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For F.4 Capital Budget & Forecast Introductory Comments/Analysis and F.5 2004 Capital Budget & Forecast to 2013 Reports please refer to the Public Works Programs – Roads, Waste Management, Water, Wastewater and Public Works Services section of the 2004 Capital Budget and 2005-2013 Capital Forecast document.

A. Background

A.1 Preparing the Service Strategy Business Plan (SSBP)

All the members of the Departmental Management Team (DMT), the Executive Assistant, the program support analysts and the business unit manager of Public Works participated in meetings to create the document.

A.2 Key Contacts

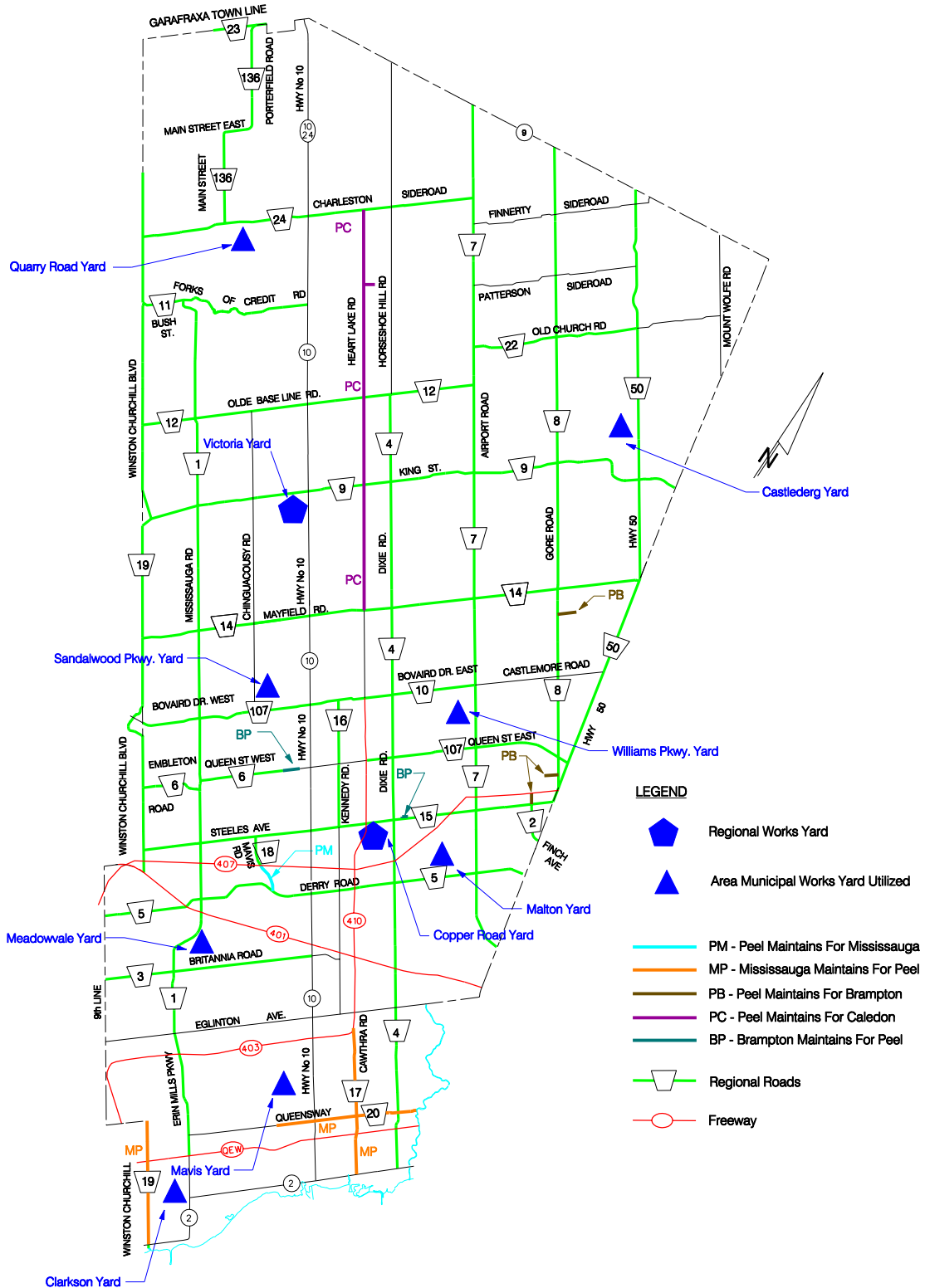
Mitch D. Zamojc, P. Eng., Commissioner
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A.3 Additional Information

Comments and feedback were received from the managers and supervisors in Public Works at key points in the development of the strategy. The Public Works Department SSBP was updated through a series of workshops, the first of which was held in April 2003.

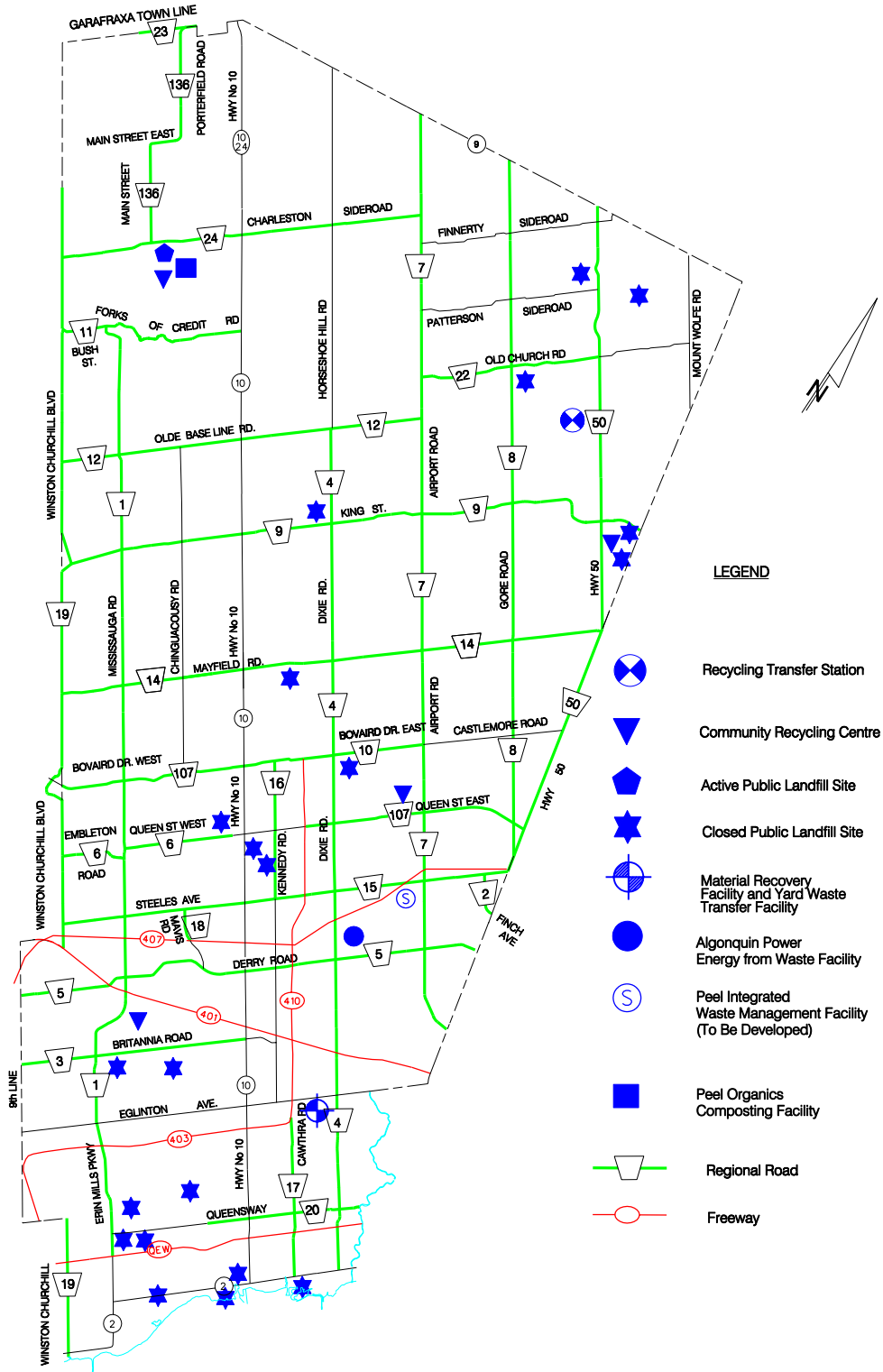
B. Description of Current Services

B.1 Program Location Map



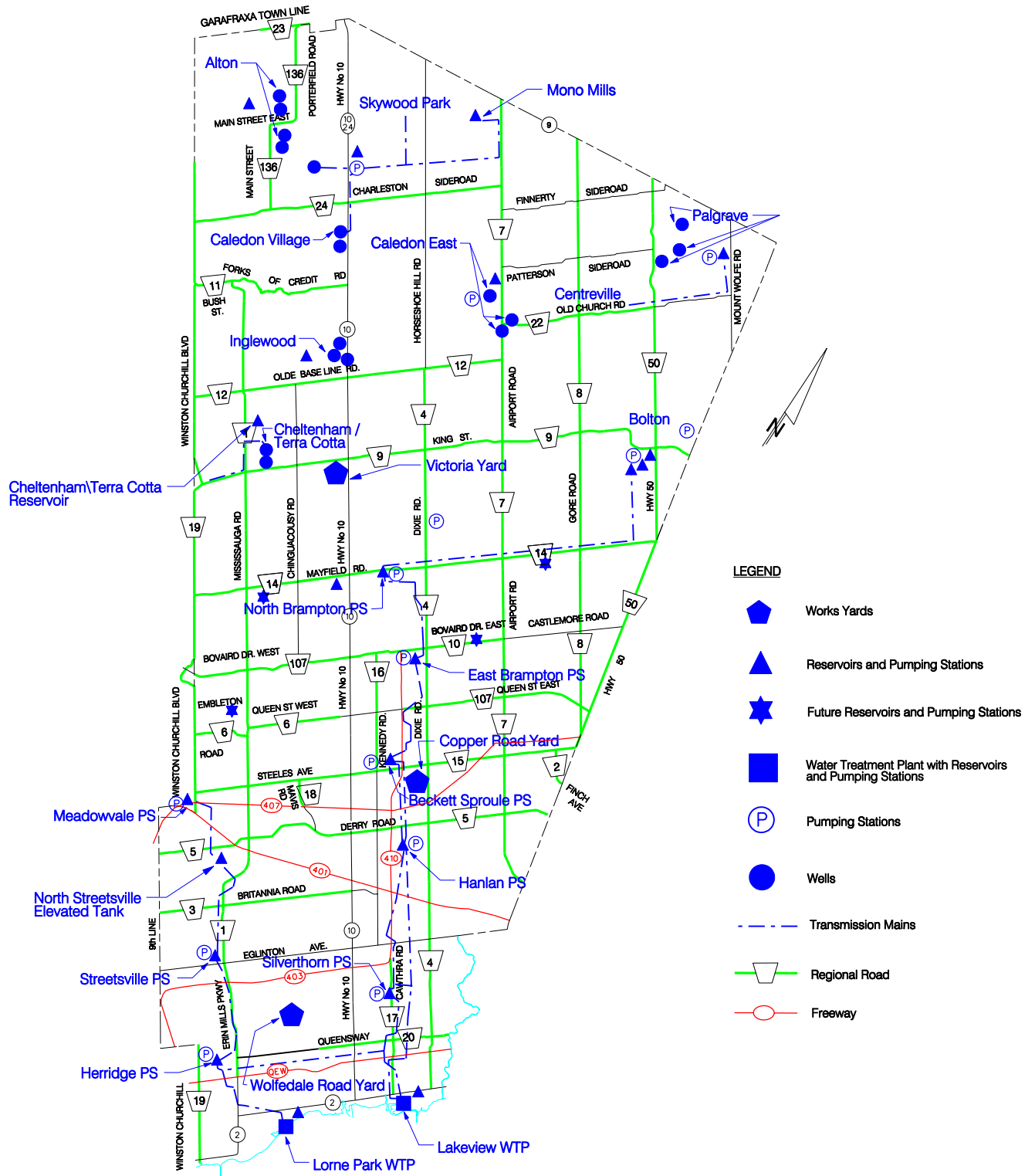
B. Description of Current Services

B.1 Program Location Map



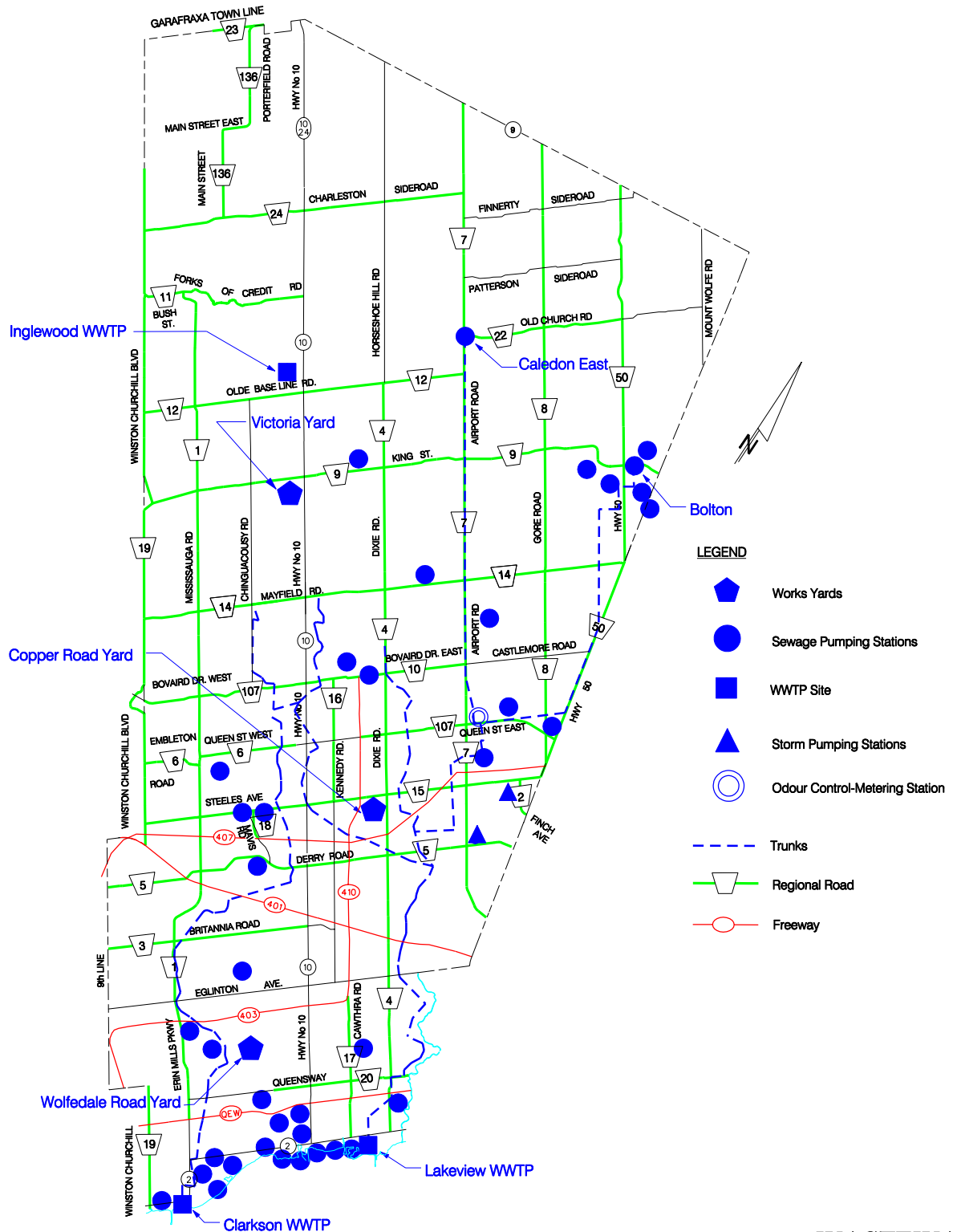
B. Description of Current Services

B.1 Program Location Map



B. Description of Current Services

B.1 Program Location Map



B.2 Profile of Current Services

Roads

The Roads Program provides the following services: planning and development, design and construction, traffic signals and systems, as well as operation and maintenance of the Regional road network.

Waste Management

The Waste Management Program provides the following services: waste collection, recycling, yard waste collection, white goods and organics collection and processing, waste disposal, Public Waste and Recycling Drop Off (PWDO) facilities, Community Recycling Centres (CRC) and waste program planning.

Water

The Water Program provides the following services: water system modeling, planning and development, design and construction, treatment, distribution and water management, as well as operation and maintenance of the Regional water system.

Wastewater

The Wastewater Program provides the following services: wastewater modeling, planning and development, design and construction, collection, treatment and environmental control, as well as operation and maintenance of the Regional wastewater system.

Public Works Services

The following services support the departmental programs: Administration and Internal Corporate Support Services (Communications, Purchasing and People, Information and Technology), Engineering and Construction (Capital Works, Engineering and Infrastructure Planning, Traffic and Transportation Engineering and Engineering Technical Services), Public Works Internal Support (Operational Support and Building Services) and Finance (Executive Services and Special Projects – Call Centre/Customer Service, Managed Competition, Resource Centre and Public Education and Outreach, Business Unit and Information Services).

B.3 Description of Clients/Customers

Taxpayers/Ratepayers

Residential and business citizens who live and/or work in Peel

Various Levels of Government

Local area municipalities and neighbouring regions

Developers

Developers who work and have businesses in Peel

Commuters

Individuals who commute to and/or through Peel

B.4 Description of Suppliers, Partners and Stakeholders

Suppliers

- Products including equipment, construction material/aggregates, supplies, vehicles, utilities and fuel
- Support services including consultants, contractors and telecommunications
- Direct services to clients including waste management collection services, water and wastewater services, traffic and road maintenance

Partners

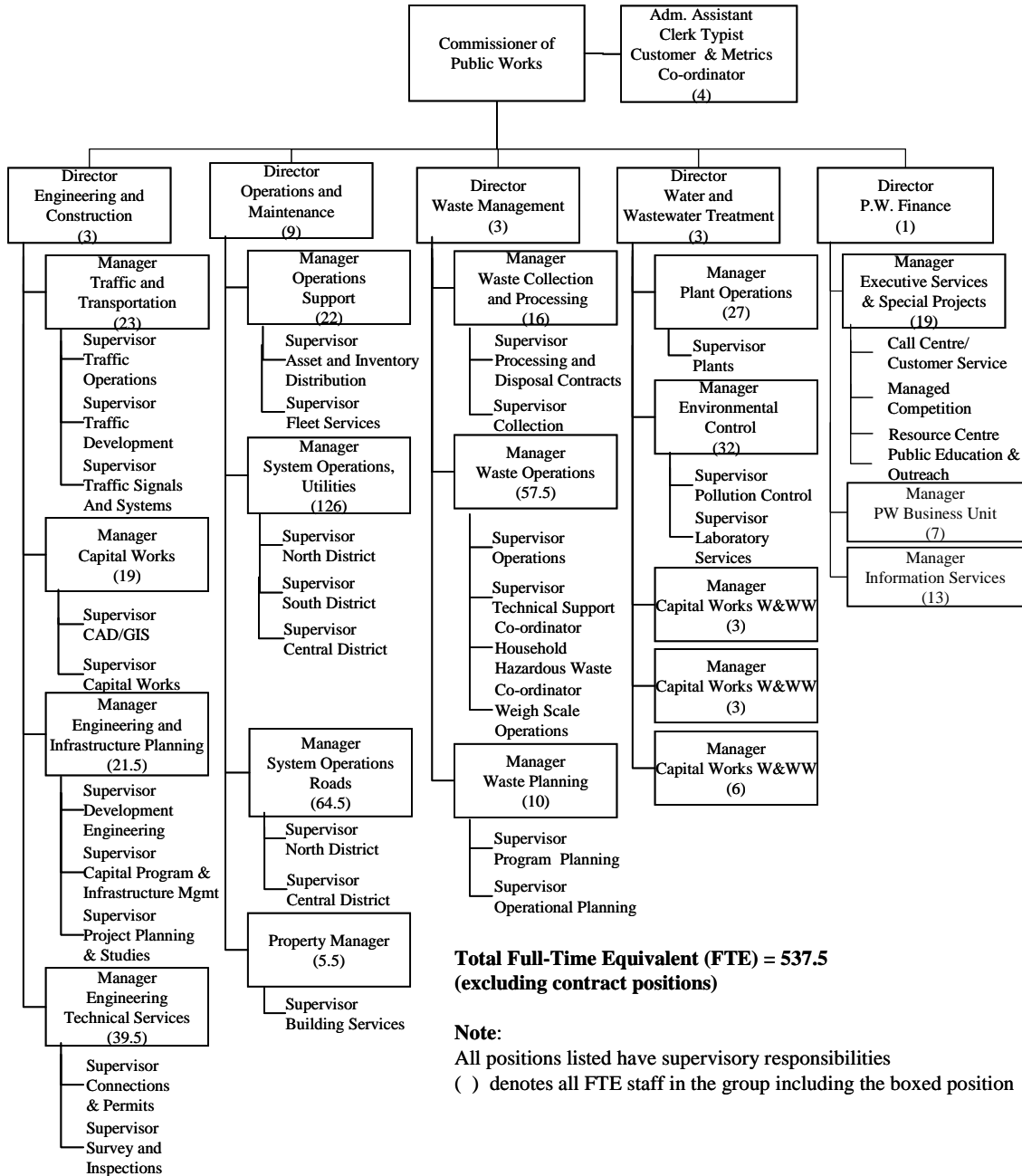
- Private sector partnership for the provision of waste management services
- Community agencies, other governments and educational institutions to provide comprehensive service delivery
- Professional associations

Stakeholders

- Regional Council for policy approval and client representation
- Provincial ministries which legislate services provided, (e.g. Ministries of the Environment (MOE), Health and Long Term Care (MOH & LTC), Labour (MOL), Transportation (MTO) and Municipal Affairs and Public Infrastructure and Housing)
- Federal departments (e.g. Fisheries and Oceans, Transport Canada, Environment and Statistics Canada for reporting and compliance)
- Community advisory groups such as Clear Scents

B.5 Overall Organization Structure and Staffing

Public Works



B.6 Significant Recent Activities/Initiatives

- Established the Highway 410 extension partnership agreement with the MTO and the City of Brampton; the Region's first public/public partnership for completion of a 400 series highway
- Developed Geographic Information System (GIS) records for water distribution and wastewater collection systems linked to the hydraulic models. The development of GIS records has also enabled field access to this electronic information.
- Established a public/private partnership for the design and construction of the Inglewood Sewage Treatment Plant to provide sanitary sewer servicing to residents and proposed development
- Developed an Inflow and Infiltration Strategy to identify and remediate inflow and infiltration within the Region of Peel. This will reduce, with the intent to eliminate, storm water infiltration into the sanitary sewer system.
- Created a Roadside Memorial Program which allows grieving family members or friends of victims involved in fatal accidents to place memorials at the locations where the fatal crash occurred
- Undertook Hybrid vehicle (gas/electric) initiative (pilot project) and implemented an emission reducing control device in support of our Service Strategy Business Plan environment objective to promote environmental protection and stewardship through our programs
- Implemented the final phase of the three bag standard program with a \$1.00 fee charged for bags placed at the curb-side in excess of three, supporting the Region's goal of increased diversion of waste from landfill
- Developing Phase II of Britannia Hills Golf Course which was approved by Regional Council
- Obtained Council approval to develop a Material Recovery Facility (MRF), a composting plant and a transfer station at the Peel Integrated Waste Management Facility (IWMP) which is scheduled to be operational in 2005
- Initiated the Region's water efficiency strategy entitled "Water Smart Peel". This will increase public awareness and knowledge of the importance of water as a resource and sets a target for water use reduction of 10 per cent by 2013.
- Completed construction of an education centre at the Lorne Park Water Treatment Plant. This centre will increase public awareness of the Region's role in the treatment and supply of safe, potable water and water efficiency.
- Initiated a "first in North America" plant scale pilot project to incorporate Integrated Fixed-Film Activated Sludge Technology at the Lakeview Wastewater Treatment Plant. This innovative Technology will enhance effluent quality and reduce the need to construct additional tanks at the plant which in turn, will reduce capital costs significantly.

C. Trends and Issues

C.1 Emerging Trends

- Increasing emphasis and importance on protecting existing infrastructure, and the need for a repair, replacement or renewal program for aging infrastructure
- Pressure for integrated transportation and master servicing plans or strategies
- Continued and rapid growth increasing the need for new and timely infrastructure
- Challenges in developing and nurturing a strong and committed work force
- Growing awareness and expectations among those who access government services
- Demand among clients/customers for electronic service delivery
- Increasing pressure and need to safeguard the environment
- Growing trend to forge public/private partnerships to deliver services
- Emerging legislation governing the manner and reporting requirements of the services and programs

C.2 Key Strategic Issues

- Developing a strong, committed workforce
- Managing infrastructure to accommodate existing and new growth within the Region of Peel
- Promoting environmental protection and stewardship through our programs
- Committing to effective communication and marketing
- Strategically managing work throughout the department
- Providing innovative, leading edge services
- Dealing with ongoing uncertainty of governance and the future of the Region of Peel

D. Mandate, Objectives and Actions

D.1 Mandate and Objectives

Mandate:

The Public Works Department plans and provides safe, secure and reliable road, waste management, water and wastewater services which meet the needs and expectations of the residents and businesses of Peel while respecting the environment.

Objectives:

1. To develop and foster a healthy, committed and capable workforce
2. To manage existing and new infrastructure to sustain services and accommodate growth within the Region of Peel
3. To promote environmental protection and stewardship through our programs
4. To effectively communicate and market department programs and services
5. To strategically plan and manage work throughout the department
6. To provide innovative, efficient and effective services

D.2 Objectives and Actions

- 1. To develop and foster a healthy, committed and capable workforce**
 - 1.1 Implement the key improvements identified through the Excellence Assessment exercise
 - 1.2 Identify mechanisms to improve employee morale
 - 1.3 Explore opportunities for recognizing performance
 - 1.4 Provide effective training and development
 - 1.5 Create a high performance management team and workforce
 - 1.6 Improve communications within and across divisions

- 2. To manage existing and new infrastructure to sustain services and accommodate growth within the Region of Peel**
 - 2.1 Develop and implement Water and Wastewater Master Plans for rural and urban areas
 - 2.2 Develop and implement water, wastewater, solid waste and transportation operational strategies
 - 2.3 Support comprehensive transportation planning and operations
 - 2.4 Implement the *Long Term Waste Resource Management Strategy* (LTWRMS)
 - 2.5 Develop and plan asset management for all Regional infrastructures

- 3. To promote environmental protection and stewardship through our programs**
 - 3.1 Increase diversion of materials from waste disposal
 - 3.2 Promote water conservation/efficiency
 - 3.3 Protect the surface water and groundwater resources
 - 3.4 Support air quality improvement initiatives

- 4. To effectively communicate and market department programs and services**
 - 4.1 Develop a comprehensive customer service strategy
 - 4.2 Enhance communications with Council
 - 4.3 Build linkages with community stakeholders
 - 4.4 Implement strategies to communicate our programs and services

- 5. To strategically plan and manage work throughout the department**
 - 5.1 Establish departmental priorities
 - 5.2 Develop a process/strategy for issues management
 - 5.3 Participate in training programs to develop, motivate and manage staff
 - 5.4 Develop consistent approaches for managing and allocating resources

- 6. To provide innovative, efficient and effective services**
 - 6.1 Develop internal and external partnerships for service delivery
 - 6.2 Rationalize/share intra-departmental services and expertise
 - 6.3 Explore and implement best practices and leading edge solutions
 - 6.4 Undertake research and development initiatives

D.3 Strategic Plan Connection

The objectives and actions in the Public Works SSBP are consistent with, and support, the following Goals in the Region of Peel's strategic plan, *Directions for Success: Investing in Peel's Future*.

Goal 1: Improve the community's health, social well-being and safety

Goal 2: Assess and manage all aspects of growth that affect Peel

Goal 3: Preserve, protect and enhance Peel's natural environment and resources

Goal 4: Contribute to a vibrant and diverse regional economy

Goal 5: Be a leader in the provision and co-ordination of Regional services

D.4 Service Principles (Optional)

The Regional Values function as the Public Works service principles.

E. *Monitoring and Measuring the Service Strategy Business Plan*

E.1 Objectives and Outcomes

- 1. To develop and foster a healthy, committed and capable workforce**
 - Qualified, capable, candidates for advancement
 - Appropriate skill sets and training
 - Invitations to represent the Region at various events
 - Improved morale across the Department
 - Volunteers for extra curricular activities
 - Employees feel valued by the Region
 - Clear, documented job descriptions for all positions
 - Knowledgeable and stable core team

- 2. To manage existing and new infrastructure to sustain services and accommodate growth within the Region of Peel**
 - Services in place in accordance with growth management strategy
 - Infrastructure replaced/rehabilitated in accordance with asset management principles
 - Infrastructure operating at optimum performance
 - Minimum need for emergency responses

- 3. To promote environmental protection and stewardship through our programs**
 - Region of Peel recognized as a leader in environmental stewardship
 - Partnerships with public and private sectors to achieve environmental stewardship
 - Environmentally progressive Regional projects
 - Public awareness of programs

- 4. To effectively communicate and market department programs and services**
 - Recognition for implementing innovative service delivery
 - Application of new and emerging technologies
 - Services delivered at best value
 - Partnerships with other innovative organizations

- 5. To strategically plan and manage work throughout the department**
 - Awareness of Public Works activities and programs
 - Good public image and profile
 - Active involvement within the industry
 - Customer satisfaction
 - Council awareness of programs and services

6. To provide innovative, efficient and effective services

- Timely and effective communication with the Executive Management Team (EMT) and Council
- Effective management team
- Clear understanding of roles and responsibilities
- Effective management of workload
- Balanced distribution of work
- Prepared to deal with/handle unforeseen emergencies/issues

ROADS

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For sections A.1 to E.1 (inclusive), please refer to the Public Works 2004 Service Strategy Business Plan, found in the Public Works section.

E. *Monitoring and Measuring the Service Strategy Business Plan*

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For F.4 Capital Budget & Forecast Introductory Comments/Analysis and F.5 2004 Capital Budget & Forecast to 2013 Reports please refer to the Roads Section of the 2004 Capital Budget and 2005-2013 Capital Forecast document.

E. Monitoring and Measuring the Service Strategy Business Plan

E.2 Performance Targets

a) 2003

2003 Targets	Progress as at 2003 Year End
Manage costs in order to stabilize unit costs	<ul style="list-style-type: none"> • Unit costs were on target with budget, except for winter maintenance which exceeded budget due to harsh weather conditions experienced in early 2003 with numerous snowfalls and strong winds
Maintain and enhance current levels of customer service	<ul style="list-style-type: none"> • Current service levels were maintained and/or exceeded • Regional roads were cleared to bare pavement within the four-hour target
Maintain the Capital Budget within the assigned capital spending envelope, and ensure that infrastructure replacement needs are satisfied and sustainable	<ul style="list-style-type: none"> • In 2003, Roads reduced outstanding commitments. Actual 2003 expenditures were affected by property acquisition delays and cancellations, the number of projects in the detail design phase yet to start construction, the timing of multi-year construction projects awarded but not completed, and the complexity of Class Environmental Assessments and public consultation process. • The pavement and bridge management systems were used to formulate the 2004 Capital Budget. These systems will be used in the development of the Roads & Bridges Asset Management Strategy to help define targets and maintain the infrastructure.

<p>Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province such as:</p> <ul style="list-style-type: none"> • Road maintenance activities • Sign manufacturing and maintenance • Storm sewer maintenance 	<ul style="list-style-type: none"> • Staff continued to partner and investigate new initiatives with local municipalities on road maintenance activities • Local municipalities utilized material stored at Regional operational facilities during the winter maintenance months • Staff continued to look for best practices by actively engaging in benchmarking through the Ontario Municipal CAO's Benchmarking Initiative (OMBI) and the Municipal Performance Measurement Program (MPMP)
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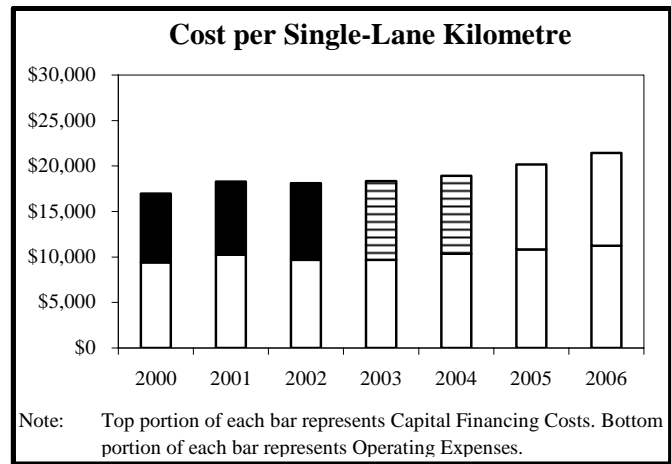
b) 2004

- Manage costs in order to stabilize unit costs
- Maintain and enhance current levels of customer service
- Maintain the Capital Budget within the assigned capital spending envelope and ensure infrastructure replacement needs are satisfied and sustainable
- Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province

E.3 Corporate Performance Measurement and Benchmarking

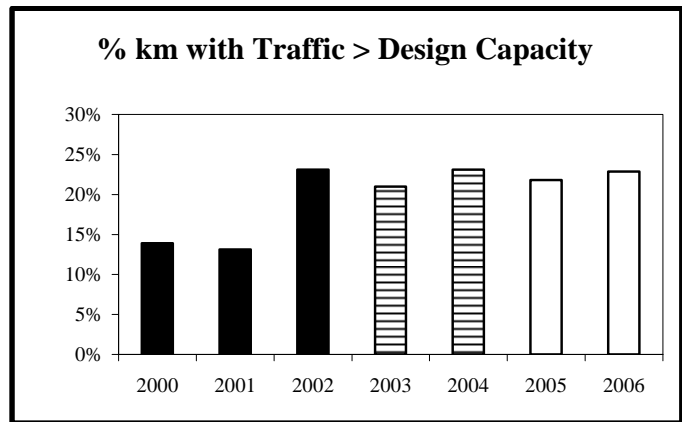
1. Program Efficiency

The total cost for the Roads Program, comprised of two major components, Operating Expense and Capital Financing reflects an increase of \$601 per single-lane kilometre over 2003.



2. Community Impact

The Roads Capital Program continues to address the backlog of lane kilometres with traffic greater than design capacity.



3. Data

	Actuals			Budget		Target	
	2000	2001	2002	2003	2004	2005	2006
Program Efficiency:							
Cost per single-lane km	\$ 16,971	\$ 18,287	\$ 18,109	\$ 18,342	\$ 18,943	\$ 20,176	\$ 21,427
Cost per vehicle km	0.85	0.91	0.81	0.83	0.84	0.87	0.91
Community Impact:							
% km with traffic >design capacity	13.90%	13.13%	23.12%	20.98%	23.10%	21.81%	22.88%
Volume: lane km ratio	5,478	5,536	6,090	6,088	6,213	6,332	6,454
Change in Volume: lane km ratio	0.00%	1.06%	10.01%	-0.03%	2.05%	1.92%	1.93%
Source Information:							
Total cost (\$ 000's)	\$ 23,930	\$ 25,912	\$ 26,312	\$ 27,459	\$ 28,623	\$ 30,808	\$ 33,062
Number of single-lane km	1,410	1,417	1,453	1,497	1,511	1,527	1,543
Lane km with traffic >design capacity	196	186	336	314	349	333	353
# of vehicle km/day	7,723,987	7,844,270	8,848,536	9,113,992	9,387,411	9,669,033	9,959,104
# of vehicle km/year (000's)	2,819,255	2,863,159	3,229,716	3,326,607	3,426,405	3,529,197	3,635,073

4. Customer Service

The Roads Program is committed to being an industry leader in Public Works, and strives to provide a level of customer service which meets the needs and expectations of the residents and businesses of Peel. The Region of Peel is responsible for the operation and maintenance of 1,511 lane kilometres of arterial roads. The primary goal is to provide a safe, efficient and well-maintained system for the Region of Peel. This is achieved through adherence to the following principles:

- Provide for the safe and efficient movement of people and goods
- Cost effective service delivery
- Manage and protect our road infrastructure assets
- Continuously improve service reliability through the efficient use of capital and maintenance activities
- Effective communication strategy that includes public participation and feedback
- Assessment and management of all aspects of growth within the Region of Peel to ensure that the social and physical regional infrastructure is available for planned land uses
- Continuous review of new technologies to provide innovative services in traffic technology and roadway safety, construction and maintenance

5. External Benchmarking

The Region of Peel participates in the following two annual benchmarking initiatives:

- 1) The OMBI, formerly the Municipal CAO's Benchmarking Initiative, since its inception in 1998, and its predecessors through the Regional Engineers Association since 1996. From these early efforts a series of principles, suggestions for data standards, and guidelines for interpretation of the results were derived which have been incorporated in the Municipal CAO's Benchmarking Initiative Project Charter (July 10, 2000) which sets the current framework.

The Roads Expert Panel is one of five OMBI Expert Panels, the others being, Water and Wastewater, Solid Waste, Long Term Care and Emergency Medical Services (EMS). The Roads Expert Panel is made up of roadway professionals from 14 municipalities across Ontario. In 2000 and 2001 the Region of Peel chaired the expert panel. The Roads Expert Panel's mission is to improve the quality and cost of the services it provides to the public by sharing performance data and information on best practices. To date benchmarking data has been issued for the years from 1997 through 2001. Staff recently completed data collection for the 2002 report, which was released in the fall of 2003.

- 2) In 2001 the Province initiated the MPMP as part of the annual *Financial Information Report*. Results from the MPMP exercise is based on full cost of all regionally related services, while the OMBI exercise is based on direct and indirect costs only to the yard level; therefore, a comparison between the two initiatives is not relevant. Regional staff participates on a MPMP committee to consider new performance measures, as well as to improve existing performance measures for 2003 and beyond.

Public Works staff is committed to benchmarking and recognizes it as a useful management tool that integrates financial and performance data to assist decision-making.

F. 2004 Financial Requirements Presentation

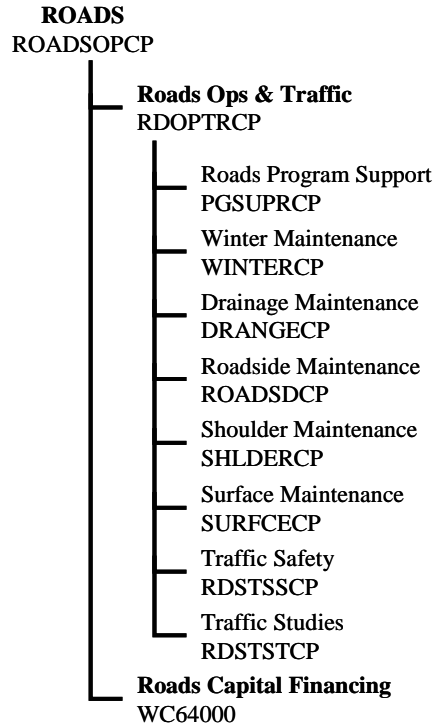
F.1 Current Budget Introductory Comments/Analysis

The net program cost of the 2004 Roads Program is \$28.2 million, an increase of \$1.1 million or 4.1 per cent over 2003. Major drivers impacting the 2004 budget are maintenance of existing infrastructure, growth and customer service.

The impacts of these drivers on the 2004 Roads budget are:

- Increased costs for contracts, construction materials, equipment, insurance and fuel for Road activities
- Increased costs for contracts, materials and telecommunications for Traffic activities
- Expanded urbanization affecting all road activities
- An additional 14 lane kilometres to the regional road network
- An additional seven traffic signals to the regional road network
- Hourly wage collective agreement settlement
- New mandatory staff training

F.2 Financial Structure Chart – Current Budget



F.3 2004 Current Budget

1. Activity Analysis

	Budgeted Total Cost		3. Budgeted Total Cost/Unit	
	2004	Change from 2003	2004	Change from 2003
Program Support	2,251,595	(38,656)	1,490.14	(39.75)
Winter Maintenance	5,745,593	380,241	3,802.51	218.44
Drainage Maintenance	859,350	161,262	568.73	102.41
Roadside Maintenance	1,247,625	65,514	825.69	36.04
Shoulder Maintenance	573,088	85,197	379.28	53.37
Surface Maintenance	1,139,488	247,314	754.13	158.16
Traffic Safety	3,317,602	340,505	2,195.63	206.92
Traffic Studies	<u>508,542</u>	<u>(77,160)</u>	<u>336.56</u>	<u>(54.69)</u>
Roads Operations and Traffic	15,642,883	1,164,217	10,352.67	680.90
Capital Financing	<u>12,980,000</u>	<u>-</u>	<u>8,590.34</u>	<u>(80.33)</u>
Total Program Cost	<u>\$ 28,622,883</u>	<u>\$ 1,164,217</u>	<u>\$ 18,943.01</u>	<u>\$ 600.57</u>

2. Account Analysis

	Budgeted Total & Net Cost		Budgeted Units of Service Single Lane Kilometres	
	2004	Change from 2003	2004	Change from 2003
Goods & Services	11,307,964	624,903		
Salaries & Wages	4,134,919	539,314	<u>1,511</u>	<u>14</u>
Reserve Contributions	<u>13,180,000</u>	<u>-</u>		
Total Program Cost	28,622,883	1,164,217		
Fees, Charges & Other	<u>437,400</u>	<u>54,036</u>		
Net Program Cost	<u>\$ 28,185,483</u>	<u>\$ 1,110,181</u>		

4. Budget Variance Explanation

	<u>Net Program Costs</u> Change from 2003
Program Support's budget has decreased due to additional internal recoveries from operations and capital projects.	(38,656)
The Winter Maintenance budget is higher than last year due to increased labour costs resulting from the hourly wage collective agreement settlement, and increased equipment, material and contract costs to meet expected 2004 service levels.	380,241
The change in the Drainage Maintenance budget is due to an increase in ditch and bridge deck maintenance and continuation of the preventative maintenance program for culverts, catch basins and curb/gutter work.	161,262
Roadside Maintenance's budget reflects an increase in litter pickup and maintenance of the safety barrier inventory requiring increased equipment and contract costs.	65,514
The Shoulder Maintenance budget variance is due to an increase in the amount and cost of sand and gravel used in shoulder maintenance.	85,197
The increase in Surface Maintenance is mainly due to deterioration of the existing infrastructure, higher labour, material and equipment costs and a reallocation of railway crossing maintenance from Traffic Safety.	247,314
Traffic Safety's budget change is due to higher labour and material costs for signal maintenance, installation of emergency signals and pavement marking. Maintenance costs for all traffic activities have been impacted by Regional growth which has increased the number of lane kilometres and traffic signals in the Regional road network.	340,505
The gross budget for Traffic Studies is higher in 2004 due to increased demand for studies resulting from road network growth. The increase is offset by a greater portion of the studies being recoverable from development charges in 2004; therefore, the net budget shows a decrease.	(77,160)
Capital Financing is consistent with 2003 funding level.	-
The increase in Fees and Charges is due to increased costs for labour, equipment, materials and contracts reflected in the fees charged to boundary partners.	(54,036)
Net Program Cost Variance	<u>\$ 1,110,181</u>

WASTE MANAGEMENT

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E. Monitoring and Measuring the Service Strategy Business Plan

E.2 Performance Targets

a) 2003

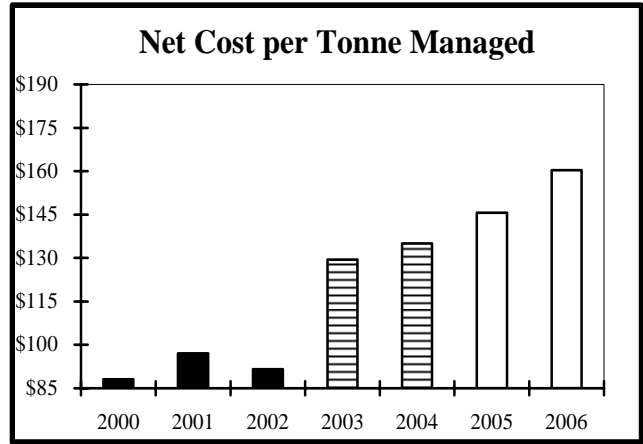
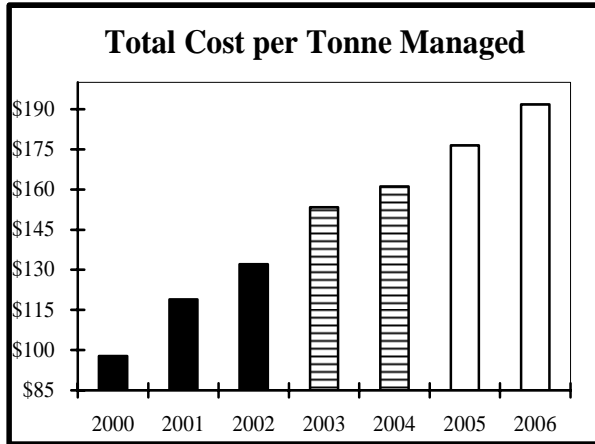
2003 Targets	Progress as at 2003 Year End
Manage costs in order to stabilize unit costs	<ul style="list-style-type: none"> • The 2003 Waste Management Program ended the year with a deficit. This was mainly due to a delay in the passing of provincial legislation related to the Waste Diversion Ontario funding for up to 50 per cent of net recycling costs as well as increased costs for disposal, processing and collection as a result of increased tonnage in waste and yard waste.
Maintain and enhance current levels of customer service	<ul style="list-style-type: none"> • Customer service continued to be maintained at a high level through on-route Customer Service Co-ordinators and such mediums as Wasteline, Web site, advertisements, press releases, trade show attendance and Waste Management public events (e.g. Environment Days). Diversion targets continued to be met.
Maintain the Capital Budget within the assigned capital spending envelope and ensure that infrastructure replacement needs are satisfied and sustainable	<p>In 2003, Waste Management completed a number of capital project components on schedule and within budget, including:</p> <ul style="list-style-type: none"> • Design of Phase II for the Britannia Hills Golf Course • Development and award of the Request for Proposals (RFP) for the design, construction and operation of the Peel Integrated Waste Management Facility
Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province.	<ul style="list-style-type: none"> • In 2003, the Region of Peel entered into a Memorandum of Understanding with staff from the City of Toronto and the Regions of York and Durham regarding a co-operative approach to addressing key strategic waste management issues

b) 2004

- Manage costs in order to stabilize unit costs
- Maintain and enhance current levels of customer service
- Maintain the Capital Budget within the assigned capital spending envelope, and ensure infrastructure replacement needs are satisfied and sustainable
- Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province

E.3 Corporate Performance Measurement and Benchmarking

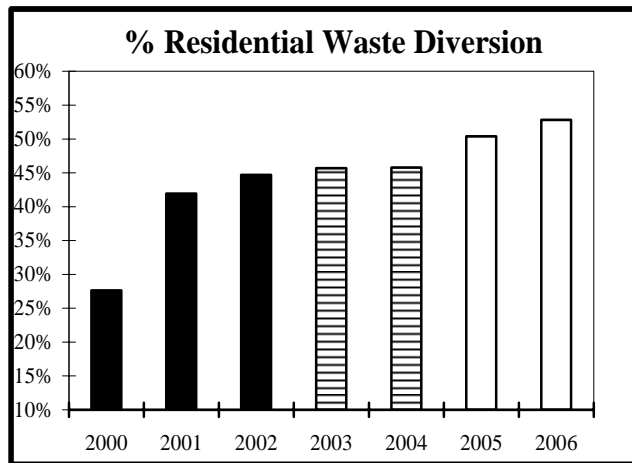
1. Program Efficiency



For 2004, tonnage growth, contractual and bottom ash cost increases have contributed to a higher cost per tonne managed of \$ 161.03 (total) and \$ 134.99 (net).

2. Community Impact

Residential waste diversion is budgeted to increase by 5,100 tonnes in 2004 and in total is 46 per cent of the residential waste stream.



3. Data

	Actual			Budget		Target	
	2000	2001	2002	2003	2004	2005	2006
Total cost per tonne managed	\$ 97.75	\$ 118.92	\$ 132.08	\$ 153.28	\$ 161.03	\$ 176.53	\$ 191.69
Total cost per household served	\$ 141.36	\$ 165.34	\$ 183.40	\$ 199.32	\$ 209.14	\$ 231.36	\$ 251.15
Net cost per tonne managed	\$ 88.12	\$ 97.02	\$ 91.65	\$ 129.40	\$ 134.99	\$ 145.71	\$ 160.41
Net cost per household served	\$ 127.44	\$ 134.89	\$ 127.27	\$ 168.26	\$ 175.31	\$ 190.98	\$ 210.17
% households served	100%	100%	100%	100%	100%	100%	100%
% residential waste diversion	27.62%	41.93%	44.69%	45.69%	45.77%	50.41%	52.80%
Total cost (\$000's)	\$ 42,381	\$ 51,090	\$ 58,687	\$ 65,973	\$ 71,108	\$ 80,512	\$ 89,410
Net cost (\$000's)	\$ 38,205	\$ 41,682	\$ 40,726	\$ 55,694	\$ 59,606	\$ 66,459	\$ 74,819
Total residential waste (tonnage)	382,592	387,949	398,332	399,434	410,027	423,050	432,071
Tot. res. waste (tonn.) diverted	105,677	162,685	178,020	182,507	187,676	213,260	228,121
Total waste managed (tonnage)	433,565	429,600	444,345	430,399	441,574	456,092	466,427
Households served	299,800	309,000	320,000	331,000	340,000	348,000	356,000

4. Customer Service

Waste Management is committed to being a leader in the industry and achieving excellence in customer service to its clients. In 2004, the division will continue to work towards improving the level of customer service provided through the continued distribution of information packages to all households in Peel, and through timely responses to client enquiries.

In 2002 the Region's Wasteline received 151,994 calls, with 78,378 in the first six months. In comparison, 72,241 calls were received in the first six months of 2003. The following call types were received by Wasteline in the first six months of 2003:

Call Type - 2003	Percentage
Acceptable items	27
White Goods Pick-up Bookings	26
Landfill, Depots and CRC's	15
Recycling Boxes (Blue & Grey)	2
Holiday Schedules	9
Miscellaneous	21
Total	100

5. External Benchmarking

The Region of Peel participates in the following annual benchmarking initiatives:

- 1) The Ontario Municipal CAO's Benchmarking Initiative (OMBI), formerly the Municipal CAO's Benchmarking Initiative which Solid Waste Management joined in 1997.

The initial CAO benchmarking exercise in Solid Waste Management highlighted the need for the expert panel to re-evaluate data performance standards, guidelines for data collection and results interpretation. The purpose of this initiative was and still is to identify and implement best practices of service efficiency, effectiveness and community impact by sharing performance data and information between participating municipalities. In response to this need, the Municipal CAO's Benchmarking Initiative Project Charter, which sets the current framework, was issued July 10, 2000. The Project Charter is reviewed on a regular basis and is evolving as required.

The original Solid Waste Management Expert Panel was made up of solid waste management professionals from 14 municipalities from across Ontario. The participants have submitted information on recycling for the past four years. This information is now being used to identify and share best practices. One forum for this exchange is the Annual Workshop where solid waste management professionals from the participating cities and municipalities in Ontario meet to discuss new ideas and methods, new technologies, and successes they have enjoyed with regards to service improvement.

In 2003 Regional staff and their OMBI counterparts began enquiring about a national benchmarking initiative for solid waste management. Currently a pilot project is taking place in British Columbia. The results of this project will be examined to quantify the advantages of taking part in a national benchmarking initiative.

- 2) In 2001, the province initiated the Municipal Performance Measurement Program (MPMP) as part of the annual *Financial Information Report*. Results from the MPMP exercise are based on full cost of all regionally related services, while the OMBI exercise is based on direct and indirect costs to the departmental level; therefore a direct comparison between the two initiatives is not relevant. Regional staff participate on a MPMP committee to consider new performance measures as well as to improve existing performance measures for 2003 and beyond.

Waste Management staff is committed to benchmarking and recognize it as a useful management tool that integrates financial and performance data to assist in the decision-making process.

F. 2004 Financial Requirements Presentation

F.1 Current Budget Introductory Comments/Analysis

The net program cost of the 2004 Waste Management Program is \$59.6 million, an increase of \$3.9 million or 7 per cent over 2003. The major drivers affecting the 2004 budget are maintenance and annualization of existing programs, commitment to the *Long Term Waste Resource Management Strategy* (20 year plan), growth, recyclable material commodity values, contract price increases and customer service.

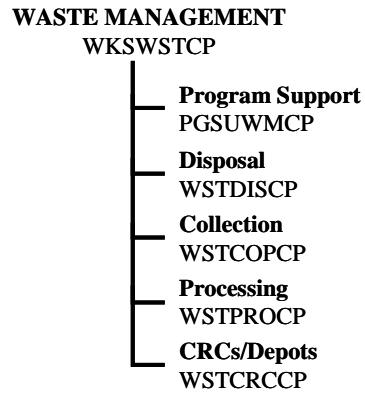
The impacts of these drivers on the 2004 Waste Management budget are:

- Increased collection and processing costs for recycling due to the success of Waste Management's diversion initiatives
- Increased tonnages
- Increased labour costs due to the hourly wage collective agreement settlement
- Increased cost for management of incineration of bottom ash due to lack of local markets

Future impacts beyond 2004 include:

- Four Community Recycling Centres (CRC) scheduled to open between 2004 and 2007. The cost to operate all CRC's (seven) in 2008 (first full year impact) is estimated at \$8.1M, or \$21.83 per household.
- Region-wide Organics diversion will continue to be developed in 2004 with the objective of having a processing facility operational by 2005. The first full year impact of this program on the operating budget will be in 2006 at an estimated cost of \$4.7M, or \$13.20 per household.
- Peel Integrated Waste Management Facility to be operational in 2005
- New and emerging technologies will continue to be reviewed for applicability to the Region of Peel

F.2 Financial Structure Chart – Current Budget



F.3 2004 Current Budget

1. Activity Analysis

	Budgeted Total Cost	
	2004	Change from 2003
Waste Disposal	27,033,061	2,536,795
Waste Collection	31,529,961	958,125
CRC's and Depots	4,637,967	390,320
Waste Processing	7,909,973	1,225,178
Program Support	(3,050)	24,202
Total Program Cost	\$ 71,107,912	\$ 5,134,620

3. Budgeted Total Cost/Unit

	Budgeted Total Cost/Unit	
	2004	Change from 2003
Waste Disposal	61.22	4.30
Waste Collection	71.40	0.37
CRC's and Depots	10.50	0.63
Waste Processing	17.91	2.38
Program Support	(0.01)	0.05
Total Program Cost	\$ 161.02	\$ 7.73

2. Account Analysis

	Budgeted Total & Net Cost	
	2004	Change from 2003
Goods & Services	64,520,603	3,933,110
Salaries & Wages	6,275,309	1,189,510
Grant Payments	312,000	12,000
Capital Financing	-	-
Total Program Cost	71,107,912	5,134,620
Fees, Charges & Other	11,501,739	1,222,121
Contribution from Reserves	-	-
Net Program Cost	\$ 59,606,173	\$ 3,912,499

**Budgeted Units of Service
Total Managed Waste (tonnes)**

	Budgeted Units of Service Total Managed Waste (tonnes)	
	2004	Change from 2003
	<u>441,574</u>	<u>11,175</u>

4. Budget Variance Explanation

	<u>Net Program Costs</u>
	Change from
	<u>2003</u>
Goods and Services have increased due to recycling collection & processing costs resulting from Waste Management's successful diversion initiatives, as well as tonnage and cost increases related to contracts, hydro and diversion of bottom ash.	3,933,110
Salaries and Wages have increased due to additional staff required for the Community Recycling Centres, the recent hourly wage collective agreement settlement, annual salary increases and updated benefit estimates.	1,189,510
Grant Payments have increased due to an increase to Caledon Community Services for a service subsidy at the Bolton CRC.	12,000
Fees, Charges and Other revenues are increasing due to increased revenues for recyclable material, garbage tags, waste drop-off fees and Waste Diversion Ontario funding.	(1,222,121)
Net Program Cost Variance	<u><u>\$ 3,912,499</u></u>

WATER

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E. Monitoring and Measuring the Service Strategy Business Plan

E.2 Performance Targets

a) 2003

2003 Targets	Progress as at 2003 Year End
Manage costs in order to stabilize unit costs	<ul style="list-style-type: none"> • Unit costs were higher than budgeted mainly due to increased hydro costs • Training of staff in the concepts of Activity Based Costing (ABC) and managed competition is ongoing. Managed competition is proceeding on schedule with the planned competition for Connections – Water Service Installations.
Maintain and enhance current levels of customer service	<ul style="list-style-type: none"> • Greater Toronto Area (GTA) municipalities experienced taste and odour episodes in September 2003; however, due to the granular activated carbon implemented at the Lakeview and Lorne Park Treatment Facilities, the impact on Peel’s customers was minor • Number of watermain breaks was consistent with 2003 budget; however, the length of time to repair a watermain increased due to Ministry of the Environment (MOE) requirements and increased co-ordination efforts related to utility locates • Significant workload increase in watermain flushing program to meet provincial guidelines • Ministry of the Labour (MOL) requirements on work site safety
Maintain competitive utility rates	<ul style="list-style-type: none"> • The utility rate was maintained at the lowest cost and lowest rate of any municipality in the GTA
Maintain the capital budget within the assigned capital spending envelope and ensure that infrastructure replacement needs are satisfied and sustainable	<ul style="list-style-type: none"> • The 2003 Water outstanding capital project commitments were reduced. The actual 2003 expenditures were impacted by the number of projects in the detail design phase yet to start construction, the timing of multi-year construction projects awarded but not completed, and the complexity of Class Environmental Assessments and public consultation process.

<p>Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province such as:</p> <ul style="list-style-type: none"> • York/Peel Water Supply Agreement • Tri-party agreements for individual water servicing for residents and businesses in Halton and York 	<ul style="list-style-type: none"> • The York/Peel Water Supply Agreement is in the implementation stage. There are several projects under construction – Northeast Brampton Transmission Main, Hanlan Pumping Station and the Airport Road Reservoir Pumping Station. These works are organized through the York/Peel Co-ordination Team • Tri-party agreements for individual water servicing needs are addressed on an “as needed” basis • Staff continue to pursue best practices by actively engaging in benchmarking through Ontario Municipal CAO’s Benchmarking Initiative (OMBI) and the Municipal Performance Measurement Program (MPMP)
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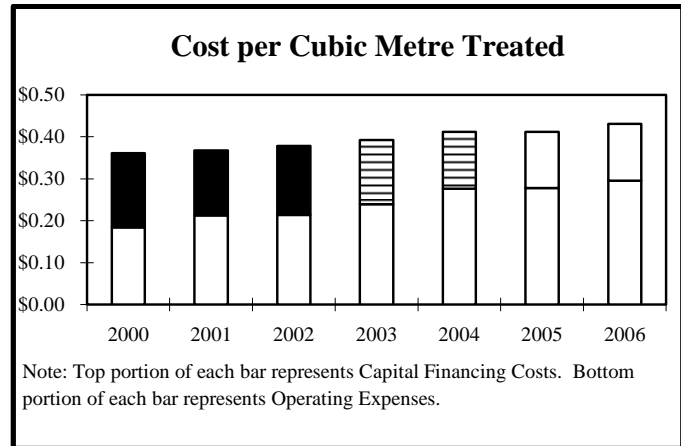
b) 2004

- Manage costs in order to stabilize unit costs
- Maintain and enhance current levels of customer service
- Maintain competitive utility rates
- Maintain the capital budget within the assigned capital spending envelope, and ensure infrastructure replacement needs are satisfied and sustainable
- Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province

E.3 Corporate Performance Measurement and Benchmarking

1. Program Efficiency

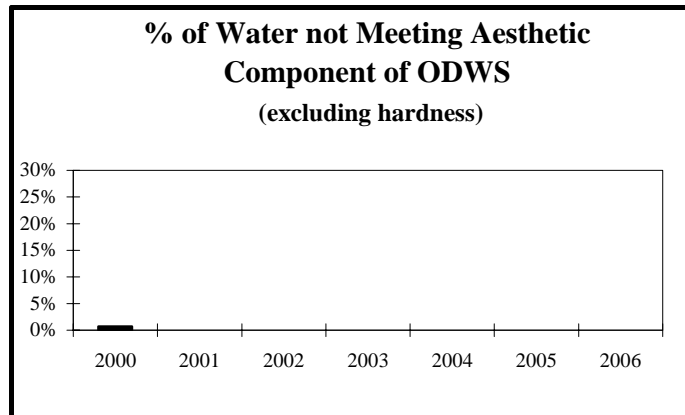
The 2004 cost per cubic metre (m³) of water treated increased by \$.02 due primarily to hydro, provincial regulations and scheduled increases to the Ontario Clean Water Agency (OCWA) South Peel contract. The Region continues to provide combined Water and Wastewater Program services at the lowest cost and the lowest rates of any municipality in the Greater Toronto Area (GTA).



2. Community Impact

The Region of Peel implemented water restrictions during the summer of 2003 for one week to address hydro consumption to conserve power following the August 14, 2003 blackout.

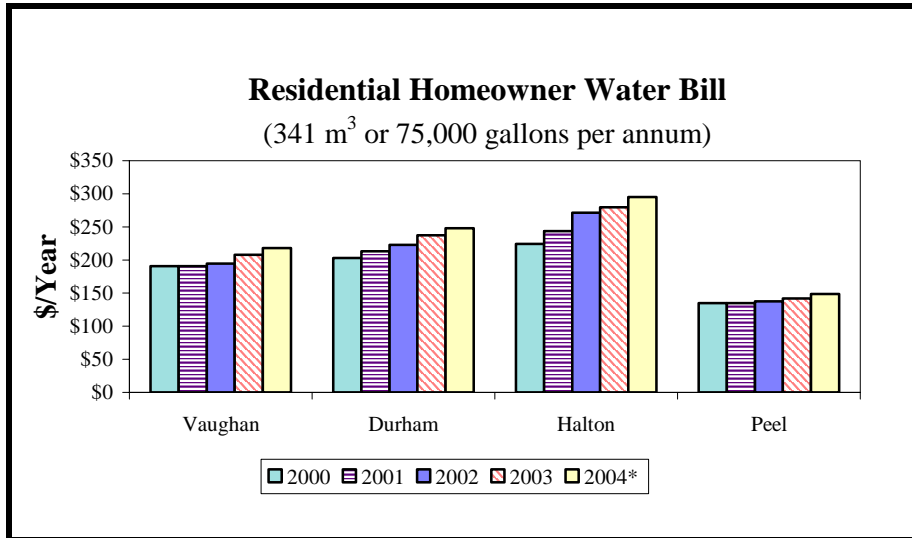
The Region of Peel continues to meet all health and aesthetic (excluding hardness) parameters under the Ontario Drinking Water Standards (ODWS).



3. Data

	Actual			Budget		Target	
	2000	2001	2002	2003	2004	2005	2006
Program Efficiency:							
Cost per cubic metre (m ³) treated	\$ 0.3612	\$ 0.3673	\$ 0.3787	\$ 0.3921	\$ 0.4117	\$ 0.4120	\$ 0.4311
Cost per kilometre (km) of water main	\$ 18,828	\$ 25,196	\$ 20,762	\$ 20,713	\$ 21,779	\$ 22,311	\$ 23,779
Water rate billed per cubic metre (m ³)	\$ 0.3959	\$ 0.3959	\$ 0.4078	\$ 0.4201	\$ 0.4411	\$ 0.4411	\$ 0.4411
Community Impact:							
% of water not meeting aesthetic component of ODWS (excl. hardness)	0.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
% system meeting minimum fire code	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
% system meeting desired fire flow	98.20%	97.05%	98.37%	98.44%	98.54%	98.62%	98.70%
Source Information:							
Total cost (\$ 000's)	\$ 59,723	\$ 64,548	\$ 70,029	\$ 71,833	\$ 77,382	\$ 80,742	\$ 87,506
Capital financing (\$ 000's)	\$ 29,258	\$ 27,143	\$ 30,517	\$ 27,900	\$ 25,447	\$ 26,210	\$ 27,521
Operating expense (\$ 000's)	\$ 30,465	\$ 37,405	\$ 39,512	\$ 43,933	\$ 51,935	\$ 54,532	\$ 59,985
Water volume treated (m ³)(000's)	165,331	175,724	184,902	183,204	187,950	195,966	202,962
Annual flow treated at plant (m ³)(000's)	162,987	171,134	183,129	178,203	186,150	194,130	201,126
Annual plant capacity available (m ³)(000's)	272,655	272,655	301,000	316,455	325,580	325,580	425,955
% annual plant capacity utilized	59.78%	62.77%	60.84%	56.31%	57.17%	59.63%	47.22%
Maximum day flow treated (m ³)	670,600	739,600	815,700	836,600	841,500	877,574	909,200
% plant capacity utilized on maximum day	89.77%	99.01%	98.91%	96.49%	94.34%	98.38%	77.91%
Number of water main kilometre (km)	3,172	3,255	3,373	3,468	3,553	3,619	3,680
# of water samples taken	19,552	26,102	24,834	23,000	23,000	23,000	23,000
Water samples not meeting aesthetic component of ODWS (excl. hardness)	131	-	-	-	-	-	-
Water main kilometre (km) meeting desired fire flow requirements	3,115	3,159	3,318	3,414	3,501	3,569	3,632
Capital financing cost per m ³ treated	\$ 0.1770	\$ 0.1545	\$ 0.1650	\$ 0.1523	\$ 0.1354	\$ 0.1337	\$ 0.1356
Operating expense cost per m ³ treated	\$ 0.1843	\$ 0.2129	\$ 0.2137	\$ 0.2398	\$ 0.2763	\$ 0.2783	\$ 0.2956

3. Data (Continued)



Residential Homeowner Water Bill
(341 m³ or 75,000 gallons per annum)

	Vaughan	Durham	Halton	Peel
2000	\$190.50	\$203.21	\$224.49	\$135.00
2001	\$190.50	\$213.30	\$243.82	\$135.00
2002	\$194.32	\$222.90	\$271.42	\$137.81
2003	\$207.98	\$237.38	\$279.94	\$142.13
2004*	\$218.21	\$247.80	\$295.20	\$148.88

* 2004 utility bill is based on projected rate increase

4. Customer Service

The Region of Peel Water Program is committed to being a leader in the industry and to providing a level of customer service which meets the growing needs and expectations of our clients. This commitment includes:

- Compliance with *Safe Drinking Water Act*
- Protection of Regional assets
- Continuous improvement of service reliability through the efficient use of capital and maintenance activities
- Protection of the Region's groundwater resources
- Enhancements to aesthetic water quality innovations
- Effective communication strategy that includes public participation and feedback
- Assessment and management of all aspects of growth within the Region of Peel to ensure the social and physical Regional infrastructure is available for planned land uses
- Continuous review of new technologies to provide innovative services in water treatment distribution
- Cost effective service delivery

5. External Benchmarking

The Region of Peel participates in the following annual benchmarking initiatives:

- 1) The OMBI, formerly the Municipal CAO's Benchmarking Initiative which Water joined in 1998. This initiative was expanded into the National Water and Wastewater Benchmarking Initiative in 2001.

The initial CAO benchmarking exercise in Water highlighted the need for the expert panel to re-evaluate data performance standards, guidelines for data collection and results interpretation, and to consider forming a partnership with professional water associations. The purpose of this initiative was and still is to identify and implement best practices of service efficiency, effectiveness and community impact by sharing performance data and information between participating municipalities. In response to this need, the Municipal CAO's Benchmarking Initiative Project Charter, which sets the current framework, was issued July 10, 2000. The Project Charter is reviewed on a regular basis and is evolving as required.

The original Water Expert Panel was made up of water professionals from 14 municipalities from across Ontario. This partnership now consists of 29 cities and municipalities from across Canada. The Region of Peel has been co-chair of the National Water and Wastewater Initiative since 2000. As part of the national benchmarking effort, staff gathered, evaluated, and submitted data for 1999, 2000 and 2001 Final Reports. The Region now has three years of relevant data and has started the process of identifying and sharing best practices. One forum for this exchange is the Annual Workshop where water professionals from the participating cities and municipalities in Canada meet to discuss new ideas and methods, new technologies and successes they have enjoyed with regards to service improvement.

2) In 2001, the province initiated the Municipal Performance Measurement Program (MPMP) as part of the annual *Financial Information Report*. Results from the MPMP exercise are based on full cost of all regionally related services, while the National Benchmarking Initiative together with OMBI is based on direct and indirect costs to the departmental level; therefore a direct comparison between the two initiatives is not relevant.

Water Program staff are committed to benchmarking and recognize it as an important management tool integrating financial and performance data to help identify and implement best practices for continuous improvement in water service delivery.

F. 2004 Financial Requirements Presentation

F.1 Current Budget Introductory Comments/Analysis

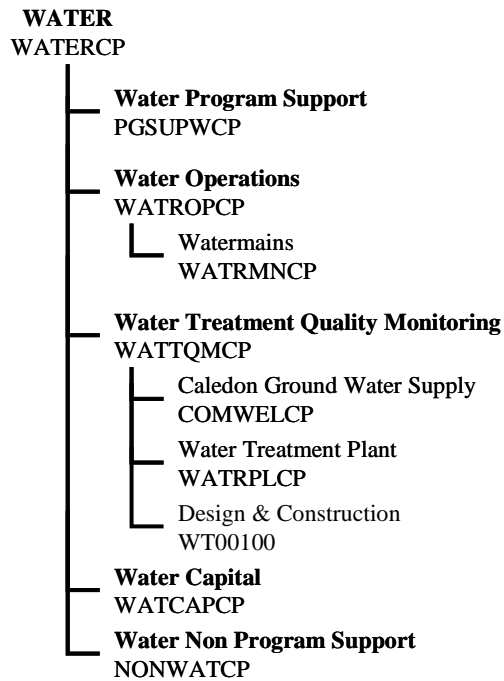
The total program cost of the 2004 Water Program is \$77.4 million, an increase of \$5.5 million or 7.7 per cent over 2003.

Major drivers affecting the 2004 budget are maintenance of the existing infrastructure, growth, regulatory changes, contract price increases and customer service.

The impacts of these drivers on the 2004 Water Program's budget are:

- Hourly wage collective agreement settlement
- Annual increase in operating costs for the OCWA
- Increased energy costs (natural gas and hydro)
- Water Smart Peel Initiative to increase water use awareness and encourage water efficiency
- More stringent provincial regulations for groundwater monitoring and treatment, watermain flushing, sampling and testing
- Operations and maintenance costs for an additional 85 kilometers (2 per cent) in the distribution network
- Increased mandatory training required by various provincial ministries

F.2 Financial Structure Chart – Current Budget



F.3 2004 Current Budget

1. Activity Analysis

	Budgeted Total Cost	
	2004	Change from 2003
Program Support	13,640,877	(182,286)
Operations	7,406,980	1,284,877
Treatment Plant	18,245,205	3,712,055
Capital Financing	25,446,851	(2,453,126)
Non Program	12,642,384	3,187,466
Total Program Cost	<u>\$ 77,382,297</u>	<u>\$ 5,548,986</u>

3. Budgeted Total Cost/Unit

	Budgeted Total Cost/Unit	
	2004	Change from 2003
	0.07	(0.00)
	0.04	0.01
	0.10	0.02
	0.13	(0.02)
	0.07	0.01
	<u>\$ 0.41</u>	<u>\$ 0.02</u>

2. Account Analysis

	Budgeted Total & Net Cost	
	2004	Change from 2003
Goods & Services	39,549,273	5,951,124
Salaries & Wages	12,198,544	2,681,709
Reserve Contributions	25,634,480	(3,083,847)
Total Program Cost	77,382,297	5,548,986
Fees, Charges & Other	1,582,297	(41,014)
Water User Revenue	75,800,000	5,590,000
Net Program Cost	<u>\$ -</u>	<u>\$ -</u>

Budgeted Units of Service

Cubic Metre (m³) Treated

	Change	
	2004	from 2003
	187,950,000	4,746,000

4. Budget Variance Explanation

	<u>Net Program Costs</u> Change from 2003
The Program Support budget has decreased primarily due to a reallocation of Operations Support costs to the Yard administrative cost centres.	(182,286)
The Operations and Maintenance budget increase is due to the hourly wage collective agreement settlement, increased labour, equipment, material, and contract costs for watermain activities as a result of more stringent provincial regulations, as well as increased preventative maintenance and repair activities on an increased number of hydrants and valves in the water system as a result of development.	1,284,877
Treatment Plant costs have increased significantly because of hydro and natural gas cost increases; increased labour costs as a result of the hourly wage collective agreement settlement; additional staff for pumping station operations and water sampling to address provincial regulations; the new Water Smart Peel initiative to increase water use awareness and encourage conservation, and the annual planned increase (9 per cent) for the OCWA contract.	3,712,055
Capital Financing requirements have decreased for 2004; however, the current level of funding is sufficient to meet the needs of the 2004 Water Capital Program.	(2,453,126)
The Non Program budget variance is due to increased Corporate charges allocated to the Water Program.	3,187,466
Fees, and other Charges have decreased slightly due to a reduction in utility late payment charges.	41,014
Water user revenues reflect normal consumption patterns and population growth consistent with Planning's projections and a 5 per cent rate increase to offset increased costs for treatment and operations resulting from provincial legislation.	(5,590,000)
Net Program Cost Variance	<u>\$ -</u>

WASTEWATER

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E. Monitoring and Measuring the Service Strategy Business Plan

E.2 Performance Targets

a) 2003

2003 Targets	Progress as at 2003 Year End
Manage costs in order to stabilize unit costs	<ul style="list-style-type: none"> • Unit costs were higher than budgeted mainly due to increased hydro costs • Training of staff in the concepts of Activity Based Costing (ABC) and managed competition is ongoing. Managed competition is proceeding on schedule. The competition for Closed Circuit Television (CCTV) inspection awarded to an outside contractor (Capital Commercial Pipe Services) commenced in 2003 for a one year contract and an additional one year option.
Maintain and enhance current levels of customer service	<ul style="list-style-type: none"> • The effluent requirements for the Wastewater Treatment facilities are in compliance with provincial regulations • The downspout disconnection and check valve installation program was initiated in 2001 and was ongoing at the end of 2003. Total downspouts disconnected during this period were 2,639 with 99 per cent of the disconnections completed. Drainage issues and damages are monitored and addressed on a continuous basis.
Maintain the capital budget within the assigned capital spending envelope and ensure that infrastructure replacement needs are satisfied and sustainable	<ul style="list-style-type: none"> • In 2003 Wastewater's outstanding commitments were reduced. The actual 2003 expenditures were impacted by the number of projects under detail design yet to start construction; timing of multi-year construction projects awarded but not completed, and the complexity of Class Environmental Assessments and public consultation process. • Servicing and Settlement Master Plans are ongoing (Inglewood)

<p>Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province such as:</p> <ul style="list-style-type: none"> • York/Peel Wastewater Agreement 	<ul style="list-style-type: none"> • The York/Peel Wastewater Agreement is in the implementation stage. These works are organized through the York/Peel Co-ordination Team. • Staff continue to pursue best practices by actively engaging in benchmarking through Ontario Municipal Benchmarking Initiative (OMBI) and the Municipal Performance Measurement Program (MPMP)
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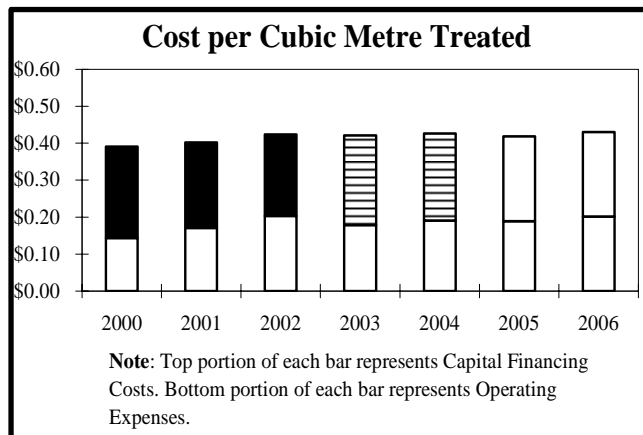
b) 2004

- Manage costs in order to stabilize unit costs
- Maintain and enhance current levels of customer service
- Maintain competitive utility rates
- Maintain the Capital Budget within the assigned capital spending envelope, and ensure infrastructure replacement needs are satisfied and sustainable
- Develop new and improve existing areas of partnering with area and neighbouring municipalities and the province

E.3 Corporate Performance Measurement and Benchmarking

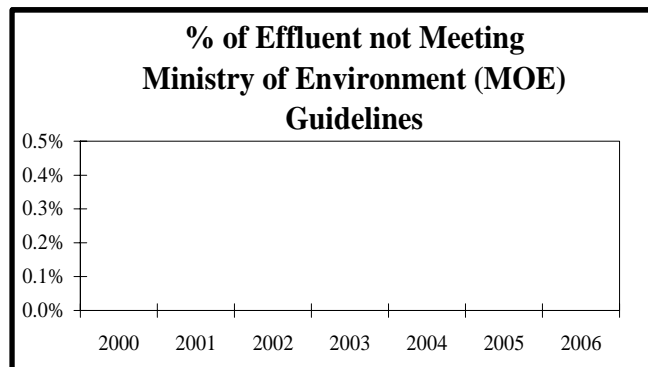
1. Program Efficiency

The 2004 cost per cubic metre (m³) of wastewater treated increased by \$.01 due primarily to hydro and gas costs and scheduled increases to the Ontario Clean Water Agency (OCWA) South Peel contract. The Region continues to provide combined Water and Wastewater Program services at the lowest cost and the lowest rates of any municipality in the GTA.



2. Community Impact

The number of odour complaints received in 2003 were up slightly from 2002. The new technology imbedded in the current facility upgrades and expansions will significantly reduce this adverse community impact.



3. Data

Program Efficiency:

	Actual			Budget		Target	
	2000	2001	2002	2003	2004	2005	2006
Cost per cubic metre (m ³) treated	\$ 0.3908	\$0.4018	\$ 0.4241	\$ 0.4214	\$ 0.4266	\$ 0.4189	\$ 0.4304
Cost per kilometre (km) of sewer main	\$ 26,029	\$26,943	\$ 27,952	\$ 27,479	\$ 28,637	\$ 29,177	\$ 30,441
Sewer rate billed per cubic metre (m ³)	\$ 0.4839	\$0.4839	\$ 0.4839	\$ 0.4985	\$ 0.5234	\$ 0.5234	\$ 0.5234

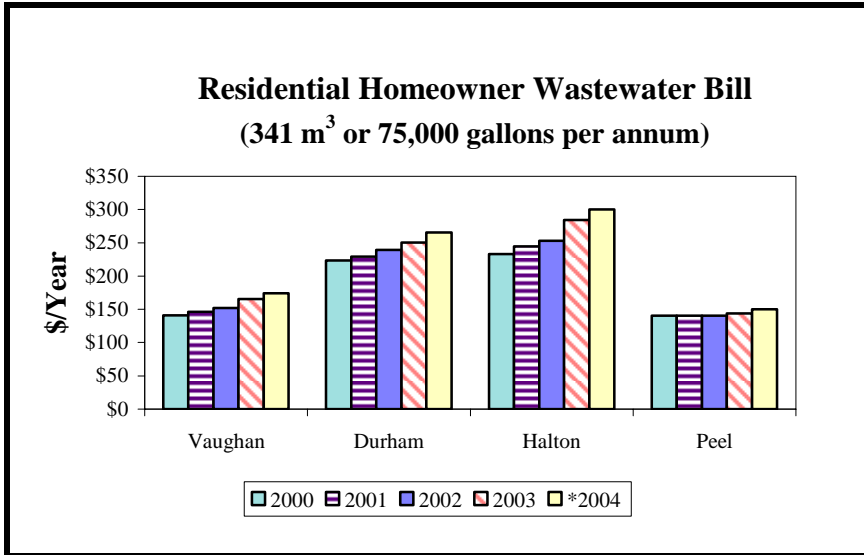
Community Impact:

% effluent not meeting MOE guidelines	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
# of bypasses	3	1	-	-	-	-	-

Source Information:

Total cost (\$ 000's)	\$ 65,020	\$69,245	\$ 74,464	\$ 75,128	\$ 80,011	\$ 83,127	\$ 88,248
Capital financing (\$ 000's)	\$ 41,051	\$39,885	\$ 38,723	\$ 43,218	\$ 44,256	\$ 45,584	\$ 46,951
Operating expense (\$ 000's)	\$ 23,969	\$29,359	\$ 35,741	\$ 31,910	\$ 35,755	\$ 37,543	\$ 41,297
Number of sewer main km	2,498	2,570	2,664	2,734	2,794	2,849	2,899
Annual flow treated at plant (m ³) (000's)	166,394	172,323	175,585	178,301	187,537	198,464	205,061
Annual plant capacity available (m ³) (000's)	182,318	182,318	182,318	202,758	223,033	223,033	260,172
% annual plant capacity utilized	91.27%	94.52%	96.31%	87.94%	84.08%	88.98%	78.82%

3. Data (Continued)



Residential Homeowner Wastewater Bill
(341 m³ or 75,000 gallons per annum)

	Vaughan	Durham	Halton	Peel
2000	\$141.00	\$223.59	\$233.10	\$140.25
2001	\$146.25	\$229.19	\$244.31	\$140.25
2002	\$151.88	\$239.46	\$253.27	\$140.25
2003	\$165.36	\$250.23	\$284.44	\$143.60
*2004	\$173.89	\$265.61	\$300.06	\$149.97

* 2004 utility bill is based on projected rate increase

4. Customer Service

The Region of Peel Wastewater Program is committed to being a leader in the industry and to providing a level of customer service which meets the growing needs and expectations of the residents and businesses of Peel.

This commitment includes:

- Providing a secure sanitary sewer system
- Protection of Regional assets
- Assuring treated effluent complies with Ministry of the Environment (MOE) guidelines
- Source water protection through enforcement of the *Sewer Use By-law*
- Control of odours associated with the wastewater treatment plants and in the collection system
- Continuous improvement in service reliability through the efficient use of capital and maintenance programs
- Assessment and management of all aspects of growth within the Region of Peel to ensure the social and physical Regional infrastructure is available for planned land uses
- Continuous review of new technologies to provide innovative services in wastewater collection and treatment
- Control infiltration into the sanitary collection system.
- Effective communication strategy that includes public participation and feedback
- Cost effective service delivery

5. External Benchmarking

The Region of Peel participates in the following annual benchmarking initiatives:

- 1) The OMBI, formerly the Municipal CAO's Benchmarking Initiative which Wastewater joined in 1998. This initiative was expanded into the National Water and Wastewater Benchmarking Initiative in 2001.

The initial CAO benchmarking exercise in Wastewater highlighted the need for the expert panel to re-evaluate data performance standards, guidelines for data collection and results interpretation, and to consider forming a partnership with professional wastewater associations. The purpose of this initiative was and still is to identify and implement best practices of service efficiency, effectiveness and community impact by sharing performance data and information between participating municipalities. In response to this need, the Municipal's CAO's Benchmarking Initiative Project Charter, which sets the current framework, was issued July 10, 2000. The Project Charter is reviewed on a regular basis and is evolving as required.

The original Wastewater Expert Panel was made up of wastewater professionals from 14 municipalities from across Ontario. This partnership now consists of 33 cities and municipalities from across Canada. The Region of Peel has been co-chair of the National Water and Wastewater Initiative since 2000. As part of the national benchmarking effort, staff gathered, evaluated, and submitted data for 1999, 2000, and 2001 Final Reports. The Region now has three years of relevant data and has started the process of identifying and sharing best practices. One forum for this exchange is the Annual Workshop where wastewater professionals from the participating cities and municipalities in Canada meet to discuss new ideas and methods, new technologies, and successes they have enjoyed with regards to service improvement.

- 2) In 2001, the province initiated the MPMP as part of the annual *Financial Information Report*. Results from the MPMP exercise are based on full cost of all regionally related services, while the National Benchmarking Initiative together with OMBI is based on direct and indirect costs to the departmental level; therefore a direct comparison between the two initiatives is not relevant.

Wastewater Program staff are committed to benchmarking and recognize it as an important management tool integrating financial and performance data to help identify and implement best practices for continuous improvement in Wastewater service delivery.

F. 2004 Financial Requirements Presentation

F.1 Current Budget Introductory Comments/Analysis

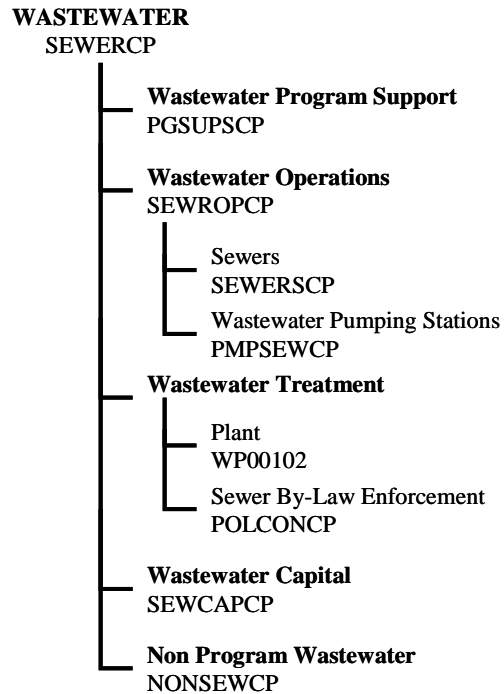
The total program cost of the Wastewater Program for 2004 is \$80 million, an increase of \$4.9 million or 6.5 per cent over 2003.

Major drivers affecting the 2004 budget are maintenance of existing infrastructure, growth, changes to regulations, contract increases, and customer service.

The impacts of these drivers on the 2004 Wastewater Program are:

- Hourly wage collective agreement settlement
- Annual increase in operating costs for the OCWA
- Increased energy costs (hydro and natural gas)
- Additional sampling and testing costs due to upgraded provincial legislation
- Additional pumping station operating costs due to upgraded provincial legislation
- Operations and maintenance costs for an additional 60 kilometres, a 2 per cent increase in the collection network
- Increased mandatory training required by various provincial ministries
- Additional funds for sewer flushing due to equipment upgrades and increased inventory resulting from regional growth

F.2 Financial Structure Chart – Current Budget



F.3 2004 Current Budget

1. Activity Analysis

	Budgeted Total Cost	
	2004	Change from 2003
Program Support	3,183,464	655,632
Operations	3,134,458	190,156
Treatment Plant	21,332,615	1,624,707
By-law Enforcement	3,432,945	1,114,991
Capital Financing	44,255,971	1,037,628
Non Program	4,671,755	260,187
Total Program Cost	<u>\$ 80,011,208</u>	<u>\$ 4,883,301</u>

3. Budgeted Total Cost/Unit

	Budgeted Total Cost/Unit	
	2004	Change from 2003
	0.02	0.01
	0.02	-
	0.11	-
	0.02	-
	0.24	-
	0.02	-
	<u>\$ 0.43</u>	<u>\$ 0.01</u>

2. Account Analysis

	Budgeted Total & Net Cost	
	2004	Change from 2003
Goods & Services	33,174,021	3,357,790
Salaries & Wages	2,286,216	227,883
Reserve Contributions	44,550,971	1,297,628
Total Program Cost	80,011,208	4,883,301
Fees, Charges & Other	532,208	(359,699)
Wastewater User Revenue	74,700,000	5,537,000
Wastewater Toronto Agreement	279,000	(294,000)
Qualitative Surcharge Billings	4,500,000	-
Net Program Cost	<u>\$ -</u>	<u>\$ -</u>

Budgeted Units of Service	
Cubic Metre (m ³) Treated	
2004	Change from 2003
<u>187,537,000</u>	<u>9,236,000</u>

4. Budget Variance Explanation

Net Program Costs
Change from
2003

Program Support's budget change reflects an increase in administration costs allocated from the Water Program and increased operational support costs for vehicles, inventory management and computer systems.

655,632

The Operations and Maintenance budget increase is mainly due to the hourly wage collective agreement settlement, as well as increased labour and contract costs for sewer flushing and pumping station activities affected by provincial legislation and growth.

190,156

Treatment Plant costs are higher due to the hourly wage collective agreement settlement, additional staffing increased hydro and natural gas usage and costs to meet growth and provincial legislation needs, as well the annual planned increase in the OCWA contract.

1,624,707

By-law Enforcement's budget reflects additional resources for inspection and testing in order to enforce the *Sewer-Use By-law 90-90*, as well as address an increased number of industrial spills.

1,114,991

Wastewater Capital Financing has been increased to address the 2004 Capital Program.

1,037,628

The Non Program budget variance is due to increased Corporate charges allocated to the Wastewater Program.

260,187

Fees and Charges have decreased due to lower recoveries for the Toronto Wastewater Agreement due to a reassessment of flows, utility late payments charges and interest on special assessments.

653,699

Wastewater User Revenues reflect normal consumption patterns and population growth consistent with Planning's projections, as well as a 5 per cent rate increase for additional costs for wastewater treatment and operations related to provincial legislation.

(5,537,000)

Qualitative Surcharge Billings have not changed from 2003.

-

Net Program Cost Variance

\$ -

PUBLIC WORKS SERVICES

