
Transportation 2019 Business Plan and Budget

Recommendation

1. That the Transportation Business Line totalling \$138,645,000 in expenditures (\$6,001,000 increase over 2018) and \$24,143,700 (\$199,500 increase over 2018) in revenues be approved, subject to adjustments under the Business Plan Options section of the agenda; and
2. That the Capital Budget totalling \$60,709,000 be approved, subject to adjustments under the Business Plan Options section of the agenda.

Topic and Purpose

The purpose of this report is to receive City Council approval for the 2019 Transportation Business Line as presented, including both the Capital and Operating Budgets.

Report Highlights

1. The Transportation Business Line includes \$138,645,000 in expenditures and \$24,143,700 in non-tax revenues.
2. The Transportation Business Line includes \$60,709,000 in funded capital investments, most notably, \$34,350,000 to address roadway conditions through capital rehabilitation and maintenance.

Strategic Goal

This report supports the Strategic Goal of Asset and Financial Sustainability by being open, accountable and transparent, particularly when it comes to the resource allocation and collection decisions the City of Saskatoon (City) makes.

Background

The 2019 Preliminary Business Plan and Budget (2019 Preliminary Budget) was released on October 24, 2018.

Report

Transportation Business Line Operating Budget

The 2019 Preliminary Budget includes \$138,645,000 in expenditures for the Transportation Business Line, which is a \$6,001,000, or 4.52%, increase over 2018 mainly due to:

- \$2,848,900 increase for growth requirements, including:
 - \$372,500 within Transit operations;
 - \$825,800 for road maintenance due to additional roadways; and
 - \$893,500 for bridges, subways and overpasses.
- \$3,152,100 for inflationary expenditure increases, most notably:
 - \$1,709,200 for Transit and Access Transit costs, most notably due to staff increments and the Professional Driver Certificate Program;

- \$423,000 in the Parking Service Line related to the increase in operating costs needed to run the parking program.
- \$338,700 in the Road Maintenance Service Line due to higher staff compensations, contractor costs and asphalt prices.

This business line includes a total of 631.30 full-time equivalents (FTE) which is an 11.96 FTE increase over the 2018 Approved Budget. This increase is largely due the following additional FTEs:

- 5.0 FTE in the Transit Operations Service Line, including a utility position due to increase maintenance, a service supervisor to staff the control center and monitor the Integrated Transportation System, three operator position to maintain the high frequency routes;
- 1.0 FTE in the Access Transit Service Line for an additional operator;
- 1.4 FTE in Transportation Services to reduce overtime resulting from network growth including Supervisor VI position and Traffic Signing and Painting Labourer positons; and
- 2.0 FTE in the Parking Service Line, including a Customer Support Coordinator and a Parking Meter Technician.

This business line also include a total of \$24,143,700 in non-tax revenue sources, which is an increase of \$199,500 over 2018's budgeted revenue. The increase in revenues is due to anticipated increase in parking revenue of \$525,200 based on historical trends. This is partially offset by the \$500,000 decrease in the budget base of transit operations revenue to better reflect actual sales of several fare type. This decrease is offset by an \$111,600 increase due to contractual increases in the UPass price and a \$53,900 increase in sales of other discounted passes.

The property tax support provided to this business line is \$114,501,300, which is a \$5,801,500 or 5.3% increase over 2018.

Transportation Business Line Capital Budget

The 2019 Preliminary Budget includes \$60,709,000 in funded capital investments. Road Maintenance capital investments for 2019 include nine funded projects totaling \$34,350,000 to address roadway conditions. This investment is mainly funded for the Paved Roadways Infrastructure Reserve.

The most notable project is \$31,300,000 for the paved roads and sidewalk preservation as part of the City's Building Better Roads Program. For 2019, Bridges, Subways, and Overpasses capital investments include six funded projects totaling \$18,839,000, most notably \$13,500,000 for the repair and rehabilitation of the Sid Buckwold Bridge.

Options to the Recommendation

City Council can choose to revise any service line and associated service levels or user fee that would impact the total operating expenditures, revenues or capital programming.

Public and/or Stakeholder Involvement

The Administration developed the 2019 Preliminary Budget based on public feedback, such as the annual Civic Services Survey and other public engagement initiatives undertaken throughout the budget process.

Financial Implications

The financial implications are included in this report.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations, and a communication plan is not required.

Due Date for Follow-up and/or Project Completion

Upon approval of the 2019 Preliminary Budget, the Administration will develop an Approved Business Plan and Budget for presentation to City Council in early 2019.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Maegan Piche, Financial Analyst
Reviewed by: Clae Hack, Director of Finance
Approved by: Kerry Tarasoff, CFO/General Manager, Asset and Financial
Management Department

Transportation 2019 Budget_BL.docx