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Halifax Regional Council  
October 31, 2006

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
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Dan English, Chief Administrative Officer

  
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Geri Kaiser, Deputy Chief Administrative Officer

**DATE:** October 26, 2006

**SUBJECT:** Proposed Advanced Funding Approval for the 2007/08 Capital Budget

**ORIGIN**

This report originates from staff.

**RECOMMENDATION**

1. It is recommended that Halifax Regional Council provide advanced funding approval of the proposed 2007/08 Capital Budget as follows (details in Schedule A):

Buildings	\$ 127,000
Roads, Streets, and Sidewalks	\$ 9,926,000
Sidewalks, Curbs and Gutters	\$ 2,240,000
Parks and Playgrounds	\$ 315,000
Stormwater and Wastewater	\$ 2,050,000
Traffic Improvements	\$ 1,330,000
Metro Transit	\$ 3,547,000

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2. It is also recommended that the Halifax Regional Council provide advanced funding approval for the additional funding required for (details in Schedule B):

Buildings	\$ 1,212,000
Stormwater and Wastewater	\$14,200,000

3. Close capital project CB30062 (New Penhorn Fire Station) transferring unused funds to Crespool: \$ 712,169

**BACKGROUND**

Early approval of selected projects within the proposed Capital Budget is a desirable goal of staff to ensure an earlier start on project implementation as it relates to design, land acquisitions where required, and utility and regulatory approvals - all of which translates into a more timely tendering of projects and real cost savings.

**DISCUSSION**

**Advanced Capital Project Listing (Schedule A):**

The timing of the approval of HRM's Capital Budget - generally March/April, reduces staff's ability to take advantage of early year tendering of projects. This is significant for three reasons:

1. Being able to take advantage of lower tendered prices from contractors which historically is the case with those projects tendered in the early period of the year and results in financial savings.
2. Being able to take advantage of the full summer construction period each year to implement projects which are sensitive to time and weather, such as those of an environmental nature requiring the dry summer season of the year or those within school zone areas where implementation and completion become desirable during the summer school break.
3. Being able to tender projects which require a lengthy lead time to order equipment that will significantly delay the construction or implementation of services.

Staff's proposal for advanced funding approval of a portion of the proposed 2007/08 Capital Budget is similar to the same practice that is in place with the Provincial level of government.

Metro Transit's request is to pre-order a portion of next year's bus order to help address some of the service issues relating to an unprecedented growth in transit ridership. Other projects to be considered for this advanced approval would be those of a regular repair or rehabilitation nature. The projects listed on the attached Schedule "A" fall into this category.

This includes projects that are:

- of a high priority nature based on existing infrastructure conditions;
- critical due to the timing and coordination with other capital projects; and,
- are of a seasonal nature making early construction advantageous.

Advanced funding requests for each budget category (with the exception of Storm and Wastewater projects) represent no more than 50% of the capacity funding approved in principle as part of the 2007-08 Capital Plan. This constraint recognises the need to maintain flexibility in the capital budgeting process to ensure Council priorities identified in the Council Focus Area discussions are addressed.

All projects listed on the attached Schedule "A" are presently included in year 2 of the Approved 2006/07 Capital Budget and 2007/08 and 2008/09 Capital Plan. The normal public tendering process followed with Council's approval of the contract award will still apply.

**Additional Funding Approval Amount Requested (Schedule B):**

Staff has five projects on the proposed Schedule B Additional Capital Budget Requirements for 2007/08 that were approved in the 2006/07 and prior Capital Budgets, but do not have sufficient funding approved in year 2 of the Approved Capital Plan. These projects now require additional funding to ensure completion of the projects. All are ready to be completed or re-tendered quickly, which makes them good candidates for the Advanced Funding List.

Included in Schedule B is additional funding for the Zone 4 fire station. This funding is required to ensure the fire station has sufficient funding to move forward in conjunction with the recreation facility that it is joined to. This project was initially budgeted at \$2.1 million (based on a Class D estimate) but as cost estimates clarified, the project costs have risen to \$3.3 million. The difference between the initial estimate and the revised estimate relates to a clearer comprehension of the size and complexity of the building and site conditions. Significant cost increases include the site costs - partly the result of the unserviced site, as well as, the escalation of construction costs, in general, since the inception of the project in 1999. The building is also being designed to reduce its long term maintenance and operation costs. It is proposed that the \$712,169 currently assigned to capital project CB30062 (New Penhorn Fire Station) be redirected towards the Zone 4 Fire Station. More study is required as to the location of the new fire station for the Dartmouth East region. What is clear at this time, is that a new station at Penhorn is not required. The timing of this project is at least 2 years in the future. Subject to approval of funding through Advanced Capital, the Zone 4 fire station project can be tendered, subject to confirmation of the MRIF funding for the attached recreation centre.

Also included in Schedule B are 6 new projects that to date have not been granted funding from Council. While such projects would normally not be included in an advanced funding request, these projects all include significant potential liability and hence are all high priority. Because these projects were not included in the 2007/08 Capital Plan, approval of the Advanced Funding projects as listed in Schedule B will likely mean that some projects that were planned for in 2007/08 will not be able to be completed under current funding levels. Staff will revisit the status of these projects as part of the 2007/08 Proposed Capital Budget.

**BUDGET IMPLICATIONS**

The requested advanced funding amounts totalling \$ 34,235,000 would be the first charges against the upcoming 2007/08 Capital Budget. All projects are funded through debt, capital from operating, or other broadly available funding sources except for Storm and Wastewater projects, which may be funded from the appropriate reserve. Funding and total amounts may be adjusted as part of the proposed 2007/08 Capital Budget. Finance is limiting the amount of Advanced Capital for 2007/08 to maintain some flexibility and capacity to address any realignment of the capital budget as a result of Council Focus Area discussions.

**FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

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

**ALTERNATIVE**

Delay the recommendations and defer to the approval of the 2007/08 Capital Budget in Spring 2007.

**ATTACHMENTS**

Advanced Capital Project Listing Schedule "A"  
Additional Capital Budget Requirements 2007/08 Schedule "B"

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by:

  
Cathie O'Toole, CGA, Acting Director, Financial Services 490-6308

## Schedule "A"

### Advanced Capital Budget Listing 2007/08

The following project listing forms part of the Proposed 2007/08 Capital Budget for Transportation and Public Works, Environmental Management Services, Fire and Emergency Services and Halifax Regional Library.

<u>Buildings</u>	<u>Estimate</u>
Regional Library - Facilities Upgrades (CB300860)	\$ 30,000
Transit Facilities Upgrade (CB300862)	\$ 97,000
<b>Subtotal Buildings</b>	<b>\$ 127,000</b>

<u>Roads and Streets</u>	<u>District</u>	<u>Estimate</u>
Curb Renewals (CRU00683)		\$ 426,000
Nightingale Dr (Civic 39 to end of loop)	16	
Sunnyvale Crt (Sunnyvale to End)	19	
Ford St (Main to Vimy)	15	
Eisener St (Greenwood Dr to Brentwood Ave)	22	
Bridge Repairs - various locations (CRU00684)		\$500,000
Other Related Roadworks (D&C) (CRU00701)		\$500,000
Sewer Videos	\$ 50,000	
Retaining Wall Renewal	\$200,000	
Guide Rail Renewal	\$100,000	
Asphalt and Specification Review	\$150,000	
New Paving Streets inside Core Area (CXU00715)		\$550,000
Paving renewal Program (CYU00784)		\$ 2,917,000
Alton Dr (Kelly to Stonehaven)	17	
Beaumont Dr (Zinck Ave to Skyridge Ave)	20	
Randall Ave (Gordon Ave to Cul-de-sac)	15	
Gordon Ave (Randall Ave to Gebhardt)	15	
South St (Studley to Oxford)	13	
Shore Dr (Fort Sackville to Wardour St)	21	
Old Oakes Dr (Palmer to End)	2	
Spar Crescent (Topsail to Topsail)	7	
Smokey Dr (Glendale to Civic 59)	19	
Spring Ave (Mt Edward Rd to Bellevista Dr)	6	
Resurfacing (CZU00782)		\$ 5,033,000
Eisener St (Greenwood Dr to Brentwood Ave)	22	
Main St (Bridadoon Ave to Ridegecrest Dr)	6	
Nightingale Dr (Flamingo to Loop)	16	
King St (Portland to Alderney)	5	
Scot St (Joseph Howe to Desmond)	15	
Desmond Ave (Bayers Rd to Scot St)	15	
Lakelands Blvd (N) (Chain Lake Dr to Trunk 3)	10	
Lakelands Blvd (S) (Trunk 3 to Chain Lake Dr)	10	
Connaught Ave (S) (Chebucto to Third)	14	

Connaught Ave (N) (Third to Chebucto)	14
Flamingo Dr (Bedford Hwy to Swallow)	16
Dunback St (Radcliffe to Knightsridge)	16
South Park St (Inglis to South St)	13
Brunswick St (Sackville to Spring Garden Rd)	12
Barrington St (Spring Garden Rd to Morris St)	12
Robie St (Jubilee Rd to Quinpool Rd)	12
Roxton rd (robie St to Bellevue)	13
High St (Leeds St to Robie St)	11
Beaverbank Rd (Noria to Millwood)	19
Micro Surfacing (various locations)	\$800,000
Thin Overlays (various locations)	\$800,000
Crack Sealing (various locations)	\$100,000

**Subtotal Roads and Streets** \$9,926,000

**Sidewalks, Curbs and Gutters**

	<b>District</b>	<b>Estimate</b>
New Sidewalks (CJU00785)		\$1,145,000
St Margarets Bay Rd (Douglas to Keating)	17	
Cow Bay Rd (Civic 513 to Samuel Daniel Dr)	8	
Shore Dr (Fort Sackville to Wardour St)	21	
Smokey Drive (Civic 52 to Glendale)	19	
Sidewalk Renewals (CKU00783)		\$1,095,000
Tulip St (N) (Pine St to Maple St)	5	
Tulip St (S) (Pine St to Maple St)	5	
View St (N) (Murray Hill Dr to Hyland)	5	
Rockwood Ave (S) (Victoria Rd to End)	9	
High St (E) (Leeds to Robie)	11	
High St (W) (Leeds to Robie)	11	
Windmill Rd (W) (Jamieson to Grove)	9	
Deal St (E) (Dutch Village to Dutch Village)	15	
Walnut St (W) (Jubilee to Watt)	13	
Walnut St (E) (Cedar to Jubilee)	13	
Lucknow St (E) (Victoria to Inglis)	13	
Slayter St (W) (Cherry to Frances)	9	
Henry St (E) (Bliss to Coburg)	13	
Jubilee Rd. (S) (Henry to Vernon)	13	

**Subtotal Sidewalks, Curbs and Gutters** \$2,240,000

**Parks and Playgrounds**

	<b>District</b>	<b>Estimate</b>
Playground Upgrades and Replacements (CB300850)		\$ 90,000
Col John Stewart School	4	
St Catherine's School	11	
Upper Hammonds Plains School	23	
New Playground Development (CP300846)		\$ 85,000
Park West School	10	
Oyster Pond Academy	1	
Miller Lake West Perron Dr.	2	
Regional Park Washroom Facilities (Cole Harbour Commons)		\$ 30,000
Skateboarding Facilities - Halifax Common		\$ 30,000
New Ball Field Development	2	\$ 30,000
Point Pleasant Park Upgrades		\$ 25,000

Walkways - HRM Wide	\$ 25,000
<b>Subtotal Parks and Playgrounds</b>	<b>\$ 315,000</b>

**Stormwater and Wastewater**

	<b>District</b>	<b>Estimate</b>
Street Drainage Systems - various locations (CGI00617)		\$ 50,000
Sewer Lateral Replacements (CGU00461)		\$ 200,000
Eastern Passage WPCP Expansion ((CGI00614)	8	\$ 650,000
Ellenvale Run- Drainage Improvements (CGI00615)*	4/7	\$ 650,000
Greenhead Rd PS (CGU00688)	22	\$ 50,000
Aerotech Lagoon Decommissioning (CGU00690)	2	\$ 100,000
Storm and Wastewater Remediation (CSI00875)		\$ 350,000
<b>Subtotal for Stormwater and Wastewater</b>		<b>\$2,050,000</b>

**Traffic Improvements**

	<b>Estimate</b>
Controller Cabinet Replacement Program (CTU00337)	\$ 100,000
Traffic Signal Rehabilitation Program (CTU00419)	\$ 150,000
Bikeway Master Plan (CTU00420)	\$ 100,000
Traffic Signal Compliance Program (CTU00422)	\$ 150,000
Traffic Signal Installation (CTU00561)	\$ 330,000
Intersection Improvement Projects (CTR00905)	\$ 500,000
<b>Subtotal Traffic Improvements</b>	<b>\$1,330,000</b>

**Metro Transit**

Conventional Transit Bus Replacement	\$ 3,547,000
<b>Subtotal for Metro Transit</b>	<b>\$ 3,547,000</b>

\* Project CSU00615 to be funded from Sewer Reserve.

## Schedule "B"

### Additional Capital Budget Requirements 2007/08

#### Buildings

	Estimate	Funding
New Station - Zone 4 (CBJ00168) <sup>1</sup>	\$ 712,000	Crespool
New Station - Zone 4 (CBJ00168) <sup>1</sup>	\$ 500,000	Debt
<b>Total Additional Budget Requirement for Buildings</b>	<b>\$1,212,000</b>	

#### Stormwater and Wastewater District

	District	Estimate	Funding
Kearney Lake Road Twin Culverts (CSI00874) <sup>1</sup>	16	\$ 300,000	Debt
Port Wallace Sewer System (CGR00374) <sup>2, 7</sup>	6	\$ 2,500,000	CSIF
Service Extension to Lively Subdivision (CGI00786) <sup>3</sup>	19	\$ 6,250,000	LIC/CCC/MRIF
Uplands Park – Sanitary & Storm Sewer (CGU00575) <sup>4</sup>	23	\$ 500,000	Debt
<i>new projects</i>			
Nightingale Dr., Sanitary Sewer (CGI00914) <sup>5</sup>	16	\$ 400,000	Debt
Old Oakes Dr. - Drainage <sup>5</sup>	2	\$ 50,000	Debt
Rowe Ave/Scott St. - Sewer Separation <sup>5</sup>	15	\$ 200,000	Debt
Jamieson St. – Trunk Sewer (CGI00912) <sup>5</sup>	9	\$ 1,000,000	Sewer Reserve
Chandler Drive PS, Sackville (CGU00689) <sup>6</sup>	20	\$ 600,000	Sewer Reserve
Roach's Pond – Forcemain (CSR00803) <sup>6, 7</sup>	17	\$ 2,400,000	CSIF
<b>Subtotal Additional Budget Requirement for Storm &amp; Wastewater</b>		<b>\$14,200,000</b>	

<sup>1</sup> Additional funding required to complete project.

<sup>2</sup> An increase from the \$1,500,000 shown in the 2007-08 Capital Plan.

<sup>3</sup> An increase from \$3,800,000 in the 2007-08 Capital Plan. Proposed funding includes \$2,342,000 LIC; \$970,000 from CCC; \$60,000 from HRWC; and \$2,878,000 from MRIF.

<sup>4</sup> An increase from the \$200,000 shown in the 2007-08 Capital Plan.

<sup>5</sup> New project.

<sup>6</sup> Old projects requiring new funds not shown in the 2006 Budget or in the 2007-08 and 2008-09 Capital Plan.

<sup>7</sup> Projects funded by the Canadian Strategic Infrastructure Fund (CSIF) have received final approval from Infrastructure Canada. These projects will not move forward until funding allocations have been approved.