

Memorandum

To: Budget Standing Committee

cc: S. Chemnitz; K. Douglas; M. Kreuk

From: Dan Dillon, P.Eng. – Director-TES

Date: October 30, 2017

Subject: 2018 – TES Budget – Adjustment to Inflationary Increase

At its meeting of October 2, 2017, after the presentation of the Transportation and Environmental Services (TES) Departmental Budget, the Budget Standing Committee (BSC) asked staff to "...provide a prioritized list of items TES would put back in the budget if the budget reflected an inflationary increase rather than a 1.22% decrease". This memo addresses that request.

The Draft 2018 TES Budget that was presented totaled \$18,614,847, compared to the 2017 Budget amount of \$18,844,317, a decrease of 1.22%. Assuming an inflationary increase of 1.5% over the 2017 Budget would result in an increase in the Draft 2018 TES Budget of approximately \$512,135 from what was presented.

During the presentation, staff outlined a number of items that have been deferred to future budget years, categorizing them under staffing, assets, traffic & facilities. The following is a prioritized listing of items that staff would recommend including as part of the 2018 TES Operating Budget:

Priority	Item	Comments/Rationale	Amount
1	Project Supervisor	Additional staffing resource to deal with backlog of projects, allowing engineering staff to concentrate more fully on asset management	\$118,000
2	Equipment Reserve	Current level of funding of equipment reserve is not sustainable – deferral of new equipment purchases will lead to increased operational costs to maintain aging equipment	\$352,000
3	Two Pedestrian Cross-Over (PXO) Installations	Implementation of additional PXO installations (Potential locations include St Paul St, Oakdale Ave, Pelham Rd, Linwell Rd) – approximately \$20,000 each location	\$40,000
Total			\$510,000