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The Regional Municipality of Durham Report

To: Works Committee
From: Commissioner of Works
Report: #2023-W-13
Date: March 8, 2023

Subject:

2023 Works Department Business Plans and Budget

Recommendation:

That the Works Committee recommends to the Finance and Administration Committee for subsequent recommendation to Regional Council that the 2023 Business Plans and Budget for the Works Department's General Tax and Solid Waste Management operations be approved.

Report:

1. Purpose

- 1.1 The purpose of this report is to obtain Works Committee concurrence of the 2023 Business Plans and Budget for the Works Department's General Tax (including roads, bridges, and other general tax supported programs) and Solid Waste Management programs. The Works Department 2023 Business Plans and Budget will be referred to the Finance and Administration Committee for consideration during deliberations of the 2023 Property Tax Supported Business Plans and Budget.

2. Overview

2.1 The recommended 2023 Works Department Business Plans and Budget meets the Council approved guideline for the 2023 Property Tax Supported Business Plans and Budget.

2.2 The 2023 Works Department Business Plans and Budget supports and advances the goals of the Regional Municipality of Durham's (Region) Strategic Plan, namely:

- Environmental Sustainability
- Community Vitality
- Economic Prosperity
- Social Investment
- Service Excellence

2.3 The recommended 2023 Works Department Business Plans and Budget include:

- a. Works General Tax: gross expenditures to deliver roads, bridges and other general tax programs totalling \$264.7 million in gross expenditures, requiring \$54.2 million in property tax funding with the remaining funded by program fees, development charges, Canada Community-Building Fund proceeds, reserves/reserve funds and debenture financing; and,
- b. Solid Waste Management: gross expenditures to deliver solid waste management planning and operating activities totalling \$90.6 million, requiring \$58.7 million in property tax funding with the remaining expenditures funded by program fees, industry funding, reserves and reserve funds, and recovery from the Regional Municipality of York.

2.4 The recommended 2023 Works Department Business Plans and Budget provides operating and capital funding for the following divisions:

Works General Tax

- a. Maintenance Operations

- Winter Control
 - Roadside Maintenance
 - Regional Storm Sewers
- b. Traffic Operations
- Signals and Systems
 - Signs, Markings and Roadside Protection
 - Engineering and Central Control Systems
- c. Engineering and Staff Support
- d. Facilities Management
- e. Regional Forest
- f. Depot Operations
- g. Fleet Operations
- h. Administration

Solid Waste Management Operations

- a. Waste Management Facilities
- b. Collections, Processing and Disposal
- c. Administration
- d. Facilities Management
- e. Regional Corporate Costs
- f. Waste Management Centre
- g. Community Outreach
- h. Environmental Studies

2.5 The 2023 Works Department Business Plans and Budget also provide funding for a share of the operation and maintenance of Regional Headquarters.

3. 2022 Accomplishments

3.1 In 2022, the Works Department:

- a. Advanced the implementation of the Durham Vision Zero Safety Plan, including the installation of four new fixed Automated Speed Enforcement (ASE) cameras, and the continued deployment of four ASE cameras on a rotational basis covering 23 locations with over 1,900 camera days.
- b. Completed the rehabilitation of 22 kilometres of Regional roads including the installation of wider paved shoulders on rural roads to provide a safer cycling environment.
- c. Supported Durham OneNet Inc. with the completion of the first broadband project to extend the Region's fibre network to four rural communities from Pickering to Uxbridge and connected 14 traffic intersections to the said fibre network.
- d. Completed road widenings for several major growth-related projects including Simcoe Street (Regional Road 2) from north of Conlin Road to the south of Winchester Road (Regional Road 3), Westney Road from Rossland Road to Taunton Road, and Brock Street from Manning Road to Rossland Road.
- e. Completed the rehabilitation of Regional Road 18 using recycled waste material.
- f. Commenced a visioning and initial business case study to explore rapid transit on Simcoe Street.
- g. Commenced detailed design for 13 kilometres of median bus rapid transit lane through Pickering, Ajax, and Whitby.
- h. Facilitated online public consultations that helped to frame the development of the future median transit shelter concept.
- i. Completed the transfers of roads to and from (road rationalization) the Town of Whitby (Whitby). The Region transferred jurisdiction of Henry Street to

Cochrane Street to Whitby and Rossland Road from Lake Ridge Road to Cochrane Street became the jurisdiction of the Region.

- j. Earned the Smart 50 Award and Transportation Association of Canada Technology Achievement Award for optimizing road maintenance using artificial intelligence (AI). Durham is the first regional municipality in Canada to implement ROVER AI for pothole detection.
- k. Acquired properties to support the advancement of Regional strategic initiatives and projects and negotiated leases for space for program delivery including the following strategic acquisitions:
 - Executed the lease agreement for the Regional owned Material Recycling Facility (MRF) which will no longer be required due to the transfer of responsibility for Ontario's Blue Box program from municipalities to the producers of the products and packaging. The Region is scheduled to complete the transition from the Blue Box program in 2024 at which time the lease will come into effect.
 - Secured and operationalized leased space at 27 Station Street, in the Town of Ajax, for the operation of an emergency warming centre and shelter for Durham residents experiencing homelessness.
 - Secured three leased spaces to replace Durham Regional Police Service's leased facility in Clarington that was destroyed by fire.
 - Land requirements for several growth and road rehabilitation projects to advance the transportation objectives outlined in the Region of Durham Official Plan.
- l. Acquired 44 properties for the Highway 2 Bus Rapid Transit (BRT) project to advance the Rapid Transit program in Durham.
- m. Completed valuations of Durham Regional Local Housing Corporation (DRLHC) owned properties and explored other Regional owned properties for potential housing solutions.
- n. Provided service to more than 330,000 customers at the Region's Waste Management facilities.

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- o. Initiated a Biocover Feasibility Project at the closed Oshawa Landfill site to determine if a biocover is an effective methane reduction method for closed landfills in the Region.
 - p. Awarded a contract for the collection of solid waste in the Town of Ajax and the City of Pickering specifying the use of renewable natural gas fuelled collection vehicles and options for servicing developments that do not meet the Region's traditional design standards for municipal waste collection services.
 - q. Completed the transition of the Waste Management Customer Service portfolio to MyDurham311.
 - r. Fully implemented the Enterprise Maintenance Management System (EMMS). Facilities, Traffic and Maintenance operations are now utilizing this comprehensive work management system to manage activities, capture life cycle cost data and provide real-time maintenance information.
 - s. Advanced Regional facilities capital projects including:
 - Completed construction of 10 modular housing units and two service units for the Oshawa Micro-homes pilot project. The homes were occupied in early 2022.
 - Commenced construction of the Beaverton Supportive Housing in the fall of 2022 with occupancy expected in 2023.
 - Initiated construction of the Region of Durham Paramedic Services (RDPS) Station and Training facility in Seaton in the spring of 2022.
 - Commenced construction of Phase 2 of the Durham Regional Police Service Clarington project in early 2022.
 - Continued work on the York Durham Regional Environmental Lab with work expected to be completed in 2023.
 - Commenced construction of Phase 1 of the Workplace Modernization project at Regional Headquarters with occupancy of the fifth floor scheduled for spring of 2023.

- Commenced the installation of 36 charging stations at Regional facilities.
 - Completed various state-of-good repair projects to support the goals of the Region's Asset Management plan.
- t. Supported the implementation of the Regional Cycling Plan to provide residents with a safe and accessible network through the addition of 21 kilometres of new cycling facilities.

4. 2023 Strategic Highlights

- 4.1 The Works Department 2023 Business Plans and Budget proposes significant investments for capital infrastructure, including:
- a. Total capital for Regional roads and infrastructure projects totalling \$213.0 million, including \$78.6 million in Regional transportation projects funded under the Investing in Canada Infrastructure Program (ICIP). Of the \$104.6 million transportation-related projects, excluding ICIP, \$46.3 million are growth related with the balance of \$58.3 million for rehabilitation of existing infrastructure and system improvement projects including \$0.5 million for cycling infill projects.
 - b. \$1.7 million in capital investments to achieve Durham Vision Zero's goals, with the financing of \$0.675 million provided from the Vision Zero Initiatives Reserve Fund, for the implementation of automated red-light and speed enforcement cameras and enhanced pavement and line markings.
 - c. \$42.0 million in capital investments for property acquisition for the expansion and modernization of the Sunderland and Oshawa/Whitby Maintenance Depots and \$5.0 million for the design of the Ajax/Pickering Maintenance Depot expansion to accommodate increased service demand due to population growth, proposed to be financed by debentures.
 - d. An additional \$5.85 million investment for the energy retrofit and modernization of Regional facility at 101 Consumers Drive, Whitby, to optimize space, reduce greenhouse gas emissions and provide energy-efficient lighting.
 - e. A \$1.0 million investment to redesign and reconstruct the Oshawa Waste Management Facility, optimizing the site to ensure it is utilized to its full

extent and achieves the goals outlined in the Region's Long-Term Waste Management Plan, 2022-2040.

- 4.2 In addition to these capital priorities, the proposed 2023 Works Department Business Plans and Budget include investments for key operational initiatives such as:
- a. Implementation of the Durham Vision Zero countermeasures program totalling \$1.84 million for the ongoing delivery of red-light camera technology and Automated Speed Enforcement (ASE), including two new mobile and two new fixed ASE cameras.
 - b. Increases in road maintenance costs in response to growth, historical service demands and increased cost of operations totalling \$0.613 million.
 - c. \$0.085 million investment to increase the supply of blue boxes, green bins, and blue box lids to accommodate growth and demand.
- 4.3 Aside from the delivery of essential services to the public, the Works Department leads and supports key corporate projects and initiatives, including:
- a. The design, construction, and commissioning of the Seaton Long-Term Care Facility in the City of Pickering under an accelerated schedule, with an estimated project cost of \$126.0 million.
 - b. The redevelopment of Durham Regional Local Housing Corporation sites and 300 Ritson Road South, in the City of Oshawa.
 - c. Design, construction, and property acquisition to advance Bus Rapid Transit initiatives, and Durham Transit facilities at 2400 Thornton Road and 710 Raleigh Avenue.
 - d. Delivery of deep energy retrofit work at four DRLHC properties.
 - e. Continued support of Durham OneNet Inc. (DONI) in advancing the Region's broadband expansion network.
- 4.4 A total of 21.954 new full-time equivalent employees (FTEs) are included in the proposed 2023 budget for General Tax and Waste, representing new permanent resources to support the delivery of the Works Department's capital projects, delivery of key strategic corporate projects and priorities and operating activities.

Proposed positions include 10 positions for the delivery of utility locates program as recommended by the consultants from review of the underground Locates Program and to ensure compliance with legislated requirements. The cost of some of these positions is allocated at varying levels to capital projects or maintenance activities:

a. New Positions to support existing activities:

- Contract Coordinator in Facilities, Design, Construction and Asset Management 1.000 FTE
- Project Supervisor in Facilities, Design, Construction and Asset Management (costs are shared with Water Supply, Sanitary Sewerage, Works General Tax and Solid Waste) 0.343 FTE
- Stockkeeper in Fleet Operations 1.000 FTE
- Skilled Maintenance Worker 1 in Maintenance Operations (utility locate office) 10.000 FTEs
- Senior Project Coordinator in Fleet Operations 1.000 FTE
- Project Manager in Rapid Transit Office 1.000 FTE
- Inspector 3 in Rapid Transit Office 1.000 FTE
- Medium Equipment Operator in Maintenance Operations 1.000 FTE
- Inspector 3 (Capital) in Construction (costs are shared with Water Supply, Sanitary Sewerage and Works General Tax) 0.358 FTE
- Emergency Management Coordinator (Compliance) in the Commissioner's Office (costs are shared with Water Supply, Sanitary Sewerage, Works General Tax and Solid Waste) 0.500 FTE
- Business Analyst in Systems, Policies and Process (costs are shared with Water Supply, Sanitary Sewerage and Works General Tax) 0.410 FTE

b. Temporary to Permanent Conversions:

- Labourers in Maintenance Operations 4.000 FTEs
- Project Manager in Facilities Design, Construction and Asset Management (costs are shared with Water Supply, Sanitary Sewer, Works General Tax and Solid Waste) 0.343 FTE

4.5 The Works Department provides significant support and leadership to key Regional initiatives included in the 2023 Business Plans and Budget that provide mitigation and adaptation measures and strategies to address the Region's climate change initiatives, including:

- a. The replacement of nine electric hybrid half ton pick-up trucks at various locations for \$0.8 million, funded through the equipment replacement reserves.
- b. Continued support through the Rapid Transit Office and Corporate Real Estate for the implementation of Bus Rapid Transit on Highway 2.
- c. Evaluation of third-party waste haulage emissions to quantify the impact of switching to renewable natural gas or other low-carbon fuel to reduce GHG emissions associated with residential waste collection.
- d. Delivery of deep energy retrofit work at four Durham Regional Local Housing Corporation seniors' buildings with an approved budget of \$22.4 million.
- e. Leading the design and construction of the Durham Region Transit Maintenance facility on Thornton Road North in Oshawa. This facility will support a full fleet of zero emission vehicles while aiming for high energy standards that will allow it to be a net-zero energy building.
- f. Utilization of recycled materials for road construction.

5. 2023 Risks and Uncertainties

5.1 Areas of potential risks and pressures that could impact the operating and capital budget of the Works Department include:

- a. Risks related to legislative changes, regulations, and provincial reviews:

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- Ongoing efforts to comply with Ontario Regulation 239/02, minimum road maintenance standards with the expansion of the Region's Road network.
 - Ongoing challenges to meet the requirements of the Accessibility for Ontarians with Disability Act (AODA) as it relates to the installation of Accessible Pedestrian Signals.
 - Obligation to meet legislative standards, for example, the Ontario One-Call program to meet response time requirements.
 - On-Site and Excess Soil Management Regulation 406/19.
 - Transition to the Extended Producer Responsibility (EPR) regime, including the timing and content of regulations supporting the transition.
 - Requirements and timing of the Province's Food and Organic Waste Policy Statement/Framework.
- b. Revenue/Funding pressures:
- Uncertainty around revenue/funding pressures (e.g., provincial/federal infrastructure programs which require matching Regional investment).
 - Uncertainty around receipt and availability of development charge revenue to fund major projects resulting from Provincial Bill 23. Any reduction in Development Charges for growth will result in increased pressure on road rehabilitation.
 - Uncertainty regarding blue box material commodity pricing and industry funding.
- c. Operating Pressures:
- Increasing costs of operations due to unprecedented inflation on materials and supplies, including contractual increases, critical for service provision and capital project delivery.
 - Increase in gasoline and fuel prices impacting fleet operating costs and contracted waste collection services.

- Resource pressures for the delivery of capital programs due to the increasing number and complexity of projects.
- Recruiting and retaining qualified staff, especially in the highly competitive, job market.
- Ongoing difficulties experienced by contractors to recruit and retain staff to deliver waste management services resulting in increased contract costs.
- Managing the pressures from growth and increased demand on services to support residents and businesses as well as the operational and maintenance requirements for Regional infrastructure including the transportation network and waste management operations.
- Higher than anticipated costs for winter maintenance, and increased costs for repairs of roads due to severe weather events.

6. Future Budget Pressures

6.1 Items proposed in the 2023 Works Department Business Plans and Budget will result in impacts to the 2024 budget including:

a. Annualization of new positions proposed in 2023, including recoveries from capital projects:

- Works – General Tax \$1.08 million
- Solid Waste Management \$0.02 million

6.2 Looking forward over the next four years, the following significant budget pressures include:

a. Growth Requirements:

- Increased demands for road maintenance, traffic signal maintenance and solid waste management programs in growth areas.
- Increased fleet and equipment requirements to service and maintain growing infrastructure.

- Increased capital infrastructure including new, expanded, and modernized facilities to accommodate service growth and development.
- b. Asset Management and Infrastructure Requirements:
- Reconstruction, modernization and expansion of existing Maintenance Operations Depots and Regional Waste Management Facilities.
 - Increased infrastructure to support Durham Regional Local Housing Corporation initiatives as well as expansion of Long-Term Care, Region of Durham Paramedic Services, Durham Regional Police Services and Durham Region Transit needs.
 - Replacement of the fuel management system and related infrastructure.
 - Capital road, traffic control and bridge expansion and rehabilitation need.
- c. Legislative and Regulatory Requirements:
- Bill 23-Supporting Growth and Housing in York and Durham Regions Act, 2022, will impact the number of development charges available to fund new and expanded infrastructure to service growth. Without development charges this infrastructure will need to be funded from property taxes.
 - The provincial direction to develop 1.5 million homes in an expedited manner and allow the development of Greenbelt lands with restricted timelines will be an additional and unplanned development pressure competing for Regional infrastructure funds and resources. Staff are working on the financial impacts on future Regional budgets through the update to the Region's Development Charges Background Study. A thorough review of the proposed legislation details will be undertaken and accommodated starting in the 2024 Business Plans and Budget.
 - Ongoing environmental protection, compliance, and rehabilitation requirements for closed landfills.

- Continued uncertainty regarding recyclable commodity price revenues.
- Increased requirements for the reduction and diversion of food and organic waste.
- Expansions of Vision Zero countermeasures.

7. Relationship to Strategic Plan

7.1 This report aligns with/addresses the following strategic goal and priorities in the Durham Region Strategic Plan.

a. Goal 1 - Environmental Sustainability:

- Accelerating the adoption of green technologies and clean energy solutions through strategic partnerships and investment with internal and external partners and academic institutions. The Region is currently partnering with the Toronto Atmospheric Fund to deliver building retrofits of the senior's housing portfolio to reduce energy consumption and carbon emissions under FCM's Sustainable Affordable Housing program.
- Increasing resource recovery through the implementation of an interim food and organic waste management strategy in 2024 with continued efforts to develop a long-term food and organic waste management strategy; converting the Region's contracted waste management fleet to renewable natural gas fuelling; and promoting the use of recycled materials in construction projects.
- Protecting, preserving and restoring the natural environment including greenspaces, waterways, parks, trails, and farmlands by exploring alternative winter de-icing materials to minimize salt impacts; integrating environmentally sensitive solutions and practices; increasing restoration measures for impacted areas from construction projects; continuing controlled-harvest practices in all Durham Region Forest tracts; exploring low and no-mow landscaping options and naturalization on sites; and ensuring site plan development preserves natural features and favour native plant restoration.

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- Demonstrating leadership in sustainability and climate change action by mitigating the environmental impacts of projects and continuing to showcase environmental awareness and the importance of Regional assets, such as the Regional Forest. Landfill reclamation and remediation work will continue along with the ongoing implementation of the Oshawa Landfill pilot project to study the potential of a biocover to mitigate landfill gas generation.
 - Expanding sustainable and active transportation by promoting transit and cycling; identifying and prioritizing road maintenance and winter response on primary cycling routes.
- b. Goal 2 - Community Vitality:
- Revitalizing existing neighbourhoods and building complete communities that are walkable, well-connected, and have a mix of attainable housing through the expansion of the Regional cycling network.
 - Enhancing community safety and well-being with improvements to road traffic safety by advancing projects that are part of the Durham Vision Zero initiative.
- c. Goal 3 - Economic Prosperity:
- Better connections for people and the movement of goods by constructing and maintaining an efficient goods movement network.
 - Supporting the Bowmanville GO extension and the Rapid Transit network.
 - Centralizing Regional services at strategic facilities to reduce travelling time and increasing convenience for residents.
 - Expediting the delivery of high-speed internet services to the rural and underserved communities across Durham Region by leveraging and expanding upon the existing Traffic Operations fibre network.

d. Goal 4 – Social Investment:

- Supporting the revitalization of Durham Region Local Housing Corporation sites, including advancing the redevelopment of underutilized Regional sites to facilitate modern, safe mixed-income communities while increasing the number of affordable housing units.
- Collaborating with departments and community organizations to advance housing support across the Region, including leading the design and construction of modular supportive housing and microhomes and advancing land banking opportunities.

e. Goal 5 - Service Excellence:

- Collaborating for a seamless service experience by partnering with local municipalities and maintaining the service request system to address external concerns through a single point of contact.
- Demonstrating commitment to continuous quality improvement and transparency through public engagement on all major public works initiatives in real-time.

7.2 The Strategic Priorities section of the 2023 Works Department Business Plans and Budget document further highlights planned activities for the current budget year which will contribute to the achievement of the priorities outlined in the Region's Strategic Plan.

8. Conclusion

8.1 The proposed 2023 Works Department Business Plans and Budget meet the Council-approved guideline for the 2023 Property Tax Supported Business Plans and Budget and supports the Department's role in the provision of roads, bridges and other general tax supported programs and services.

8.2 It is recommended that the Works Committee approve the 2023 Business Plans and Budget for the Works Department's General Tax and Solid Waste Management Operations and forward this report to the Finance and Administration Committee for consideration during the budget deliberations of the 2023 Property Tax Supported Business Plans and Budget.

8.3 This report has been reviewed by the Finance Department and the Commissioner of Finance concurs with the recommendation.

9. Attachments

9.1 Detailed 2023 Business Plans and Budget for the Works Department's General Tax and Solid Waste Management Operations are available online from the March 8 Works Committee Agenda.

Respectfully submitted,

Original signed by:

John Presta, P.Eng., MPA
Commissioner of Works

Recommended for Presentation to Committee

Original signed by:

Elaine Baxter-Trahair
Chief Administrative Officer