



City of Richmond

Report to Committee

To: Finance Committee **Date:** November 10, 2005
From: Andrew Nazareth **File:** 03-0970-20-01/2005-Vol
 Acting General Manager Finance and 01
 Corporate Services
Re: **2006 Capital Budget**

Staff Recommendation

- 1) That the 2006 Capital Budget report be approved as the basis for preparing the 5 Year Financial Plan (2006-2010) and,
- 2) that staff be authorized to commence construction of the 2006 projects.

Andrew Nazareth
 Acting General Manager of Finance and Corporate Services
 (4365)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER (Acting)		
REVIEWED BY TAG	YES A ✓	NO <input type="checkbox"/>
REVIEWED BY CAO	YES COT ✓	NO <input type="checkbox"/>

Staff Report

Origin

Subsection 165(1) of The Community Charter requires the City to adopt a Five Year Financial Plan Bylaw (which includes operating, utility and capital expenditures) before May 15th of each year. The bylaw is required to identify all expenditures for the current year (i.e. 2006) and provide estimates for the remainder of the five-year program. The 2006 Five Year Financial Plan Bylaw provides the City with the authority to proceed with spending to the limits outlined in the bylaw. The purpose of this report is to present the proposed 2006 Capital Plan (“the plan”) and to obtain Council’s approval to commence construction of these projects in a timely manner.

Analysis

Background and Process

The Land and Capital Team (“the Team”), which contain members from all divisions within the City, prepared the plan. The Team utilized a ranking system (in conjunction with comments and recommendations from all stakeholders) that is contained within the Long Range Capital Planning Model (“the Model”), which has been used since 1998. The ranking criteria include:

- The level of need for a project i.e. health/safety, opportunity, etc.
- Consistency with Council approved plans or direction.
- Financial costs and benefits.
- Financial risk associated with a project.
- Social/environmental/liveability benefits.
- Funding sources and availability.

The Model allows the Team to recommend a Capital Plan that matches the City’s needs for investment in capital with its available financial resources. The plan is then brought forward for review by TAG. Concurrently, Staff are preparing the details for the years 2007 to 2010 which will be brought forward to Council in the near future; the Plan for these years is intended to be a planning tool that will be reviewed and refined annually based on financial and other trends.

2006 Capital Plan Trends and Highlights

- The plan has a total value of approximately \$109.6 M.
- “Olympic Oval” project amounts to \$53.9 M
- \$1.725 M for Westminster Highway Widening Project from McMillan Rd to Hamilton I/C, \$3.0 M for phase 2 of the River Road re-alignment.
- \$2.0 M for post games legacy opportunities.
- Consistent with Council’s endorsement, \$1.5 M has been allocated towards the water-metering program.
- In conjunction with Translink, \$2.6 M has been allocated for work on No. 3 Road corridor for improvements in association with the RAV line.
- Watermain upgrade in the amount of \$2.2 M has been identified for Westminster Highway from No. 3 Road to Garden City and from No. 4 Road to Shell Road.
- Watermain replacement projects totalling \$3.9 M including the following areas, Aztec, Broadmoor, Comstock, River Road, Maddocks and No. 2 Road from Steveston Highway to Monteith Road.
- \$3.5 M for the seismic upgrades of Fire Hall No. 2 (\$1.7 M) located on No. 2 Road and Steveston Hwy and Fire Hall No. 6 (\$1.8 M) located on No. 4 Road, and \$0.5 M for additional work received through grants on Fire Hall No. 5 (Hamilton).
- \$1.0 M and \$0.6 M respectively for replacement of the Ackroyd and Elmbridge sanitary pump stations, and \$ 0.4 M and \$0.55 M respectively for Bridgeport and City Centre & Fraser areas sanitary sewers.
- Drainage projects totalling \$ 1.7 M for upgrades at the following areas, Aztec, Horseshoe Slough and Lucas Road.
- Other building projects include \$0.55 M for Britannia Heritage Shipyard and \$0.55 M for Garden City Park Building.
- Parks program includes the following;
 - Artificial Turf Sports Field \$2.7 M
 - McLennan North Park \$ 0.7 M
 - Steveston Park Water Play completion \$0.6 M
 - Automatic lighting and irrigation control \$0.25 M
- Waterfront Improvement Projects of \$0.8 M has been allocated.

A summary of approved projects and funding sources are included below.

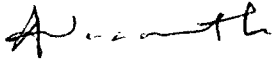
Funding		
Surplus and Other	\$45,740,000	41.7%
Developer Cost Contribution's	18,332,755	16.7%
Provisions and Reserves	18,682,281	17.0%
Grants, Developers and Donations	11,131,357	10.2%
Utilities	8,763,418	8.0%
Gaming Revenue	7,000,000	6.4%
	\$109,649,811	100.0%
Program category		
Major Building	\$61,210,036	55.8%
Roads	17,740,132	16.2%
Watermain Replacement	7,897,561	7.2%
Major Parks/Streetscapes	6,228,651	5.7%
Sanitary Sewer	2,651,000	2.4%
Drainage	2,421,250	2.2%
Parkland Acquisition	2,650,000	2.4%
Minor Building	1,800,000	1.6%
Annual Fleet Replacement	1,466,000	1.3%
Infrastructure Advanced Design	1,005,181	0.9%
Land Acquisition	1,000,000	0.9%
Affordable Housing Project	1,000,000	0.9%
LIP/NIC	750,000	0.7%
Technology	555,000	0.5%
Minor Public Works	500,000	0.5%
Minor Parks	375,000	0.3%
Computer Capital/Software	350,000	0.3%
Child Care Program	50,000	0.0%
	\$109,649,811	100.0%

The ongoing impact of the proposed plan on the Operating Budget is estimated at \$0.29 M; this amount has been incorporated into the draft 2006 Operating Budget and will increase the tax base by approximately 0.26%.

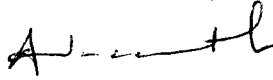
<u>Program Name</u>	<u>2006</u>
A. Infrastructure Program	\$41,420
B. Building Program	30,528
C. Land Program	-
D. Parks Program	117,640
E. Equipment Program	110,000
Totals for Recommended Projects with Impact	\$299,588

Conclusion

The Land and Capital Team worked closely with the Finance and Corporate Services Division to develop a Capital Plan for 2006 within specific financial parameters. The plan was strategically developed to best represent the interests of all stakeholders while meeting our corporate vision. The Plan utilizes our existing funding in an effective manner while ensuring that our strong financial position is not impacted.



per Jerry Chong
Chair, Land and Capital Team



per Ivy Wong
Vice-Chair, Land and Capital Team

Att.

Program Name	Program Total	Developer Cost Contrib'n	Casino	Provisions /Reserves	Utilities	Grant/ Developer/ Donat'n	Surplus/ Other
A. Infrastructure Program							
Roads							
1 Arterial Road Crosswalk Improvement Program	150,000	142,500	-	7,500	-	-	-
2 Bicycle Lane Program	292,500	69,469	-	3,656	-	219,375	-
3 Computerized Traffic Signal System Replacement	442,632	420,500	-	22,132	-	-	-
4 Miscellaneous Intersection Improvements	100,000	95,000	-	5,000	-	-	-
5 Neighbourhood Traffic Safety Program	100,000	95,000	-	5,000	-	-	-
6 North Loop Road	7,000,000	-	-	-	-	7,000,000	-
7 RAV - No. 3 Road Restoration	2,600,000	-	-	-	-	1,300,000	1,300,000
8 River Road Realignment-Phase 2	3,000,000	2,850,000	-	150,000	-	-	-
9 T1368/1369 - No. 2 Road Bridge	2,030,000	2,030,000	-	-	-	-	-
10 Traffic Signal Installation Program	250,000	237,500	-	12,500	-	-	-
11 Transit Plan Infrastructure Improvements	50,000	23,750	-	1,250	-	25,000	-
12 Westminster Hwy McMillan Rd to Hamilton	1,725,000	819,375	-	43,125	-	862,500	-
	17,740,132	6,783,094	-	250,163	-	9,406,875	1,300,000
Drainage							
1 Aztec Drainage Area Upgrade	500,000	-	-	-	500,000	-	-
2 Drainage Assessment Program	162,250	154,137	-	8,113	-	-	-
3 E. Richmond/Westminster Hwy Culvt	180,000	-	-	-	180,000	-	-
4 Horseshoe Slough Drainage Upgrades	579,000	550,050	-	28,950	-	-	-
5 Lucas Road Drainage Upgrades	600,000	-	-	-	600,000	-	-
6 No. 5 Road/Steveston Box Culvert	400,000	-	-	-	400,000	-	-
	2,421,250	704,187	-	37,063	1,680,000	-	-
Watermain Replacement							
1 Aztec AC Replacement, Phase 1	400,000	-	-	-	400,000	-	-
2 Broadmoor AC Replacement	812,000	-	-	-	812,000	-	-
3 Comstock AC Replacement	881,500	-	-	-	881,500	-	-
4 Maddocks A/C Replacement - Grant	473,861	-	-	-	46,959	426,902	-
5 Minor Capital Waterworks Program	100,000	-	-	-	100,000	-	-
6 No. 2 Rd from Steveston Highway to Monteith Rd	800,000	-	-	-	800,000	-	-
7 River Road Watermain Realignment	500,000	-	-	-	500,000	-	-
8 Sea Island PRV	250,000	-	-	-	250,000	-	-
9 Volunteer Residential Water Metering Program	1,491,200	-	-	1,491,200	-	-	-
10 Westminster Hwy Watermain Upgrade	2,189,000	1,257,916	-	80,292	850,792	-	-
	7,897,561	1,257,916	-	1,571,492	4,641,251	426,902	-

Program Name	Program Total	Developer Cost Contrib'n	Casino	Provisions /Reserves	Utilities	Grant/ Developer/ Donat'n	Surplus/ Other
Sanitary Sewer							
1 Ackroyd Pump Station Replacement	1,000,000	522,500	-	27,500	450,000	-	-
2 Bridgeport Study Area Sewer Rehabilitation	400,000	-	-	-	400,000	-	-
3 City Centre & Fraser Areas Sanitary Sewers	551,000	-	-	-	551,000	-	-
4 Kwantlen St. Forcemain	100,000	95,000	-	5,000	-	-	-
5 Elmbridge Pump Station Rehab & Upgrade	600,000	-	-	-	600,000	-	-
	2,651,000	617,500	-	32,500	2,001,000	-	-
Minor Public Works							
1 Pub Works Minor Capital	200,000	-	200,000	-	-	-	-
2 PW Minor Capital - Traffic	300,000	-	300,000	-	-	-	-
	500,000	-	500,000	-	-	-	-
LIP/NIC							
1 Local Area Service Program (LASP)	750,000	-	-	750,000	-	-	-
Infrastructure Advanced Design & Land							
1 Advanced Design - Major Projects	500,000	-	-	-	-	-	500,000
2 Infrastructure Advanced Design	505,181	25,058	-	38,956	441,167	-	-
	1,005,181	25,058	-	38,956	441,167	-	500,000
B. Building Program							
Minor Building							
1 Building Improvements Minor Capital Program	400,000	-	-	400,000	-	-	-
2 Physical Plant Sustaining Capital	1,400,000	-	1,400,000	-	-	-	-
	1,800,000	-	1,400,000	400,000	-	-	-
Major Building							
1 Britannia Heritage Shipyard	550,000	-	-	550,000	-	-	-
2 Civic Building Infrastructure Adv Design	107,000	-	-	107,000	-	-	-
3 Fire Hall #2 - No 2 Rd - Seismic Upgrade	1,737,586	-	-	1,737,586	-	-	-
4 Fire Hall #6 - Shellmont - Seismic Upgrade	1,830,396	-	-	1,830,396	-	-	-
5 Garden City Park Building	550,000	343,000	-	207,000	-	-	-
6 Fire Hall # 5 - Hamilton- Grant Funding	495,054	-	-	23,574	-	471,480	-
7 Olympic Oval Architect, Eng & Design Fees	1,500,000	-	-	-	-	-	1,500,000
8 Olympic Oval Construction	37,800,000	4,900,000	5,000,000	100,000	-	-	27,800,000
9 Olympic Oval Management and Overheads	4,040,000	-	-	-	-	-	4,040,000
10 Olympic Oval Municipal and Connection Fees	2,900,000	-	-	-	-	-	2,900,000
11 Olympic Oval Parking Structure	7,700,000	-	-	-	-	-	7,700,000
12 Legacy Projects/Programs	2,000,000	-	-	2,000,000	-	-	-
	61,210,036	5,243,000	5,000,000	6,555,556	-	471,480	43,940,000

Program Name	Program Total	Developer Cost Contrib'n	Casino	Provisions /Reserves	Utilities	Grant/ Developer/ Donat'n	Surplus/ Other
C. Park Program							
Minor Parks							
1 Parks General Development	275,000	269,500	-	5,500	-	-	-
2 Unsafe Playground Eqt Replacement	100,000	-	100,000	-	-	-	-
	375,000	269,500	100,000	5,500	-	-	-
Major Parks/Streetscapes							
1 Artificial Turf Sports Field	2,750,000	-	-	2,500,000	-	250,000	-
2 Automatic Lighting and Irrigation Control	250,000	-	-	250,000	-	-	-
3 Characterization - Neighbourhood Parks	200,000	196,000	-	4,000	-	-	-
4 McLennan North Park	694,151	566,000	-	11,551	-	116,600	-
5 Parks Advance Design/Planning	75,000	73,500	-	1,500	-	-	-
6 Public Art	359,500	-	-	250,000	-	109,500	-
7 Steveston Park Water Play Completion	600,000	-	-	250,000	-	350,000	-
8 Terra Nova NWQ Park	500,000	-	-	500,000	-	-	-
9 Waterfront Improvement Projects	800,000	-	-	800,000	-	-	-
	6,228,651	835,500	-	4,567,051	-	826,100	-
Parkland Acquisition							
1 Parkland Acquisition	2,650,000	2,597,000	-	53,000	-	-	-
D. Land Program							
Land Acquisition							
1 Strategic Land Acquisition	1,000,000	-	-	1,000,000	-	-	-
Affordable Housing Project							
1 Affordable Housing Projects	1,000,000	-	-	1,000,000	-	-	-
E. Equipment Program							
Technology							
1 Emergency Public Notification System	300,000	-	-	300,000	-	-	-
2 Fibre Optic Cabling To City Buildings	255,000	-	-	255,000	-	-	-
	555,000	-	-	555,000	-	-	-
Annual Fleet Replacement							
1 Vehicle Reserve Purchases (PW)	1,466,000	-	-	1,466,000	-	-	-
Computer Capital/Software							
1 IVR Replacement	150,000	-	-	150,000	-	-	-
2 Registration POS Payment System	200,000	-	-	200,000	-	-	-
	350,000	-	-	350,000	-	-	-
F. Child Care Program							
1 Child Care Projects	50,000	-	-	50,000	-	-	-
Total	109,649,811	18,332,755	7,000,000	18,682,281	8,763,418	11,131,357	45,740,000
	100.0%	16.7%	6.3%	17.1%	8.0%	10.20%	41.7%