

Request for Decision

Amended 2012 to 2016 Capital Budget

Presented To: Finance Committee

Presented: Monday, Dec 05, 2011

Report Date Wednesday, Nov 30,
2011

Type: Managers' Reports

Recommendation

THAT the Finance Committee approve the amended 2012 Capital Budget in the amount of \$_____, which is funded as follows: Contribution from the Operating Budget of \$_____; Contribution from Water and Wastewater user fees of \$_____; Provincial and Federal Grants of \$_____; Contributions from CGS reserve and reserve funds of \$_____; and Internal Financing of \$6,392,563 be approved for projects to be completed in 2012 and be repaid from future capital envelopes in 2013 to 2022.

THAT Council accept the 2012 Police Services Capital Budget and;

THAT the remainder of the 2013 to 2016 Capital Budgets be accepted for information for staff to use as a planning tool.

Signed By

Report Prepared By

Apryl Lukezic
Co-ordinator of Capital
Digitally Signed Nov 30, 11

Recommended by the Department

Lorella Hayes
Chief Financial Officer/Treasurer
Digitally Signed Nov 30, 11

Recommended by the C.A.O.

Doug Nadorozny
Chief Administrative Officer
Digitally Signed Dec 1, 11

Background

The purpose this report is to provide the Finance Committee with an overview of the amendment to the 2012 Capital Budget since it was presented at the Finance Committee meeting on October 5, 2011.

In addition, this report is to provide an updated list of "Internally Financed Projects" for the 2012 Capital Budget to include Water and Wastewater projects as presented at the

Finance Committee meeting on November 24, 2011 and to move one project from 2013 to 2012 for Community Development as explained below.

Amendments to the Capital Budget:

This report includes changes to the Community Development Capital Budget as explained below:

1. Leisure and Citizen Services:

a. Leisure:

Please refer to separate report from the General Manager of Community Development that explains how the following projects are now included within the capital budget: (i) renovations to the former townhall building into a Chelmsford Family Health Team; (ii) contribution for the upgrades to the Lily Creek Boardwalk; and (iii) waterline replacement at the IJ Coady Arena.

b. Libraries and Museums:

There was a new Library project added for the “Azilda Library Parking Lot Upgrades” as the Champlain Street in Azilda is planned for reconstruction in 2011/2012. This has presented a cost savings opportunity for favourable contract pricing to complete paving and drainage improvements to the Azilda Library as the building abuts Champlain Street. This new project has been funded by changing the scope and thereby reduced the scope of the Valley East roof/flooring and Library Information Technology requirements in 2012.

In addition, there were minor wording changes for Archive and Museum projects to reflect capital priorities established in recent planning sessions with the Archives Advisory Panel and the Museum Advisory Panel.

c. Cemetery Services:

The capital cost estimate for the Mausoleum Phase 5 project was based on past mausoleum construction. The estimate has been decreased due to a reduced scope of the project.

Please refer to the separate cover for insertions to the Capital Budget binder as includes the Community Development Capital Budget that have been amended as explained above, as well as Police Services Capital Budget as presented on November 8, 2011. Each project within the Community Development Capital Budget is shaded to highlight the amendments.

Capital Budget Enhancements:

Capital Budget enhancements were presented at the November 8, 2011 Finance Committee meeting for the inflation index option to use NRBCPI to inflate capital envelopes that will impact the tax levy and water and wastewater user fees. In addition, there are Water and Wastewater capital budget options for sustainable capital asset management program (SCAMP) as presented at the November 24, 2011 Finance Committee meeting.

The chart below explains the impact of these capital enhancements and options:

	2012 Capital Budget (All funding Sources)	Capital Budget Enhancement: NRBCPI	Capital Budget Enhancement: W/WW - SCAMP	Total Capital Budget
Tax Supported Capital Budget				
- Roads	36,957,138	576,415	n/a	37,533,553
- Other Areas	22,160,539	220,019	n/a	22,380,558
Water and Wastewater User Fees	35,080,973	537,553	919,000 (Note 1)	36,537,526
Total	\$94,198,650	\$1,333,987	\$919,000	\$96,451,637

Note 1 – Total of \$919,000 consists of two Capital Budget options of \$282,000 and \$637,000 respectively.

Amendment for Approval for Internal Financing:

Inclusive of the 2012 budget, it is recommended that expenditures totalling \$6.4 million be approved for spending. This has increased from \$1.2 million as presented within the report on October 5, 2011 as it includes Water and Wastewater projects with internal financing as presented on November 24, 2011 and moved one project for Community Development from 2013 to 2012. These funds will be internally financed by borrowing from the capital fund and reserve funds and repaid through contributions from the 2013 through 2026 capital envelopes and reserves. Please refer to Appendix A for a detailed listing of these internally financing projects.

As projects proceed, staff will be monitoring external borrowing rates to determine the most cost effective balance of internal and external debt financing.

Summary:

These amendments to the Community Development Capital Budget have been completed through re-allocation of funds between existing projects as presented on October 5, 2011.

Council direction on approval of the amendment and capital budget enhancements are required.



APPENDIX B: AMENDED 2012 CAPITAL BUDGET - INTERNALLY FINANCED PROJECTS

Department	Project	Remaining Portion to be Financed	Remaining Repayment Period	Source of Funds
Projects to be Approved within 2012 Capital Budget				
Infrastructure - Water	Third Avenue (Lively) - Philip Street to West End	\$ 700,000	2013	Capital Envelopes
Infrastructure - Wastewater	Sudbury WWTP Upgrades - Headhouse Construction & Standby Power Design	\$ 4,502,563	2013 - 2026	Capital Envelopes
Infrastructure - Drainage	Horizon Watershed Stormwater Management Facility	\$ 450,000	2013 - 2015	Capital Envelopes
Infrastructure - Drainage	Countryside Stormwater Pond	\$ 250,000	2013 - 2015	Capital Envelopes
Community Development - Facilities	IJ Coady Arena - Waterline Replacement	\$ 115,000	2013	Capital Envelopes
Community Development - Cemeteries	Civic Cemetery Mausoleum - Phase 5	\$ 375,000	2013 - 2022	Cemetery Reserve Fund
		\$ 6,392,563 ¹		
Previously Approved Projects				
Completed Projects				
Infrastructure - Water	Levack Water Supply	\$ 3,394,810	2012 - 2015	Capital Envelopes
Emergency Measures	Lionel E. Lalonde Centre	\$ 3,412,228	2012 - 2021	Operating
		\$ 6,807,038		
Projects In Progress				
Community Development - Facilities	Countryside Arena	\$ 5,669,719	2012 - 2035	Capital Envelopes, Development Charges
Community Development - Library	South Branch Library	\$ 3,500,000	2012 - 2031	Capital Envelopes, Development Charges
Infrastructure - Transit - Fleet	Transit/Fleet Garage	\$ 11,580,000	2013 - 2032	Capital Envelopes, Development Charges, Provincial Gas Tax
Police	Communications Infrastructure	\$ 9,200,000	2013 - 2027	Capital Envelopes
Infrastructure - Water	New Valley Wells	\$ 3,500,000	2013 - 2018	Capital Envelopes
		\$ 33,449,719		
TOTAL INTERNALLY FINANCED PROJECTS		\$ 46,649,320		

Note 1: Total of these projects represents the amount of \$6,392,563 for Financing - Future Years on 2012 Capital Budget.