

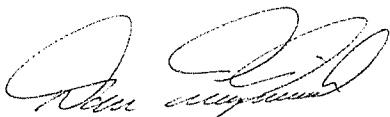
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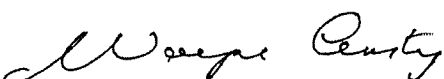
PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
November 22, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: 

Dan English, Acting Chief Administrative Officer



Wayne Anstey, Acting Deputy Chief Administrative Officer

DATE: November 18, 2005

SUBJECT: Proposed Advanced Funding Approval for the 2006/07 Capital Budget

ORIGIN

This report originates from staff.

RECOMMENDATION

1. It is recommended that Halifax Regional Council provide advanced funding approval of the proposed 2006/07 Capital Budget as follows (details in Schedule A):

Roads, Streets, and Sidewalks	\$9,592,000
Stormwater and Wastewater	\$2,050,000
Traffic and Transportation Services	\$1,459,000
Metro Transit	\$4,009,000

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

Stormwater and Wastewater	\$1,070,000
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BACKGROUND

As in previous years, early approval of selected projects within the proposed Capital Budget is a desirable goal of staff. Early approval ensures 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.

During a debrief of the Business Planning and Budgeting Process for 2005/2006 in late spring 2005, Program and Service Committee indicated a need for Council to be more involved earlier on in the process in order to provide more meaningful direction. As such, staff developed a strategy to enable early Council consultation on the process. This was first discussed at November 15, 2005 Committee of the Whole with the report "Council Direction - 2006/2007 Business Planning and Budgeting Process". As noted in the report, Council sets the overall fiscal framework for the business planning and budgeting process. The fiscal framework was presented to Committee of the Whole immediately following on November 15, seeking direction from council on the framework and the assumptions. Discussion on the fiscal framework, and direction from Council indicated to staff that they should proceed with the development of a capital budget assuming a total capital budget capacity of \$76.8m for the 2006/2007 budget year.

The attached "Advanced Capital Project Listing" and "Additional Funding Approval Amount Requested" are presented within the context of this discussion and also considering the Council approved General Infrastructure Criteria (approved by Council October 18, 2005). The General Infrastructure Criteria was based on the current criteria used in HRM for the evaluation of new service enhancements, the Priority Rating Process used by EMS which was approved by Council in February 2005, and the criteria for priority setting suggested to Council at the recent council workshop of September 15 and 16th 2005.

DISCUSSION

The attached Schedules A and B represent projects that staff feel will benefit from Advanced Approval. Schedule A details projects that are currently in year 2 of the Approved Capital Plan. Schedule B details projects that were approved in 2005/06 and prior Capital Budgets, but are not in year 2 of the Approved Capital Plan. These projects now require additional funding to ensure completion of the projects.

Advanced Capital Project Listing (Schedule A):

The present 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.
2. Being able to take full advantage of the peak summer construction period of the 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 long lead time to order equipment that will significantly delay the construction or implementation of services.

Achieving advanced approval of a portion of the proposed Capital Budget would address those issues and improve significantly staff's ability to get a much earlier jump on project design, tendering, contract awards and start of construction. Staff's proposal for advanced funding approval of a portion of the proposed 2006/07 Capital Budget would be 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 that are currently being experienced due 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. They include those 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.

Most projects listed on the attached Schedule "A" are presently included in year 2 of the proposed 2005/06 Capital Budget. The normal public tendering process followed with Council's approval of the contract award would still apply.

Additional Funding Approval Amount Requested (Schedule B):

Staff has six projects on the proposed Additional Capital Budget Requirements Schedule B for 2006/07 that were approved in the 2005/06 and prior Capital Budgets, but are not in year 2 of the Approved Capital Plan. 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. All are ready to be completed or re-tendered quickly, which makes them good candidates for the Advanced Funding List. These projects were not included in the 2006/07 Capital Plan. Therefore approval of the Advanced Funding projects as listed in Schedule B may mean that some projects that were planned in 2006/07 may not be completed under current funding levels. The final impact of these additional projects on the 2006/07 Proposed Capital Budget cannot be determined at this time because the wastewater/stormwater funding strategy (inclusive of water rates) has not been finalized. Staff will revisit the status of these projects as part of the 2006/07 Proposed Capital Budget.

BUDGET IMPLICATIONS

The requested advanced funding amounts totalling \$ 18,180,000 would be the first charges against the upcoming 2006/07 Capital Budget. All projects are funded through debt, capital from operating, or another broadly available funding sources except for Storm and Wastewater, which will be funded from the appropriate reserve. Funding and total amounts may be adjusted as part of the proposed 2006/07 Capital Budget.

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.



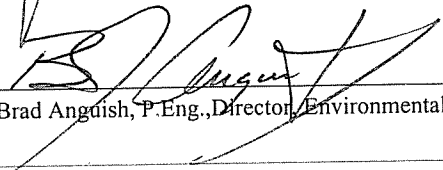
ALTERNATIVE

Delay the recommendations and defer to the approval of the 2006/07 Capital Budget in Spring 2006.

ATTACHMENTS

Advanced Capital Project Listing Schedule "A"
Additional Capital Budget Requirements 2006/07 Schedule "B"

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

Report Prepared by:	Debbi McCaig, Budget Coordinator, Finance	490-4280
Report Approved by:	 Dale MacLennan, Director, Finance	490-6308
Report Approved by:	 Mike Labrecque, P.Eng., Director, Transportation and Public Works	490-4855
Report Approved by:	 Brad Anguish, P.Eng., Director, Environmental Management Services	490-4825

Schedule "A"

Advanced Capital Budget Listing 2006/07

The following project listing is taken from the Proposed 2006/07 Capital Budget for Transportation and Public Works, and Environmental Management Services.

Paving Renewal Program (CYU00716)

Street Name	District	Estimate
Regent Dr (Centre to End)	5	\$ 495,000
Merkel St (Agricola to Isleville)	11	110,000
Smokey Dr (Civic 59 to Civic 185)	19	478,500
Summit St (Gladstone to Oxford)	14	440,000
Norwood St (Oxford to Connaught)	13	220,000
Hillside Avenue (Hillcrest Ave to Skyridge)	20	686,500
Cranston Ave (Benview Dr to End)	5	473,000
Ralston (McCurdy Ave to Windmill)	9	<u>367,000</u>
Subtotal		\$3,270,000

Resurfacing Program (CZU00717)

Street Name	District	Estimate
Lawson Ave (Kelly Dr to Penhorn Dr)	6	\$ 440,000
Rocky Lake Dr, Phase I	2	423,500
Windmill Rd (Dawson to Jamieson St)	9	286,000
South Park St (South to University)	12	200,000
Caldwell Rd/Cleary Rd (Hines to Horne's Rd)	8	335,500
Topsail Blvd (Mount Edward to Digby South)	7	352,000
First Lake Dr (Quaker to Cavendish)	20	231,000
Truck 7 (Forest Hills to Montague)	4	675,000
Windsor St (Cunard to Quinpool)	14	299,000
Tower Road (Inglis to Southwood)	13	330,000
Nightingale Dr (Flamingo loop to itself)	16	505,000
Purcell's Cove Rd (Fleming Dr to Burns Dr)	17	<u>330,000</u>
Subtotal		\$4,407,000

Sidewalk Renewal Program (CKU00718)

Street Name	District	Estimate
Norwood St (Rosebank to Beech) South Side	13	\$ 25,000
Norwood St (Rosebank to Beech) North Side	13	25,000
Norwood St (Beech to Cambridge)	13	22,000
Agricola St (Russell to Macara)	11	35,000
Robie St (Cabot to Sebastian)	11	35,000
Glendale Rd (Edgewood to Roslyn)	11	91,000
Summit St (Dublin to Windsor)	14	51,000
Summit St (Oxford to Dublin)	14	58,000
Tower Rd (Inglis to Gorsebrook)	13	127,000
Windmill Rd (Jamieson to Dockyard Annex)	9	111,000
Windmill Rd (Dawson to Pelzant)	9	42,000
Windmill Rd (Pelzant to Brookside)	9	26,000
Berwick St (Sinclair to Canterbury)	5	52,000
Prince Albert Rd (Hawthorne to Bolton)	5	30,000
Prince Albert Rd (Nolton to Nowlan)	5	30,000
Mott St (Fairbanks to Windmill Rd)	5	<u>35,000</u>
Subtotal		\$795,000

Street Name	<u>New Sidewalks</u> District	Estimate
Hillside (Hillcrest to Skyridge)	20	\$ 310,000
Smokey Dr (Civic 59 to Civic 185)	19	265,000
St Margaret's Bay Rd (James to Civic 2383)	22	270,000
Purcell's Cove Rd (Fleming Dr to Burns Dr)	17	<u>275,000</u>
Subtotal		\$1,120,000
Total Advanced Budget Requirement for Roads, Streets, and Sidewalks		\$9,592,000

Stormwater and Wastewater

	District	Estimate
Combined Sewer Overflow Prevention (CSE00500) *		
Tupper St - Combined Sewer Separation	8	\$200,000
Fairfield Holding Tank	13	\$150,000
Infiltration/Inflow Reduction (CSR00503) **		
Ellenvale I/I Sewershed Study	7	\$200,000
HSP:PS Upgrades/Wet Weather Flow Solutions (CSE00600) *		
Whimsical Lake PS	17	\$600,000
India St PS - Elimination	9	\$150,000
Quigley's Corner PS	8	\$750,000
Total Advanced Budget Requirement for Stormwater and Wastewater		\$2,050,000

Traffic and Transportation

Street Name	Estimate
Traffic Signal Compliance Program	\$180,000
Traffic Signal Rehabilitation Program	\$180,000
Traffic Signal Installation	\$481,000
Intersection Improvement Projects	\$528,000
Controller Cabinet Replacement Program	\$90,000
Total Advanced Budget Requirement for Traffic and Transportation	\$ 1,459,000

Metro Transit

Transit Terminal Upgrade & Expansion	\$291,000
Conventional Transit Bus Replacement	\$3,718,000
Total Advanced Budget Requirement for Metro Transit	\$4,009,000

* Projects under CSE00500 and CSE00600 will be set up for administrative purposes as separate projects. Funding for these projects is planned from CSIF.

** Projects under CGI00503 to be funded from the EPC Reserve.

Schedule "B"

Additional Capital Budget Requirements 2006/07

Stormwater and Wastewater

	District	Estimate	Funding
Street Drainage Systems (CGI00617)	Various	\$100,000	Debt
Sewer Laterals Replacement (CGU00461)	Various	\$150,000	Debt
Crescent Ave Pumping Station (CGU00579)	17	\$200,000	Debt
Morris Lake PS - Standby Power (CSU00120)	7	\$60,000	EPC
Anderson St PS (CGR00501)	7	\$60,000	EPC
North West Arm Sewer Cleaning/Inspection- (CGU00686)	13	\$500,000	EPC
Total Additional Budget Requirement for EMS		\$1,070,000	