

COUNTY ROAD RATIONALIZATION- HISTORY AND SUPPORTING INFORMATION

Appendix I - Briefing Report

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1.0 History

The Essex Windsor Regional Transportation Master Plan (EWRTMP) was the subject of a County Council Workshop on August 05, 2005. The purpose of the EWRTMP was reinforced as an initiative that would establish policies and plans at a strategic level that would address the network's future needs. The EWRTMP was to develop a consistent regional road classification system and associated set of design standards across the region, based upon an agreed upon functional hierarchy of roads.

Through the process, it was recommended that the County of Essex CAO and Engineering/ Planning staff, along with representation by each of the seven local municipalities establish a Committee. The Committee would develop a recommended County Road System, establishing jurisdiction for all roads in the County Network at that time, and provision for jurisdictional transfer as required.

On February 3, 2016, Tom Bateman, Director of Transportation Services / County Engineer presented report number 2016-R002-ENG-0203-TRB for County Council's consideration regarding the 2016 Budget for Transportation Services. It was asked during that Council meeting that Administration take necessary steps to expedite a report on road designations, separate from an updated Transportation Master Plan (TMP), and establish parameters on how a Road Rationalization Study (RR) would take place, as the TMP would take approximately 2 years to complete.

On April 20, 2016 Tom Bateman returned to County Council to share report 2016-R016-ENG-0420-TRB, which was a comprehensive report providing information on the County Road Network that would review the origin of the existing network and current status of roads that comprise the network as well as their classification as a County Road or County Connecting Link.

To advance the County Road Network Review it was Administration's recommendation to have an externally facilitated "visioning" session of County Council. The deliverable of the "visioning" session would be a set of guidelines, parameters and criteria to be used in the development of the Terms of Reference (TOR). Administration would seek County Council's endorsement of the Terms of Reference prior to the engagement of a Consultant to undertake the review.

A motion was carried, that a County Road Network Review be undertaken separately from the planned update to the 2005 Essex Windsor Regional Transportation Master Plan, and that County Council engage in an externally facilitated "visioning" session to provide guidance to County Administration in the development of the TOR for the County Road Network Review.

In January 2017 Roger Bryan, KMPG, was engaged to serve as a facilitator with Council to complete the "visioning" session, where they discussed the

purpose and goals for County roads and vision for the County Road Network. This would assist Administration in developing the TOR, to be included in a formal request for proposal to engage the services of a consultant. The draft terms of reference would be brought forward for Council to consider before proceeding with the RFP to engage a consultant to study the County Roads Network.

In March 2017, Tom Bateman presented the Road Rationalization draft terms of reference overview and discussed the background objectives and implementation to the Regional CAO's, as a report outlining the input from the local municipalities would be presented to County Council on April 19, 2017.

On April 19, 2017 Report Number 2017-R005 -ADM-0419-BG was presented by Brian Gregg, Chief Administrative Officer. Mr. Gregg discussed the background and the work that had taken place to date with regard to Council's request to undertake a County Road Network Rationalization Study. The administrative report broke the process down into three phases that seemed feasible and attainable.

Phase 1 – Technical Review. Prior to undertaking the road rationalization assessment, a set of foundation principles/criteria are to be established that define the objectives of the County Road Network.

Phase 2 – Identification of jurisdictional options and requirements

Phase 3 – Implementation Action Plan

Mr. Gregg further advised that Administration had undertaken a survey of local municipalities' CAOs and technical staff in an effort to gain a broad insight on what the local expectations were with regard to the County Road Network. Administration then drafted the Terms of Reference for Council review and endorsement and that local municipal administrations have endorsed the project with the stipulation of a thorough and balanced review and analysis process.

A timeline and technical overview of the anticipated study was provided, indicating a completion date of January 2019. It was noted that the feedback received from local municipal administrations was that the timeline was aggressive and may not be complete during the short schedule given the detail that must be considered. With a tight timeline already, and noting that 2018 was an election year, it was proposed that the project be compressed to ensure completion by April of 2018.

A motion was carried that, County Council approve the Terms of Reference for the Road Rationalization Study dated March 2017, with a compressed timeline to reflect an April 30th, 2018 completion date for Phase 3; And further that County Council directs Administration to prepare a formal

Request for Proposal based on the approved Terms of Reference for the engagement of a consultant to undertake the Road Rationalization Study for the County of Essex.

On July 19, 2017 Brian Gregg presented report Number 2017-R010-ADM-0719-BG which outlined the progress of the Road Rationalization project and the status of the RFP process. He noted that although there were several pre-qualified consultants engaged in the RFP process, only one consultant closed the RFP with a submission. In discussing the lack of submissions with the interested pre-qualified contractors, it was determined that there was an abundance of work currently available, and the timeline for the project was not realistically attainable by those questioned. In keeping with the parameters of the purchasing policy, he advised that it was the intention of Administration to negotiate with the sole consultant who submitted, to ensure that the scope and requirements of the roads rationalization project are something that can be managed within the parameters of the timeline and budget, as required by the County. He advised that, should there be failure to realize a contract, the County would re-issue the RFP and come back to Council for their consideration at the August 9, 2017 meeting.

A motion was carried that, Administration engage in discussions with CIMA Canada Inc. to determine whether a mutually agreeable project methodology can be developed and that Administration report upon a preferred course of action at the August 9, 2017 County Council session.

On August 9, 2017 Report Number 2017-R012-ADM-0809-BG, was presented by Brian Gregg, providing the status of the hiring of a consultant for the RR Study. At the recommendation of Council, Administration attempted to negotiate a detailed contract that included all the necessary language to ensure clarity in the project goals. He advised that Administration felt the sole proponent from the RFP process did not fully understand the scope of the project and therefore was recommending that a new RFP be issued.

Mr. Gregg indicated that during the discussions with the proponent and other consultants who did not submit a proposal, it became clear that further detail was needed in the language of the RFP to ensure that the scope of the project was clear. Additionally, he advised that it would be necessary to further consider who would be gathering and providing the data needed. A new RFP would be issued and that the timeline that Council initially desired may require some adjustment.

Discussion took place with regard to what might be done to ensure multiple responses to the new RFP. It was noted that in order to maintain the timeline originally proposed by Council, Administration would have to proceed with the responses received from local municipalities even if not all have submitted their data.

A motion was carried that, Administration prepare a revised Request for Proposal based on a modified Terms of Reference for the engagement of a consultant to undertake the Road Rationalization Study for the County of Essex.

On March 21, 2018 Mr. Bateman provided an update as to the status of the RR, advising that the selected consulting firm, IBI Group, had started their work with a background report and draft criteria report being reviewed at the three project team meetings which had been held. He further advised that he anticipated the final criteria would be agreed upon at the next project team meeting. He expressed that the project team, consisting of representatives from the local municipalities as well as Chatham-Kent and Windsor, have been very engaged and anticipated being in a position to bring a report back to Council in May.

In the fall of 2018 Mr. Bateman retired from the County and Jane Mustac was hired as the Director, Infrastructure / County Engineer.

On January 16, 2019 Ms. Mustac provided a summary of the proposed 2019 Budget for Infrastructure Services and when questioned when the Road Rationalization Study would be presented to Council. Rob Maisonville, CAO advised that County staff continue to meet with each local municipal staff and a progress report would be presented to Council in the spring.

On March 20, 2019 during County Council, an update on the status of the Road Rationalization Study was requested. In response Mr. Maisonville advised that the CAO's group had recently met to review the draft technical review report and following the consultant reviewing a few specific road segments, they would be moving on to the next step of the process. He explained, however, that it had been determined that in order to determine costing, the Consultant was going to need to be engaged to do some additional work that had not been included in the original scope of work, including providing suggestions on how to deal with the differences between urban and rural roads and suggestions for connecting links. He advised that he anticipated having a preliminary map and report to County Council on the Road Rationalization Study progress sometime in April.

On April 17, 2019 Ms. Mustac provided a summary of the Road Rationalization study, project phases and current status. She noted that there had been some added work that had not been included in the initial contract and discussed the recommendation for Council to consider.

Discussion took place with regard to the project technical team and the project phases and timeline as they both have evolved over the course of discussions and review. Mr. Maisonville noted that due to the nature of the project and the implications that the results may have on municipal budget planning, it would be necessary to commit the time to assessing the

condition of the roads and the financial implications for the municipalities as these assets change hands. He noted that the financial component of the project is the complicated piece that would need to be completed before any transfer could take place.

A motion was carried that, County Council support the continued process and additional costs associated with the Road Rationalization Study.

On July 15, 2020 Mr. Maisonville, updated County Council that the RR study was delayed due to COVID-19, and advised that all local CAOs and engineering groups were meeting to review the report and that an update on next steps would be provided to County Council shortly.

On September 2, 2020 report 2020-0902-ISD-R024-JM, Road Rationalization Study - Status Update Report was brought to Council. Mr. Maisonville outlined there were outstanding concerns about the report as prepared therefore was recommending that Council defer the report to a future meeting. He advised that Administration was requesting the opportunity to return to the advisory committee and for further discussion.

A motion was carried that, Report number 2020-0902-ISD-R024-JM, Road Rationalization Study - Status Update Report, dated September 2, 2020 be deferred to the October 21, 2020 regular meeting of County Council.

On September 30, 2020 there was a municipal consultation with the CAO's and Directors of Infrastructure from the local municipalities. Report 2020-0902-ISD-R024-JM was discussed and a roundtable was conducted to provide each municipality an opportunity to provide comments/express concerns on the report. All agreed with the direction discussed and it was recommended to utilize some of the findings of the RR Study in the background but move forward with and updated Transportation Master Plan (TMP).

It was identified that a committee should be formed and would consist of representation of the following departments from each municipality: Engineering; Development; and Finance. A draft RFP would be developed and sent for all to review and approval.

It was recognized that a project charter be developed with a clearer understanding on how the process will work and a dispute resolution protocol created prior to moving forward.

On May 18, 2021 Mike Galloway, CAO with the County of Essex advised the regional CAO's he has reviewed the Road Rationalization history and had move forward and engaged a consultant, Strategy Corp to facilitate the next steps. On May 21, 2021, Strategy Corp presented their findings and next steps to move forward to the Regional CAO group.

June 16, 2021 during County Council, Mike Galloway provided County Council with an update regarding the Road Rationalization Project. Mr. Galloway had notified Council that the local CAO's group had met to formulate a plan to have a consultant assist to facilitate further discussion on RR Study with the anticipation that a TMP would be beginning in the fall. It was confirmed that the initiative would proceed in a collaborative manner, with the local CAO's and staff in all local municipalities.

On September 24, 2021 Strategy Corp presented an update to the regional CAO's which included findings and issues from the last process, draft principles for the project charter and to discuss draft principals.

2.0 EWRTMP Clarification

Some challenges exist in sorting and following past reports with respect to the nomenclature of a Regional road and a County road. Much reference is made to the Essex Windsor Regional Transportation Master Plan (EWRTMP), 2005. Within the context of the EWRTMP a "Regional" road was defined, and refers to any road within the Region that would be maintained with consistent operational and maintenance standard, whether owned by the City, County or Local Municipal Partner. Outside of the EWRTMP, a "County" road is one that is owned and operated by the County of Essex. At some point the intent got twisted slightly to incorrectly define a "Regional" road as a "County" road. In fact, on page 93 of the EWRTMP, paragraph 2, it states that "All County Arterial Roads on Schedule 'D' of the County Official Plan meet this definition...", implying that County roads are only part of the "Regional" road network, along with certain other roads in the Region.

3.0 Financial Implications

A significant decision factor in the Road Rationalization discussion is cost. The County and LMPs must always consider the cost of annual maintenance, the cost lifecycle renewals, insurance and financial commitments. It will be difficult to make sound, long term decisions without some historical analysis. The more information the County can share on each of the cost considerations, the greater the understanding, and therefore the increased likely hood of success. The County also encourages the LMPs to do the same.

3.1 Annual Cost of Maintenance

The annual cost of typical operation of roadways could include: mowing/brushing, winter control, bridge repairs, crack sealing, traffic signals, signage and streetlighting.

For discussion, analysis and comparison, County of Essex data was used to determine annual costs and costs per kilometer, using available data from a 10-year period. The County owns approximately 1500 lane km of roadway, 42 traffic signals, streetlights, and 210 bridges/culverts spanning greater than 3.0m. A cost per kilometre was calculated for all basic assets, including bridges/culverts and presented in Table 1 and Table 2.

Averages do not capture inflation, therefore Figure 1 was prepared to indicate the rising cost of infrastructure maintenance.

Table 1 – Operations/Annual Maintenance

Task	Ten Year Average	Average/lane km
Bridge/Culvert Repair	\$168,057	\$112
Roadside Maintenance	\$1,164,077	\$776
Pavement Maintenance	\$1,141,046	\$761
Winter Control	\$2,576,899	\$1,718
Signs	\$305,908	\$204
Traffic Operations	\$368,250	\$245
Total	\$5,724,236	\$3,816

Table 2 - Annual Contracted Maintenance

Task	Ten Year Average	Average/lane km
Crack Sealing	\$136,813	\$91
Railroad Signal Maintenance	\$60,910	\$41
Municipal Drainage	\$279,956	\$187

Task	Ten Year Average	Average/lane km
Kent Road 1 Shared Maintenance	\$40,026	\$27
Total	\$517,704	\$346

Table 3 - Annual Cost of Equipment Replacement

Task	Ten Year Average	Average/lane km
Machinery	\$312,000	\$208
Vehicles	\$588,050	\$392
Total	\$900,050	\$600

Assuming a total cost of \$7,141,990 (sum of Totals from Tables 1, and 3), and for example only, the approximate increase in annual expenditures, should 10 km of road be transferred to the County of Essex, would be:

$$10\text{km} \times (\$3,816 + \$346 + \$600) = \$47,620.$$

With respect to staff requirements, the County of Essex Roads group has a total full-time staff compliment of 39 people, maintaining 1,500 lane km of roadway. The County road network operates at a cost of \$160,050/km/person at a responsibility rate of 38.6 km/person.

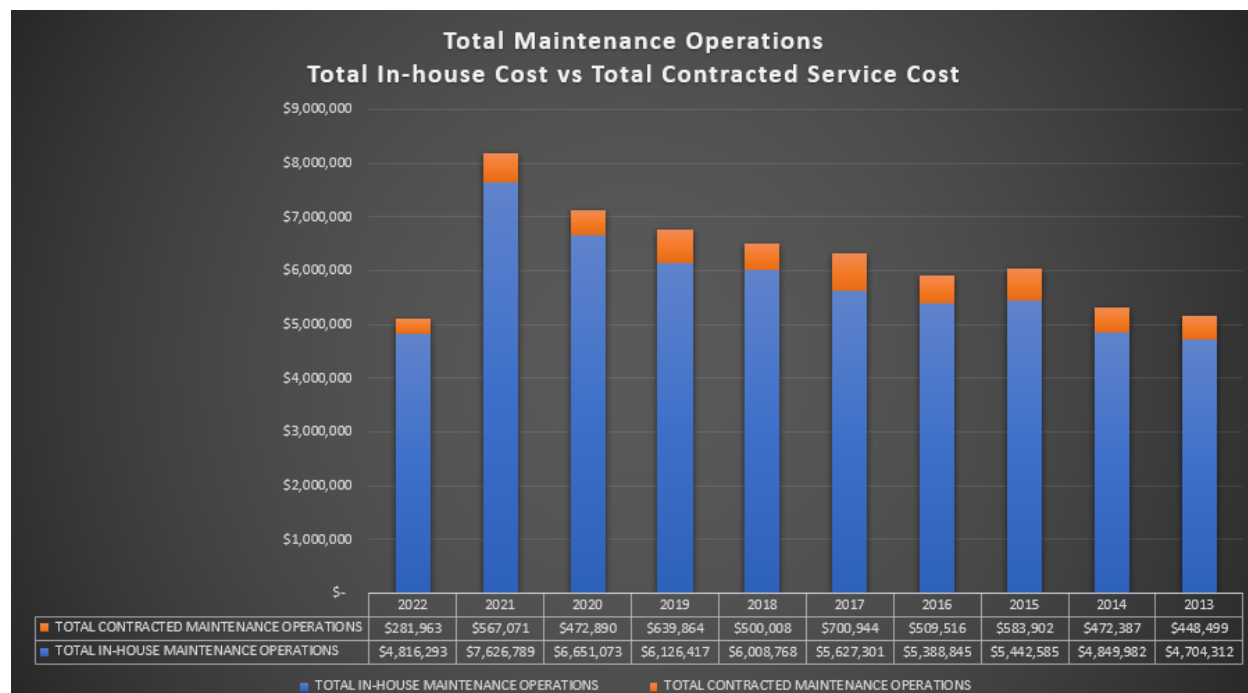


Figure 1 – Trending cost of Maintenance

3.2 Lifecycle Renewals

More significant is the investment in annual expenditures on road and bridge/culvert rehabilitation. In 2023 the County budgeted approximately \$16,300,000 toward the “State of Good Repair” program. The program includes for lifecycle renewals of pavement, bridges and culverts (greater than 3.0m span).

Between 2013 and 2022, \$69,710,000 was spent on paving and recycling operations over approximately 435km. The 10-year average is \$163,850/km, and is shown in Figure 2.

It is very difficult to provide some sort of benchmarking for the cost of bridges/culverts as the rehabilitations are somewhat random. The structures vary in size and location, and further, work ranges from renewal of a few components, or complete replacement.

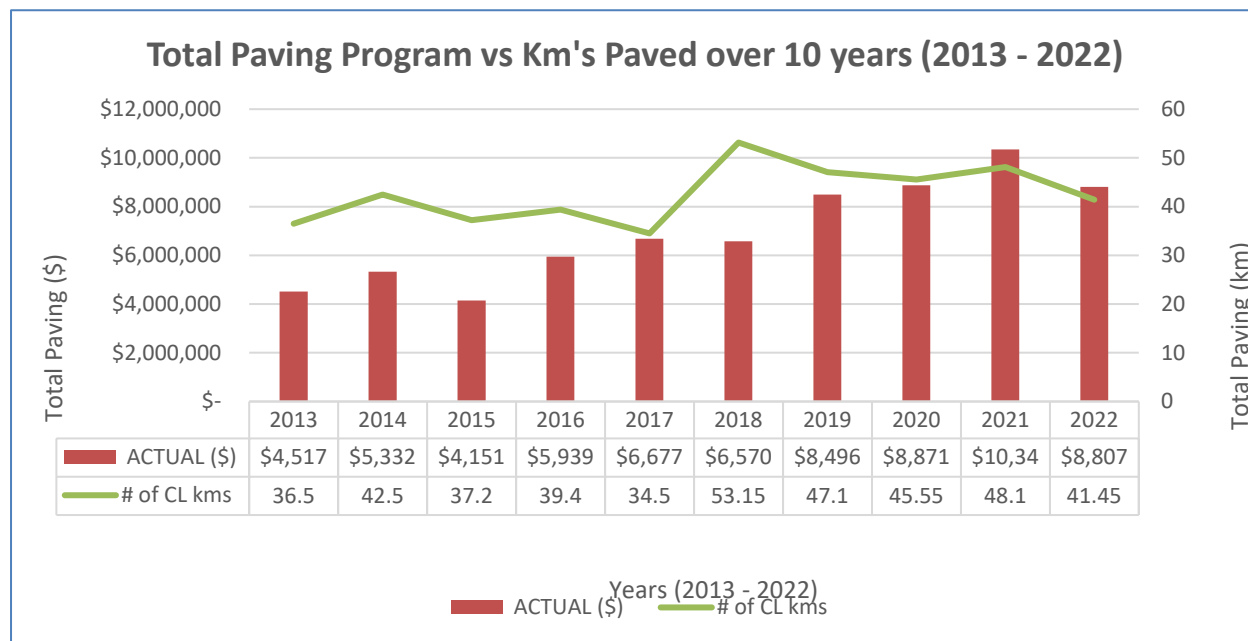


Figure 2

3.3 Insurance Premiums

The County of Essex carries a blanket policy for liability on traffic accidents. No insurance premiums are paid for liabilities resulting from natural disasters and storm events. Reconstruction of roads and bridges after events would be funded from reserves.

It may be reasonable to assume an increase or decrease in the number of road allowances would:

- a) increase or lower a municipality’s probability of incurring costs from accident or storm events.
- b) Increase or lower a municipality’s insurance premiums

3.4 County Levy

The County Levy is legislated by the Province and solely based on weighted property assessment. County of Essex Administration recommends via the annual budget process to separate and distribute the funding based on requirement, need or obligation. Table 4 and Figure 3 provide a representation of the distribution as presented in the 2023 Budget.

Table 4

Department	2023 Budget (%)	2023 Budget (\$)
Community Services	0.46%	\$563,050
Sun Parlor Home	9.75%	\$12,052,500
Emergency Services	12.09%	\$14,944,900
Infrastructure Services	39.90%	\$49,316,740
Library Services	4.88%	\$6,029,600
General Government Services	5.13%	\$6,340,380
External Commitments	27.79%	\$34,352,060
Overall County Surplus (Deficit)	0.00%	\$0
County Responsibility	100.00%	\$123,599,230

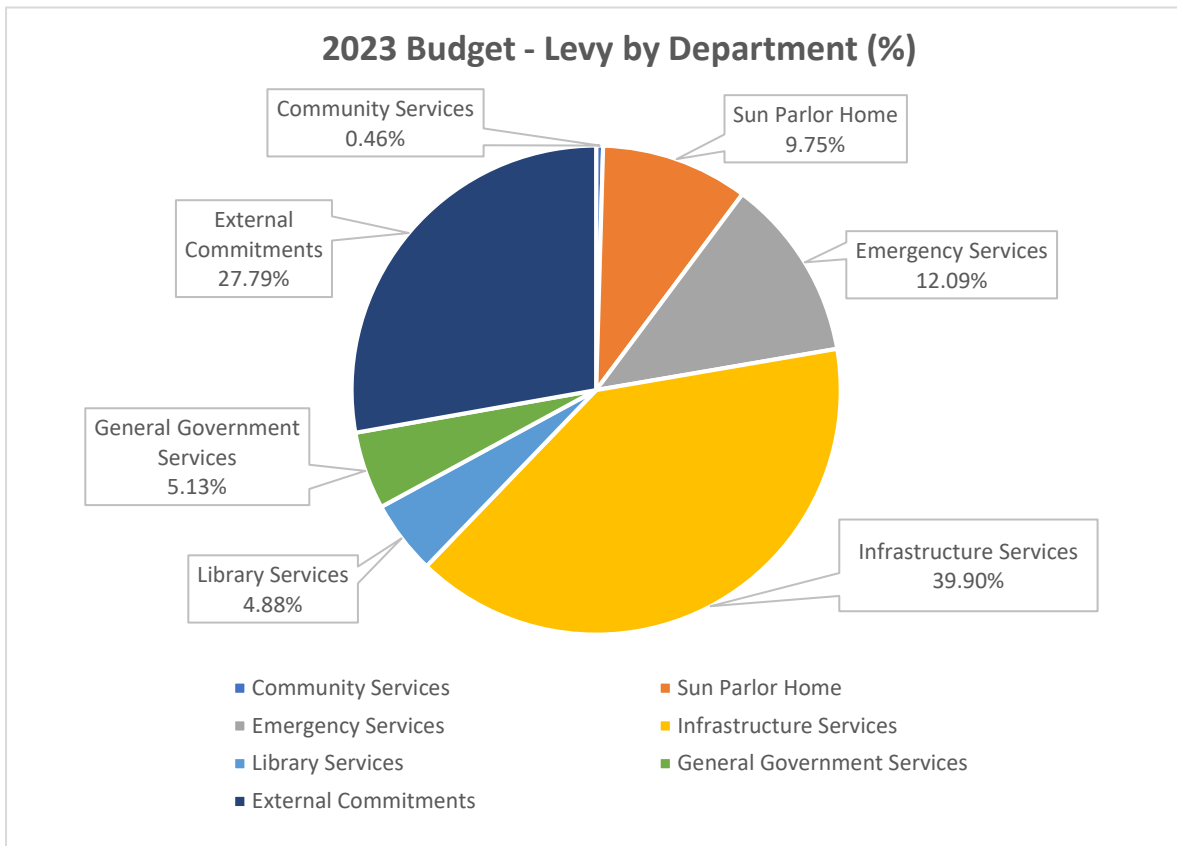


Figure 3