

HALTON REGION

Budget and Business Plan **2017**

Water & Wastewater Details

Rate Supported Budget Summary

Regional Water & Wastewater Services											
Rate Supported Services	2015	2016		2017			Change in Budget				
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved	2017 Requested to 2016 Approved			
Treatment	\$ 63,688,282	\$ 66,289,765	\$ 65,515,788	\$ 69,020,174	\$ 198,326	\$ 69,218,500	\$ 2,730,409	4.1%	\$ 2,928,735	4.4%	
System Services	46,027,686	48,415,718	49,178,718	48,864,758	135,571	49,000,329	449,040	0.9%	584,611	1.2%	
Infrastructure Planning & Policy	3,191,955	3,632,262	3,543,262	3,802,605	163,918	3,966,524	170,343	4.7%	334,261	9.2%	
Engineering & Construction	9,614,673	11,873,738	10,018,650	12,211,586	119,145	12,330,731	337,848	2.8%	456,993	3.8%	
Public Works Administration	114,868	100,000	100,000	100,000	-	100,000	-	0.0%	-	0.0%	
Recoveries from Capital Projects	(14,458,997)	(16,982,940)	(14,584,971)	(17,352,583)	(377,503)	(17,730,087)	(369,643)	2.2%	(747,147)	4.4%	
Gross Operating Expenditures	\$ 108,178,466	113,328,544	113,771,448	116,646,541	239,457	116,885,997	3,317,997	2.9%	3,557,453	3.1%	
Capital Expenses											
Debt Charges	36,856,436	38,290,916	36,100,916	33,220,286	-	33,220,286	(5,070,630)	-13.2%	(5,070,630)	-13.2%	
Transfers to Reserve	43,288,001	48,526,789	48,526,789	55,657,002	-	55,657,002	7,130,213	14.7%	7,130,213	14.7%	
Transfers to Vehicle Reserve	1,154,000	1,303,500	1,303,500	1,386,100	-	1,386,100	82,600	6.3%	82,600	6.3%	
Transfers to Gas Tax Reserve	9,481,778	9,482,000	9,482,000	9,482,000	-	9,482,000	-	0.0%	-	0.0%	
Transfers from Reserve	(10,237,660)	(9,610,207)	(9,610,207)	(9,552,017)	-	(9,552,017)	58,190	-0.6%	58,190	-0.6%	
Capital Expenditures	80,542,555	87,992,999	85,802,999	90,193,371	-	90,193,371	2,200,372	2.5%	2,200,372	2.5%	
Total Gross Expenditures	\$ 188,721,021	201,321,543	199,574,447	206,839,912	239,457	207,079,368	5,518,369	2.7%	5,757,826	2.9%	
Subsidy Revenue	(9,481,778)	(9,482,000)	(9,482,000)	(9,482,000)	-	(9,482,000)	-	0.0%	-	0.0%	
Other Revenues											
Bulk Water Charges	(645,168)	(660,800)	(660,800)	(694,400)	-	(694,400)	(33,600)	5.1%	(33,600)	5.1%	
Fees for Service	(3,561,001)	(3,378,238)	(3,411,142)	(3,495,044)	-	(3,495,044)	(116,806)	3.5%	(116,806)	3.5%	
Sewer Discharge Agreements	(1,199,569)	(960,000)	(960,000)	(1,079,200)	-	(1,079,200)	(119,200)	12.4%	(119,200)	12.4%	
Interest Earnings	(3,617,000)	(3,617,000)	(3,617,000)	(3,617,000)	-	(3,617,000)	-	0.0%	-	0.0%	
Total Revenue	(18,504,516)	(18,098,038)	(18,130,942)	(18,367,644)	-	(18,367,644)	(269,606)	1.5%	(269,606)	1.5%	
Net Program Impact	\$ 170,216,506	\$ 183,223,505	\$ 181,443,505	\$ 188,472,268	\$ 239,457	\$ 188,711,725	\$ 5,248,763	2.9%	\$ 5,488,219	3.0%	
Growth Impact:											
Consumption Adjustment (-3.5%)									3,825,965	2.1%	
Uniform Rate									2,585,351	1.4%	
Wastewater Cap Removal									(1,340,687)	-0.7%	
Customer Growth (1.6%)									(1,126,970)	-0.6%	
Net Increase Requirement									\$ 9,431,879	5.1%	

Gross Expenditures & Revenue by Program															
\$000s	Total Direct Costs					Other Expenditures					Capital Expenditures				
	2015 Actual	2016 Approved Budget	2017 Requested Budget	Change in Budget 2017 Requested to 2016 Approved		2015 Actual	2016 Approved Budget	2017 Requested Budget	Change in Budget 2017 Requested to 2016 Approved		2015 Actual	2016 Approved Budget	2017 Requested Budget	Change in Budget 2017 Requested to 2016 Approved	
Treatment	\$ 55,424	\$ 57,520	\$ 60,492	\$ 2,971	5.2%	\$ 6,590	\$ 6,690	\$ 6,677	\$ (14)	-0.2%	\$ -	\$ -	\$ -	\$ -	0.0%
System Services	35,734	37,417	37,578	160	0.4%	9,514	10,998	11,328	330	3.0%	-	-	-	-	0.0%
Infrastructure Planning & Policy	4,847	5,597	5,941	344	6.1%	(3,999)	(4,960)	(5,194)	(234)	4.7%	-	-	-	-	0.0%
Engineering & Construction	7,789	9,131	9,401	270	3.0%	(7,789)	(9,131)	(9,401)	(270)	3.0%	-	-	-	-	0.0%
Public Works Administration	4,120	4,691	4,762	71	1.5%	(4,053)	(4,626)	(4,697)	(71)	1.5%	-	-	-	-	0.0%
Capital Financing	-	-	-	-	0.0%	-	-	-	-	0.0%	80,543	87,993	90,193	2,200	2.5%
Total Water & Wastewater Systems	107,915	114,357	118,174	3,817	3.3%	264	(1,028)	(1,288)	(260)	25.2%	80,543	87,993	90,193	2,200	2.5%
Water & Wastewater Rate Revenues															
Bulk Water Charges	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Gas Tax Revenues	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Fees for Service	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Sewer Discharge Agreements	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Interest Earnings	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Total Rate Revenues	-	-	-	-	-	-	-	-	-	0.0%	-	-	-	-	0.0%
Total Rate Impact	\$ 107,915	\$ 114,357	\$ 118,174	\$ 3,817	3.3%	\$ 264	\$ (1,028)	\$ (1,288)	\$ (260)	25.2%	\$ 80,543	\$ 87,993	\$ 90,193	\$ 2,200	2.5%

Gross Expenditures & Revenue by Program															
\$000s	Total Gross Expenditures					Total Revenue					Net Program Expenditures				
	2016		2017	Change in Budget		2016		2017	Change in Budget		2016		2017	Change in Budget	
	2015 Actual	Approved Budget	Requested Budget	2017 Requested to 2016 Approved		2015 Actual	Approved Budget	Requested Budget	2017 Requested to 2016 Approved		2015 Actual	Approved Budget	Requested Budget	2017 Requested to 2016 Approved	
Treatment	\$ 62,014	\$ 64,211	\$ 67,168	\$ 2,958	4.6%	\$ -	\$ -	\$ -	\$ -		\$ 62,014	\$ 64,211	\$ 67,168	\$ 2,958	4.6%
System Services	45,248	48,416	48,906	490	1.0%	-	-	-	-		45,248	48,416	48,906	490	1.0%
Infrastructure Planning & Policy	848	637	747	109	17.2%	-	-	-	-		848	637	747	109	17.2%
Engineering & Construction	-	-	-	-	0.0%	-	-	-	-		-	-	-	-	0.0%
Public Works Administration	68	65	65	-	0.0%	-	-	-	-		68	65	65	-	0.0%
Capital Financing	80,543	87,993	90,193	2,200	2.5%	-	-	-	-		80,543	87,993	90,193	2,200	2.5%
Total Water & Wastewater Systems	188,721	201,322	207,079	5,758	2.9%	-	-	-	-		188,721	201,322	207,079	5,758	2.9%
Water & Wastewater Rate Revenues															
Subsidy Revenue	-	-	-	-	0.0%	(9,482)	(9,482)	(9,482)	-	0.0%	(9,482)	(9,482)	(9,482)	-	0.0%
Bulk Water Charges	-	-	-	-	0.0%	(645)	(661)	(694)	(34)	5.1%	(645)	(661)	(694)	(34)	5.1%
Fees for Service	-	-	-	-	0.0%	(3,561)	(3,378)	(3,495)	(117)	3.5%	(3,561)	(3,378)	(3,495)	(117)	3.5%
Sewer Discharge Agreements	-	-	-	-	0.0%	(1,200)	(960)	(1,079)	(119)	12.4%	(1,200)	(960)	(1,079)	(119)	12.4%
Interest Earnings	-	-	-	-	0.0%	(3,617)	(3,617)	(3,617)	-	0.0%	(3,617)	(3,617)	(3,617)	-	0.0%
Total Rate Revenues	-	-	-	-	0.0%	(18,505)	(18,098)	(18,368)	(270)	1.5%	(18,505)	(18,098)	(18,368)	(270)	1.5%
Total Rate Impact	\$ 188,721	\$ 201,322	\$ 207,079	\$ 5,758	2.9%	\$ (18,505)	\$ (18,098)	\$ (18,368)	\$ (270)	1.5%	\$ 170,216	\$ 183,224	\$ 188,712	\$ 5,488	3.0%



Departmental Summary

Rate Supported Services	2015	2016		2017			Change in Budget			
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
Personnel Services	\$ 43,776,320	\$ 47,834,780	\$ 44,165,068	\$ 48,748,080	\$ 598,280	\$ 49,346,360	\$ 913,300	1.9%	\$ 1,511,580	3.2%
Materials & Supplies	25,427,699	25,746,488	26,039,317	27,062,259	18,680	27,080,939	1,315,771	5.1%	1,334,451	5.2%
Purchased Services	37,850,279	38,098,255	39,312,118	39,225,231	-	39,225,231	1,126,976	3.0%	1,126,976	3.0%
Financial & Rent Expenses	297,805	210,195	128,595	54,142	-	54,142	(156,052)	-74.2%	(156,052)	-74.2%
Grants & Assistance	562,779	2,467,000	2,467,000	2,467,000	-	2,467,000	-	0.0%	-	0.0%
Total Direct Costs	107,914,882	114,356,717	112,112,097	117,556,712	616,960	118,173,672	3,199,995	2.8%	3,816,955	3.3%
Allocated Charges / Recoveries	(12,844,321)	(13,606,688)	(10,919,164)	(14,364,934)	(377,503)	(14,742,438)	(758,246)	5.6%	(1,135,749)	8.3%
Corporate Support	11,734,655	12,520,515	12,520,515	13,369,063	-	13,369,063	848,548	6.8%	848,548	6.8%
Transfer to Reserves - Operating	1,580,227	58,000	58,000	85,700	-	85,700	27,700	47.8%	27,700	47.8%
Transfer from Reserves - Operating	(206,977)	-	-	-	-	-	-	0.0%	-	0.0%
Gross Operating Expenditures	108,178,466	113,328,544	113,771,448	116,646,541	239,457	116,885,997	3,317,997	2.9%	3,557,453	3.1%
Transfer to Reserves - Capital	44,442,001	49,830,289	49,830,289	57,043,102	-	57,043,102	7,212,813	14.5%	7,212,813	14.5%
Transfer to Gas Tax Reserve	9,481,778	9,482,000	9,482,000	9,482,000	-	9,482,000	-	0.0%	-	0.0%
Transfer from Reserves - Capital	(10,237,660)	(9,610,207)	(9,610,207)	(9,552,017)	-	(9,552,017)	58,190	-0.6%	58,190	-0.6%
Debt Charges	36,856,436	38,290,916	36,100,916	33,220,286	-	33,220,286	(5,070,630)	-13.2%	(5,070,630)	-13.2%
Capital Financing Expenditures	80,542,555	87,992,999	85,802,999	90,193,371	-	90,193,371	2,200,372	2.5%	2,200,372	2.5%
Total Gross Expenditures	188,721,021	201,321,543	199,574,447	206,839,912	239,457	207,079,368	5,518,369	2.7%	5,757,826	2.9%
Subsidy Revenue	(9,481,778)	(9,482,000)	(9,482,000)	(9,482,000)	-	(9,482,000)	-	0.0%	-	0.0%
Other Revenue	(9,022,738)	(8,616,038)	(8,648,942)	(8,885,644)	-	(8,885,644)	(269,606)	3.1%	(269,606)	3.1%
Total Revenue	(18,504,516)	(18,098,038)	(18,130,942)	(18,367,644)	-	(18,367,644)	(269,606)	1.5%	(269,606)	1.5%
Net Program Impact	\$ 170,216,506	\$ 183,223,505	\$ 181,443,505	\$ 188,472,268	\$ 239,457	\$ 188,711,725	\$ 5,248,763	2.9%	\$ 5,488,219	3.0%

Staff Complement (F.T.E.)	2016	2017			Change in Budget			
	Approved Budget	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
FTE	447.0	447.0	5.0	452.0	0.0	0.0%	5.0	1.1%

Budget Change Report

Rate Supported Services	2016		2017			Change in Budget		Comments
	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Requested to 2016 Approved		
Personnel Services	\$ 47,834,780	\$ 44,165,068	\$ 48,748,080	\$ 598,280	\$ 49,346,360	\$ 1,511,580	3.2%	Increase includes Strategic Investments for 5 FTEs; a Senior Policy Analyst, an Infrastructure Network Analyst, a Water Meter Program Coordinator, a Maintenance Manager, and a Construction Inspector.
Materials & Supplies	25,746,488	26,039,317	27,062,259	18,680	27,080,939	1,334,451	5.2%	Increase in Hydro of \$2.3 million based on a forecast rate increase and additional usage resulting from upgrades at Skyway and Mid-Halton WWTP, \$40,000 increase in plant maintenance materials, and \$26,000 inflationary increase in chemicals; offset by decreases of (\$541,000) in materials from stores due to the movement of replacement meters to the capital program, (\$341,000) in materials costs for main and service connection repairs, which are now included in contracted services, and (\$34,000) in travel expenses to reflect actual trends.
Purchased Services	38,098,255	39,312,118	39,225,231	-	39,225,231	1,126,976	3.0%	Increase includes \$938,000 for contracted services due to revised contracts for main/service connection repairs, increased meter installation costs, and the new large meter maintenance program. \$252,000 for plant maintenance, \$200,000 for locate requests, \$135,000 for property taxes, and \$101,000 in water billing charges based on price increases and customer growth; partly offset by reductions in professional consulting fees of (\$344,000) based on actual trends and (\$183,000) in training/ conferences due to centralization of costs in Human Resources.
Financial and Rent Expenses	210,195	128,595	54,142	-	54,142	(156,052)	-74.2%	A reduction of (\$156,000) in equipment leases; as Region-owned equipment is being utilized.
Grants & Assistance	2,467,000	2,467,000	2,467,000	-	2,467,000	-	0.0%	
Total Direct Costs	114,356,717	112,112,097	117,556,712	616,960	118,173,672	3,816,955	3.3%	
Allocated Charges/Recoveries	(13,606,688)	(10,919,164)	(14,364,934)	(377,503)	(14,742,438)	(1,135,749)	8.3%	An increase of (\$747,000) in recoveries from capital to reflect project delivery costs and for additional staff resources considered in strategic investments in support of the capital program; offset by reductions of (\$228,000) for advertising charges moved to corporate support, (\$61,000) in IT charges due to savings with a new contract, and (\$100,000) in engineering project investigation charges based on actual trend.
Corporate Support	12,520,515	12,520,515	13,369,063	-	13,369,063	848,548	6.8%	Inflationary increases in corporate support costs, with additional increases for Asset Management and IT as well as the movement of advertising costs
Transfer to Reserves - Operating	58,000	58,000	85,700	-	85,700	27,700	47.8%	Increase for new residential water and wastewater connection charges; based on increased revenues as per Report No. (FN-11-16) re: "Impose Charges for the Installation of a Wastewater Service Extension to 8724 and 8750 Regional Road 25, Ward 2, Town of Milton".
Transfer from Reserves - Operating	-	-	-	-	-	-	0.0%	
Gross Operating Expenditures	113,328,544	113,771,448	116,646,541	239,457	116,885,997	3,557,453	3.1%	
Transfer to Reserves - Capital	59,312,289	59,312,289	66,525,102	-	66,525,102	7,212,813	12.2%	Increase due to a \$7,100,000 increase to support growing State of Good Repair Capital Program and \$82,600 for new/replacement vehicles.
Transfer from Reserves - Capital	(9,610,207)	(9,610,207)	(9,552,017)	-	(9,552,017)	58,190	-0.6%	Decrease due to deferred DC recovery for deferred growth-related debt issuance.
Debt Charges	38,290,916	36,100,916	33,220,286	-	33,220,286	(5,070,630)	-13.2%	Decrease due to pay-as-you-go financing which has been used to fund consumption and rate structure adjustments in 2017.
Capital Expenditures	87,992,999	85,802,999	90,193,371	-	90,193,371	2,200,372	2.5%	
Total Gross Expenditures	201,321,543	199,574,447	206,839,912	239,457	207,079,368	5,757,826	2.9%	
Subsidy Revenue	(9,482,000)	(9,482,000)	(9,482,000)	-	(9,482,000)	-	0.0%	
Other Revenue	(8,616,038)	(8,648,942)	(8,885,644)	-	(8,885,644)	(269,606)	3.1%	Increases in sewer discharge agreement revenue of (\$119,000), and (\$109,000) in permit revenues based on an inflationary fee increase and volume increases based on actual trends, (\$34,000) in bulk water revenue based on rate increase, and (\$28,000) in connection charge revenue.
Total Revenue	(18,098,038)	(18,130,942)	(18,367,644)	-	(18,367,644)	(269,606)	1.5%	
Net Program Expenditures	\$ 183,223,505	\$ 181,443,505	\$ 188,472,268	\$ 239,457	\$ 188,711,725	\$ 5,488,219	3.0%	



Divisional Summary

Public Works Administration	2015	2016		2017			Change in Budget			
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
Personnel Services	\$ 3,339,174	\$ 3,484,950	\$ 3,302,308	\$ 3,601,460	\$ -	\$ 3,601,460	\$ 116,510	3.3%	\$ 116,510	3.3%
Materials & Supplies	466,434	468,350	464,250	473,800	-	473,800	5,450	1.2%	5,450	1.2%
Purchased Services	312,969	735,867	692,067	685,167	-	685,167	(50,700)	-6.9%	(50,700)	-6.9%
Financial & Rent Expenses	-	-	-	-	-	-	-	0.0%	-	0.0%
Grants & Assistance	1,569	2,000	2,000	2,000	-	2,000	-	0.0%	-	0.0%
Total Direct Costs	4,120,146	4,691,167	4,460,625	4,762,427	-	4,762,427	71,260	1.5%	71,260	1.5%
Allocated Charges / Recoveries	(4,782,242)	(5,405,253)	(5,174,711)	(5,484,002)	-	(5,484,002)	(78,749)	1.5%	(78,749)	1.5%
Corporate Support	729,716	779,086	779,086	786,575	-	786,575	7,489	1.0%	7,489	1.0%
Transfer to Reserves - Operating	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer from Reserves - Operating	-	-	-	-	-	-	-	0.0%	-	0.0%
Gross Operating Expenditures	67,620	65,000	65,000	65,000	-	65,000	-	0.0%	(0)	0.0%
Transfer to Reserves - Capital	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer to Gas Tax Reserve	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer from Reserves - Capital	-	-	-	-	-	-	-	0.0%	-	0.0%
Debt Charges	-	-	-	-	-	-	-	0.0%	-	0.0%
Capital Financing Expenditures	-	-	-	-	-	-	-	0.0%	-	0.0%
Total Gross Expenditures	67,620	65,000	65,000	65,000	-	65,000	-	0.0%	(0)	0.0%
Subsidy Revenue	-	-	-	-	-	-	-	0.0%	-	0.0%
Other Revenue	(67,620)	(65,000)	(65,000)	(65,000)	-	(65,000)	-	0.0%	-	0.0%
Total Revenue	(67,620)	(65,000)	(65,000)	(65,000)	-	(65,000)	-	0.0%	-	0.0%
Net Program Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%

Budget Change Report

PW Admin	2016		2017			Change in Budget		Comments
	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Requested to 2016 Approved		
Personnel Services	\$ 3,484,950	\$ 3,302,308	\$ 3,601,460	\$ -	\$ 3,601,460	\$ 116,510	3.3%	
Materials & Supplies	468,350	464,250	473,800	-	473,800	5,450	1.2%	Increase to materials and supplies of \$5,000 based on actual trends.
Purchased Services	735,867	692,067	685,167	-	685,167	(50,700)	-6.9%	Decrease of (\$34,000) due to reduced need for Professional Services, and decreases totalling (\$15,000) for temporary agency support, contracted services, and other expenses were made to reflect actual trends.
Financial and Rent Expenses	-	-	-	-	-	-	0.0%	
Grants & Assistance	2,000	2,000	2,000	-	2,000	-	0.0%	
Total Direct Costs	4,691,167	4,460,625	4,762,427	-	4,762,427	71,260	1.5%	
Allocated Charges/Recoveries	(5,405,253)	(5,174,711)	(5,484,002)	-	(5,484,002)	(78,749)	1.5%	Inflationary increase for interdepartmental recoveries
Corporate Support	779,086	779,086	786,575	-	786,575	7,489	1.0%	
Transfer to Reserves - Operating	-	-	-	-	-	-	0.0%	
Transfer from Reserves - Operating	-	-	-	-	-	-	0.0%	
Gross Operating Expenditures	65,000	65,000	65,000	-	65,000	-	0.0%	
Transfer to Reserves - Capital	-	-	-	-	-	-	0.0%	
Transfer from Reserves - Capital	-	-	-	-	-	-	0.0%	
Debt Charges	-	-	-	-	-	-	0.0%	
Capital Expenditures	-	-	-	-	-	-	0.0%	
Total Gross Expenditures	65,000	65,000	65,000	-	65,000	-	0.0%	
Subsidy Revenue	-	-	-	-	-	-	0.0%	
Other Revenue	(65,000)	(65,000)	(65,000)	-	(65,000)	-	0.0%	
Total Revenue	(65,000)	(65,000)	(65,000)	-	(65,000)	-	0.0%	
Net Program Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	



Water & Wastewater Treatment

Divisional Summary

Water & Wastewater Treatment	2015	2016		2017			Change in Budget			
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
Personnel Services	\$ 16,199,892	\$ 17,562,190	\$ 16,073,294	\$ 17,879,050	\$ 154,580	\$ 18,033,630	\$ 316,860	1.8%	\$ 471,440	2.7%
Materials & Supplies	17,861,159	17,664,077	18,541,217	19,985,689	2,615	19,988,304	2,321,612	13.1%	2,324,227	13.2%
Purchased Services	21,232,321	22,255,299	22,045,989	22,430,332	-	22,430,332	175,033	0.8%	175,033	0.8%
Financial & Rent Expenses	13,606	13,900	14,300	14,600	-	14,600	700	5.0%	700	5.0%
Grants & Assistance	25,000	25,000	25,000	25,000	-	25,000	-	0.0%	-	0.0%
Total Direct Costs	55,331,977	57,520,467	56,699,801	60,334,671	157,195	60,491,866	2,814,204	4.9%	2,971,399	5.2%
Allocated Charges / Recoveries	1,994,593	2,527,211	3,087,781	2,229,858	41,131	2,270,989	(297,353)	-11.8%	(256,222)	-10.1%
Corporate Support	3,870,548	4,152,937	4,152,937	4,395,592	-	4,395,592	242,655	5.8%	242,655	5.8%
Transfer to Reserves - Operating	736,747	10,000	10,000	10,000	-	10,000	-	0.0%	-	0.0%
Transfer from Reserves - Operating	(12,123)	-	-	-	-	-	-	0.0%	-	0.0%
Gross Operating Expenditures	61,921,742	64,210,615	63,950,519	66,970,121	198,326	67,168,447	2,759,507	4.3%	2,957,832	4.6%
Transfer to Reserves - Capital	22,221,001	26,040,144	26,040,144	29,646,551	-	29,646,551	3,606,407	13.8%	3,606,407	13.8%
Transfer to Gas Tax Reserve	4,740,889	4,741,000	4,741,000	4,741,000	-	4,741,000	-	0.0%	-	0.0%
Transfer from Reserves - Capital	(5,118,830)	(4,805,103)	(4,805,103)	(4,776,009)	-	(4,776,009)	29,095	-0.6%	29,095	-0.6%
Debt Charges	18,639,913	19,145,458	18,050,458	16,610,143	-	16,610,143	(2,535,315)	-13.2%	(2,535,315)	-13.2%
Capital Financing Expenditures	40,482,973	45,121,499	44,026,499	46,221,686	-	46,221,686	1,100,186	2.4%	1,100,186	2.4%
Total Gross Expenditures	102,404,715	109,332,114	107,977,018	113,191,807	198,326	113,390,133	3,859,693	3.5%	4,058,019	3.7%
Subsidy Revenue	(4,740,889)	(4,741,000)	(4,741,000)	(4,741,000)	-	(4,741,000)	-	0.0%	-	0.0%
Other Revenue	(2,842,583)	(3,007,300)	(2,997,204)	(3,136,500)	-	(3,136,500)	(129,200)	4.3%	(129,200)	4.3%
Total Revenue	(7,583,472)	(7,748,300)	(7,738,204)	(7,877,500)	-	(7,877,500)	(129,200)	1.7%	(129,200)	1.7%
Net Program Impact	\$ 94,821,243	\$ 101,583,814	\$ 100,238,814	\$ 105,314,307	\$ 198,326	\$ 105,512,633	\$ 3,730,493	3.7%	\$ 3,928,819	3.9%



Budget Change Report

Water & Wastewater Treatment	2016		2017			Change in Budget		Comments
	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Requested to 2016 Approved		
Personnel Services	\$ 17,562,190	\$ 16,073,294	\$ 17,879,050	\$ 154,580	\$ 18,033,630	\$ 471,440	2.7%	Includes a Strategic Investment for a Maintenance Manager
Materials & Supplies	17,664,077	18,541,217	19,985,689	2,615	19,988,304	2,324,227	13.2%	An increase of \$2.3 million in hydro based on a forecasted rate increase and additional usage resulting from upgrades at Skyway and Mid-Halton WWTP. Additional increases include \$34,000 in plant maintenance materials to maintain a state of good repair, \$26,000 in chemicals due to the decreased value of the Canadian dollar, and \$25,000 in phone charges due to the increased number of land lines at treatment facilities and air cards for staff; offset by decreases in other materials and supplies totalling (\$36,000) were identified to more closely align with spending trends.
Purchased Services	22,255,299	22,045,989	22,430,332	-	22,430,332	175,033	0.8%	Increase includes \$211,000 in Plant maintenance purchased services to maintain a state of good repair, increase in Property taxes by \$135,000 to align with actual trends, contracted rate increase of \$48,000 for biosolids haulage, and increased water billing charges by \$28,000 based on a rate increase and customer growth; offset by reductions for staff training (\$175,000), (\$57,000) in contracted services, (\$23,000) in equipment maintenance and (\$15,000) in professional services.
Financial and Rent Expenses	13,900	14,300	14,600	-	14,600	700	5.0%	Increase in payments made to the Hamilton Port Authority.
Grants & Assistance	25,000	25,000	25,000	-	25,000	-	0.0%	
Total Direct Costs	57,520,467	56,699,801	60,334,671	157,195	60,491,866	2,971,399	5.2%	
Allocated Charges/Recoveries	2,527,211	3,087,781	2,229,858	41,131	2,270,989	(256,222)	-10.1%	Decrease for risk management charges resulting from a reallocation to System Services based on actual trends, and in engineering project investigation charges which are no longer required
Corporate Support	4,152,937	4,152,937	4,395,592	-	4,395,592	242,655	5.8%	Reflects increase for 2 FTEs (2015 and 2016 SIF) resulting in increase in HR, Asset Management, PC and Phone charges
Transfer to Reserves - Operating	10,000	10,000	10,000	-	10,000	-	0.0%	
Transfer from Reserves - Operating	-	-	-	-	-	-	0.0%	
Gross Operating Expenditures	64,210,615	63,950,519	66,970,121	198,326	67,168,447	2,957,832	4.6%	
Transfer to Reserves - Capital	30,781,144	30,781,144	34,387,551	-	34,387,551	3,606,407	11.7%	Increase due to a \$3,600,000 increase to support growing State of Good Repair Capital Program.
Transfer from Reserves - Capital	(4,805,103)	(4,805,103)	(4,776,009)	-	(4,776,009)	29,095	-0.6%	Decrease related to the shifting of recoverable growth for unfunded debt issuance from 2017 to 2018.
Debt Charges	19,145,458	18,050,458	16,610,143	-	16,610,143	(2,535,315)	-13.2%	Decrease due to retired and cancelled debt due to project closures and deferrals.
Capital Expenditures	45,121,499	44,026,499	46,221,686	-	46,221,686	1,100,186	2.4%	
Total Gross Expenditures	109,332,114	107,977,018	113,191,807	198,326	113,390,133	4,058,019	3.7%	
Subsidy Revenue	(4,741,000)	(4,741,000)	(4,741,000)	-	(4,741,000)	-	0.0%	
Other Revenue	(3,007,300)	(2,997,204)	(3,136,500)	-	(3,136,500)	(129,200)	4.3%	Increase in Wastewater surcharge fees by (\$119,000) and septic tank fees increased by (\$10,000) to reflect actual trends as well as a 2% inflationary fee increase.
Total Revenue	(7,748,300)	(7,738,204)	(7,877,500)	-	(7,877,500)	(129,200)	1.7%	
Net Program Expenditures	\$ 101,583,814	\$ 100,238,814	\$ 105,314,307	\$ 198,326	\$ 105,512,633	\$ 3,928,819	3.9%	



Strategic Investment

Maintenance Manager

Funding Source	Rate
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Program Details

Department	Public Works
Division	Water & Wastewater Treatment
Program	Plant Maintenance
Cost Centre	233200

Complement Details

Position Title	Maintenance Manager
FTE Impact	1.0
Personnel Group	OCT/MMSG

Funding Impact

Operating	2017 Impact	2018 Impact
Personnel Services	\$ 154,580	\$ 154,580
Materials & Supplies	2,615	900
Purchased Services	-	-
Financial & Rent Expenses	-	-
Grants & Assistance	-	-
Total Direct Costs	157,195	155,480
Allocated Charges/Recoveries	-	-
Corporate Support	-	-
Transfer to Reserves - Operating	-	-
Transfer from Reserves - Operating	-	-
Gross Operating Expenditures	157,195	155,480
Transfer to Reserves - Capital	-	-
Transfer from Reserves - Capital	-	-
Debt Charges	-	-
Capital Expenditures	-	-
Subsidy Revenue	-	-
Non-Subsidy Revenue	-	-
Total Revenue	-	-
Net Program Expenditures	\$ 157,195	\$ 155,480

Business Case

Recommendation:

Approve 1 FTE for a Treatment Plant Maintenance Manager to provide strategic leadership for the development and management of a comprehensive plant maintenance program necessary to ensure essential water and wastewater services are provided to the residents of Halton.

Need:

Halton Region has an extensive preventative maintenance program to ensure that the required levels of service for water and wastewater treatment are reliably provided to the residents of Halton. With the addition of new and more complex treatment infrastructure these requirements have evolved and the program must be continually updated to maintain the expected levels of service. In total, the asset inventory increased by 71% from 2009 to 2015 and this increase is expected to continue in the foreseeable future.

With past and contemplated expansions and upgrades of the Halton's treatment facilities there has been a significant increase in the number and type of electrical, mechanical, instrumental and SCADA equipment that must be maintained to ensure continued operation of the various treatment facilities. A large percentage of this work is currently delivered through contracted services requiring additional coordination and oversight. Plant maintenance is currently delivered through 2 separate maintenance groups as part of the Water and Wastewater Treatment Operations portfolios. Combined, plant maintenance includes 2 supervisors and 36 union and non-unionized staff, responsible for a program with a \$18 million annual operating budget.

Based on internal and external reviews, additional management resources are required to ensure effective delivery of the program. In addition, the manager will provide an opportunity to improve the efficiency and effectiveness of the group by combining the 2 programs. A Treatment Plant Maintenance Manager is required to: 1) Update and monitor a detailed plant maintenance program for Halton's 5 Water Purification Plants, 6 Groundwater Well systems, 7 Wastewater Treatment Plants, their associated outlying facilities and the Biosolids Management Centre, 2) Effectively manage internal maintenance staff and program requirements, 3) Effectively manage the ever increasing role of contracted services in plant maintenance and 4) Evaluate and implement efficiencies available through a combined maintenance program.

Implications:

Effective plant maintenance is required to achieve the desired level of water and wastewater treatment expected by the residents of Halton. Without the requested additional resources there is an increased risk of service interruption and continued inefficiencies in the delivery of the program. In addition, the consistency of delivery, documentation and oversight of contracted services will be less than optimal.

Alternatives:

This position is not considered a good candidate for outsourcing as familiarity with Halton specific equipment is required. Continuing to provide services through existing staff will result in operating inefficiencies and an increase in costs for external maintenance services.

Reference:

N/A



Water & Wastewater System Services

Divisional Summary

Water & Wastewater System Services	2015	2016		2017			Change in Budget			
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
Personnel Services	\$ 12,551,860	\$ 13,195,850	\$ 12,975,850	\$ 13,391,830	\$ 92,470	\$ 13,484,300	\$ 195,980	1.5%	\$ 288,450	2.2%
Materials & Supplies	6,760,983	7,196,432	6,676,432	6,209,618	1,970	6,211,588	(986,813)	-13.7%	(984,843)	-13.7%
Purchased Services	15,694,764	14,408,788	15,993,788	15,422,346	-	15,422,346	1,013,558	7.0%	1,013,558	7.0%
Financial & Rent Expenses	99,615	196,295	114,295	39,542	-	39,542	(156,752)	-79.9%	(156,752)	-79.9%
Grants & Assistance	534,589	2,420,000	2,420,000	2,420,000	-	2,420,000	-	0.0%	-	0.0%
Total Direct Costs	35,641,811	37,417,364	38,180,364	37,483,337	94,440	37,577,777	65,973	0.2%	160,413	0.4%
Allocated Charges / Recoveries	5,077,604	6,895,980	6,895,980	6,891,282	(53,309)	6,837,972	(4,699)	-0.1%	(58,008)	-0.8%
Corporate Support	3,787,845	4,054,374	4,054,374	4,414,440	-	4,414,440	360,066	8.9%	360,066	8.9%
Transfer to Reserves - Operating	774,704	48,000	48,000	75,700	-	75,700	27,700	57.7%	27,700	57.7%
Transfer from Reserves - Operating	(194,854)	-	-	-	-	-	-	0.0%	-	0.0%
Gross Operating Expenditures	45,087,110	48,415,718	49,178,718	48,864,758	41,131	48,905,889	449,040	0.9%	490,171	1.0%
Transfer to Reserves - Capital	22,221,001	23,790,144	23,790,144	27,396,551	-	27,396,551	3,606,407	15.2%	3,606,407	15.2%
Transfer to Gas Tax Reserve	4,740,889	4,741,000	4,741,000	4,741,000	-	4,741,000	-	0.0%	-	0.0%
Transfer from Reserves - Capital	(5,118,830)	(4,805,103)	(4,805,103)	(4,776,009)	-	(4,776,009)	29,095	-0.6%	29,095	-0.6%
Debt Charges	18,216,523	19,145,458	18,050,458	16,610,143	-	16,610,143	(2,535,315)	-13.2%	(2,535,315)	-13.2%
Capital Financing Expenditures	40,059,582	42,871,499	41,776,499	43,971,686	-	43,971,686	1,100,186	2.6%	1,100,186	2.6%
Total Gross Expenditures	85,146,692	91,287,218	90,955,218	92,836,444	41,131	92,877,575	1,549,226	1.7%	1,590,357	1.7%
Subsidy Revenue	(4,740,889)	(4,741,000)	(4,741,000)	(4,741,000)	-	(4,741,000)	-	0.0%	-	0.0%
Other Revenue	(4,031,009)	(4,230,927)	(4,273,927)	(4,228,283)	-	(4,228,283)	2,644	-0.1%	2,644	-0.1%
Total Revenue	(8,771,898)	(8,971,927)	(9,014,927)	(8,969,283)	-	(8,969,283)	2,644	0.0%	2,644	0.0%
Net Program Impact	\$ 76,374,794	\$ 82,315,291	\$ 81,940,291	\$ 83,867,161	\$ 41,131	\$ 83,908,292	\$ 1,551,870	1.9%	\$ 1,593,001	1.9%



Budget Change Report

Water & Wastewater System Services	2016		2017			Change in Budget		Comments
	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Requested to 2016 Approved		
Personnel Services	\$ 13,195,850	\$ 12,975,850	\$ 13,391,830	\$ 92,470	\$ 13,484,300	\$ 288,450	2.2%	Increase in 1.0 FTE as a Water Meter Program Co-ordinator in the 2017 Strategic Investments.
Materials & Supplies	7,196,432	6,676,432	6,209,618	1,970	6,211,588	(984,843)	-13.7%	Decreases including (\$548,000) in materials from stores mainly due to the movement of meter replacements to the capital program, and (\$341,000) savings in unshrinkable fill and stone which are now provided by the contractor for main and service connection repairs.
Purchased Services	14,408,788	15,993,788	15,422,346	-	15,422,346	1,013,558	7.0%	Increase in contracted services of \$996,000 resulting from the new large meter maintenance program, and also increased costs for main and service connection repairs now that materials are included in the contract cost; offset partially by decreases in contracted services for the movement of new and replacement meters to the capital program and a reduction in the toilet rebate program to reflect program maturity. An increase of \$200,000 for locate requests, and \$74,000 in water billing charges based on price increases and customer growth; partially offsetting these increases are savings of (\$282,000) in professional consulting services based on actual trends.
Financial and Rent Expenses	196,295	114,295	39,542	-	39,542	(156,752)	-79.9%	Savings of (\$157,000) in equipment leases with the purchase of Region-owned equipment.
Grants & Assistance	2,420,000	2,420,000	2,420,000	-	2,420,000	-	0.0%	
Total Direct Costs	37,417,364	38,180,364	37,483,337	94,440	37,577,777	160,413	0.4%	
Allocated Charges/Recoveries	6,895,980	6,895,980	6,891,282	(53,309)	6,837,972	(58,008)	-0.8%	Increased recoveries from capital projects related to additional staff resources submitted as strategic investments; offset by decreases in Advertising charge moved from Allocated charges to Corporate Support
Corporate Support	4,054,374	4,054,374	4,414,440	-	4,414,440	360,066	8.9%	Reflects increase in Advertising moved from Allocated charges and increase for 11 FTEs (2015 and 2016 SIF) resulting in increase in HR, Asset Management and PC charges
Transfer to Reserves - Operating	48,000	48,000	75,700	-	75,700	27,700	57.7%	Increase in new residential Water and Wastewater connection charges based on increased revenues.
Transfer from Reserves - Operating	-	-	-	-	-	-	0.0%	
Gross Operating Expenditures	48,415,718	49,178,718	48,864,758	41,131	48,905,889	490,171	1.0%	
Transfer to Reserves - Capital	28,531,144	28,531,144	32,137,551	-	32,137,551	3,606,407	12.6%	Increase due to a \$3,600,000 increase to support growing State of Good Repair Capital Program.
Transfer from Reserves - Capital	(4,805,103)	(4,805,103)	(4,776,009)	-	(4,776,009)	29,095	-0.6%	Decrease related to the shifting of recoverable growth for unfunded debt issuance from 2017 to 2018.
Debt Charges	19,145,458	18,050,458	16,610,143	-	16,610,143	(2,535,315)	-13.2%	Decrease due to retired and cancelled debt due to project closures and deferrals.
Capital Expenditures	42,871,499	41,776,499	43,971,686	-	43,971,686	1,100,186	2.6%	
Total Gross Expenditures	91,287,218	90,955,218	92,836,444	41,131	92,877,575	1,590,357	1.7%	
Subsidy Revenue	(4,741,000)	(4,741,000)	(4,741,000)	-	(4,741,000)	-	0.0%	
Other Revenue	(4,230,927)	(4,273,927)	(4,228,283)	-	(4,228,283)	2,644	-0.1%	
Total Revenue	(8,971,927)	(9,014,927)	(8,969,283)	-	(8,969,283)	2,644	0.0%	
Net Program Expenditures	\$ 82,315,291	\$ 81,940,291	\$ 83,867,161	\$ 41,131	\$ 83,908,292	\$ 1,593,001	1.9%	



Strategic Investment

Water Meter Program Coordinator

Funding Source	Rate
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Program Details

Department	Public Works
Division	Water & Wastewater System Services
Program	Customer Response & Programming
Cost Centre	226700

Complement Details

Position Title	Water Meter Program Coordinator
FTE Impact	1.0
Personnel Group	OCT/MMSG

Funding Impact

Operating	2017 Impact	2018 Impact
Personnel Services	\$ 92,470	\$ 92,470
Materials & Supplies	1,970	-
Purchased Services	-	-
Financial & Rent Expenses	-	-
Grants & Assistance	-	-
Total Direct Costs	94,440	92,470
Allocated Charges/Recoveries	(94,440)	(92,470)
Corporate Support	-	-
Transfer to Reserves - Operating	-	-
Transfer from Reserves - Operating	-	-
Gross Operating Expenditures	-	-
Transfer to Reserves - Capital	-	-
Transfer from Reserves - Capital	-	-
Debt Charges	-	-
Capital Expenditures	-	-
Subsidy Revenue	-	-
Non-Subsidy Revenue	-	-
Total Revenue	-	-
Net Program Expenditures	\$ -	\$ -

Business Case

Recommendation:

Approve 1 permanent FTE for a Program Coordinator to plan and coordinate meter programs including planned residential change out, reactive replacement of meters, management of hired contractors, tracking of performance and addressing contractual or performance issues. A program coordinator is required to review and evaluate programs to ensure effectiveness and optimization of the programs and have oversight on new and existing program delivery which is highly reliant on contracted services.

Need:

As identified in Report No. PW-29-16/FN-22-16 - Long-Term Water Meter & Billing Strategy, a \$3.7M pulse meter replacement program and a large meter maintenance and replacement program was approved. In addition, staff are developing an overall meter replacement and renewal program that will address the issues around customer service, Automated Meter Reading (AMR), and a pro-active annual maintenance and replacement program. In addition to the above program, a long term, ongoing water meter replacement program will be initiated and will require changing out and replacement and potential upgrading of the Region's water meters. This will be carried out through a contract service provider as well.

A Water Meter Program Coordinator is required to oversee and manage these programs and the contractor that will be hired to carry out the replacements and will lead the RFP to develop the overall Water Meter strategy. This position will also monitor and report on program progress, review and approve invoices and change requests, complete QA/QC of contractor performance, resolve escalated complaints and compliance issues, manage budget, schedule and scope of program, review and approve work, reprioritize replacement criteria, manage and oversee the plumbing contractor, and manage the existing residential meter change-out program.

This position is fully recovered from the Capital Budget.

Implications:

Without a dedicated Program Coordinator, the Region will have limited ability to manage the programs and oversee the contractor completing the field work. The 2 new programs in 2017 require 1 permanent FTE to successfully deliver the new programs. This individual will be also be required to implement the yet to be determined ongoing replacement program as well.

Alternatives:

Proceed with programs with the existing staff. This will create work load issues and potentially decrease service levels. Ultimately, this will slow the overall implementation of the above noted programs.

Reference:

Report No. FN-22-16 (re: "Long-Term Water Meter and Billing Strategy").

Engineering & Construction

Divisional Summary

Engineering & Construction	2015	2016		2017			Change in Budget			
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
Personnel Services	\$ 7,418,616	\$ 8,512,330	\$ 6,823,156	\$ 8,696,800	\$ 110,530	\$ 8,807,330	\$ 184,470	2.2%	\$ 295,000	3.5%
Materials & Supplies	227,680	306,314	246,103	294,405	8,615	303,020	(11,909)	-3.9%	(3,294)	-1.1%
Purchased Services	142,857	311,867	193,840	290,267	-	290,267	(21,600)	-6.9%	(21,600)	-6.9%
Financial & Rent Expenses	-	-	-	-	-	-	-	0.0%	-	0.0%
Grants & Assistance	-	-	-	-	-	-	-	0.0%	-	0.0%
Total Direct Costs	7,789,153	9,130,511	7,263,099	9,281,472	119,145	9,400,617	150,961	1.7%	270,106	3.0%
Allocated Charges / Recoveries	(9,771,388)	(11,220,146)	(9,352,734)	(11,530,059)	(119,145)	(11,649,204)	(309,913)	2.8%	(429,058)	3.8%
Corporate Support	1,982,433	2,089,635	2,089,635	2,248,587	-	2,248,587	158,952	7.6%	158,952	7.6%
Transfer to Reserves - Operating	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer from Reserves - Operating	-	-	-	-	-	-	-	0.0%	-	0.0%
Gross Operating Expenditures	199	-	-	-	-	-	-	0.0%	-	0.0%
Transfer to Reserves - Capital	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer to Gas Tax Reserve	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer from Reserves - Capital	-	-	-	-	-	-	-	0.0%	-	0.0%
Debt Charges	-	-	-	-	-	-	-	0.0%	-	0.0%
Capital Financing Expenditures	-	-	-	-	-	-	-	0.0%	-	0.0%
Total Gross Expenditures	199	-	-	-	-	-	-	0.0%	-	0.0%
Subsidy Revenue	-	-	-	-	-	-	-	0.0%	-	0.0%
Other Revenue	(199)	-	-	-	-	-	-	0.0%	-	0.0%
Total Revenue	(199)	-	-	-	-	-	-	0.0%	-	0.0%
Net Program Impact	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%

Budget Change Report

Engineering & Construction	2016		2017			Change in Budget		Comments
	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Requested to 2016 Approved		
Personnel Services	\$ 8,512,330	\$ 6,823,156	\$ 8,696,800	\$ 110,530	\$ 8,807,330	\$ 295,000	3.5%	Increase includes one additional FTE as a Construction Inspector in the 2017 Strategic Investments.
Materials & Supplies	306,314	246,103	294,405	8,615	303,020	(3,294)	-1.1%	Increase of \$43,000 for technology requests for computer upgrades; offset by decreases in travel expenses by (\$31,000) to reflect actual trends, and the elimination of non-recurring equipment and furniture has resulted in a savings of (\$13,000)
Purchased Services	311,867	193,840	290,267	-	290,267	(21,600)	-6.9%	Decrease of (\$25,000) for conferences to reflect actual trends.
Financial and Rent Expenses	-	-	-	-	-	-	0.0%	
Grants & Assistance	-	-	-	-	-	-	0.0%	
Total Direct Costs	9,130,511	7,263,099	9,281,472	119,145	9,400,617	270,106	3.0%	
Allocated Charges/Recoveries	(11,220,146)	(9,352,734)	(11,530,059)	(119,145)	(11,649,204)	(429,058)	3.8%	Increased recoveries from capital projects for inflation and for an additional FTE submitted as a strategic investment
Corporate Support	2,089,635	2,089,635	2,248,587	-	2,248,587	158,952	7.6%	Reflects increase primarily for Records and Legal charges based on consolidated charge within Engineering & Construction division
Transfer to Reserves - Operating	-	-	-	-	-	-	0.0%	
Transfer from Reserves - Operating	-	-	-	-	-	-	0.0%	
Gross Operating Expenditures	-	-	-	-	-	-	0.0%	
Transfer to Reserves - Capital	-	-	-	-	-	-	0.0%	
Transfer from Reserves - Capital	-	-	-	-	-	-	0.0%	
Debt Charges	-	-	-	-	-	-	0.0%	
Capital Expenditures	-	-	-	-	-	-	0.0%	
Total Gross Expenditures	-	-	-	-	-	-	0.0%	
Subsidy Revenue	-	-	-	-	-	-	0.0%	
Other Revenue	-	-	-	-	-	-	0.0%	
Total Revenue	-	-	-	-	-	-	0.0%	
Net Program Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	

Strategic Investment

Construction Inspector

Funding Source	Rate
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Program Details

Department	Public Works
Division	Engineering & Construction
Program	Inspections
Cost Centre	282120

Complement Details

Position Title	Construction Inspector
FTE Impact	1.0
Personnel Group	OCT/MMSG

Funding Impact

Operating	2017 Impact	2018 Impact
Personnel Services	\$ 110,530	\$ 110,530
Materials & Supplies	8,615	6,900
Purchased Services	-	-
Financial & Rent Expenses	-	-
Grants & Assistance	-	-
Total Direct Costs	119,145	117,430
Allocated Charges/Recoveries	(119,145)	(117,430)
Corporate Support	-	-
Transfer to Reserves - Operating	-	-
Transfer from Reserves - Operating	-	-
Gross Operating Expenditures	-	-
Transfer to Reserves - Capital	-	-
Transfer from Reserves - Capital	-	-
Debt Charges	-	-
Capital Expenditures	-	-
Subsidy Revenue	-	-
Non-Subsidy Revenue	-	-
Total Revenue	-	-
Net Program Expenditures	\$ -	\$ -

Business Case

Recommendation:

Approve 1 FTE for a Public Works Construction Inspector as a complement within the Engineering and Construction Services Division under Technical Services to address increased demand for capital contract compliance inspections arising out of the growth in the Region's Transportation, Water, and Wastewater Growth and State of Good Repair Capital programs.

Need:

The Region's Construction Inspectors assume primary responsibility for ensuring that construction of Regional Roads, Watermains and Wastewater mains comply with the standards and conditions of approval with respect to design, construction methodology and customer level of service. Compliance with design standards and construction methodology also helps ensure that infrastructure will meet or exceed design life, lowering overall cost of ensuring infrastructure is maintained in a state-of-good-repair.

Capital construction to address Growth and maintain a State of Good Repair has increased significantly over recent years. This growth in activity will continue, increasing the need for experienced and trained inspectors to ensure that infrastructure is inspected and documented as required by legislation (Drinking Water Quality Management Standard (DWQMS), *Sustainable Water and Sewage Systems Act* and Provincial Minimum Maintenance Standards for Municipal Highways) and to ensure that infrastructure is delivered in a way that minimizes the impact on the community.

The current complement of 18 Construction Inspectors carry out inspections for the 25-30 Regional linear construction projects undertaken annually. Oversight is also provided for capital works undertaken as part of land development, further adding to the workload. Although Regional forces are supplemented on many projects by consultant staff, Regional presence is important to address customer levels of service and ensure compliance with Regional standards.

Implications:

If this position is not approved, inspection levels will decrease as the capital programs grow, increasing the risk of non-compliance with Regional and Provincial standards, and exposure to construction claims. With reduced inspection the quality of workmanship and customer service aimed at reducing the impact of construction will be negatively impacted. Construction Inspectors work an average of 300 to 500 hours overtime per year, to meet the contractor's work hours, and accordingly additional overtime is not a viable long-term strategy.

Alternatives:

Greater use of contracted services beyond current levels is not preferred, as familiarity with Regional standards and policies is generally lower. As indicated above additional overtime is not a sustainable option.

Reference:

N/A

Infrastructure Planning & Policy

Divisional Summary

Infrastructure Planning & Policy	2015	2016		2017			Change in Budget			
	Actual	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Base to 2016 Approved		2017 Requested to 2016 Approved	
Personnel Services	\$ 4,266,778	\$ 5,079,460	\$ 4,990,460	\$ 5,178,940	\$ 240,700	\$ 5,419,640	\$ 99,480	2.0%	\$ 340,180	6.7%
Materials & Supplies	111,443	111,315	111,315	98,747	5,480	104,227	(12,568)	-11.3%	(7,088)	-6.4%
Purchased Services	467,368	386,433	386,433	397,119	-	397,119	10,685	2.8%	10,685	2.8%
Financial & Rent Expenses	-	-	-	-	-	-	-	0.0%	-	0.0%
Grants & Assistance	1,622	20,000	20,000	20,000	-	20,000	-	0.0%	-	0.0%
Total Direct Costs	4,847,210	5,597,208	5,508,208	5,694,805	246,180	5,940,985	97,597	1.7%	343,777	6.1%
Allocated Charges / Recoveries	(5,362,888)	(6,404,480)	(6,375,480)	(6,472,013)	(246,180)	(6,718,193)	(67,533)	1.1%	(313,713)	4.9%
Corporate Support	1,364,113	1,444,483	1,444,483	1,523,869	-	1,523,869	79,386	5.5%	79,386	5.5%
Transfer to Reserves - Operating	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer from Reserves - Operating	-	-	-	-	-	-	-	0.0%	-	0.0%
Gross Operating Expenditures	848,436	637,211	577,211	746,661	-	746,661	109,450	17.2%	109,450	17.2%
Transfer to Reserves - Capital	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer to Gas Tax Reserve	-	-	-	-	-	-	-	0.0%	-	0.0%
Transfer from Reserves - Capital	-	-	-	-	-	-	-	0.0%	-	0.0%
Debt Charges	-	-	-	-	-	-	-	0.0%	-	0.0%
Capital Financing Expenditures	-	-	-	-	-	-	-	0.0%	-	0.0%
Total Gross Expenditures	848,436	637,211	577,211	746,661	-	746,661	109,450	17.2%	109,450	17.2%
Subsidy Revenue	-	-	-	-	-	-	-	0.0%	-	0.0%
Other Revenue	(848,436)	(637,211)	(637,211)	(746,661)	-	(746,661)	(109,450)	17.2%	(109,450)	17.2%
Total Revenue	(848,436)	(637,211)	(637,211)	(746,661)	-	(746,661)	(109,450)	17.2%	(109,450)	17.2%
Net Program Impact	\$ -	\$ -	\$ (60,000)	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%

Budget Change Report

Infrastructure Planning & Policy	2016		2017			Change in Budget		Comments
	Approved Budget	Projected Actual	Base Budget	Strategic Investments	Requested Budget	2017 Requested to 2016 Approved		
Personnel Services	\$ 5,079,460	\$ 4,990,460	\$ 5,178,940	\$ 240,700	\$ 5,419,640	\$ 340,180	6.7%	Increase includes two new FTEs as strategic investments for; an Infrastructure Network Analyst and a Senior Policy Analyst.
Materials & Supplies	111,315	111,315	98,747	5,480	104,227	(7,088)	-6.4%	Decrease of (\$9,000) related to the elimination of non-recurring IT, furniture and equipment costs.
Purchased Services	386,433	386,433	397,119	-	397,119	10,685	2.8%	Increase due to new Nitrate/Microbial sampling.
Financial and Rent Expenses	-	-	-	-	-	-	0.0%	
Grants & Assistance	20,000	20,000	20,000	-	20,000	-	0.0%	
Total Direct Costs	5,597,208	5,508,208	5,694,805	246,180	5,940,985	343,777	6.1%	
Allocated Charges/Recoveries	(6,404,480)	(6,375,480)	(6,472,013)	(246,180)	(6,718,193)	(313,713)	4.9%	Increased recoveries from capital projects for inflation and for additional staff resources submitted as strategic investments.
Corporate Support	1,444,483	1,444,483	1,523,869	-	1,523,869	79,386	5.5%	Reflects increase in Advertising moved from Allocated charges and increase for 1 FTE (2016 SIF) resulting in increase in Asset Management and PC charges
Transfer to Reserves - Operating	-	-	-	-	-	-	0.0%	
Transfer from Reserves - Operating	-	-	-	-	-	-	0.0%	
Gross Operating Expenditures	637,211	577,211	746,661	-	746,661	109,450	17.2%	
Transfer to Reserves - Capital	-	-	-	-	-	-	0.0%	
Transfer from Reserves - Capital	-	-	-	-	-	-	0.0%	
Debt Charges	-	-	-	-	-	-	0.0%	
Capital Expenditures	-	-	-	-	-	-	0.0%	
Total Gross Expenditures	637,211	577,211	746,661	-	746,661	109,450	17.2%	
Subsidy Revenue	-	-	-	-	-	-	0.0%	
Other Revenue	(637,211)	(637,211)	(746,661)	-	(746,661)	(109,450)	17.2%	Increase in permit revenue based on increased demand.
Total Revenue	(637,211)	(637,211)	(746,661)	-	(746,661)	(109,450)	17.2%	
Net Program Expenditures	\$ -	\$ (60,000)	\$ -	\$ -	\$ -	\$ -	0.0%	

Strategic Investment

Senior Policy Analyst

Funding Source	Rate
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Program Details

Department	Public Works
Division	Infrastructure Planning & Policy Division
Program	Administration
Cost Centre	260002

Complement Details

Position Title	Senior Policy Analyst
FTE Impact	1.0
Personnel Group	OCT/MMSG

Funding Impact

Operating	2017 Impact	2018 Impact
Personnel Services	\$ 126,940	\$ 126,940
Materials & Supplies	3,015	900
Purchased Services	-	-
Financial & Rent Expenses	-	-
Grants & Assistance	-	-
Total Direct Costs	129,955	127,840
Allocated Charges/Recoveries	(47,693)	(46,917)
Corporate Support	-	-
Transfer to Reserves - Operating	-	-
Transfer from Reserves - Operating	-	-
Gross Operating Expenditures	82,262	80,923
Transfer to Reserves - Capital	-	-
Transfer from Reserves - Capital	-	-
Debt Charges	-	-
Capital Expenditures	-	-
Subsidy Revenue	-	-
Non-Subsidy Revenue	-	-
Total Revenue	-	-
Net Program Expenditures	\$ 82,262	\$ 80,923

Business Case

Recommendation:

Approve 1 FTE for a Senior Policy Analyst for the Public Works Department in the Infrastructure Planning and Policy Division to meet its obligations with respect to aligning Public Works Policies, By-Laws, Standards and Guidelines related to water, wastewater and transportation infrastructure with Federal, Provincial and Conservation Authority policies/guidelines as well as give consideration for local directives.

Need:

There is a rapidly changing legislative framework that has been enacted by the Province in the past decade including the Clean Water Act and subsequent regulations, Highway Access Management Guidelines, updates to the Building Code etc. that impact the planning of Halton's water, wastewater and regional road infrastructure as well as the by-laws that govern additions or connections to it. The Senior Policy Analyst will provide direct support to the Director of Infrastructure Planning and Policy to update and maintain Public Works' set of by-laws, standards and guidance documents that relate to the planning of or connections to Halton's infrastructure networks. As well, the Senior Policy Analyst will be responsible for researching and developing infrastructure policies that inform the regional official plan, master plans and ultimately the allocation program for growth related works.

Infrastructure Planning & Policy is responsible for developing, managing and updating the policies and guidance documents pertaining to the planning of infrastructure. Currently, the management and updating of by-laws, manuals and guidelines related to Public Works infrastructure is undertaken by the Director of Infrastructure Planning & Policy or the various operational groups on an ad hoc basis. By maintaining a complete and consistent set of by-laws and guidance documents, Halton Region is able to mitigate risk associated with the planning, design and operation of infrastructure.

A portion of this position is recovered from the tax budget as this position will assist with the development of transportation planning policies as well as water/wastewater.

Implications:

A resource with the requisite skills to research and develop policy as well as manage the Public Works set of by-laws and guidance documents to ensure that these documents are consistent and reflect the most recent policies, regulations and statutes related to planning infrastructure as well as minimize the Region's risk.

Alternatives:

The alternative is to continue on an ad hoc basis with various groups and individuals managing the various documents.

Reference:

N/A

Strategic Investment

Infrastructure Network Analyst

Funding Source	Rate
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Program Details

Department	Public Works
Division	Infrastructure Planning & Policy Division
Program	Transportation Planning
Cost Centre	269300

Complement Details

Position Title	Infrastructure Network Analyst
FTE Impact	1.0
Personnel Group	OCT/MMSG

Funding Impact

Operating	2017 Impact	2018 Impact
Personnel Services	\$ 113,760	\$ 113,760
Materials & Supplies	2,465	900
Purchased Services	-	-
Financial & Rent Expenses	-	-
Grants & Assistance	-	-
Total Direct Costs	116,225	114,660
Allocated Charges/Recoveries	(116,225)	(114,660)
Corporate Support	-	-
Transfer to Reserves - Operating	-	-
Transfer from Reserves - Operating	-	-
Gross Operating Expenditures	-	-
Transfer to Reserves - Capital	-	-
Transfer from Reserves - Capital	-	-
Debt Charges	-	-
Capital Expenditures	-	-
Subsidy Revenue	-	-
Non-Subsidy Revenue	-	-
Total Revenue	-	-
Net Program Expenditures	\$ -	\$ -

Business Case

Recommendation:
Approve 1 permanent FTE for an Infrastructure Network Analyst to provide system modeling support for the Transportation Planning program.

Need:
Halton Region currently manages a Regional Road network comprised of 1,080 lane-kilometers of major arterial roads. Additions to the network are the result of either road rationalization with the local municipalities or identified through the Transportation Master Planning process. A key tool utilized in the planning of roads is transportation demand modeling and currently the Region's road network is modeled in EMME software which is consistent with the local municipalities who also have modeled their systems.

Currently, Halton Region outsources its transportation demand forecasting modeling to a third party. As the Regional Road network is growing and maturing, as well as the reliance on the modeling results to make decisions related to capital investments in Halton's road network, an Infrastructure Network Analyst is required to update, maintain and operate the Region's transportation network model to fully review the impact of growth on the regional road network.

The transportation network model supports the development of the Transportation Master Plan, Municipal Class Environmental Assessment Studies and the Development Charges Technical Background Study for Transportation. The model can also support the review of new development.

This Position is fully recovered from the Capital Budget.

Implications:
Without a dedicated Infrastructure Network Analyst, the Region will continue to outsource its transportation demand forecasting modeling to a third-party, without any means of verifying or validating the work which is relied upon to plan and make decisions related to \$2.1 billion of road infrastructure. Outsourcing to a third-party also limits the flexibility and timeliness of decision-making. Approval of this Strategic Investment will require the in-house maintenance of EMME software.

Alternatives:
Continue to utilize third party resources.

Reference:
N/A

