

## For Information Only

### Financial Report on the Union's Options for Enhanced Winter Control Service Levels

Presented To:	Priorities Committee
Presented:	Wednesday, May 07, 2008
Report Date	Tuesday, Apr 29, 2008
Type:	Correspondence for Information Only

## Recommendations

For Information Only

### Signed By

**Report Prepared By**

Shawn Turner  
Manager of Financial & Support  
Services  
*Digitally Signed May 2, 08*

**Division Review**

Robert Falcioni  
Director of Roads and Transportation  
*Digitally Signed May 2, 08*

**Recommended by the Department**

Greg Clausen, P.Eng  
General Manager of Infrastructure  
Services  
*Not Signed*

**Recommended by the C.A.O.**

Mark Mieto  
Chief Administrative Officer  
*Not Signed*



# Background



# Request for Recommendation Priorities Committee



Type of Decision									
Meeting	May 7, 2008				Report Date		April 29, 2008		
Decision Requested		Yes	x	No	Priority	x	High		Low
	Direction Only				Type of Meeting	x	Open		Closed

Report Title
Financial Report on the Union's Options for Enhanced Winter Control Service

Budget Impact / Policy Implication		Recommendation	
x	This report has been reviewed by the Finance Division and the funding source has been identified.		
		For Information Only	
x	Background Attached		Recommendation Continued

Recommended by the Department	Recommended by the C.A.O.
<p>Greg Clausen, P. Eng. General Manager of Infrastructure Services</p>	<p>Mark Mieto Chief Administrative Officer</p>



<b>Report Prepared By</b>	<b>Division Review</b>
Shawn Turner, CGA Manager of Financial and Support Services	Robert M. Falcioni, P. Eng. Director of Roads and Transportation

### **Background**

Council adopted the current Winter Control service levels for the 2007/2008 season. On April 11, 2008, the Union representing the City's Outside Workers made a presentation recommending that the City increase Winter Control service levels. The Union recommended that service levels for Class 4-6 routes be enhanced from 12 to 24 hours, to 8 to 12 hours, while Class 1 to 3 routes remain unchanged.

The Union proposal also included a second 24/7 road patrol to help supplement the current single unit that covers all of the City.

### **Union Proposal**

To provide the increased service levels, the Union is proposing that the City reassign contractors from the outside sections to the City core, while increasing the service to the outside sections using City Crews. This requires that the current contractors be retained plus the hiring of seventeen (17) additional City staff for the Winter Control period of November 1 to April 30, inclusive. The implementation of this service level change initially would have to be done through the use of temporary employees, however this will reduce our ability to respond to extended storm events.

The cost to implement this proposal for a full year in 2008 dollars is \$2.236 Million. To implement this proposal for the 2008/2009 Winter Season would require an approximate \$560,000 unbudgeted expenditure for November and December 2008, which may be drawn from the Roads Winter Control Reserve Fund.

The change to the current winter control budget and the effect on the tax levy is summarized in the chart below. The cost to implement the proposal is quoted in 2009 dollars and totals \$2.303 Million.

	<b>Existing Current Winter Control Budget</b>	<b>Union Proposal Winter Control Budget</b>	<b>Variance</b>	<b>Increase on Tax Levy for 2009</b>
<b>Administration &amp; Supervision</b>	1,697,610	1,697,610	0	0.0%
<b>Sanding and Salting</b>	5,942,530	7,868,237	1,925,707	1.1%
<b>Winter Ditching/Spring Cleanup</b>	1,288,220	1,288,220	0	0.0%
<b>Snow Removal</b>	922,840	922,840	0	0.0%
<b>Snow Plowing</b>	565,430	748,660	183,230	0.1%
<b>Winter Mtce - Sidewalks</b>	878,200	878,200	0	0.0%
<b>Misc. Winter Roads Mtce</b>	3,096,350	3,096,350	194,128	0.1%
<b>TOTALS</b>	<b>14,391,180</b>	<b>16,500,117</b>	<b>2,303,065</b>	<b>1.3%</b>



In addition to the above mentioned operating impact, there will also be an impact on the Fleet Capital Budget. In the short term (1-2 years) the City will be able to perform the proposed enhancements with the current compliment of equipment. However, the current fleet is beyond its recommended service life and a large capital investment in fleet would be required to continue with the implementation of these recommendations. The current price for a multi-functional plow truck is approximately \$205,000. The 17 units would have to be replaced over the next three years requiring the Fleet Capital Budget to increase by \$1.2 Million per year for the next three years. In year four and permanently thereafter, the annual Fleet Capital Budget will have to increase by \$0.5 Million.

If the Union proposal is adopted by Council, City forces would be assigned to other winter control activities when not engaged in a storm event, and these costs are included in the budget costing presented.

Council has also requested what it would cost to provide the same enhanced service level using only contractors. The estimated annual cost to achieve these service levels utilizing contractors would be approximately \$1,848,000, which is approximately \$450,000 less than utilizing City Staff and equipment. The difference in cost is primarily because contractors are only paid per event with the exception of a standby charge. If this option was implemented, a one percent (1%) increase in the tax levy would be required.

Further, utilizing contractors to perform these service level enhancements would require no additional investment in fleet beyond our current requirements.