

# **The Corporation of the City of Kawartha Lakes**

## **Council Report**

**Report Number RD2019-002**

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**Date:** June 18, 2019  
**Time:** 2:00 p.m.  
**Place:** Council Chambers

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**Ward Community Identifier:** All

**Title:** Unassumed Roads Winter Maintenance Fee for Service Review

**Description:** A review of the potential to provide fee for services on unassumed roads.

**Author and Title:** David Lembke, Manager Roads Operations

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### **Recommendation(s):**

**That** Report RD2019-002, **Unassumed Roads Winter Maintenance Fee for Service Review**, be received.

**Department Head:**\_\_\_\_\_

**Financial/Legal/HR/Other:**\_\_\_\_\_

**Chief Administrative Officer:**\_\_\_\_\_

## **Background:**

Maintenance of unassumed roads has been a long evaluated and considered topic. Public Works has previously sought the expert advice of external legal counsel regarding legal implications of providing service to unassumed roads and received the following legal opinion:

“The City is not legally obligated to provide maintenance on either category of road (private or unassumed) and not doing so limits both the maintenance costs and exposure to liability for the City.”. (Staples Swain)

From 2015 to 2017, the City underwent an extensive review of service levels. Through this review it became apparent that as a standard practice other municipalities are not providing roads operations maintenance service to unassumed roads. In addition, local businesses expressed concern about the City competing for and performing work that should be completed by private contractors. This review process included multiple public meetings and several reports to Council for consideration. The results of this review process ended up with Council implementing a policy to offer basic non-winter service to roads that meet a minimum standard of construction. On April 19, 2017, Council received report PW2017-004 and resolved (CR2017-350), in part, the following:

**“RESOLVED THAT** Report PW2017-004, **Limited Service Agreements - Unassumed Roads**, be received;

**THAT** the policy entitled Seasonal Level of Service Policy appended to Report PW2017-004 be adopted and numbered for inclusion in the City's Policy Manual;

**THAT** all existing Limited Service Agreements for Unassumed Roads be cancelled effective April 30, 2017 and service be continued through the Seasonal Level of Service Policy.”

Resulting from this report, Council Policy CP2017-001 was created. The policy identifies Seasonal/Summer Roads as “unassumed roads on which no winter maintenance is performed during the period from November 15 through to April 15.” The level of service as approved by Council within the Policy limits activity to provide gravel application as determined by the Supervisor and a maximum of two (2) gradings annually.

During the review, Staff also recommended the creation of a Roads Maintenance Database with ownership and maintenance information for all roads. This database is currently being developed by Staff but the completion of the review is still several years away. Staff will be bringing more information to Council upon completion of that database for their consideration. At present, the database has identified 135.3 km of unassumed roads within the City.

At the Council Meeting on February 5, 2019 Council adopted the following resolution requesting Staff to explore the feasibility of providing winter maintenance to unassumed roads on a fee for service basis:

**CW2019-006 / CR 2019-079**

**That** staff review the provision of winter maintenance on unassumed roads on a fee for service basis; and

**That** staff report back to Council on the matter by Q2 of 2019.

This report addresses that direction.

**Rationale:**

Resulting from the extensive review already completed, due to the legal opinion received from external Counsel, concerns raised by local contractors about the City competing for business and in alignment with Council Policy CP2017-001, Staff do not recommend commencing a fee for service basis.

Currently the best alternative for unassumed roads to receive full municipal servicing is for the benefitting owners to work towards having the City assume the roads. Assumption of existing, historical roads can be achieved in accordance with Council Policy CP2017-010 (Assumption of Private and Unassumed Roads Policy).

**Other Alternatives Considered:**

Council could consider two (2) options that are not recommended by Staff.

**Option 1**

Council could consider providing a fee for service program by retaining and administrating externally contracted services. Administration of a program such as this would be extensive and is not within the current work program for Public Works. Additional administrative resources may be required to implement such a program.

**Option 2**

Council could consider offering service using City resources on Fee for Service basis. Due to the current Provincial shortage of municipally trained and experienced equipment operators, filling the additional positions could pose a challenge in itself, and could result in contractor services being employed regardless.

Please note: the current list of unassumed roads in the Roads Maintenance Database is a living document. The potential for additional requirements could be significantly increased as the database is refined.

## **Financial/Operation Impacts:**

The recommended alternative would have no financial or operational impacts to the City.

### **Option 1**

At 2018 – 2019 current market rates, external services are currently providing services at \$287.19/km per event (average of per circuit unit rates received). Currently our roads database identifies 135.3 km of roads as unassumed. Should all associations / residents wish to take part in a fee for service arrangement, these 135.3 km of roads, over an average of 50 winter events per season, would result in a \$1,942,879.00 increase to the operating budget. Costs for the service would then be recovered from the associations with the addition of an administrative fee to cover staff time and costs.

### **Option 2**

Should the City decide to complete this work with internal resources, these resources would be incremental to Public Works current staffing and equipment levels. As such, the following additional resources would need to be acquired:

- Four (4) seasonal employees equating to 2 FTE.
- Four (4) F550 plow trucks or equivalent equipped with plow and sander.

One (1) seasonal equipment operator equates to 1,040 hours at the rate of \$30.10 (2019 EO job rate including 26% payroll burden), resulting in an annual labour expenditure of \$31,304 per seasonal employee.

Each plow unit has an initial capital expenditure of \$180,000. This capital expenditure will result in a 12 year annual amortization of \$15,000 per year plus an annual maintenance and fuel cost of \$22,000 resulting in an annual operating cost of \$37,000. Estimated material costs based on current application rates at current market rates is \$60,010.00.

The first year of this option would result in an initial capital expenditure of \$720,000. The total internal annual operating costs (including capital replacement costs) for four (4) seasonal EO's and four (4) plow units will be \$333,232.00.

## **Relationship of Recommendation(s) To the 2016-2019 Strategic Plan:**

The recommendations contained in this report align with the following strategic goals:

- Goal 1 – A Vibrant and Growing Economy
- Goal 2 – An Exceptional Quality of Life

## **Consultations:**

Public Works Manager Roads Operations East

Public Works Manager Roads Operations West B

Director of Public Works

**Department Head:**

**Bryan Robinson, Director of Public Works**