

Audit and Finance Standing Committee
January 16, 2013

TO: Chair and Members of the Audit and Finance Committee

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SUBMITTED BY: _____
Greg Keefe, Director of Finance & ICT/CFO

DATE: January 6, 2013

SUBJECT: 2013/14 – 2015/16 Project Budget and Reserve Framework

ORIGIN

At the December 4, 2012, Committee of the Whole, Council directed staff to present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council.

RECOMMENDATION

It is recommended that the Audit and Finance Committee approve the preliminary three year capital budget, for the years 2013/2014 to 2015/2016 inclusive, as a basis to prepare a detailed capital and reserves budget, and continued development of a reserve framework as presented to Audit and Finance.

BACKGROUND

Halifax Regional Municipality has \$5 billion worth of assets to manage which includes 278 buildings, 1,780 km of roads, 1,200 vehicles, and 793 parks. In addition to this, Halifax Water manages approximately \$2 billion worth of assets on behalf of the Municipality.

Maintaining infrastructure and assets in a state of good repair affects our ability to provide quality services, future prosperity, economic competitiveness, public safety, and quality of life.

Concentrated efforts in keeping assets in a state of good repair have stabilized the condition of most municipal assets. Continuing this trend of maintaining assets in a state of good repair will require sound asset management principles.

Most municipal assets have long lives so it is important to make the right investments at the right time. Maintenance and rehabilitation is carried out to prolong the life of assets that are in fair or good condition before more expensive repairs are needed, as assets in poor condition are addressed over time. The municipality is in the first year of a five year plan to implement a formal asset management program which will provide data on asset condition, life cycle costs, as well as performance and level of service metrics, to inform decisions regarding asset acquisition, maintenance, renewal and replacement.

DISCUSSION

Capital Planning Cycle:

On an annual basis, there are more requests for service expansions than there is available funding. As an example, in the 2012/2013 capital budget it was indicated that there were \$133 million worth of service expansion requests that were not accommodated in the five year capital plan. In order to develop a more comprehensive financial plan, and accommodate more of the priorities that are beyond the current five year planning cycle, staff is developing a ten year capital plan. This plan consists of a seven year capital outlook and a three year budget.

The three year budget is the subject of this report, and the seven year outlook will be finalized in the coming weeks. The capital budget presented in this report does not include the capital budget for Metro Transit. The Metro Transit budget is funded through a tax rate and fare revenue, and will be presented to the Committee separately along with the Metro Transit operating budget.

Approach to the Capital Budget:

The proposed capital budget maintains an emphasis on “State of Good Repair” funding. Asset managers have given priority to those projects that are required to maintain safety and code compliance standards, and which lower operating costs.

Funding from Crespool and Cappool continues to reflect the fact that staff is aggressively programming un-spent or un-committed capital from previous years to reduce the pressure on

2013/14. In other words, if capital projects are not completed, or are completed at less than estimated cost, the surplus funds are used as a funding source in 2013/2014.

The “Net” budget presented on Attachment 1 is the gross project budget less any project specific funding sources such as reserves (as indicated on attachment 2), local improvement charges, area rates, development charges, or grants that must be applied to a specific project (see table below for a breakdown of funding sources). The net budget is funded by debt, gas tax funds, or directly from operating sources. Funding envelopes used in the preparation of this budget comply with approved debt and other fiscal policies.

Operating impacts of the preliminary budget are estimated to be approximately \$1 million in additional on-going annual costs, excluding operating impacts of Metro Transit.

Funding	2013/14	2014/15	2015/16
Capital from Operating	38,869,000	42,231,000	43,711,000
Debt	30,390,000	32,632,000	34,341,000
Gas Tax Reserve	5,732,000	5,732,000*	5,732,000*
Crespool	805,000	1,000,000	1,000,000
Cappool	189,000	500,000	500,000
Total Funding	75,985,000	82,095,000	85,284,000

*Assumes Gas Tax allocated to Transit projects remains constant.

Reserve Framework:

Staff are reviewing the current approach to establishing reserves and expect to make recommendations on a reserve framework including establishing new reserves and eliminating or modifying existing reserves. This plan will consider key factors such as long term opportunities, risks and obligations.

Budget Highlights:

The budget maintains funding levels for the implementation of the Active Transportation Plan. Funding in 2013/14 is allocated for the Burnside Drive Extension trail, construction of an AT connection from Mumford Road to Olivet Street across the CN main line, and additional on-street bike parking in commercial areas.

Development of Phase 12 Burnside will continue in 2013/2014 to provide industrial/commercial land inventory in support of the Regional Plan, HRM Economic Development Strategy, and the Provincial Gateway Strategy. There is generally estimated to be eight years of potential lot inventory left within Burnside. The final phase is planned to be developed in 2016/17, with lot sales expected to continuing until 2021/2022. The current balance in the Sale of Land Reserve cannot accommodate this development schedule and debt financing will be required. This budget recommends financing \$31,000,000 through debt over the four years between 2013/2014 to 2016/2017 inclusive, which will be re-paid from the sale of land in Burnside. This debt is not tax supported, and will not affect the amount of debt available for other projects in accordance with the Debt Policy.

Advanced Capital

The Capital Steering Committee, a staff committee consisting of Business Unit Directors or designates, has been granted the authority to approve advanced funding where projects meet specific criteria. Advanced capital funding approval allows HRM to take advantage of lower tendered prices for projects tendered in the early period of the year, take advantage of the full summer construction period, or to tender projects which require a lengthy lead time to order equipment.

A project must have been included in the 2013/2014 budget process when the five year capital plan was adopted by Council, and advanced funding can represent no more than 50% of the project budget.

This year, the Capital Steering Committee has approved \$24.3 million in advanced funding for 2013/2014, as detailed in Attachment 4. These projects continue to be a part of the budget for 2013/14 and the policy requires that the Capital Steering Committee and the appropriate business unit Director make this determination. It should be noted that the normal public tendering process followed with Council's approval of the contract award will still apply.

Strategic Priorities:

Strategic Priorities to be developed in 2014/15 include the implementation of the Long Term Arena Strategy, approach to the Cogswell Street Interchange, and developing a comprehensive plan for improvements to Downtown streetscapes. The streetscape improvement program is included in the proposed budget, with the work in 2013/14 and 2014/15 to include streetscape and public park improvements associated with the new central library on Spring Garden Road.

FINANCIAL IMPLICATIONS

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

None are associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

None

ATTACHMENTS

- Attachment 1 – Proposed Budget
- Attachment 2 – Reserves Summary
- Attachment 3 – Capital Budget Presentation
- Attachment 4 – Advanced Capital Approvals

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/cc.html> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Peter Duncan, Manager Infrastructure, 490-5449

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Report Approved by:  Jane Fraser, Director Planning & Infrastructure, 490-7166

2013/14 Draft 3-Year Project Budget
as of Jan 9, 2013

Row Labels	2013		2014		2015	
	Gross	Net	Gross	Net	Gross	Net
Buildings						
Growth						
Fire Station Land Acquisition			1,000,000	-	900,000	-
Strategic Community Facility Planning	350,000	350,000	500,000	500,000	500,000	500,000
Service Improvements						
Accessibility - HRM Facilities	200,000	200,000	250,000	250,000	250,000	250,000
Bedford Branch Library			200,000	200,000	4,800,000	4,800,000
Bedford Community Centre	4,150,000	-	-	-	-	-
Fire Services Training Facility and Capital Projects			-	-	-	-
Long Term Arena Strategy			-	-	-	-
Regional Park Washrooms	1,550,000	1,550,000	1,400,000	1,400,000	600,000	600,000
Skating Oval	500,000	500,000				
Stadium Partnership Project						
State of Good Repair						
Alderney Gate Recapitalization(Bundle)	995,000	-	470,000	-	370,000	-
Architecture - Exterior (Category 2)	1,600,000	1,600,000	1,300,000	1,300,000	1,200,000	1,200,000
Architecture - Interior (Category 5)	265,000	265,000	500,000	500,000	500,000	500,000
Consulting - Buildings (Category 0)	300,000	300,000	300,000	300,000	325,000	325,000
Electrical (Category 7)	150,000	150,000	500,000	500,000	500,000	500,000
Energy Efficiency Projects	500,000	-	500,000	-	500,000	-
Environmental Remedtn/Bldg Demolition	200,000	-	200,000	-	200,000	-
Facility Assessment Program	250,000	250,000	250,000	250,000	55,000	55,000
Facility Maintenance - Community Managed Facilities	310,000	310,000	750,000	750,000	750,000	750,000
Facility Maintenance - HRM Managed Facilities	500,000	500,000	2,000,000	2,000,000	2,000,000	2,000,000
Former CA Becket School Soil Remediation	50,000	-				
Halifax City Hall Stone Restoration	1,500,000	1,500,000				
Halifax North Recreation Facility (Needham replacement)					500,000	500,000
HRM Depot Upgrades	800,000	800,000	2,800,000	2,800,000	3,600,000	3,600,000
HRP Lockup Upgrades	1,000,000	1,000,000	2,000,000	2,000,000		
Mechanical (Category 6)	2,975,000	2,975,000	1,750,000	1,750,000	1,250,000	1,250,000
Metropark Upgrades	87,000	-	71,000	-	85,000	-
Multi District Facilities-Upgrades (Bundle)	3,250,000	3,250,000	3,250,000	3,250,000	3,200,000	3,200,000
Roof (Category 3)	775,000	775,000	4,000,000	4,000,000	1,250,000	1,250,000
Site Work (Category 1)	540,000	540,000	750,000	750,000	1,050,000	1,050,000
St. Mary's Boat Club - Renovation & Expansion			500,000	500,000	1,500,000	1,500,000
Structural (Category 4)	530,000	530,000	500,000	500,000	500,000	500,000
Buildings Total	23,327,000	17,345,000	25,741,000	23,500,000	26,385,000	24,330,000

2013/14 Draft 3-Year Project Budget
as of Jan 9, 2013

Row Labels	2013		2014		2015	
	Gross	Net	Gross	Net	Gross	Net
Business Tools						
Service Improvements						
AVL						
Computer Aided Dispatch (CAD)	750,000	-	-	-	-	-
Enterprise Asset Management (EAM) Program	1,070,000	1,070,000	495,000	495,000	305,000	305,000
Enterprise Content Management (ECM)	-	-	-	-	-	-
Enterprise Decision Support/Business Intelligence (EDS/BI) Program	590,000	590,000	230,000	-	150,000	150,000
Enterprise Resource Planning Road Map						
HR Training & Events Project	175,000	175,000	-	-	-	-
ICT Business Tools (bundle)	100,000	100,000	-	-	-	-
Recreation Services Software	250,000	250,000	-	-	-	-
State of Good Repair						
Application Recapitalization	775,000	775,000	330,000	330,000	150,000	150,000
ICT Infrastructure Recapitalization	1,175,000	655,000	325,000	325,000	395,000	395,000
Internet Program	600,000	600,000	-	-	-	-
Service Desk System Replacement	100,000	-	-	-	-	-
Trunk Mobile Radios - TMR	500,000	-	2,000,000	850,000	2,000,000	1,000,000
Business Tools Total	6,085,000	4,215,000	3,380,000	2,000,000	3,000,000	2,000,000
Community & Property Development						
Growth						
Port Wallace Master Plan	350,000	350,000				
Sandy Lake Wastewater Oversizing	55,000	55,000	670,000	670,000	95,000	95,000
Service Improvements						
Civic Events Equipment	50,000	-	50,000	-	50,000	-
Community Event Venue Upgrades	300,000	300,000	300,000	300,000	150,000	150,000
Cultural Structures and Places	500,000	-	350,000	-	350,000	-
Downtown Streetscapes	2,285,000	-	3,225,000	-	2,740,000	-
Shubenacadie Canal Comm/Canal Greenway	300,000	300,000	-	-	-	-
Streetscaping in center hubs/corridors	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Community & Property Development Total	4,840,000	2,005,000	5,595,000	1,970,000	4,385,000	1,245,000

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Row Labels	2013		2014		2015	
	Gross	Net	Gross	Net	Gross	Net
District Activity Funds	1,504,000	1,504,000	1,504,000	1,504,000	1,504,000	1,504,000
Equipment & Fleet						
Service Improvements						
Fire Services Driver Testing System	100,000	100,000			400,000	400,000
Fire Services Driving Simulator	350,000	350,000				
Fire Station Defibrillator	80,000	-	80,000	-	80,000	-
Opticom Signalization System						
State of Good Repair						
Bomb Disposal Robot	100,000	100,000				
Fire Apparatus Replacement	3,000,000	3,000,000	4,500,000	4,500,000	4,500,000	4,500,000
Fire Services Water Supply	150,000	150,000	150,000	150,000	150,000	150,000
Fleet Services - Shop Equipment	50,000	50,000	50,000	50,000	50,000	50,000
Fleet Vehicle Replacement	1,500,000	1,500,000	1,830,000	1,830,000	1,780,000	1,780,000
Police Marked Cars	1,350,000	1,350,000	1,650,000	1,650,000	1,650,000	1,650,000
Replacement Ice Resurfacers	150,000	150,000	150,000	150,000	150,000	150,000
Equipment & Fleet Total	6,830,000	6,750,000	8,410,000	8,330,000	8,760,000	8,680,000
Industrial Parks						
Growth						
Bayers Lake Infill & Ragged Lk Dvlpmnt					7,000,000	-
Burnside & City of Lakes Development	22,000,000	-	15,000,000	-	15,000,000	-
Development Consulting	50,000	-	50,000	-	50,000	-
Industrial Land Acquisition						
State of Good Repair						
Park sign renewal & Maintenance	25,000	-	25,000	-	25,000	-
Industrial Parks Total	22,075,000	-	23,787,000	-	22,075,000	-

2013/14 Draft 3-Year Project Budget
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Row Labels	2013		2014		2015	
	Gross	Net	Gross	Net	Gross	Net
Parks and Playgrounds						
Growth						
Park Land Acquisition	500,000	-	500,000	-	500,000	-
Service Improvements						
Implementation of the North Common Master plan						
Parks, Sports Courts & Fields - Service Improvement	1,766,000	1,330,000	1,250,000	1,000,000	1,250,000	1,000,000
Regional Trails Active Transportation	1,050,000	1,050,000	850,000	850,000	850,000	850,000
Regional Water Access/ Beach Upgrades	940,000	940,000	650,000	650,000	650,000	650,000
State of Good Repair						
Cemetery Upgrades (Bulk)	100,000	100,000	100,000	100,000	100,000	100,000
Horticultural Renovations	70,000	70,000	70,000	70,000	70,000	70,000
Park Assets - State of Good Repair	1,337,000	990,000	1,400,000	1,120,000	1,400,000	1,120,000
Point Pleasant Park Upgrades	400,000	400,000	475,000	475,000	475,000	475,000
Public Gardens Upgrades	200,000	150,000	150,000	150,000	150,000	150,000
Regional Trails: Maintenance	100,000	100,000	125,000	125,000	125,000	125,000
Sports Fields/Courts - State of Good Repair	995,000	995,000	1,000,000	1,000,000	1,500,000	1,500,000
Street Trees	650,000	650,000	650,000	650,000	650,000	650,000
Parks and Playgrounds Total	8,108,000	6,775,000	7,220,000	6,190,000	7,720,000	6,690,000
Roads & Streets						
Service Improvements						
New Paving Streets - Core Area			500,000	250,000	250,000	125,000
New Paving Subdivision St's outside core	500,000	-	1,000,000	-	1,000,000	-
Storm Sewer Upgrades	200,000	200,000	1,000,000	1,000,000	1,000,000	1,000,000
State of Good Repair						
Bridges	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Curb Renewals	1,000,000	1,000,000	1,100,000	1,100,000	1,100,000	1,100,000
Gravel Roads & Street Drainage Maintenance-Ops	215,000	215,000	215,000	215,000	215,000	215,000
Other Road Related Works	2,000,000	2,000,000	1,500,000	1,500,000	1,500,000	1,500,000
Street Recapitalization	18,450,000	18,450,000	18,600,000	18,600,000	18,725,000	18,725,000
Roads & Streets Total	24,865,000	24,365,000	26,415,000	25,165,000	26,290,000	25,165,000
Sidewalks, Curbs & Gutters						
Service Improvements						
New Sidewalks	2,000,000	1,000,000	2,500,000	1,250,000	2,500,000	1,250,000
State of Good Repair						
Sidewalk Renewals	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Sidewalks, Curbs & Gutters Total	4,500,000	3,500,000	5,000,000	3,750,000	5,000,000	3,750,000

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Row Labels	2013		2014		2015	
	Gross	Net	Gross	Net	Gross	Net
Solid Waste						
Growth						
Additional Green Carts for New Residents	435,000	-	435,000	-	435,000	-
State of Good Repair						
Biolac System Hwy 101 Landfill	310,000	-			30,000	-
Burner Installation Hwy101 Lndfill					18,595,000	-
Cell 7 Construction - Otter Lake			360,000	-		
Dredging of Siltation Pond						
Environment Monitoring Site Work 101 Landfill	450,000	-				
Half Closure Cell 6 - Otter Lake	3,960,000	-	1,400,000	-	4,862,000	-
Half Closure of Cell 5 -Otter Lake	1,600,000	-	1,000,000	-	850,000	-
Otter Lake Equipment					250,000	-
Refuse Trailers Rural Depots						
Solid Waste Total	6,755,000	-	3,195,000	-	25,022,000	-

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Row Labels	2013		2014		2015	
	Gross	Net	Gross	Net	Gross	Net
Traffic Improvements						
Growth						
Functional Transportation Plans	100,000	100,000	100,000	100,000	100,000	100,000
Road Corridor Land Acquisition	280,000	280,000	250,000	250,000	200,000	200,000
Road Network Model	750,000	750,000	100,000	100,000		
Roadway Oversizing - Bedford West CCC	2,000,000	660,000				
Traffic Studies	100,000	100,000			100,000	100,000
Service Improvements						
Active Transportation Plan Implementation	1,000,000	1,000,000	1,000,000	1,000,000	1,200,000	1,200,000
Herring Cove Road Widening					200,000	200,000
Intersection Improvement Program	1,800,000	1,800,000	700,000	700,000	2,900,000	2,900,000
LED Conversion of HRM Streetlights	7,300,000	-	3,310,000	-	3,310,000	-
MacLennan Drive					200,000	200,000
Margeson Drive	2,580,000	-	2,350,000	2,350,000		
Margeson Drive Interchange	200,000	200,000	1,000,000	1,000,000	1,000,000	1,000,000
North Park Corridor Improvements			1,500,000	1,500,000		
Overhead Wiring Conversion	600,000	600,000	600,000	600,000	750,000	750,000
Traffic Signal Installation	1,200,000	1,200,000	1,000,000	1,000,000		
Traffic Signal System Integration	240,000	240,000			3,700,000	3,700,000
Transit Corridor	200,000	200,000	200,000	200,000	200,000	200,000
Transportation Demand Management Program						
State of Good Repair						
Controller Cabinet and Detection Program	400,000	400,000	400,000	400,000	500,000	500,000
Street Lighting	226,000	226,000	206,000	206,000	220,000	220,000
Traffic Signal Rehabilitation	600,000	600,000	280,000	280,000	650,000	650,000
Traffic Signal Relamping Program	170,000	170,000				
Variable Messaging Signs	1,000,000	1,000,000				
Traffic Improvements Total	20,746,000	9,526,000	12,996,000	9,686,000	15,230,000	11,920,000
Grand Total	129,635,000	75,985,000	123,243,000	82,095,000	145,371,000	85,284,000

* Highlighted projects represent programmed projects that require additional study and analysis before they can be implemented, or which may be impacted by operational reviews currently underway.

Reserves Summary 2013/14

Reserve Name	Project Type	Description	Project #	Gross	Reserves	Net
Q101	Service Improvements	Downtown Streetscapes	CDX01182	2,285,000	2,285,000	-
	State of Good Repair	Environmental Remedtn/Bldg Demolition	CBX01162	200,000	200,000	-
		Former CA Becket School Soil Remediation	CBU01004	50,000	50,000	-
Q101 Total				2,535,000	2,535,000	-
Q107	Growth	Park Land Acquisition	CPX01149	500,000	500,000	-
Q107 Total				500,000	500,000	-
Q119	State of Good Repair	Biolac System Hwy 101 Landfill	CWU01064	310,000	310,000	-
		Environment Monitoring Site Work 101 Landfill	CWU01353	450,000	450,000	-
Q119 Total				760,000	760,000	-
Q120	State of Good Repair	Half Closure of Cell 5 -Otter Lake	CWU01361	3,960,000	3,960,000	-
Q120 Total				3,960,000	3,960,000	-
Q121	Growth	Burnside & City of Lakes Development	CQ300741	22,000,000	12,000,000	-
		Development Consulting	CQ300746	50,000	50,000	-
	State of Good Repair	Park sign renewal & Maintenance	CQ300745	25,000	25,000	-
Q121 Total				22,075,000	12,075,000	-
Q123	Growth	Additional Green Carts for New Residents	CW000001	435,000	435,000	-
	State of Good Repair	Otter Lake Equipment	CW000002	1,600,000	1,600,000	-
Q123 Total				2,035,000	2,035,000	-
Q125	State of Good Repair	Metropark Upgrades	CBX01140	87,000	87,000	-
Q125 Total				87,000	87,000	-
Q126	Service Improvements	Bedford Community Centre	CBX01334	4,150,000	1,960,000	-
		Margeson Drive Interchange	CTX01111	2,580,000	2,580,000	-
Q126 Total				6,730,000	4,540,000	-
Q129	Service Improvements	New Conventional Ferry	CMX01123	6,000,000	6,000,000	-
Q129 Total				6,000,000	6,000,000	-
Q131	State of Good Repair	Emission Reduction - Public Transit Buses	CTI00695	867,000	867,000	-
		Energy Efficiency Projects	CBX01161	500,000	500,000	-
Q131 Total				1,367,000	1,367,000	-
Q135	State of Good Repair	Alderney Gate Recapitalization(Bundle)	CBX01157	995,000	995,000	-
Q135 Total				995,000	995,000	-
Q206	Service Improvements	Opticom Signalization System	CEJ01220	80,000	80,000	-
Q206 Total				80,000	80,000	-
Q312	Service Improvements	Cultural Structures and Places	CD990003	500,000	500,000	-
Q312 Total				500,000	500,000	-
Q315	Service Improvements	Civic Events Equipment	CD990002	50,000	50,000	-
Q315 Total				50,000	50,000	-
Q321	Service Improvements	Computer Aided Dispatch (CAD)	CIP00763	750,000	750,000	-
	State of Good Repair	ICT Infrastructure Recapitalization	CI000004	1,175,000	520,000	655,000
		Service Desk System Replacement	CI990002	100,000	100,000	-
		Trunk Mobile Radios - TMR	CID01362	500,000	500,000	-
Q321 Total				2,525,000	1,870,000	655,000
New	Service Improvements	LED Conversion of HRM Streetlights	CT000005	7,300,000	7,300,000	-
New Total				7,300,000	7,300,000	-
Grand Total				57,499,000	44,654,000	655,000

Advanced Capital Approvals

The following projects form part of the Proposed 2013/14 Capital Budget. All projects are included in Year 2 of the Capital Plan, as shown in the 2012/13 Capital Budget.

Project Number	Project Name	Budget Category	Year 2 of the 2012/13 Budget	Advanced Request
CVD00434	Conventional Bus Expansion	Metro Transit	5,075,000	5,075,000
CVD00435	Conventional Bus Replacement	Metro Transit	3,545,000	3,545,000
CBX01046	Halifax City Hall Stone Restoration	Buildings	1,500,000	1,500,000
CVD00436	Biennial Ferry Refit	Metro Transit	750,000	260,000
CTU01086	Intersection Improvements	Traffic Improvements	3,000,000	900,000
CTU00419	Traffic Signal Rehabilitation	Traffic Improvements	780,000	300,000
CR000001	Storm Sewer Upgrades	Roads and Streets	200,000	100,000
CRU01077	Bridges	Roads and Streets	1,500,000	750,000
CRU01079	Other Road Related Works	Roads and Streets	1,000,000	500,000
CRU01241	Gravel Roads & Street Drainage Maintenance-Ops	Roads and Streets	215,000	107,500
CYU01076	Curb Renewals	Roads and Streets	1,000,000	500,000
CYX01345	Street Recapitalization	Roads and Streets	15,002,000	7,501,000
CKU01084	Sidewalk Renewals	Sidewalks, Curbs & Gutters	2,000,000	1,000,000
CWU01354	Otter Lake Equipment	Solid Waste	2,100,000	600,000
CB000002	Multi District Facilities-Upgrades (Bundle)	Buildings	3,250,000	150,000
CB000010	Regional Park Washrooms	Buildings	250,000	120,000
CBX01272	Roof (Category 3)	Buildings	1,910,000	100,000
CDG00493	Shubenacadie Canal Comm/Canal Greenway	Parks and Playgrounds	800,000	300,000
CP000002	Park Assets - State of Good Repair	Parks and Playgrounds	1,150,000	380,000
CP000003	Sports Fields/Courts - State of Good Repair	Parks and Playgrounds	685,000	150,000
CPX01331	Regional Water Access/ Beach Upgrades	Parks and Playgrounds	525,000	260,000
CP990001	Street Trees	Parks and Playgrounds	425,000	210,000
Total			46,662,000	24,308,500

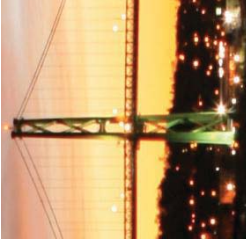
Planning and Infrastructure

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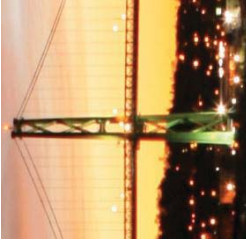
Audit and Finance Committee
2013/14 – 2015/16
Draft Capital Budget

| January 30, 2013



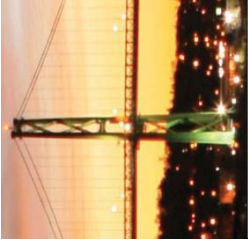
Budget Schedule

Milestone	Audit and Finance Committee Meeting
Revenue Targets	December 19
Debt & Reserve and Project Budget	January 16
Transit	January 30
TPW	February 13
P&I, Library, FICT, CAO, Legal, HR, AG	February 27
March Break	March 11 - 15
CRS, Fire, Police (HRP/RCMP)	March 20
Return if required	April 3
Consolidated Entities and Fiscal	April 17
Full Review of Budget	April 24
Table at Regional Council April 30	



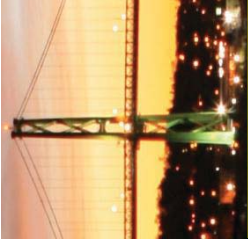
Detailed Milestones

Business Unit	To Exec	Scrum	To Clerk	To A&F
Transit	Jan 18	Jan 21	Jan 23	January 30
TPW	Feb 1	Feb 4	Feb 6	February 13
P&I, Library, FICT, CAO, Legal, HR, AG	Feb 15	Feb 18	Feb 20	February 27
March Break March 11 - 15				
CRS, Fire, Police (HRP/RCMP)	March 8	March 11	March 13	March 20
Return if required	March 22	March 25	March 27	April 3
Consolidated Entities and Fiscal	April 5	April 8	April 10	April 17
Full Review of Budget	April 12	April 15	April 17	April 24
Table at Regional Council April 30 ??				



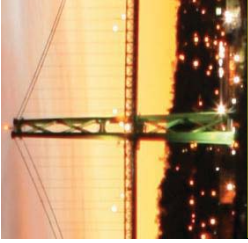
Background

- 10 year Capital Planning
 - 3 year capital budget
 - 7 year capital outlook
- 3 year budget is the subject of this report
- 7 year capital outlook will be finalized in the coming weeks



Background

- **Introduction**
 - \$5 billion worth of assets to manage, includes 278 buildings, 1,780 km of roads, 1,200 vehicles, and 793 parks.
 - Condition of infrastructure and assets effects quality of services, future prosperity, economic competitiveness, public safety, and quality of life.
 - Past deferred maintenance has caused asset condition to decline.
 - Focussing on State of Good Repair in recent years has stabilized the condition of assets.



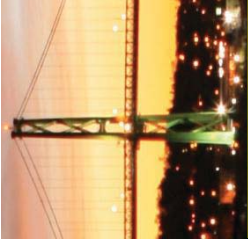
Key Challenges

Sustaining infrastructure requires discipline.

- Most municipal assets have long lives so it is important to invest in the right assets at the right time.
- Tactical interventions are made to prolong the life of assets in fair or good condition before more expensive repairs are needed.
- Assets in poor condition are addressed over time.

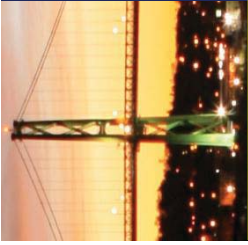
Growing and getting better

- New assets to improve and expand services to the public, a portion of which are needed to accommodate new residents and businesses.
- Strategic investments to meet the outcomes of the Regional Plan.



Budget Categories

- **Buildings** includes arenas, pools, community facilities, fire stations, libraries and offices.
- **Business Tools** includes Communication and Technology Projects
- **Community Development** includes planning studies, public art, and cultural projects
- **Equipment & Fleet** includes all non-transit fleet such as fire trucks, police cars, heavy equipment and general fleet
- **Industrial Parks**
- **Metro Transit**
- **Parks and Playgrounds** includes sports fields, sports courts, trails, and beaches
- **Transportation** includes roads, sidewalks, bridges, traffic signals, and active transportation
- **Solid Waste Resources**

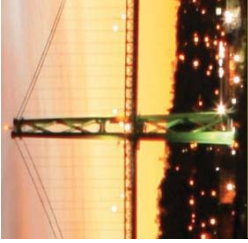


Capital Budget Definitions

State of Good Repair projects that maintain assets in a condition that support the level of service for which the public is willing to pay. Includes maintenance, renewal, and replacement. In 2009, Regional Council approved a policy objective to fund all renewal and replacement either “pay as you go” from operating sources, or from replacement reserves.

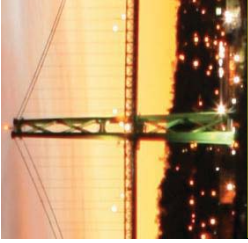
Service Improvements projects increase a level of service or expand a service to existing residents and businesses.

Growth Projects provide services to new residents or businesses.



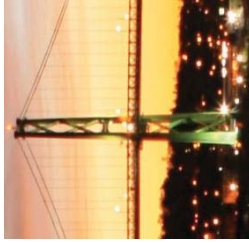
Approach to Capital Budget

- **Maintain level of funding to keep assets in a State of Good Repair**
- **Priority given to Life/Safety/code compliance investments and projects that lower operating costs**
- **Aggressively program unspent or uncommitted capital to reduce pressure in future years**



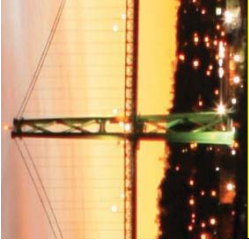
Capital Budget Successes

- **Asset condition is being maintained**
- **Development of Burnside Phase 12**
 - Bridge financing required, but cost neutral
 - Debt Strategy does not apply
- **Active Transportation Plan implementation**
- **Advanced Capital**

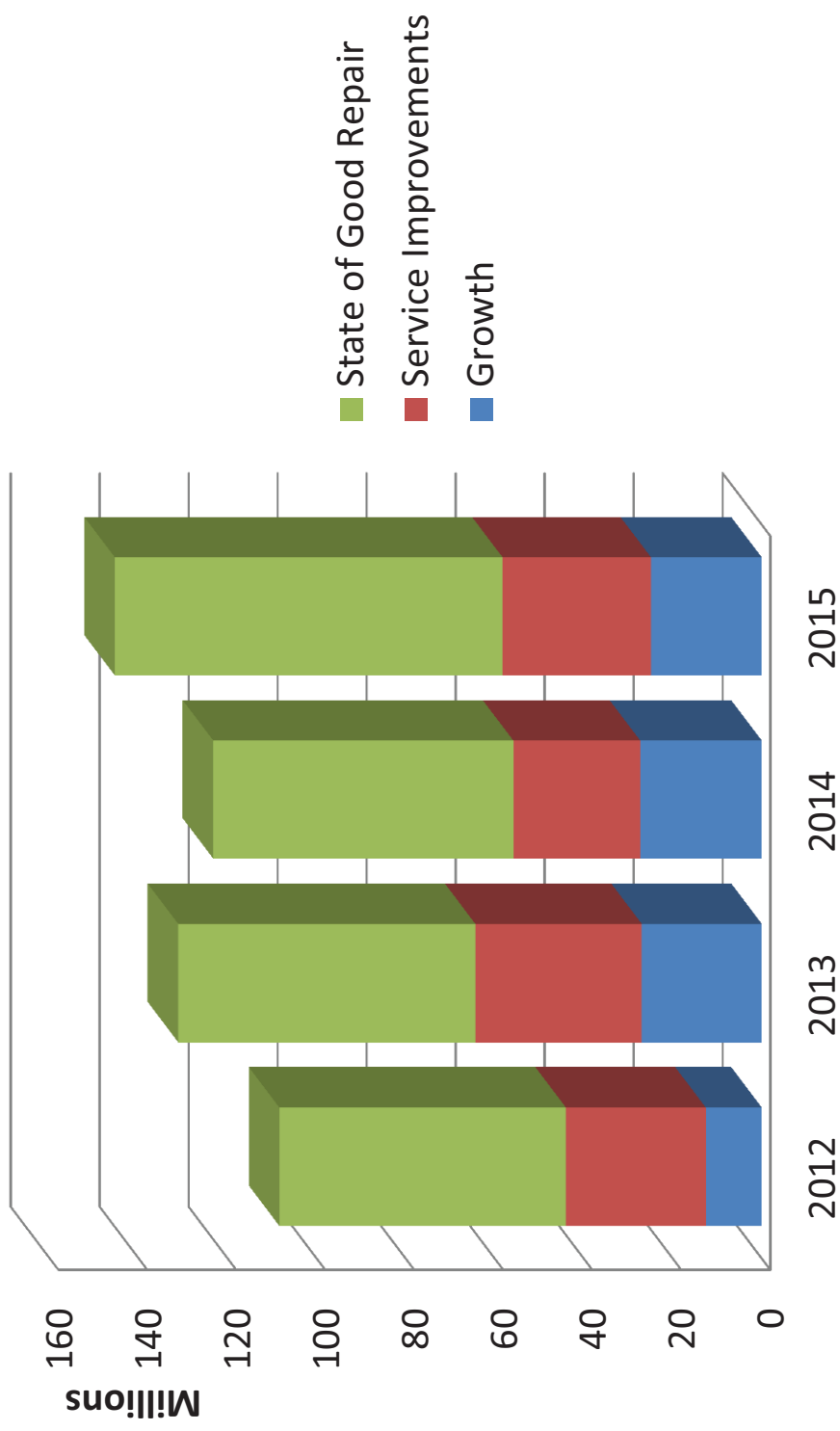


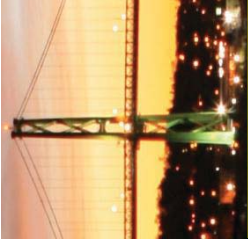
Strategic Priorities to be Developed in 2014-15

- **Long term arena strategy**
- **Cogswell Street Interchange**
- **Downtown “Streetscape”
Improvements**



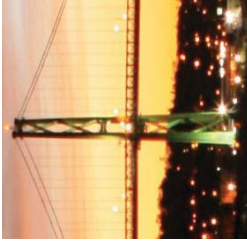
Capital Budget Overview



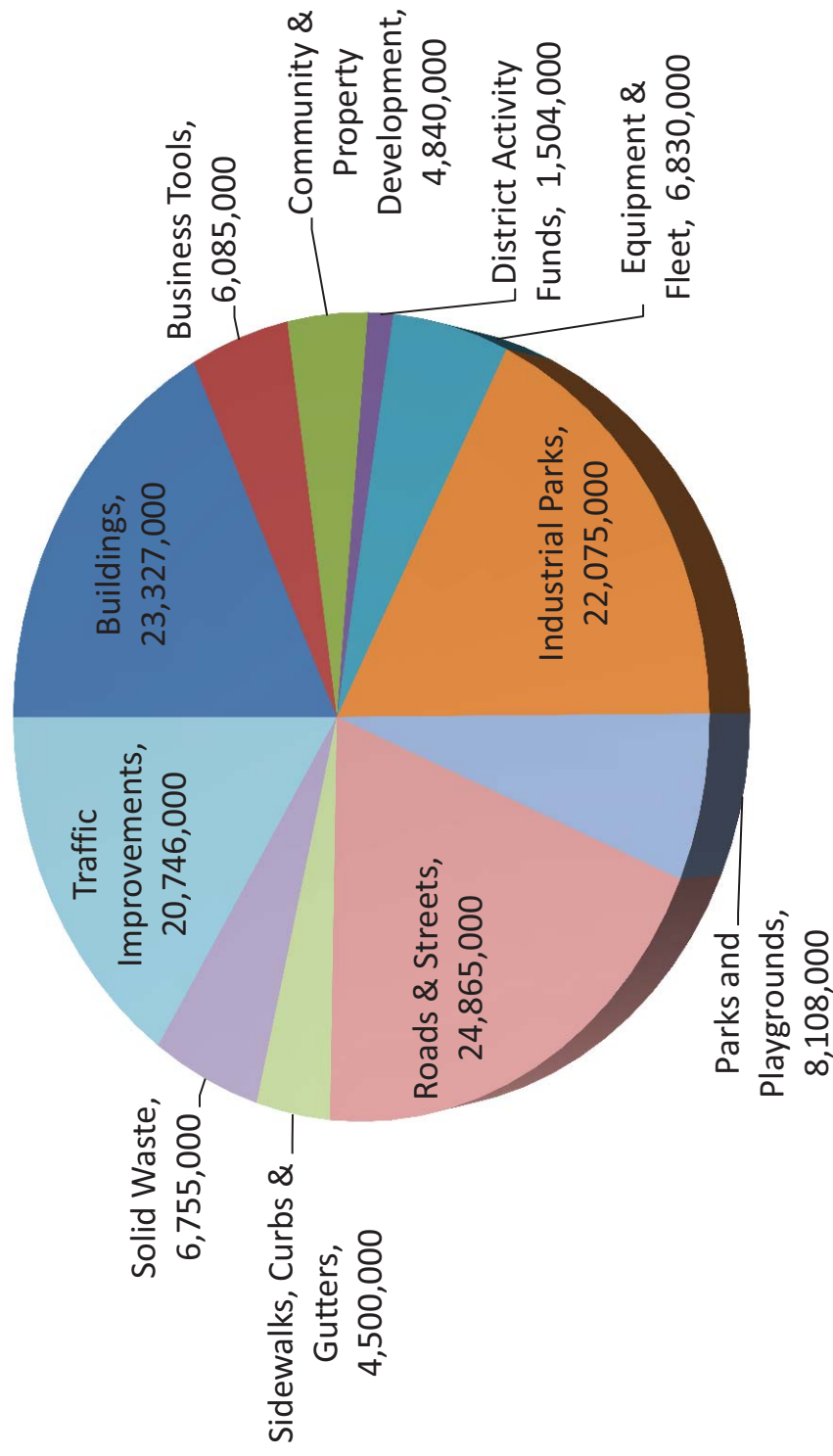


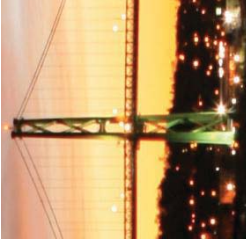
Capital Budget Overview

Gross Budget (in thousands)	12/13 Budget	13/14 Budget	14/15 Budget	15/16 Budget
State of Good Repair	64,398	65,285	67,432	87,152
Service Improvement	31,408	37,380	28,494	33,339
Growth	12,592	26,970	27,317	24,880
Total	108,398	129,635	123,243	145,371



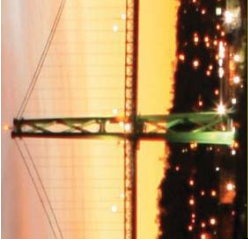
2013/14 Capital Budget Overview





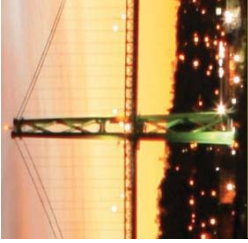
Capital Budget Overview

Gross Budget (in thousands)	12/13 Budget	13/14 Budget	14/15 Budget	15/16 Budget
Buildings	26,840	23,327	25,741	26,385
Business Tools	3,040	6,085	3,380	3,000
Community Development	2,350	4,840	5,595	4,385
District Activity Funds	1,496	1,504	1,504	1,504
Equipment and Fleet	10,859	6,830	8,410	8,760
Industrial Parks	10,150	22,075	23,787	22,075
Parks and Playgrounds	7,660	8,108	7,220	7,720
Roads & Streets	26,090	24,865	26,415	26,290
Sidewalks, Curbs & Gutters	4,500	4,500	5,000	5,000
Solid Waste	6,814	6,755	3,195	25,022
Traffic Improvements	8,599	20,746	12,996	15,230
Total	108,398	129,635	123,243	145,371



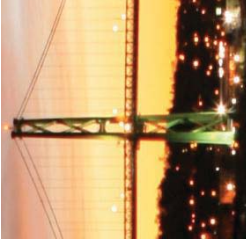
State of Good Repair

Gross Budget(in thousands)	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget
Buildings	19,240	16,577	22,391	19,335
Business Tools	490	3,150	2,655	2,545
Equipment & Fleet	9,684	6,300	8,330	8,280
Industrial Parks	50	25	25	25
Parks and Playgrounds	3,345	3,852	3,970	4,470
Roads & Streets	21,960	24,165	23,915	24,040
Sidewalks, Curbs & Gutters	2,000	2,500	2,500	2,500
Solid Waste	6,429	6,320	2,760	24,587
Traffic Improvements	1,200	2,396	886	1,370
Total	64,398	65,285	67,432	87,152



Service Improvements

Gross Budget(in thousands)	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget
Buildings	7,600	6,400	1,850	5,650
Business Tools	2,550	2,935	725	455
Community & Property Development	1,900	4,435	4,925	4,290
District Activity Funds	1,496	1,504	1,504	1,504
Equipment & Fleet	1,175	530	80	480
Parks and Playgrounds	3,815	3,756	2,750	2,750
Roads & Streets	4,130	700	2,500	2,250
Sidewalks, Curbs & Gutters	2,500	2,000	2,500	2,500
Traffic Improvements	6,242	15,120	11,660	13,460
Total	31,408	37,380	28,494	33,339



Growth

Gross Budget (in thousands)	2012/13 Budget	2013/14 Budget	2014/15 Budget	2015/16 Budget
Buildings	-	350	1,500	1,400
Community & Property Development	450	405	670	95
Industrial Parks	10,100	22,050	23,762	22,050
Parks and Playgrounds	500	500	500	500
Solid Waste	385	435	435	435
Traffic Improvements	1,157	3,230	450	400
Total	12,592	26,970	27,317	24,880



Questions and Discussion

Draft Capital Budget

January 16, 2013