



# HALIFAX

## 5 Year Capital Budget

Operations Support  
Committee of the Whole  
December 2, 2015



# Capital Budget Highlights

- **Strong Fiscal position**
- **Debt continues to decline**
- **Moving forward with Strategic Capital Projects**
- **71.5% of funding dedicated to State of Good Repair**
- **Investing in Technology**
- **\$5 M more in Roads**



# Capital Program Overview

- **5-year Capital Plan**
  - 3 year capital budget
  - 2 year capital outlook
- **5-year Plan is the subject of this report**
- **Capital project recommendations follow Council priority areas**



# Key Considerations

## **Sustaining infrastructure – linking investment to programs**

- Investing in the right asset at the right time at the right level  
– targeted investment in assets that have a positive impact

## **Delivery of Regional Assets**

- Improved and expanded services to the public
- Resource impact of large complex assets

## **Operating Budget and Funding Strategies**

- Capital investments impact operating budgets – operating, maintaining, debt servicing
- Debt policies – capital from operating
- Critical to understand priorities and impacts



# Capital Budget Categories

**Buildings** : arenas, pools, community facilities, fire stations, libraries and offices

**Business Tools:** communication and technology projects

**Equipment & Fleet:** all non-transit fleet such as fire trucks, police cars, heavy equipment and general fleet

**Halifax Transit:** buses, technology, shelters, ferries

**Parks and Playgrounds** : sports fields, sports courts, trails, and beaches

**Transportation** :roads, sidewalks, bridges, traffic signals and active transportation

**Solid Waste Resources:** equipment, green bins, cell closures, reserves



# Capital Budget Definitions

## **State of Good Repair:**

- Projects that maintain assets in a condition that support the level of service that we have currently.
- Includes health and safety, 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.



# Capital Asset Stock

- **Over \$3.3 Billion worth of assets**
- **Replacement value over \$5 Billion**
  - 308 Buildings
  - 1,215 Parks and Playgrounds
  - 638 sport field / courts and ball fields
  - 1,800 KM's of Paved Roads
  - 920 KM's of Sidewalks
  - 222 KM's of trails
  - 82 Bridges
  - 1,200 Vehicles and 4 Ferries



# Capital Project Recommendations based on:

- **Projects that advance Council priority areas**
- **Life/Safety/Code Compliance**
- **State of Good Repair - target assets needed for program delivery**
- **Projects that lower operating costs**
- **Projects required to deliver expanded service**
- **Capacity to deliver – financial and human**





# Capital Program

## 2016-17 Capital

- **Total spending \$219.1 M**
- **Gross Spending \$186.2 M**
- **Net Spending \$97.3 M**
- **Over 200 Projects for 2016-17**
  - Largest project - 4 Pad
  - Smallest Project – Park renewal

**Three year capital budget total \$604.6 M**

**Two year outlook total \$265.1 M**



# 2016-17 Funding Sources

**Total Spending = \$219.1 M**

- **Reserve/ Strategic Capital Funding \$76.9 M**
- **Capital from Operating \$41.3 M**
- **Debt Financing \$29.0 M**
- **Cost sharing \$31.7 M**
- **Other \$7.3 M**
- **Projects underway \$32.9 M**



# Multi Year Funding Policies

- **Reduce Debt by 3% per year per household - current debt is \$ 256.3M, 6.1% of operating budget goes to fund debt**
- **Pay as you Go – capital from operating and reserves pay for the maintenance of existing assets**
- **Reserves – established for those assets where you know you will need to reinvest or to fund new initiatives**



# Strategic Capital Funding Policies

- **Strategic Capital Planned Projects**
  - Specific high value land dedicated as funding source
  - Number of existing reserves dedicated
- **Strategic Capital Potential Projects**
  - Specific high value land dedicated as funding sources
  - 1cent increase to tax rate
  - Approval to increase debt by \$100M



# 3 Year Investment by Council Priority Area

Council Priority Area (\$ millions)	2016-17 Budget	2017-18 Estimate	2018-19 Estimate	3 Year Total
Transportation – (Roads, Sidewalk Renewal, Halifax Transit, Fleet)	\$89.2	\$105.8	\$97.7	<b>\$292.7</b>
Healthy Communities – (AT, recreation, parks, accessibility)	\$66.5	\$80.7	\$40.9	<b>\$188.1</b>
Public Safety – (Fire, Police)	\$3.3	\$9.4	\$14.2	<b>\$26.9</b>
Economic Development	\$18.4	\$21.6	\$29.4	<b>\$69.4</b>
Administrative – (IT, Recap, District Funds)	\$8.8	\$10.5	\$8.2	<b>\$27.5</b>



# 3 Year Capital Budget Overview

Gross Budget (\$in millions)	15/16 Budget	16/17 Budget	17/18 Estimate	18/19 Estimate
State of Good Repair	\$93.2	\$133.2	\$97.8	\$82.6
Service Improvement	\$35.3	\$50.9	\$104.4	\$96.4
Growth	\$7.3	\$2.1	\$25.8	\$11.3
<b>Total</b>	<b>\$135.8</b>	<b>\$186.2</b>	<b>\$228.0</b>	<b>\$190.3</b>
Funding		Balanced	Funding Strategy	Funding Strategy

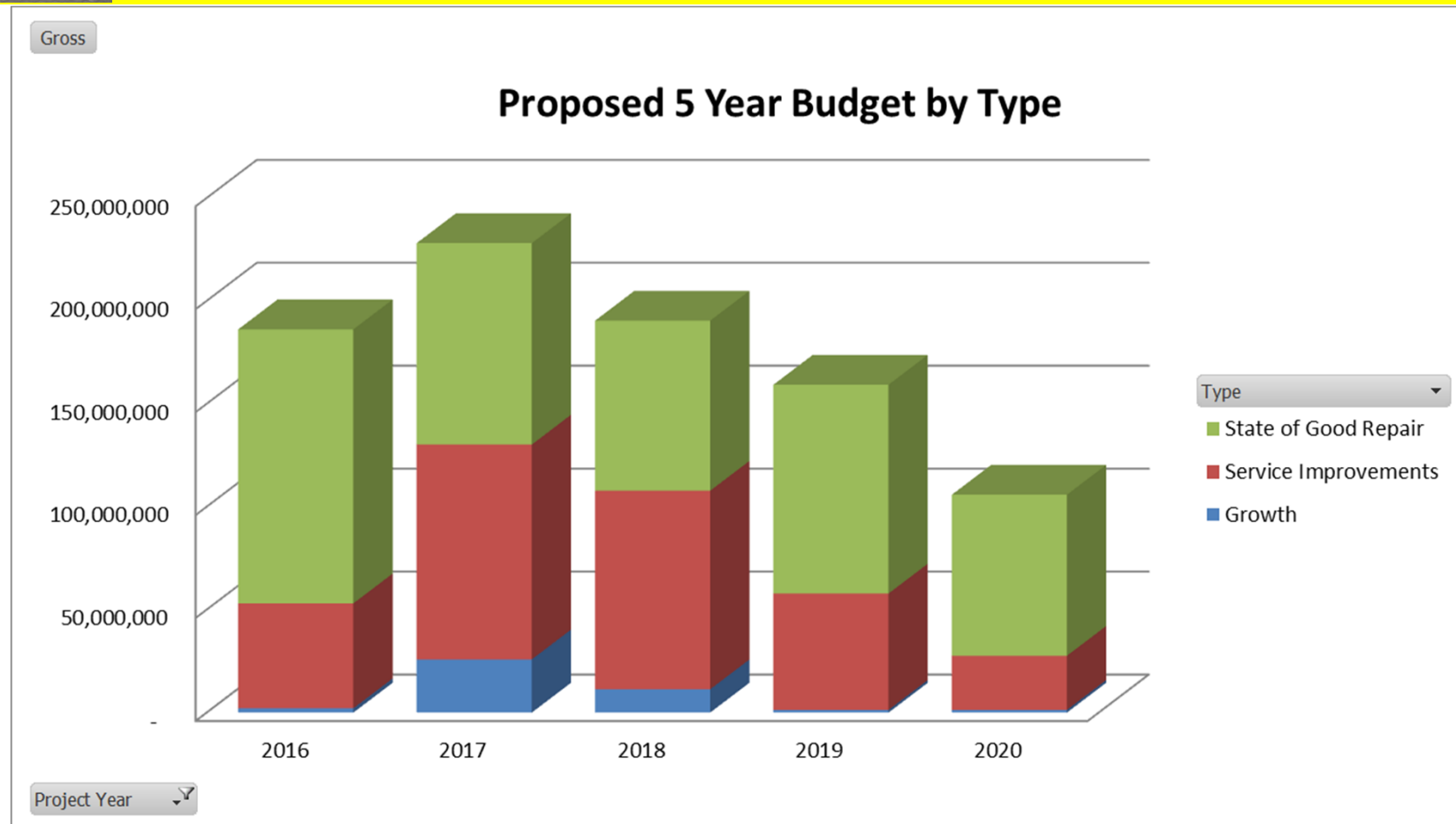


# Outlook for 2019-20 and 2020-21

Gross Project Type	Column Labels		
	2019	2020	Grand Total
<b>State of Good Repair</b>	<b>101,455,000</b>	<b>78,240,000</b>	<b>179,695,000</b>
Buildings	9,800,000	7,075,000	16,875,000
Business Tools	5,620,000	2,950,000	8,570,000
Equipment & Fleet	7,545,000	7,045,000	14,590,000
Halifax Transit	24,045,000	4,505,000	28,550,000
Parks & Playgrounds	3,650,000	3,400,000	7,050,000
Roads & Active Transportation	45,500,000	47,250,000	92,750,000
Solid Waste	2,750,000	3,570,000	6,320,000
Traffic Improvements	2,545,000	2,445,000	4,990,000
<b>Service Improvements</b>	<b>56,494,000</b>	<b>26,264,000</b>	<b>82,758,000</b>
Buildings	5,900,000	900,000	6,800,000
Business Tools	525,000	525,000	1,050,000
District Activity Funds	1,504,000	1,504,000	3,008,000
Equipment & Fleet	80,000	80,000	160,000
Halifax Transit	8,655,000	4,255,000	12,910,000
Parks & Playgrounds	50,000	50,000	100,000
Roads & Active Transportation	9,850,000	9,850,000	19,700,000
Solid Waste	-	-	-
Traffic Improvements	29,930,000	9,100,000	39,030,000
<b>Growth</b>	<b>1,335,000</b>	<b>1,335,000</b>	<b>2,670,000</b>
Buildings	-	-	-
Parks & Playgrounds	500,000	500,000	1,000,000
Solid Waste	735,000	735,000	1,470,000
Traffic Improvements	100,000	100,000	200,000
<b>Grand Total</b>	<b>159,284,000</b>	<b>105,839,000</b>	<b>265,123,000</b>



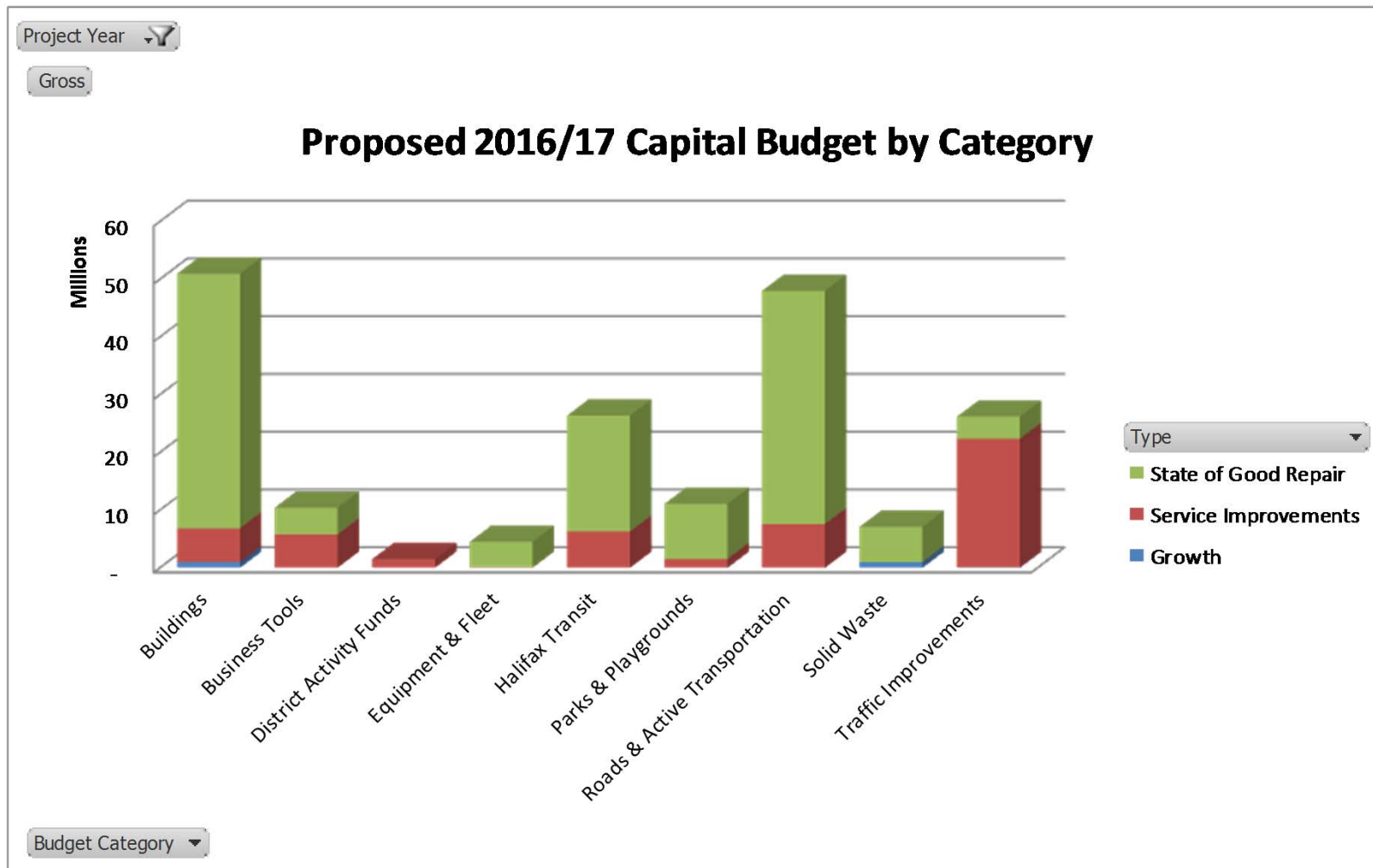
# Capital Budget by Type







# Capital Budget by Category





# 2016-17 Investments

## Buildings : \$51.0M

- Cole Harbour Place
- Building Recap
- Energy Efficiency – Eric Spicer
- Land for Fire Stations
- Dartmouth 4 Pad
- Dartmouth Sportsplex



# 2016-17 Investments

## Business Tools : \$10.4 M

- Enterprise Asset Management
- Corporate ePayment
- Permitting and Licensing
- Recreation Services
- Revenue Management Services
- Web Strategy



# 2016-17 Investments

## Equipment and Fleet : \$4.5 M

- Fire Equipment
- Police vehicles
- Municipal Fleet
- Heavy Equipment



# 2016-17 Investments

## Halifax Transit : \$26.4 M

- Technology
- Replacement Buses – conventional and MetroX
- Ferry Refit
- Bus Stop Accessibility



# 2016-17 Investments

## Parks and Playgrounds: \$11.1 M

- Cole Harbour Turf
- Fort Needham Master Plan
- Parks, Playgrounds SOGR – replace 30 playground structures
- Parks, Sport Courts Service Improvements – Mt. Edward Road Ballfield
- North West Arm Sea Wall
- Sports Fields SOGR – upgrades to Metropolitan Field



# 2016-17 Investments

## Roads, Streets and Active Transportation : \$48.0 M

- Street Recapitalization
- Bridges
- Road Operations SOGR
- Sidewalk Renewal
- Active Transportation – new sidewalks, community trails (HRTA), bike lanes



# 2016-17 Investments

## **Solid Waste : \$7.1 M**

- Composting Plant
- Half Closure Cell 6
- Otter Lake Equipment





# 2016-17 Investments

## Traffic Improvements : \$26.2 M

- Intersection Improvements
- LED Streetlights
- Traffic Signal Rehabilitation
- Downtown Streetscape

# Advanced Capital

Budget Category	Project Name	Project #	Proposed 16/17 Gross Budget	Advanced Request
Buildings	Halifax City Hall and Grand Parade Restoration	CBX01046	1,750,000	875,000
	Roof (Category 3)	CBX01272	245,000	125,000
	Scotiabank Centre	CB000028	3,620,000	1,810,000
Business Tools	Council Chambers Technology Upgrade	CI990019	290,000	290,000
	Recreation Services Software	CI000005	900,000	500,000
Halifax Transit	Conventional Bus Replacement	CV020004	12,545,000	12,545,000
	MetroX Bus Replacement	CM020002	4,725,000	4,725,000
Parks & Playgrounds	Cornwallis Park Master Plan Implementation Phase 1	CP000011	350,000	175,000
	Fort Needham Master Plan Implementation	CP000012	2,200,000	100,000
	Park Upgrades	CP000002	2,440,000	1,220,000
	Sports Fields/Courts - State of Good Repair	CP000003	230,000	115,000
	Sports/Ball Fields/Courts - New	CP000004	1,500,000	100,000
Roads & Active Transportation	Active Transportation - Strategic Projects	CTU00420	5,100,000	2,550,000
	Bridges	CRU01077	2,300,000	1,500,000
	New Paving Subdivision St's Provincial	CR990001	2,500,000	1,250,000
	Other Road Related Works	CRU01079	2,500,000	850,000
	Road Operations and Construction - State of Good Repair	CR990002	2,500,000	1,250,000
	Sidewalk Renewals	CKU01084	3,000,000	1,300,000
	Street Recapitalization	CR000005	30,100,000	15,000,000
	Traffic Improvements	Intersection Improvement Program	CTU01086	1,365,000
	Traffic Signal Rehabilitation	CTU00419	2,500,000	650,000
<b>Grand Total</b>			<b>82,660,000</b>	<b>47,530,000</b>



# Summary

- **Investing in State of Good Repair  
71.5% of budget**
- **Moving forward with Regional  
Projects – 4 Pad, Dartmouth  
Sportsplex**
- **Investing in Technology**
- **Investing \$5M more in Road  
recapitalization**



# Summary

- **Council Policies resulted in strong financial position**
  - Debt continues to decline \$100M
  - Debt servicing costs 6.1% of operating budget
  - Funding for Strategic Projects
- **Positioned to be able to Invest in Federal Infrastructure Projects**
- **Financial Flexibility to move forward**



# Recommendation

**It is recommended that Committee of the Whole recommend to Regional Council:**

- 1. Direct staff to prepare the five year capital plan including the preliminary 2016-17 capital budget and schedule of reserve withdrawals, as presented to Committee of the Whole and as per Attachment A.**
- 2. Approve the list of advanced capital funding as per Attachment B.**
- 3. Approve the list of multi-year projects as per Attachment C.**

# HALIFAX

Thank you

