



**INFRASTRUCTURE
SERVICES**
Staff Report

REPORT NO: IS-2024-05
TO: Council
SUBMITTED BY: Jeff Molenhuis, P.Eng., Director of Infrastructure Services
PREPARED BY: Jeff Molenhuis, P.Eng., Director of Infrastructure Services
REVIEWED BY: Sharon Chambers, CAO
DATE: March 4, 2024
SUBJECT: **Wilmot Line Re-gravelling Operating Budget Review**

RECOMMENDATION:

That Report IS-2024-05 Wilmot Line Operating Budget Review be received for information.

SUMMARY:

At the February 15, 2024 Budget Committee meeting, cost-reduction options for the 2024 Operational Budget were presented to Council. The Loosetop Operating Budget for re-gravelling on Wilmot Line was presented for potential cost-reduction. This report outlines an opportunity to reduce scope and re-allocate the 2023 carry-forward operating expense.

BACKGROUND:

As part of the February 15, 2024 Budget Committee meeting where budget saving options was considered, an amending motion was brought forward that the Committee ask staff to report back with more information on Infrastructure Services Option #4 (Loosetop Operating Budget – Wilmot Line Re-Gravelling) to the March 4, 2024 Council Meeting.

REPORT:

Wilmot Line has a significant vehicle volume, traffic types and through-use characteristics that make re-gravelling necessary on a biennial schedule to ensure the road base remains intact.

2023 Loosetop Operating Budget

The 2023 Loosetop budget was \$110,000 for supply/haul, equipment rentals and dust control on Oxford-Waterloo and Wilmot Line. The Wilmot Line portion was for \$49,000 of gravel material for the first application of re-gravelling to be ordered in advance of 2024 budget approval. Typically, budget for gravel material was placed a year in advance due lead times to order and timing of needs typically in the spring. In addition, in year's past, these would be allowed to be accrued at the staff level when not spent in time for year end; however, with 2024 budget improvement there was a shift toward "carry-forward" operating items, with the intention for carry-forward items to be subject to Council approval at the time year-end 2023 financial statements are presented with the auditor. 2023 Loosetop Operating Budget was planned to have a \$49,000 carry-forward request to Council in Q2 2024.

2024 Loosetop Operating Budget

Proposed 2024 Wilmot Line operating budget is \$101,000 for supply/haul, equipment rentals, dust control and other project miscellaneous costs on Wilmot Line. Staff were anticipating 2 lifts of re-gravelling (spring and fall) based on the road conditions, with the second lift being a non-standard additional measure. This was scope included within the 2024 Proposed Operating Budget. The first lift was identified and budgeted for in 2023 Operating Budget, and was planned for carry-forward.

The Wilmot Line Re-gravelling Project Estimate presented to Budget Committee was \$150,000. This figure included \$49,000 carry forward from 2023 that would still need to be approved by Council as a carry-forward item into 2024. The remaining project portion of \$101,000 is comprised of re-gravelling/miscellaneous materials and equipment costs budgeted in 2024. As this boundary road is cost-shared, there is an anticipated revenue associated with the works planned to be completed.

Wilmot Line Boundary Road Revenue

There is a revenue model with works completed on Wilmot Line as it is cost-shared with Waterloo under the boundary road agreement for Wilmot Line, as well as Wellesley under the existing maintenance relationship with them for Wilmot Line and Cedar Grove Road. Material, equipment and labour costs for this program are shared. As such, reduction in 2024 operational spending on this project would result in reduced 2024 operating budgeted revenues. As a result, reduction in expenses for maintenance would be less impact to savings due to the accompanying reduction in revenue associated with the work.

Revised Re-gravelling Scope

Council could consider reducing the project scope to one lift of material in 2024. The anticipated carry-forward item of \$49,000 in material costs from the overall project budget could be re-allocated at Council's discretion. Staff would recommend that Council plan to remain whole on the proposed 2024 re-gravelling project budget of \$101,000 to address a single application of gravel, rather than two applications as planned. It is not recommended that re-gravelling be cancelled entirely as this will create pothole and washboarding liability under the maintenance standard with respect to roadway maintenance.

It is acknowledged that Budget Committee discussed Wilmot/Waterloo discussions on roadway operational changes related to the Schneider lands OPA and ZC challenges, at the time of motioning for this report. The figures presented in this report do not account for any operational improvements to address the parking issue. If that is to be considered, staff suggest re-allocation of the carry-forward item of \$49,000 to fund the initial proposed works in relation to the Schneider lands issues. It is noted that the proposed first phase of operational changes to all-way stop at Wideman, posted speed limit reductions and heavy truck restrictions will likely result in a vehicle volume reduction on Wilmot Line, and as such may also reduce the operating burden. If further calming or diversion methods are considered, this is expected to further reduce vehicle volume on the road.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This report aligns with Responsible Governance through Fiscal Responsibility and Infrastructure Investments.

FINANCIAL CONSIDERATIONS:

2023 approved funding of \$49,000 related to Loosetop works remains unspent and was intended to be carried forward into 2024 to complete the project.

Should Council wish to reallocate the \$49,000 to the Schneider lands area works, the following resolution would be appropriate at the time of consideration of the Development Services report DS-2024-05:

THAT Council approve the carry-forward of \$49,000 of approved operational funding from 2023 intended for Wilmot Line regravelling and apply this funding as necessary to the works outlined in report DS-2024-05 as an operational expense and funding in 2024.

ATTACHMENTS:

None.