



**Halifax Harbour Bridges
Business Plan for Fiscal 2023-2024**

Message from the Chair of the Board and CEO

We are pleased to present the 2023 - 2024 Business Plan for Halifax Harbour Bridges (HHB).

Growth, economic development and transportation are inextricably linked. Just as development increases demand for transportation, the ability of safe and efficient transportation stimulates economic activity.

The Angus L. Macdonald (ALM) and A. Murray MacKay (AMM) bridges are critical pieces of transportation infrastructure in the Halifax Regional Municipality, and province of Nova Scotia, facilitating 30 million crossings each year.

According to a recent independent study, the bridges drive more than \$100 million in societal benefits annually. They enable shorter commutes, reduce collisions and emissions, and allow other organizations to efficiently manage their transportation costs.

As the stewards of the bridges, HHB will continue to invest in the maintenance and capital projects that ensure the bridges' long-term availability and safety. Moving into Year 2 of our 10-year capital and maintenance plan, HHB will tackle projects designed to assure safe and efficient cross-harbour transportation.

One hundred per cent of the revenue generated by collecting tolls is dedicated to the maintenance and operations of the bridges. As such, HHB will ensure that revenue is invested responsibly to make certain the bridges are reliable and well maintained.

For Fiscal Year 2023/2024, planned increases to operational expenses reflect the organization's initiatives to successfully deliver the required capital improvements and infrastructure work detailed in submissions to the Nova Scotia Utility and Review Board (NSUARB). In NSUARB's October 2021 decision approving the bridge's most recent toll hike, that capital plan was deemed "necessary and appropriate."

While the waning impact of COVID-19 continued to affect the number of crossings on the bridges and corresponding toll revenue last year, we project that traffic volumes will return to pre-pandemic

volumes by late this year. However, the lingering impact of the pandemic is still expected to fuel supply chain issues and make the hunt for skilled labour even more difficult than it has been. These challenges will inevitably impact costs and as such, HHB will continue to assess and if necessary, adjust the proposed \$280-million, 10-year plan to ensure essential maintenance and rehabilitation gets completed.

With a new MACPASS customer account management system nearing completion, HHB will move ahead with All Electronic Tolling (AET). As a transformational project for HHB, implementation will significantly enhance worker safety, reduce accidents for the travelling public, increase travelling efficiency and have a positive environmental impact by reducing idling time. The security of our user's personal and financial information will remain a paramount consideration.

HHB must continue to be an employer of choice to attract the technical and operational staff required to successfully manage the major challenges that lie ahead. As always, safety will continue to be a foundational element of everything we do.

Respectfully submitted,

Vicki Harnish
Chair of the Board of Commissioners

Tony Wright
CEO



Strategic Priorities

In early 2022, the HHB Board and staff revisited the strategic goals laid out in the five-year strategic plan. This plan helps guide our organization. The following represents HHB's major 2023-24 initiatives designed to achieve those goals.

1

Improve safety, efficiency, and environmental stewardship in operations and maintenance

Next-generation Tolling (AET)

- Develop a detailed project plan for HHB's All Electronic Tolling (AET) implementation, sometimes referred to license plate tolling
- Select and tender technical system components for the lane-level system
- Activate the enhanced customer account system to improve user self-management of MACPASS accounts

Enhanced public safety measures

- Improve physical security for all HHB properties and infrastructure
- Assume control and management of all bridge closures for construction projects and weather events, ensuring safety to public and work crews is top priority
- Investigate additional safety enhancements for traffic and speed management at toll plazas
- Develop video and social messaging to promote safe driving
- Update and refine HHB's Enterprise Risk Management strategy

Infrastructure and asset management

- Explore alternate contract delivery to advance paint and steel programs¹ and ensure completion in accordance with HHB's 10-year capital and maintenance plan
- Launch HHB's custom Bridge Information Management System (BIMMS) for an at-a-glance evaluation of all bridge components
- Establish an organizational GHG baseline that will be used to help evaluate future projects and focus efforts on reducing carbon-based emissions from operations

¹ HHB is currently undertaking a multi-year, \$75-million program to re-coat and repair all steel structures on the Macdonald Bridge that weren't replaced during the Big Lift. Work to date has demonstrated this project is more complex and more extensive than originally anticipated.

2

Provide customer value through seamless, reliable, and safe bridge crossings

Promote adoption of MACPASS and MACPASS sticker technology

- Complete the conversion of customers from hard-shell MACPASS transponder technology to new, more efficient sticker transponders. Sticker transponders are more efficient and utilize the latest technology to enable AET implementation ²
- Roll out a new corporate website and self-service MACPASS portal and corresponding mobile app that will enhance the user experience

Engage with customers

- Improve timely notification to all bridge users of travel disruptions and upcoming closures through the use of social media, a new mobile app, and an enhanced web presence
- Expand the choice of communication channels to explain what is happening on the bridges, how they are maintained, and how HHB is working to support their long-term availability
- MACPASS staff will support customers through HHB's transition to next-generation account management software. Improvements to account management will enable future user benefits and capabilities

MacKay Bridge rehabilitation assessment

- Conduct a thorough assessment to define the scope and viability of rehabilitating the MacKay Bridge
- Continue to work with adjacent landholders to determine required land use needs for either a rehabilitation or a replacement effort

² AET implementation will promote more efficient and safer bridge crossings. Removing existing toll booths means tolling technology will need to respond by capturing customer information more efficiently and with greater precision.

3

Demonstrate financial sustainability

Assess progress of 10-year capital and maintenance plan

- Monitor progress on capital project implementation, measure the effectiveness of planned maintenance tasks and, as necessary, make adjustments to HHB's 10-year plan to ensure the financial health of the organization
- Update financial forecasts regarding revenue predictions, construction cost estimates and cost of capital, considering inflation as well as emerging supply chain and labour shortage issues

Equipment renewal

- Implement upgrades to HHB radio, traffic management and variable message systems
- Continue maintenance and operational fleet renewal initiatives with particular attention to high-impact assets such as a bridge maintenance truck, vacuum sweeper or bridge deck membrane application equipment

Refine project delivery

- Develop and implement a consistent project management and project reporting framework for all departments
- Enhance project delivery and procurement capabilities

Cybersecurity

- Continue to implement technical upgrades to fortify existing IT security efforts
- Engage additional professional services to measure HHB's level of security protection

Conduct real estate property assessment

- Undertake a real estate review with a focus on future staffing requirements, efficiency, accessibility, environmental and sustainability considerations, and the staffing implications of next-generation tolling

4

Foster a workplace where employees thrive

Foster employee growth

- Develop a training program for HHB employees to promote technical skills and workplace knowledge
- Increase supervisor skills and capacity through targeted professional development opportunities and training

Equity, Diversity and Inclusion (EDI)

- Grow the existing Equity, Diversity and Inclusion (EDI) program and develop a clear roadmap for future initiatives
- Conduct staff-wide training events that foster a broader understanding of EDI
- Continue efforts to ensure our staff is reflective of the Nova Scotia community

Strengthen workplace engagement

- Implement key outcomes and recommendations from recently conducted employee survey
- Develop internal communications processes that respond to HHB's diverse workforce in terms of digital literacy and internet access
- Continue to invite and facilitate employee participation from across all departments for membership on EDI, JOHS, and Environmental Sustainability committees
- Add psychological health education to our existing suite of healthcare initiatives that includes vaccine clinics and hearing assessments

5

Expand our culture and practice of innovation

IT support systems

- Develop and approve a future-focused IT strategy that will guide HHB over the next five to seven years
- Implement advanced IT solutions to assist bridge operations and security to provide operations staff with enhanced, real-time information from the bridges and HHB property

New engineering approaches

- Refine methods for conducting coating and deck condition assessments, drawing on best practices from around the world
- Develop partnerships with other long-span suspension bridge owners to share information on inspection, maintenance and repair methodologies
- Assess the cost-benefits of proceeding with cable dehumidification on the MacKay Bridge



How we measure performance

To measure HHB's performance against its priorities planned for the coming fiscal year, HHB plans to undertake the following:

- **User Satisfaction Survey:** By understanding how the public perceives HHB activities, the organization has an opportunity to adjust operations, maintenance or communication efforts based on data, not perceptions. The survey allows HHB to gauge the value users believe they receive on tolls and can test their receptivity to the coming next-generation tolling initiative
- **Maintenance:** HHB commits to compare repair projects completed in the current year against the high- and medium-priority repairs identified in inspection reports
- **Operations:** HHB will use road traffic statistics to measure the effectiveness of enhanced operational activities
- **Financial:** On an ongoing basis, our financial department actively measures financial results against annual operating and capital budgets
- **Safety:** HHB will continue to track safety-related statistics with a focus on behavior-based observations and update its training profile to maintain its reputation as a safety leader
- **Environmental:** Establish a CO2 baseline for HHB activities to guide investment decisions and projects that will reduce our carbon footprint



Financial summary

	2022-2023 Budget	2022-2023 Forecast	2023-2024 Budget
Revenue	(\$thousands)	(\$thousands)	(\$thousands)
Toll revenue	37,303	36,964	39,188
Interest income	422	831	1,335
Other income	147	157	147
Total revenue	37,872	37,952	40,670
Expenses			
Administration	3,427	3,277	3,685
Operating	5,245	5,254	6,202
Maintenance	4,886	3,952	5,122
Amortization	10,379	10,181	11,075
Debt servicing	5,458	4,133	5,443
Total expenses	29,395	26,797	31,527
Net operating and comprehensive income	8,477	11,155	9,143