



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 3
Committee of the Whole
December 3, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY: _____
Jane Fraser, Director Operations Support

DATE: November 25, 2014

SUBJECT: Proposed 2015-16 Capital Program Budget

ORIGIN

At the October 21, 2014 Committee of the Whole, Council directed staff to present the 2015/2016 draft Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Pursuant to the Halifax Charter, section 35 (1), the Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that Committee of the Whole:

1. Direct staff to prepare the preliminary 2015-16 capital program budget, as well as an additional four years up to and including 2019-20, as a basis to prepare a detailed capital and reserves budget, as presented to Committee of the Whole.
2. Approve the list of 2015-16 advanced capital funding as per Attachment A.

BACKGROUND

As part of the design of the 2015-16 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's operating budget, as well as the capital program budget in advance of detailed HRM Budget and Business Plan approval.

At the November 18, 2014 Committee of the Whole, Regional Council considered and confirmed their Priority Outcomes and directed staff to develop the 2015-16 Budget and Business Plans in support of those priorities.

DISCUSSION

As part of the 2015-16 capital program budget preparation, staff have reviewed existing and new project accounts to ensure they are aligned to Council's Priority Outcomes and HRM's fiscal strategic direction.

As a result of this review, some projects have been identified to be operating in nature. These projects have been classified in the past as part of the project budget for various reasons including the tendency of the projects to extend beyond the fiscal year end. These projects should, however, be part of the operating budget for the Business Unit leading the initiative. Staff are recommending that these identified funds be reduced from the capital program budget and be transferred to the operating budget. This will result in more transparency and accountability in the capital budgeting process.

The projects that staff are recommending to be funded from the operating budget include:

- studies for planning purposes rather than the construction of an asset,
- routine operating repairs carried out by Municipal Operations and Facility Maintenance, and
- work that is outside the Tangible Capital Asset (TCA) definition.

Staff is also recommending the creation of a new reserve account as a funding strategy for studies that span more than one fiscal year. The study reserve business case will be presented in a separate report for approval before the end of this current fiscal year.

Further to staff's review of the 2015-16 budget submission, some projects have been identified as requiring specific direction by Regional Council. Examples of projects requiring further consideration include:

- projects which tend to span multiple years, and
- projects which need to coordinate with an approved strategy of Council.

Multiple year projects may occur whether the project is initially approved as a multi-year plan or, once one year of a project is approved it results in an expectation by Council, the Public, and other stakeholders that a much larger project will be approved into future years.

Integration of project plans with approved strategies demonstrates how the strategy is being advanced. An example of this is the recommendation of \$2.5 million in funding for New Sidewalks. Staff is recommending approval of the funding in principle; however, it is felt that a report should demonstrate the integration of the plan for sidewalks with how it advances the Active Transportation Plan that was approved by Council in September, 2014.

The complete 2015-16 capital program submission presented to Committee of the Whole highlights the accounts in accordance with the categories discussed in this report.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed capital program budget for 2015-16. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

COMMUNITY ENGAGEMENT

Committee of the Whole is open to the Public. Citizens have been engaged through the Shape your Budget 2015 consultation process.

ENVIRONMENTAL IMPLICATIONS

None are identified.

ALTERNATIVES

The Committee of the Whole can choose to amend the Capital Program Budget as proposed in the accompanying presentation through specific motion.

ATTACHMENTS

- A. 2015-16 Advanced Funding Requests

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Crystal Nowlan, Senior Financial Consultant, Financial Policy & Planning, 902.490.1342
Mike Matheson, Senior Financial Consultant, Operations Support, 902.490.5338

Financial Approval by: Original Signed
Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

Attachment A - 2015-16 Advanced Funding Requests

Budget Category	Project Name	Project Number	Proposed 15/16 Gross Budget	Advanced Request
Buildings	Corporate Accommodations	CB000047	1,000,000	100,000
Buildings	Scotiabank Centre	CB000028	3,620,000	3,620,000
Business Tools	ICT Infrastructure Recapitalization	CI000004	1,200,000	250,000
Business Tools	Trunk Mobile Radios - TMR	CID01362	740,000	350,000
Halifax Transit	Conventional Bus Replacement	CV020004	4,230,000	4,230,000
Halifax Transit	Ferry Replacement	CM000001	4,800,000	4,800,000
Parks & Playgrounds	Mainland Common Artificial Turf Renewal	CP110001	1,700,000	1,700,000
Parks & Playgrounds	Parks, Sports Courts & Fields - Service Improvement	CP000004	330,000	120,000
Roads & Streets	Bridges	CRU01077	2,000,000	2,000,000
Roads & Streets	Other Road Related Works	CRU01079	1,500,000	750,000
Roads & Streets	Street Recapitalization	CR000005	25,000,000	17,795,000
Sidewalks	Sidewalk Renewals	CKU01084	2,600,000	2,235,000
Total			48,720,000	37,950,000