:

To advise that utility installation is continuing unabated and the projections for permanent cut repairs to sidewalk and roadway surfaces, and associated costs and revenues, as contained in the Transportation Services 2005 Operating Budget, should be increased to keep pace with the currently anticipated demands this year.

Financial Implications and Impact Statement:

The recommended adjustment to the approved Transportation Services 2005 Operating Budget in the amount of $7 million expenditure and $7 million revenue will have no net financial impact. While this adjustment will increase the gross operating budget of Transportation Services by 2.7 percent, there is no net operating budget impact as all costs arising from the repairs are fully recoverable from the various utility companies.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

(1) the Transportation Services 2005 Operating Budget be increased by $3 million (gross) and $0 (net) in Account No. TP0131 - Roadway Cut Repair, and $4 million (gross) and $0 (net) in Account No. TP0132 – Roadside Cut Repairs; and

(2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto, including the introduction in Council of any Bills that may be necessary.

Background:

City Council, at its special meeting of February 21, 22, 23, 24, 25, 28 and March 1, 2005, considered Clause No. 2 of Report No. 3 of the Policy and Finance Committee, the 2005 Budget Advisory Committee Recommended Tax Supported Operating Budget. Council approved an operating budget expenditure of $8,512,334.00 in Account No. TP0131 (Roadway Cut Repair) and $14,039,106.00 in Account No. TP0132 (Roadside Cut Repair) for contracted services associated with the utility cut repairs in Transportation Services South District.

Comments:

As City staff have worked with utility companies in assessing and co-ordinating work programs, it has become apparent since the 2005 projections were undertaken that the level of utility work (water, sewer, telecommunications, gas, hydro) continues at an accelerated pace. Despite
increasing repair quantities completed over the past several years, new utility programs, such as increased work on the water system and a recently announced cast iron gas main replacement program by Enbridge Gas, as well as maintenance activities, continue to require increasing road and sidewalk reinstatement. The Transportation Services budget contains funds for contracted services to undertake the permanent restoration of utility cuts.

Additional expenditure authority to undertake the increased level of cut repairs and avoid generating a substantial backlog, particularly in the South District, is required to ensure that the maximum number of cut repairs can be completed this year.

Conclusions:

Requested additional expenditures of $7 million (gross) and $0 (net) will enable Transportation Services to address increasing sidewalk and roadway surface reinstatement demands and avoid creating a large backlog of work for future years. There is no net impact of this change as the cost of utility cut repairs is fully recoverable from the utility companies.

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