

Appendix “A”

Summer Roads Needs

History

In 2006 an Ad Hoc Committee consisting of staff and a Covenco management consultant reviewed the Summer Roads Maintenance program. The committee recommended that the summer maintenance program be increased by \$6 million annually to meet identified needs. In 2008, a budget option was put forward requesting that the annual summer maintenance budget be increased by \$1.5 Million per year for 4 years. In 2008, Council approved a \$750,000 permanent budget increase and one-time funding of an additional \$750,000. Similar budget options were presented to Council in subsequent years resulting in one-time funding of \$750,000 being approved in 2009 and 2011. There was no increase in funding approved in 2010.

Current

The zero base budget build undertaken for the 2012 budget updated and further defined the overall needs for the summer roads maintenance program. Table 3 below outlines the recommended service levels that were identified using the zero base budget approach to Summer Roads maintenance. Table 3 also compares the 2012 Summer Roads maintenance budget and the associated service levels. Examples of activities in each cost centre have been identified in Table 3. A full detailed list of activities by cost centre can be found in **Appendix B**. The Recommended budget is the service level required to adequately maintain the City's roads according to the methodology used for the 2012 budget as outlined above.

TABLE 3 - SERVICE LEVELS				
DESCRIPTION	Recommended		2012 Base Budget	
	Service Level	Budget	Service Level	Budget
SURFACE & SHOULDER				
Asphalt Patching	1.8 T/km	1,303,000	1.48 T/km	1,092,000
Contract Patching	25,000 sq. meter	1,000,000	8,000 sq. metre	310,000
Gravel Resurfacing	20 yr. cycle	1,075,000	80 yr. cycle	257,000
Sub-total		6,727,324		4,056,320
ROADSIDE MAINTENANCE				
Roadside Brushing	5 yr. cycle	66,000	5 yr. cycle	66,000
Sub-total		486,198		485,150
SIDEWALK & CURB				
Curb & Sidewalk Replacement	400 linear metre	175,000	400 linear metre	175,000
Sub-total		276,734		268,677
DRAINAGE				
Cathbasin & Manhole Repairs	20 yr. cycle	848,646	29 yr. cycle	595,380
Catchbasin & Manhole Cleaning	2 yr. cycle	993,713	5.5 yr. cycle	365,540
Sub-total		3,627,369		2,622,056
TRAFFIC & SAFETY				
Signs Manufacture	1800 signs/year	153,000	1795 signs/year	152,500
Sub-total		2,159,371		2,106,081
FORESTRY				
Tree Removal	400 trees/year	173,523	375 trees/year	162,500
Tree Pruning	1600 trees/year	258,275	1576 trees/year	254,340
Sub-total		658,374		598,660
SUB-TOTAL (ex. Miscellaneous)		13,935,371		10,136,944
MISCELLANEOUS				
Fringe Benefits, Supervision, Inter-departmental Recoveries		4,050,700		3,718,792
Sub-total		4,050,700		3,718,792
TOTAL		18,041,637		13,855,736

The recommended level of funding for Summer Maintenance that was generated using the zero base budget build represents an approximate \$4 million gap between the needs and the 2012 budget. This is significantly lower than the \$6 million gap defined by the Ad Hoc Committee on Summer Roads Maintenance in 2006. This is a result of Roads Staff reassessing/reviewing how needs are defined and how results are achieved. Some examples are:

- Theoretically, gravel roads should be resurfaced every 10 years. Staff reviewed this from a practical perspective and identified that the traffic volume on gravel roads needs to be considered. The result is that the City of Greater Sudbury's gravel roads can be classified into low, medium and high volume roads, with resurfacing cycle requirements of 30, 20 and 10 years respectively. This resulted in an approximate \$400,000 reduction to the Summer Roads Maintenance needs.

- Curb and sidewalk replacement has been reduced by approximately \$300,000 due to a more coordinated approach with the Roads capital budget to receive lower per metre costs on higher volume purchases.

- The incorporation of spot dust control in low density areas versus full application has reduced the cost of this work activity by approximately \$400,000; \$395,000 of which is in materials.

In addition the reduction in the funding gap is also a result of Council's will to permanently increase the base Summer Roads maintenance budget by \$750,000 in 2008.

Another benefit from the zero base budget build is that steps are being taken to eliminate and/or minimize capital requirements for new equipment by:

- Implementing/increasing cross division equipment sharing.

- Implementing multiple shifts for "routine work" in the summer months. This can be used to generate economies of scale on large pieces of equipment, thereby spreading the fixed costs over an increased number of work units and minimizing capital expenditures.