






CITY OF HAMILTON
PUBLIC WORKS DEPARTMENT
Engineering Services Division
and
PUBLIC WORKS DEPARTMENT
Transportation Division
and
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	October 2, 2024
SUBJECT/REPORT NO:	Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan (PW24057/FCS24045) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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RECOMMENDATION

- (a) That staff be directed to use the categorization for projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget as described in this report and detailed in Appendix "A" attached to Report PW24057/FCS24045, and that the General Manager, Public Works, or their designate, in consultation with the General Manager, Finance and Corporate Services or their designate, be authorized to revise categories as required;
- (b) That staff be directed to align budget and financing plan documents with the Transportation Asset Management Plan, including changing references to the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget to the Transportation Network Budget;
- (c) That the information contained in Report PW24057/FCS24045 be considered when proposed Levels of Service for the Transportation Network are brought forward in accordance with report PW22048 and;
- (d) That the information contained in Report PW24057/FCS24045 including the categories as identified in Appendix "A" attached to Report PW24057/FCS24045, be considered as part of the annual budget process.

EXECUTIVE SUMMARY

At the January 30, 2024 Budget General Issues Committee, the following motion was passed:

That the General Managers of Public Works and Finance & Corporate Services, be directed to report back to the General Issues Committee by the second quarter of 2024 following the:

- (i) examination of the entire capital planning procedure in creating capital program pertaining to the Transportation network, independent of department or division responsible for executing the capital works;
- (ii) examination of the historic Transportation network capital funding levels, adjusted for inflation, compared to the 2024 capital spending, including the multi-year outlook in the 2024 Budget presentation(s);
- (iii) examination of the historical classification or categorization of the capital projects, and recommended strategies, in accordance with current and future known administrative procedures, such as the Corporate Asset Management framework, to maintain the City's Transportation network in "fair to good" condition; and

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(iv) development of a methodology and report format for consistent communication of the information as described in above paragraphs (i), (ii), and (iii).

Report PW24057/FCS24045 includes a summary of the deliverables of this review. This review, conducted by staff, included:

- Documentation of the current capital planning procedure.
- Examination of the historical categorization of transportation projects.
- Confirmation of future transportation network asset categories, considering the 2022 Transportation Asset Management Plan.
- Classification of planned investments in the transportation network, including:
 - Projects approved through the Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget) between 2012 – 2024.
 - Area rating projects between 2012 – 2023 that represent an investment in the transportation network.
 - Capital in-year budget adjustments between 2021 – 2023 that represent an investment in the transportation network (note: data prior to 2021 was unavailable at the time of the preparation of this report).
- Examination of the historic transportation network funding, adjusted for inflation.
- Identification of opportunities for improvement related to the items above.
- Development of a recommended methodology and report format for consistent communication of this information.

The following assumptions and estimations have been made for the purpose of this review:

- It has been assumed that there are no changes to the transportation projects for which funding has been approved.
- Complete data for in-year capital budget adjustments was not available at the time of preparation of this report due to the network outage. The best information that was available was included, however some in-year capital budget adjustments may not have been captured.
- Categorization was based on specific Capital Project Identification Numbers (10-digit Project IDs).
- For projects that impact multiple transportation assets, the planned investment has been assigned to the asset that the majority of the work applies to. To obtain exact amounts, individual Project IDs would need to be manually subdivided and categorized which was beyond the scope of this review. Staff are looking into amending the budget process to better capture asset categories for coordinated projects.
- Actual expenditures were not analyzed as part of this review.

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- Annual budgeted amounts from the Operating Budget that represent an investment in the transportation network were not analyzed as part of this review.
- Transit and active transportation projects that are not part of the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget were not included in this review.
- For coordinated projects, budgeted amounts related to subsurface works (e.g., water, wastewater, stormwater) were not included in this review; these are funded through the Rates Supported Capital Budget.

Alternatives for Consideration – See Page 16

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no direct financial implications related to the report recommendations. The recommendations will result in changes to the way future financial information is presented.

Staffing: There are no staffing implications related to the report recommendations.

Legal: There are no legal implications related to the report recommendations.

HISTORICAL BACKGROUND

Categorization of planned investments in the transportation network began approximately 10 years ago and evolved as the use of this information grew. Reports that have referenced transportation network categories include the following:

- Historically, there has been a summary table in the staff report that accompanies the annual proposed tax budget and financing plan for the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget (for example, Tables 15 and 16 in the 2024 Tax Supported Budget and Financing Plan (FCS24002))
- Prior to 2022, the annual Tax Capital Budget Book grouped projects by funding source
- Beginning in 2022, the annual Tax Capital Budget Book grouped projects by department and division, rather than by funding source
- The 2022 Transportation Asset Management Plan introduced service areas, asset classes, assets, and asset lifecycle categories related to the transportation network
- Staff have provided summaries of historical investments in the transportation network, when requested, using similar categories to the summary table in the staff report that accompanies the annual proposed tax budget and financing plan

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This evolution of transportation network categories resulted in a system of categories that were at times unclear and limited the ability to interpret the information.

In 2024, through the motion “Reporting of Annual Expenditures on the Transportation Network in Alignment with the Asset Management Plan”, the opportunity to clarify definitions and reporting categories in alignment with the 2022 Transportation Asset Management Plan, include inflation adjustments, and strengthen the overall reporting process was identified.

Capital Financing Plan

To fund the City’s annual capital budget, the City’s financing plan includes several revenue sources including reserves, development charges, grants, debt and a dedicated tax levy (Capital Levy). The Capital Levy is allocated across “capital blocks” for municipal programs and services to deliver their annual capital programs.

In allocating the Capital Levy, the City of Hamilton employs a hybrid Capital Block Funding Prioritization methodology, originally approved through Report FCS02017, that has evolved over time, aligning with the City’s Strategic Plan and the Transportation Asset Management Plan.

In past budget cycles, Capital Levy increases have been utilized in an effort to keep up with the rising costs of construction and rehabilitation, as well as, to support debt servicing requirements for priority capital investment. The primary emphasis has been on the rehabilitation of the City’s transportation network, with these programs receiving 4.0% increases to their 2024 annual capital block allotments in order to maintain year-over-year asset replacement value as a result of inflation and to support improvements towards overall asset condition for assets in those categories.

In June of 2022, Council approved the Transportation Asset Management Plan through Report PW22048 which identified an annual funding gap of \$94.7 M for transportation assets (\$86.6 M for the Road Network and \$8.1 M for Engineered Structures). In order to provide for the annual funding required for asset renewal, the annual historical Capital Levy increase of 0.50% was increased to 0.89% beginning in 2024 and continuing annually until 2033. This will effectively increase the Roads / Bridges / Sidewalk / Streetlighting / Traffic block from \$65.9 M in 2023 to \$193.5 M in 2033.

In the City’s approved 2024-2033 Capital Financing Plan, all capital block allocations are increased annually at the rate of inflation (Non-Residential Construction Price Index). This ensures that program areas maintain the same level of investment in capital infrastructure over the planning period and purchasing power is not eroded by

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inflation. Service level targets will be revisited with the presentation of Asset Management Plans by the July 1, 2025, legislated deadline. Future budgets and financing plans will incorporate the service level targets and any subsequent required adjustment to block allocations and funding required for the infrastructure gap and backlog.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not applicable.

RELEVANT CONSULTATION

A cross-departmental project team was established to complete the work to respond to the motion, including representatives from the following divisions:

- Engineering Services (Public Works)
- Financial Planning Administration and Policy (Corporate Services)
- Transportation (Public Works)
- Corporate Asset Management (Public Works)
- Transportation Planning and Parking (Planning and Economic Development)
- Growth Management and Development Engineering (Planning and Economic Development)

ANALYSIS AND RATIONALE FOR RECOMMENDATION

Current Capital Budget Planning Procedure Overview (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget)

The following section provides a summary of the capital budget planning procedure in creating the capital program for the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget. This annual process is led by the Infrastructure Renewal Section within Engineering Services, following the Budget Guidelines prepared by Corporate Services. This process includes cross-departmental collaboration and coordination between Corporate Services (Financial Planning Administration and Policy Division) Public Works (Engineering Services Division, Transportation Division), and Planning and Economic Development (Growth Management Division, Transportation Planning and Parking Division, LRT Project Office). In addition, there is coordination with Hamilton Water.

At a high level, this process includes calculation of the annual Roads / Bridges / Sidewalk / Streetlighting / Traffic capital block allocation, work at the division level to identify new projects and verify ongoing projects or projects that have been identified in

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the 10-Year Capital Forecast, and finally compilation of the draft capital budget that is subject to comprehensive review by senior management prior to Committee and Council presentations and deliberations.

Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget Divisional Processes

The Engineering Services Division begins the annual budget process by reviewing and validating projects included in the 10-Year Capital Forecast. Each project is reviewed to determine if it has been cancelled, deferred, revised, or if it remains unchanged. Project budget and schedule estimates are reviewed and are adjusted if necessary. Concurrent with this review process, new projects are also identified. New projects such as road rehabilitation or reconstruction may be identified through:

- Priority work to address risk or urgent and critical work
- Condition assessments (regular inspection, structural condition assessments)
- New or updated Master plans
- Project expansion to include coordinated project scope, to leverage efficiency
- Council Motions

New road rehabilitation and reconstruction projects are identified based on Overall Condition Index (OCI) determined from regular pavement inspection. Overall Condition Index is a numerical value between 0 (worst) and 100 (best) which is used to indicate the overall condition of a road segment. Typically, roads with an Overall Condition Index of less than 40 are identified as candidates for reconstruction. To get the best value for money, roads with Overall Condition Index between 40 to 70 are the best suited candidates for rehabilitation. Arterial road and expressway projects are currently prioritized based on Overall Condition Index. For local and collector roads, a priority rating is assigned based on several factors including Overall Condition Index, geographic location (bus route, traffic volume, road safety, etc.). Road strategies are continually being assessed to determine the best value for money for all road classes, and new strategies. For example, through the 2024 budget process, \$2.5 M was approved for 2024, forecasted in 2025 and onwards at \$5 M, for local road rehabilitation state of good repair.

Once a new road project has been identified, screening is completed to determine if there are any subsurface needs within the project limits, such as required watermain replacement. If subsurface work is required within approximately 5-10 years of the proposed road rehabilitation or reconstruction, the road project is scheduled to coincide with the subsurface work.

The Transportation Division annual capital budget planning process involves multiple reviews and iterations to ensure effective allocation of resources and project

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prioritization, through a structured evaluation process inclusive of all business units within the Division. A comprehensive assessment of existing infrastructure asset condition, road conditions, equipment and technology is conducted to identify areas in need of replacement/upgrade, modifications, new infrastructure or maintenance. An additional set of assessment criteria such as road safety, traffic congestion, Council priorities, coordination of works with other divisions and community needs are applied. Collaborative discussions involving key divisional stakeholders finalize the prioritized list of projects, ensuring alignment with City of Hamilton's Strategic Plan, Council Priorities, safety and available funding. This approach ensures that capital investments are targeted towards the most pressing needs, ultimately enhancing mobility, safety, and overall quality of life for City of Hamilton's residents.

The Transportation Planning Section is responsible for the preparation of city-wide and sub-area transportation plans which take into account the City's medium to long term growth needs and overall strategic directions through the Transportation Master Plan (TMP). These plans identify any network and system deficiencies that require further investigation through study and/or capital improvements. Long-range plans and studies are monitored and re-evaluated every 5-10 years or as needed as a result of municipal/Provincial or Federal policy changes, innovation, growth and other influences or a combination thereof. For example, large-scale developments that may expedite the need for improvements and/or coordination with other planned capital works. Timing of improvements are typically influenced by resolving immediate system and network deficiencies, opportunities through the integration of planned capital works, as well as the ability to leverage higher-level government funding. Through the Integrated Active Transportation Delivery Team, Transportation Planning also provides focused recommendations on pedestrian and cycling priorities for consideration as part of the annual and multi-year capital budget process.

Growth Management's capital planning process focus is on growth-related infrastructure to support new development areas and includes projects expected to be constructed by the City or the private sector where there is a required City contribution to the cost. The growth program for roads is regularly reviewed and adjusted accordingly against the 10-Year Capital Forecast to facilitate orderly development and ensure developable lands can be serviced in a timely manner. Inputs to the process include private sector feedback on the timing of infrastructure to support developments garnered through the Staging of Development program which informs expected timing of individual developments and the projects needed to support them. Staff also use input from: Economic Development Division to identify key projects intended to increase the amount of Shovel-Ready land, various Master Plans, and the Development Charges (DC) Background Study, to build and maintain the 10-year Growth Program.

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Roads / Bridges / Sidewalk / Street Lighting / Traffic Draft Capital Planning Review and Prioritization

Once each division has identified new projects, and verified ongoing projects and projects that have been identified in the 10-Year Capital Forecast, a first draft budget is prepared by Engineering Services. The first draft budget has historically identified funding that exceeds the block allocation. The first draft budget is reviewed through working group meetings including divisional leadership. As part of this review, several factors are reviewed including affordability (first draft budget funding requirements compared to the capital block allocation), resource constraints, and capital budget prioritization, and the draft budget is amended accordingly.

A capital budget prioritization tool was implemented in 2023 as part of annual budget process. This tool is used to prioritize projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic program. Certain projects are automatically included in the budget submission, such as projects related to emergency work. Remaining projects are prioritized based on several considerations including current asset condition, coordination with subsurface work, transit routes, complete streets, road safety, growth, geographic location, and strategic priorities. This tool is currently being revised for the 2025 budget process. Once finalized, the final draft proposed budget is presented to the General Manager of Public Works, and submitted to Finance and then the Senior Leadership Team for review.

Categorization of Capital Projects Related to the Transportation Network Analysis

Categorization of planned investments in the transportation network began approximately 10 years ago and evolved over time, including the addition of new reporting categories. This evolution of transportation network categories resulted in a system of categories that were at times unclear and limited the ability to interpret the information. For example, certain categories were defining different attributes. To analyze historical investments in the transportation network, the need to review and refine transportation network categories was identified.

Staff began the analysis by examining transportation network categories that were used in previous reports and analyses. Through this review it was determined that the 2022 Transportation Asset Management Plan would be used as the basis for reporting categories going forward. The 2022 Transportation Asset Management Plan describes two types of categories: asset category, and asset lifecycle stages (acquisition, operations, maintenance, disposal, renewal). This analysis focuses on asset category. Future reviews may incorporate asset lifecycle.

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Staff reviewed asset categories identified in the 2022 Transportation Asset Management Plan, and identified opportunities to either consolidate categories, or add categories where gaps existed. Appendix “A” to Report PW24057/FCS24045 includes the updated list of transportation network assets and associated definitions that was determined through this review. These categories are hierarchical which enables summaries at the service area, asset class, and asset level. For example, this new methodology will enable summaries using the following categories: Road Pavement, Active Transportation, Traffic Network Traffic Safety, Administration, Engineered Structures, Operating Activities to Support the Transportation Network, Operating Activities to Support the Transportation Network – Escarpment, and Operating Activities to Support the Transportation Network - Staffing. While these categories reflect information available as of the preparation of this report, there may be future changes to these categories. For example, a new asset may be added to the City’s inventory in the future which may require a new category to be added. Through approval of Recommendation (a) to Report PW24057/FCS24045 these changes would be delegated to the General Manager of Public Works in consultation with the General Manager, Finance and Corporate Services or their designates.

The updated asset categories were used to evaluate the historical transportation network funding levels and will be applied in the 2025 budget process.

Historical Transportation Network Funding Levels

To determine historical transportation network funding levels for the purpose of this review, three sources of planned investments were considered:

- Planned investments approved through the Tax Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget)
- Area Rating projects approved outside of the annual budget process that represent an investment into the transportation network
- In-year capital budget adjustments that represent an investment into the transportation network. In-year budget adjustments may include funding received from other levels of government during the year, such as the \$30 million Canada Community-Building Fund funding for sidewalk and road repairs (minor maintenance) received in 2021. In-year budget adjustments also include additional funding requests for projects with revised budget estimates (e.g., Report FCS22067 Increase in Capital Project Expenses).

Annual budgeted amounts from the Tax Operating Budget that represent an investment in the transportation network were not included in this analysis. For instance, the 2023 Operating Budget allocated approximately \$18 million for transportation-related programs, which were excluded from this analysis. These programs include concrete

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sidewalk repairs, in-house asphalt pavement repairs, shouldering programs, and the setting and re-setting of catch basins.

To evaluate historical transportation network funding levels, each project budgeted for through the Roads / Bridges / Sidewalk / Street Lighting / Traffic capital program between 2012 – 2024 was reviewed, and the applicable asset category was selected. In total, over 2,000 entries were reviewed and re-categorized. Categorization was based on specific Capital Project Identification Numbers (10-digit Project IDs) because typical construction contracts may include more than one Project ID. For example, a bridge replacement project may include a Project ID for the bridge and associated works, and a separate Project ID for subsurface rate-related work. For projects that impact multiple assets, such as a road reconstruction, the budget was assigned to the asset that the majority of the work applies to.

Projects funded from area rating which represented an investment in the transportation network were identified and categorized, as were capital in-year budget adjustments representing an investment in the transportation network. Generally, in-year budget adjustments may include, but are not limited to, funding received from other levels of government that is not part of the annual budget process, as well as funding that is requested to address revised budget estimates during the year which may come from sources such as reserves.

Gross amounts, rather than net, were used for this analysis because it represents the total planned investment into the transportation network from all sources. In addition to net funding (tax levy, debt, Canada Community-Building Fund, and other reserves), gross amounts include funding from sources such as grants, subsidies, revenue, Community Benefit Charges, Development Charges, rate funding, reserves, capital projects with surplus funding, and projects that have been cancelled or closed.

Planned investments for the 12-year period were inflated to 2024 dollars. Table 1 summarizes the price index that was applied for this analysis.

**TABLE 1
Non-Residential Building Construction Price Index**

(%)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Non-residential Building Construction Price Index	2.3	0.3	1.4	1.8	2.9	3.2	4.6	3.9	2.6	9.5	16.2	5.5	5.3*
*forecast													

Figure 1 shows the planned investment in the transportation network approved through the annual Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting /

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Traffic Budget). This is reported in gross amounts, inflated to 2024 dollars. Figure 1B in Appendix “B” to report PW24057/FCS24045 shows this data organized by asset category. Prior to 2020, Engineering Services staffing was included as part of individual road and bridge project budgets. Beginning in 2020, staffing was separated into separate Project IDs specifically for staffing. For this reason, the Operating Activities to Support the Transportation Network – Staffing category begins in 2020. Annual planned investment into the Transportation Network from the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget has averaged \$142.7 M over the past thirteen years (inflated to 2024 dollars).

FIGURE 1
Planned Investment in the Transportation Network Approved through Tax Supported Capital Budget (Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget) (Gross, inflated to 2024 Dollars)

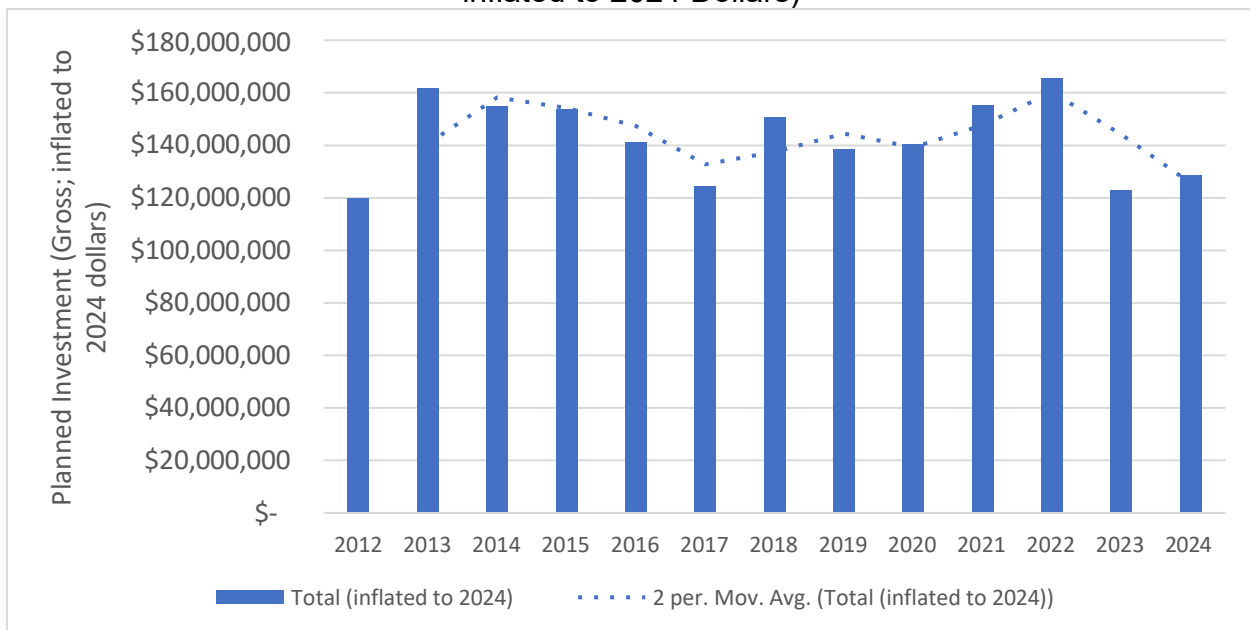


Figure 2 shows the planned investment in the transportation network approved through the Area Rating Special Capital Re-investment Fund and is reported in gross amounts, inflated to 2024 dollars. Of note, in 2014, area rating planned investments were higher than average. This was related to several planned investments into rehabilitation and urbanization projects. Figure 2B in Appendix “B” to Report PW24057/FCS24045 shows this data organized by asset category.

The Area Rating Special Capital Re-investment Fund Policy, approved through Report FCS12024, outlines the mandate and guidelines for use of the ward specific Area Rating Special Capital Re-investment Reserves. This fund was established to help

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offset the infrastructure deficit in the former City of Hamilton, which generally contains the oldest infrastructure within the municipality. Annually, the fund generates a combined \$13.4 M. As illustrated in Figure 2, annual investment into the Transportation Network from the Area Rating Special Capital Re-investment Fund has averaged \$4.5 M over the past twelve years (inflated to 2024 dollars). The combined uncommitted balance of the Area Rating Special Capital Re-investment Fund is \$32.3 M as of May 31, 2024.

FIGURE 2
Planned Investment in the Transportation Network Approved through Area Rating (Gross, inflated to 2024 dollars)

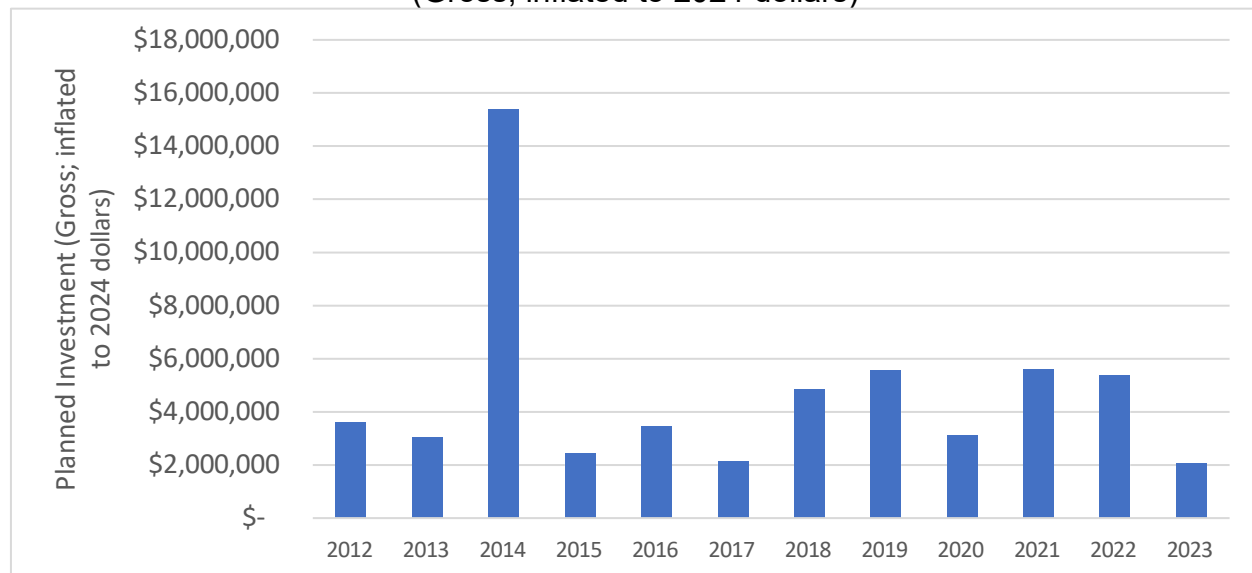
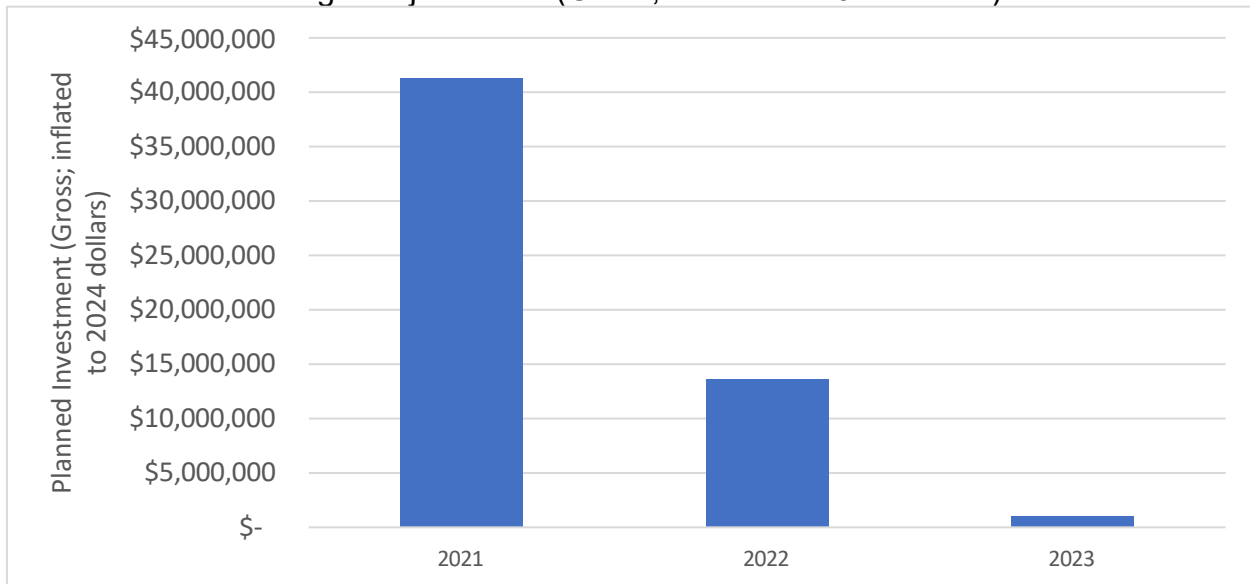


Figure 3 shows the planned investment in the transportation network approved through Capital In-Year Budget Adjustments and is reported in gross amounts, inflated to 2024 dollars. Capital in-year budget adjustments include funding that is added to the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget from sources including reserves and other levels of government during the year. Note that complete data for all in-year capital adjustments was not available at the time of preparation of this report due to the network outage, including data prior to 2021. The best information that was available was included, however some in-year budget adjustments may not have been captured. In 2021 a one-time top-up of just over \$30 million of Canada Community-Building Fund funding was received for sidewalk and road repairs (minor maintenance). In 2022, several transportation-related capital projects received additional funding mid-year through report FCS22067 due to the economy and correlated supply and demand issues. Another example of a major capital in-year budget adjustment was in 2018, when \$19 M was received for city-wide road priorities and neighbourhood road

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priorities. Figure 3B in Appendix “B” to Report PW24057/FCS24045 shows the data organized by asset type.

FIGURE 3
Planned Investment in the Transportation Network Approved through Capital In-Year Budget Adjustments (Gross, inflated to 2024 dollars)



The 2024 Budget included a transitional plan to address the \$94.7 M annual funding gap for transportation assets that was identified in the Transportation Asset Management Plan over the next 10 years. The forecast Capital Financing Plan for 2025 – 2033 is shown in Table 2.

TABLE 2
Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget Capital Financing Plan

CAPITAL FINANCING PLAN (Net) (\$000's)	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast	2030 Forecast	2031 Forecast	2032 Forecast	2033 Forecast
Roads / Bridges / Sidewalk / Street Lighting / Traffic	89,811	102,092	114,176	126,569	139,279	152,315	165,684	179,395	193,458

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Levels of Service for the Transportation Network

As part of the 2022 Transportation Asset Management Plan, the current Levels of Service for elements within the transportation network were documented. Levels of Service are measures for what the City provides to customers, residents, and visitors. Levels of Service are best described as the link between providing the outcomes the community desires, and the way that the City provides those services. Levels of Service are defined in three ways, customer values, customer levels of service and technical levels of service. Current technical targets are included in Tables 21 and 42 of the 2022 Transportation Asset Management Plan. The current technical targets used to prepare the Financial Outlook to 2033 are based on the 2022 Transportation Asset Management Plan. It is anticipated that proposed Level of Service will be brought forward in accordance with Report PW22048.

Findings and Recommendations

Through this analysis and review, a proposed new methodology for future reporting has been developed and is recommended. It is recommended that staff use the categorization identified in Appendix "A" attached to Report PW24057/FCS24045 for future classification of projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget.

When future budget submissions are prepared the applicable asset will be selected for each project. A summary table using these categories will be included in the staff report that accompanies the annual proposed tax budget and financing plan providing a three-year Capital forecast for the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget.

It is recommended that an additional information be included as part of the budget materials showing all projects within the Roads / Bridges / Sidewalk / Street Lighting / Traffic budget to supplement the project breakdown by division. It is also recommended that future budget documents align with the future Transportation Asset Management Plan, including changing references to the Roads / Bridges / Sidewalk / Street Lighting / Traffic Budget to the Transportation Network Budget.

It was determined that by selecting only a single asset for each project or Project ID, certain project elements may be underestimated or overestimated in terms of dollar amount of planned investment. Staff are looking into amending the budget process to better capture asset categories for coordinated projects.

Overall, the total annual planned investment in the transportation network between 2012 - 2024 has been underfunded according to the Transportation Asset Management Plan.

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Year-to-year variation in the total gross planned investment, as well as variation between the different asset categories, depends on several factors such as external funding, differences between planned growth and actual growth and Development Charges.

The transitional plan to increase the Roads / Bridges / Sidewalk / Streetlighting / Traffic block from \$65.9 M in 2023 to \$193.5 M in 2033 to address the \$94.7 M annual funding gap is a critical step towards improving the transportation network. Additionally, continuing to leverage the Area Rating Special Capital Re-investment Fund remains important in assisting to help work through the infrastructure backlog and annual funding shortfall. Staff will work towards amending the budget planning process for the transportation network to more effectively utilize these funds in the development of the financing plan.

It is further recommended that the information contained in this report be considered as part of future reviews of proposed Levels of Service for the transportation network, and the ongoing budget process review.

Future analyses could include benchmarking against other municipalities, incorporating asset lifecycle, and considering other methods for better separating individual elements for coordinated projects.

ALTERNATIVES FOR CONSIDERATION

Should the recommendations in this report not be approved, staff could continue to use historic reporting categories. This option would not address the motion.

Financial: N/A

Staffing: N/A

Legal: N/A

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PW24057/FCS24045 - Reporting Categories and Definitions

Appendix "B" to Report PW24057/FCS24045 - Planned Investment in the
Transportation Network – By Asset