

Request for Recommendation

Finance and Administration Committee




| Type of Decision | | | | | | | |
|--------------------|------------------|-----|---|-------------|------------------|---|--------|
| Meeting Date | February 2, 2016 | | | Report Date | January 28, 2016 | | |
| Decision Requested | | Yes | X | No | Priority | | High |
| | Direction Only | | | | Type of Meeting | X | Open |
| | | | | | | | Closed |

| Report Title |
|----------------------------------------------------------------------------------------------|
| Approved Funding for Capital Projects in 2015 Budget Mountain Street Storm Outlet Project |

| Budget Impact/Policy Implication | Recommendation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <div style="display: flex; align-items: flex-start;"> <div style="width: 40px; text-align: center; margin-right: 10px;">X</div> <div> <p>This report has been reviewed by the Finance Division and the funding source has been identified.</p> <p>This project was approved by Council in the 2015 Budget.</p> </div> </div> | For information only. |
| <div style="display: flex; align-items: center;"> <div style="width: 40px; text-align: center; margin-right: 10px;">X</div> <div>Background Attached</div> </div> | <div style="display: flex; align-items: center;"> <div style="width: 40px; text-align: center; margin-right: 10px;"></div> <div>Recommendation Continued</div> </div> |

| Recommended by the Department | Recommended by the C.A.O. |
|--------------------------------------------------------------------|------------------------------------------------------------|
| <p>Ed Stankiewicz Acting Chief Financial Officer/Treasurer</p> | <p>Kevin Fowke Acting Chief Administrative Officer</p> |

| Report Prepared By | Division Review |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------|
|  Apryl Lukezic Co-Ordinator of Budgets | |

Background

At the January 19, 2016 Finance and Administration Committee meeting, a request was made for an explanation of the funding for the Mountain Street storm water outlet project that was approved by Council during the 2015 Budget deliberations.

Funding of Mountain Street Project

In the 2015 Budget, an option was approved to commit the estimated \$4 million of funding required to complete the Mountain Street storm water outlet project. The \$4 million was based on preliminary estimates as the detailed design for this project was not completed at that time.

Appendix A, which is the approved budget option from the 2015 budget voting package, highlights the funding sources as listed below:

- \$350,000 capital budget previously approved by Council before the 2015 budget.
- \$2 million from future capital envelopes in the Drainage Capital Budget with the following amounts per year from 2016 to 2019:
 - \$550,000 in 2016
 - \$650,000 in 2017
 - \$400,000 in 2018
 - \$400,000 in 2019
 - Please note that these amounts are shown in the 2016-2020 Capital Budget as these funds were approved by Council in 2015 to be committed for the Mountain Street Storm Outlet project. This is required as the funds from the capital envelope in each of the years from 2016 to 2019 is committed to this project and cannot be allocated for any other project in future years.

- \$1.65 million from reserve funds which consists of \$800,000 from the Drains and Stormwater Reserve Fund and another \$850,000 from the Industrial Reserve Fund.

Further, once the detailed design is complete for this project, a future report to Council may be required to update on the estimated costs for the project. If required, additional funding may be requested to be approved for this project for completion.

Conclusion:

This report is to illustrate the approved budget for Mountain Street Storm Outlet project as approved in the 2015 Budget.

CGS Budget Option

Year: 2015

Category: Council/Committee Resolution

Type: Enhancement

Fund: Capital

Department: 5305 Roads Contr To Capital

Division: Infrastructure Services

Request: Include Mountain Street Storm Water Outlet project in the 2015 Capital Budget

Description/Impact:

The preliminary cost estimate for the Mountain Street Storm Water Outlet project is \$4 million of which \$350,000 has been previously approved by Council and the 2016-2019 Drains Capital Budget Outlook includes approximately \$2 million set aside for this project. Therefore, additional funding of approximately \$1.65 million is required. Once the detailed design is complete, an accurate project cost will be established and construction could take place in 2016 and 2017.

With the additional detailed design schedule for the Mountain Street Storm Water Outlet, and the need to have more accurate cost estimates available for the 2016 budget, the progress of other engineering work on drainage projects such as the Ramsey Lake Watershed Study, the East Branch Junction Creek Stormwater Management Study, and the Minnow Lake Stormwater Treatment Station, will be affected.

Option 1 - Direct staff to include the Mountain Street project in the 2015 Capital Budget, with funds to be brought forward (internal financing which will be repaid from future capital envelopes) of \$2 million as set aside for this project in the 2016-2019 Drains Capital Budget Outlook and transfer the remaining \$1.65 million from the City's reserve funds. For example, \$800,000 from Drains and Stormwater Reserve Fund; \$850,000 from the Industrial Reserve Fund to be finalized after this budget.

Impact on Staffing (Negative if Reduction)

Full Time Position(s): 0

Net Budget Increase (Negative if Reduction)

Permanent: \$0

One-time: \$0

Notes:

Status: Approved