

HALIFAX

2020/21 CAPITAL PLAN & BUDGET RECOMMENDATION

November 26, 2019

Overview

Year 2 of the transition from annual budget to long-term, more aligned and sustainable strategic capital plan.

Longer-term planning has highlighted how previous service demand increases are resulting in increased capital investment needs.

The need exists to develop a long-term funding model for capital that allows for sustained investments.

2019/20 Change in Planning Process

Last year, staff presented a 3-yr balanced capital budget for the first time.

The Capital Prioritization Framework was implemented to assist with a more objective and optimized capital plan.

Changes being made are in response to Regional Council's desire to have a long-term strategic capital plan.

Predictable

Reliable

Sustainable

2019/20 Capital Plan Direction

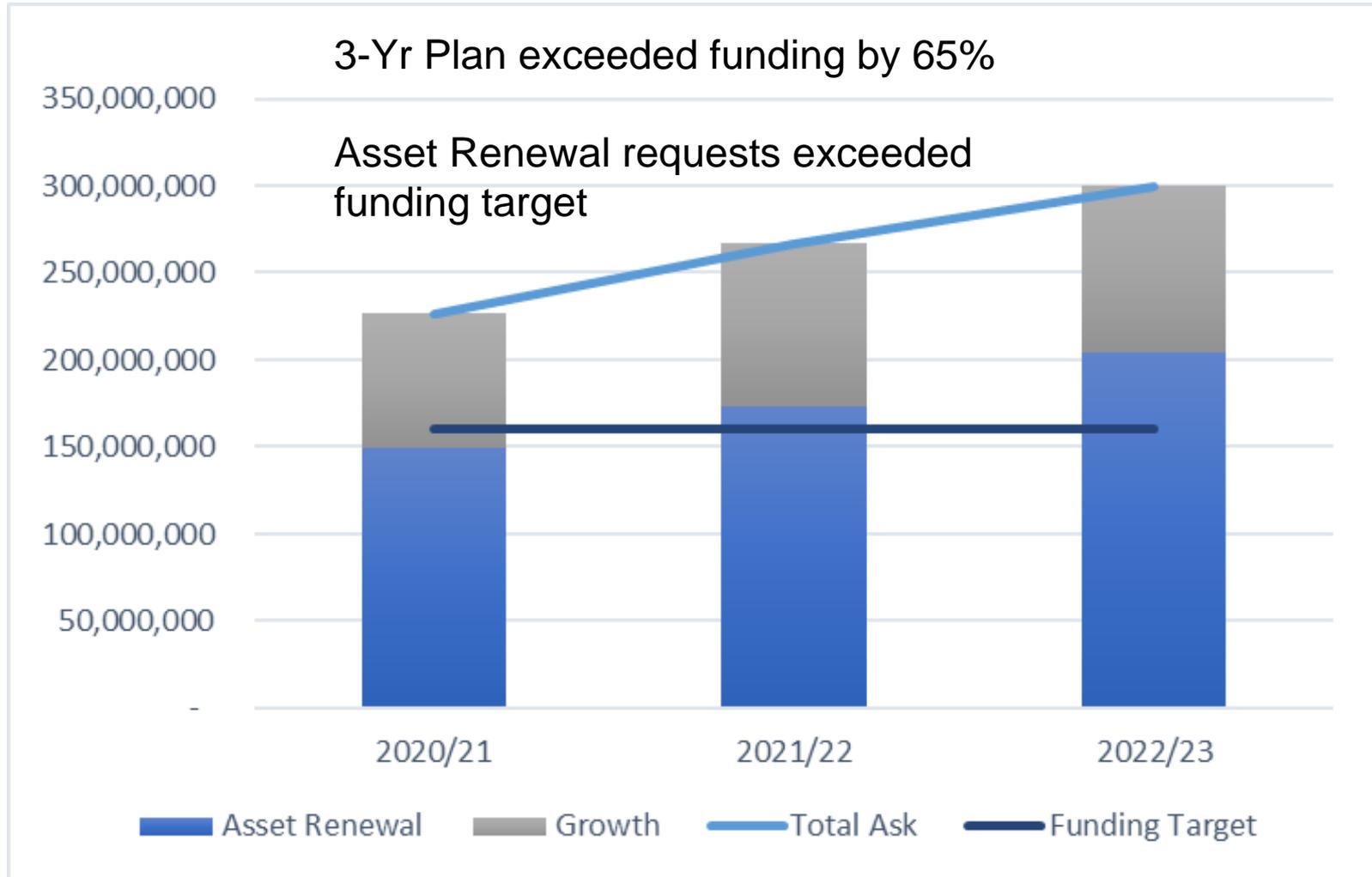
1. 1 of 3 capital budget years approved
2. Staff to engage the Budget Committee in asset management sessions to prepare for 2020/21 capital plan



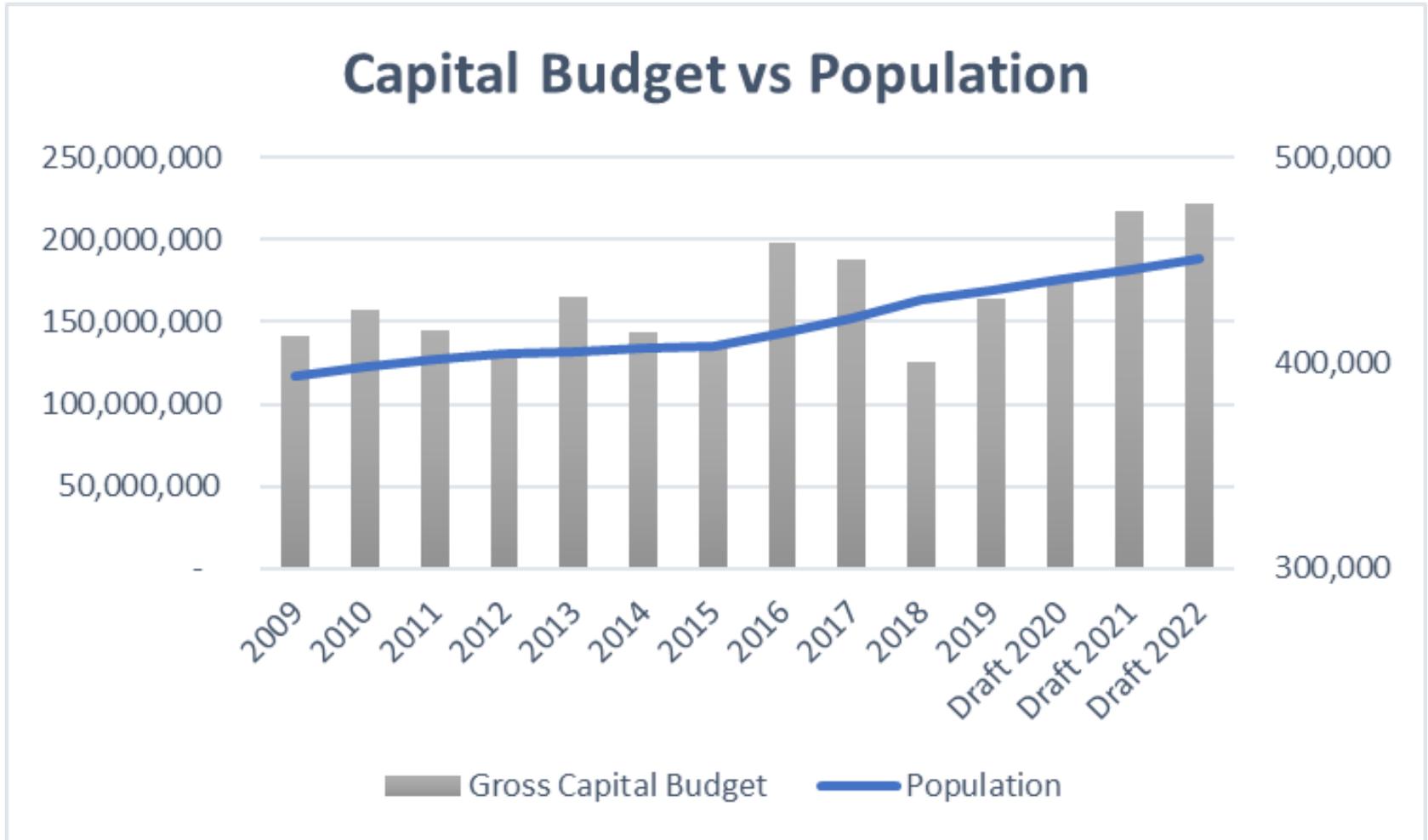
Four sessions held resulting in direction to staff received:

- Stable annual investment in Asset Renewal
- Annual investments aligned with Council's priorities
- Create a long-term capital funding framework for 2021/22 plan

2020/21 Beginning Position

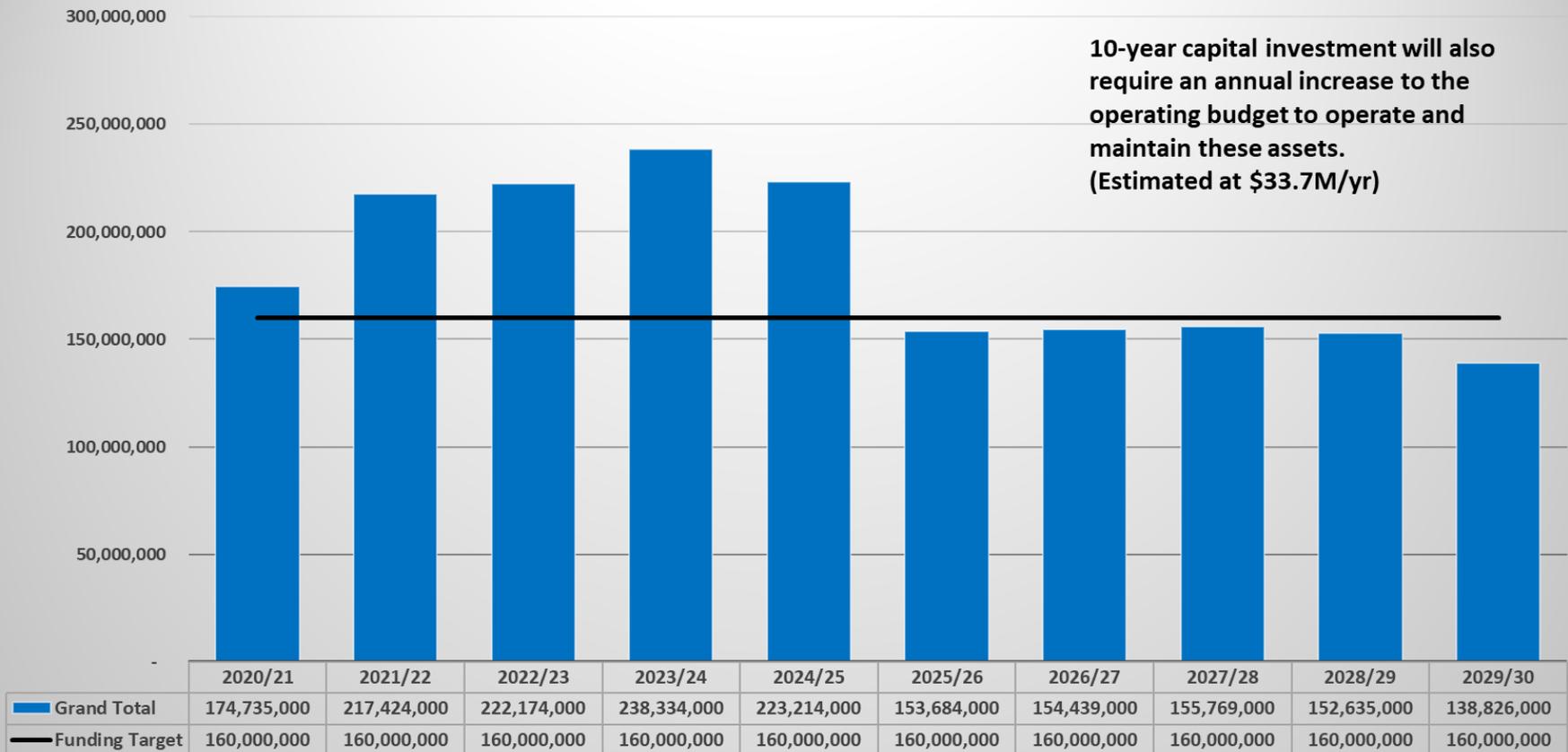


Impacts of a Growing Municipality

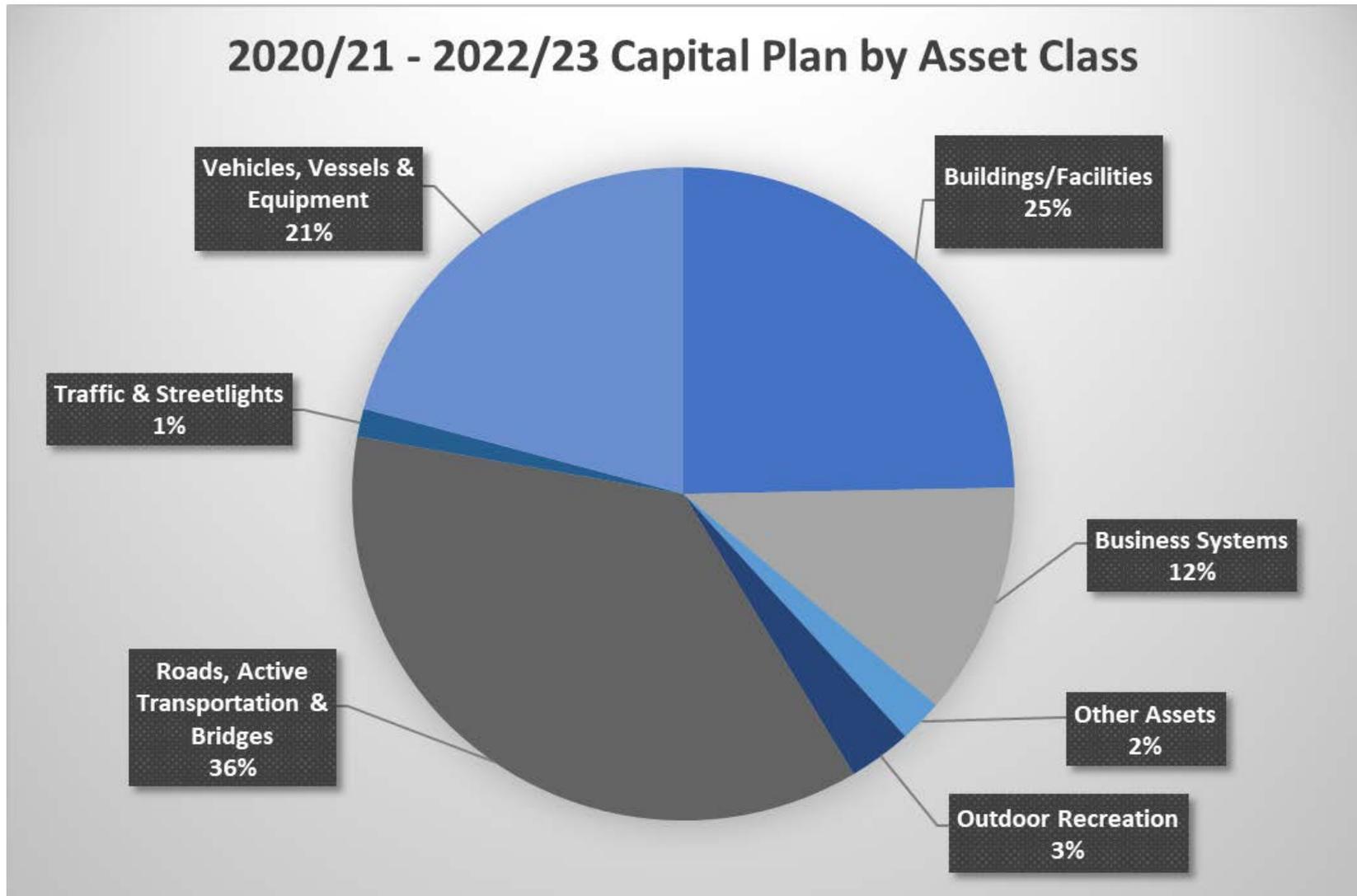


10-yr Capital Outlook

10-Year Capital Outlook

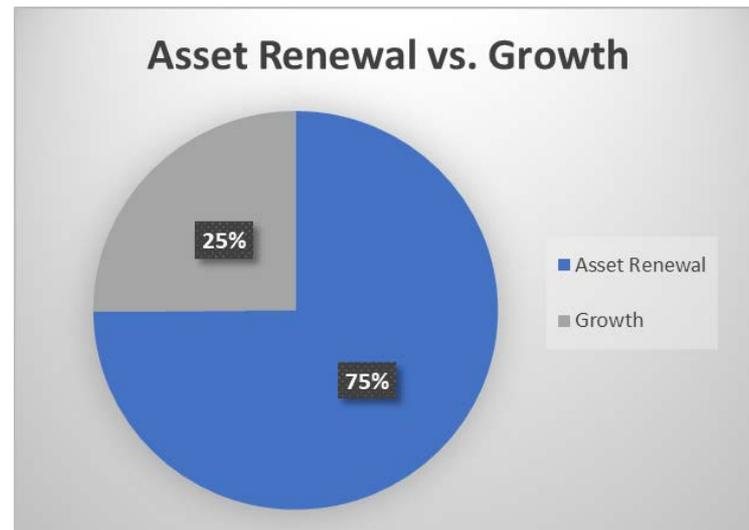


2020/21 3-Year Proposed Capital Plan

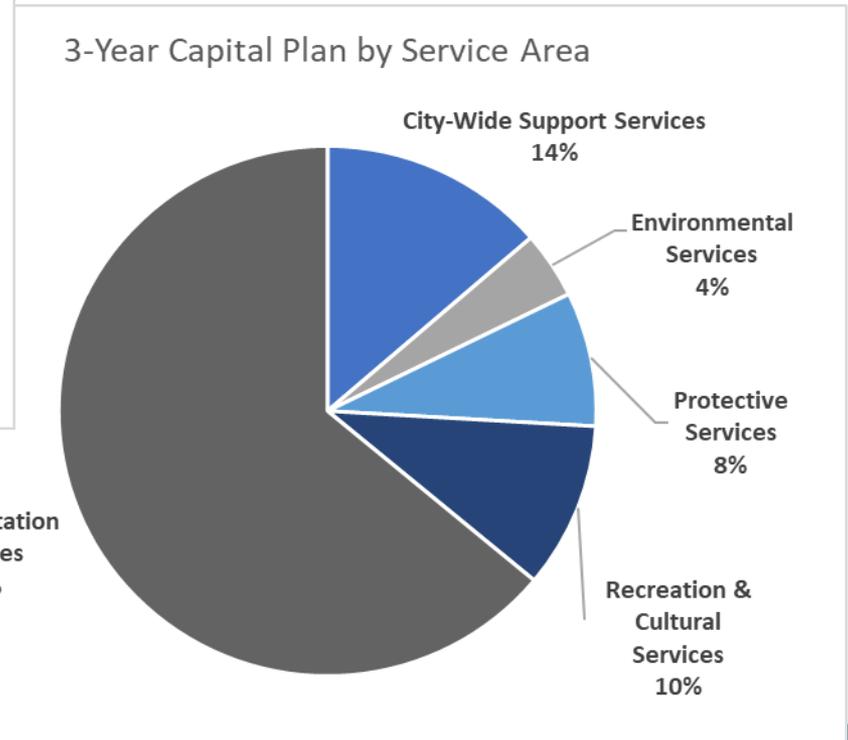
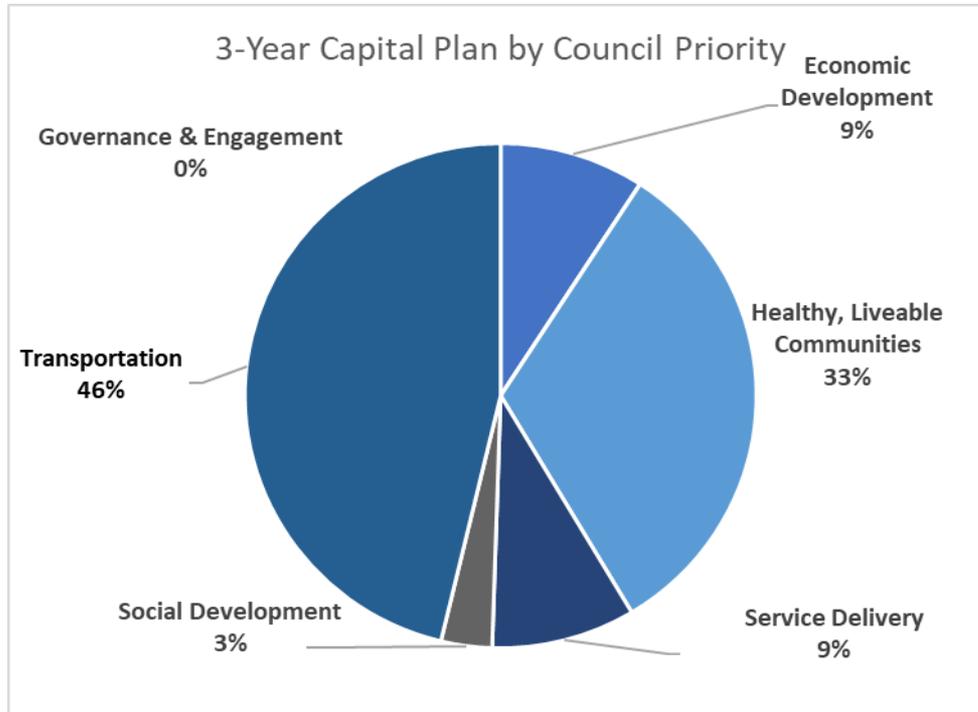


Prioritized Capital Investment

- **Risk** 95% of 3-Yr Budget rated “Very High” or “High”
- **Impact to Service** 78% rated “High”
- **Strategic Alignment** 69% rated “High”
- **Capacity to Deliver** 92% rated “In-Flight” or “Ready to Proceed/ Underway”



Aligned Capital Investment



2020/21 3-Year Proposed Capital Plan

	2020/21	2021/22	2022/23	3-Yr Summary
Buildings/Facilities	\$ 43,145,000	\$ 50,825,000	\$ 66,470,000	\$ 160,440,000
Business Systems	20,085,000	18,865,000	7,870,000	46,820,000
Other Assets	3,714,000	4,814,000	4,354,000	12,882,000
Outdoor Recreation	5,410,000	15,525,000	16,575,000	37,510,000
Roads, Active Transportation & Bridges	63,631,000	85,050,000	87,140,000	235,821,000
Traffic & Streetlights	2,420,000	2,172,000	3,929,000	8,521,000
Vehicles, Vessels & Equipment	36,330,000	40,173,000	35,836,000	112,339,000
Total Capital Plan	\$ 174,735,000	\$ 217,424,000	\$ 222,174,000	\$ 614,333,000

2020/21 3-Year Proposed Capital Funding

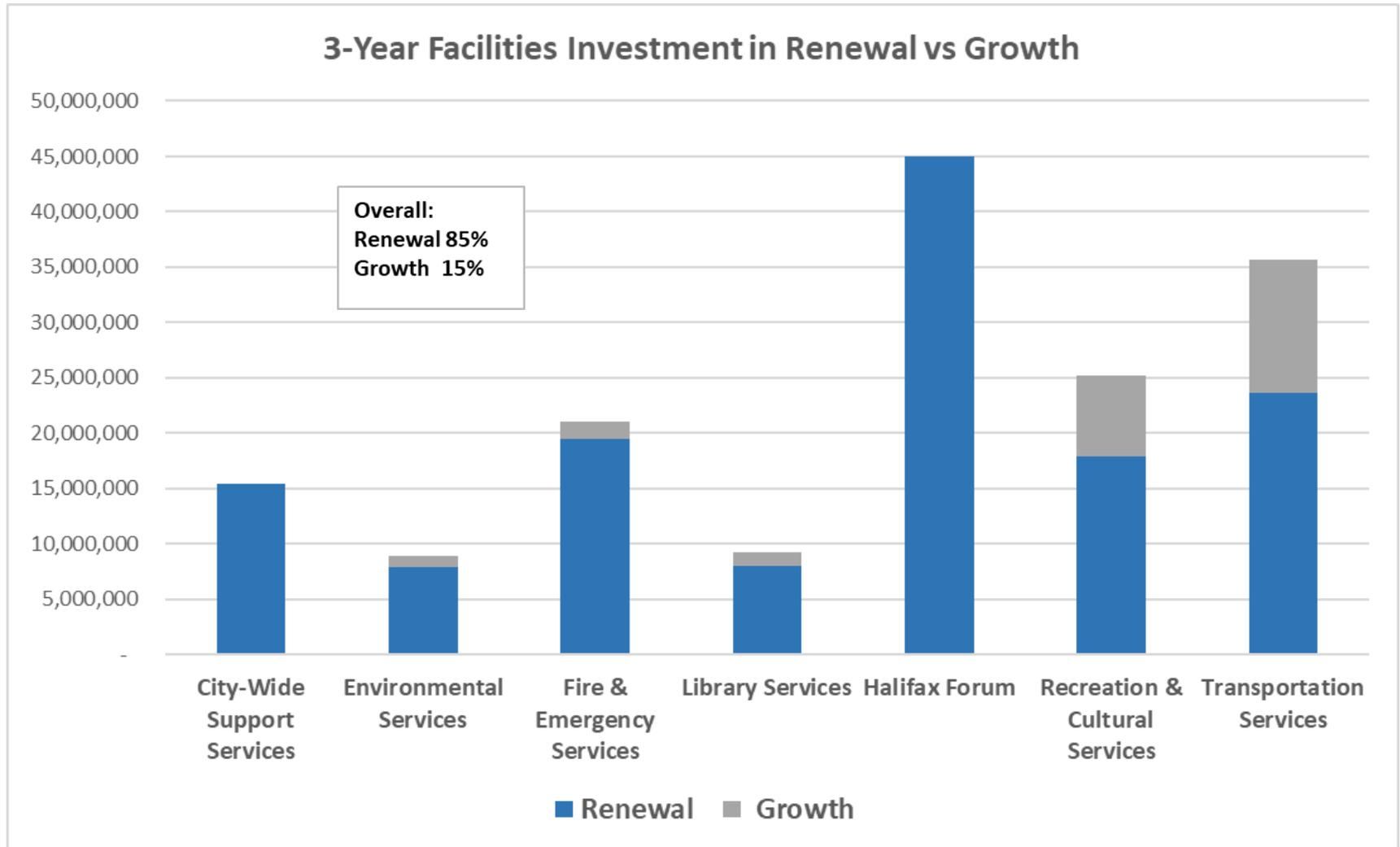
	2020/21	2021/22	2022/23	3-Yr Summary
Capital from Operating Reserves	\$ 45,500,000	\$ 47,981,000	\$ 50,724,000	\$ 144,205,000
Cap-pool	3,589,000	3,115,000	3,117,000	9,821,000
Debt	41,001,000	39,801,000	32,089,000	112,891,000
Federal Gas Tax Program	28,956,000	37,094,000	38,723,000	104,773,000
Other Government Programs	7,855,000	16,370,000	24,549,000	48,774,000
Other Cost Sharing	2,252,000	1,886,000	4,383,000	8,521,000
Local Improvement/ Capital Contribution Charges	1,088,000	3,050,000	2,920,000	7,058,000
Total Capital Funding Envelope	\$ 174,735,000	\$ 217,424,000	\$ 222,174,000	\$ 614,333,000

2020/21 3-Year Capital Plan - Buildings

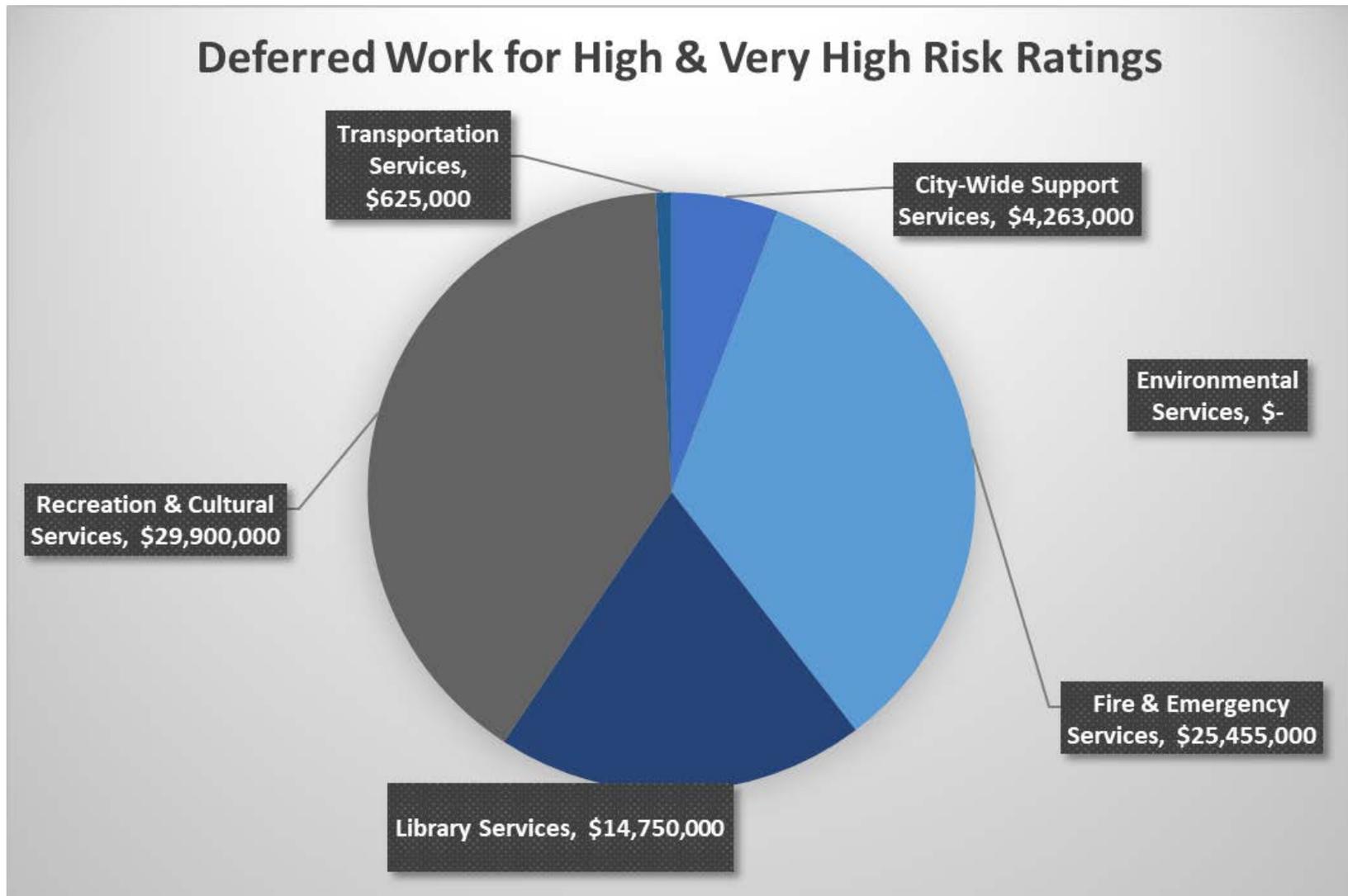
	2020/21		2021/22		2022/23	
City-Wide Support Services	\$ 5,300,000	12.3%	\$ 2,950,000	5.8%	\$ 7,150,000	10.8%
Environmental Services	4,820,000	11.2%	2,050,000	4.0%	2,050,000	3.1%
Fire & Emergency Services	6,050,000	14.0%	10,450,000	20.6%	4,540,000	6.8%
Library Services	1,250,000	2.9%	1,500,000	3.0%	6,500,000	9.8%
Recreation & Cultural Services	9,850,000	22.8%	14,800,000	29.1%	45,550,000	68.5%
Transportation Services	15,875,000	36.8%	19,075,000	37.5%	680,000	1.0%
Total Buildings/Facilities	\$ 43,145,000		\$ 50,825,000		\$ 66,470,000	



2020/21 3-Year Capital Plan - Buildings



2020/21 3-Year Capital Plan - Buildings



Integrated Mobility Plan



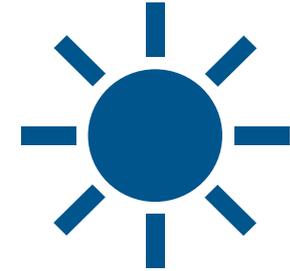
	3 Yr. Gross Project Cost	New/Enhanced	Support
<u>Integrated Mobility Plan (IMP)</u>			
Parking Technology	\$ 1,400,000	\$ 1,400,000	\$ -
AT- Strategic Projects	11,740,000	-	11,740,000
Bus Stop Accessibility Imp	950,000	-	950,000
IMP Land Acquisition	4,085,000	4,085,000	-
Multi Modal Corr. Bayers Rd	3,825,000	3,825,000	-
Multi Modal - Bedford Hwy	4,500,000	4,500,000	-
Multi Modal- Dutch Village Rd	2,300,000	2,300,000	-
Multi Modal - Portland St	2,000,000	2,000,000	-
Multi Modal - Robie & Young St	3,775,000	3,775,000	-
Multi Modal Windmill Rd	1,400,000	1,400,000	-
Regional Center AAA Bikeways	17,010,000	17,010,000	-
Tactical Urbanism	550,000	275,000	275,000
Windsor St. Exchange	8,050,000	8,050,000	-
Controller Cabinets & Detection	1,070,000	-	1,070,000
Total IMP	\$ 62,655,000	\$ 48,620,000	\$ 14,035,000

Moving Forward Together Plan



	3 Yr. Gross Project Cost	New/Enhanced	Support
<u>Moving Forward Together Plan (MFTP)</u>			
Access-a-Bus Fueling Solution	\$ 200,000	\$ -	\$ 200,000
Ferry Terminal Pontoon Rehab	725,000	-	725,000
Ragged Lake Transit Center Exp	8,500,000	8,500,000	-
Transit Facility Inv. Strategy	1,155,000	-	1,155,000
Bedford West Park& Ride	3,500,000	-	3,500,000
Woodside Ferry Term. Upgrade	6,950,000	-	6,950,000
Transit Priority Measures	200,000	-	200,000
Bus Main Equip Replacement	1,000,000	-	1,000,000
Conventional Bus Replacement	67,040,000	-	67,040,000
Mid-Life Bus Rebuild	2,570,000	-	2,570,000
MFTP Implementation	3,470,000	3,470,000	-
Transit Support Veh. Replace	350,000	-	350,000
Ferry Overhaul	985,000	-	985,000
Total MFTP	\$ 96,645,000	\$ 11,970,000	\$ 84,675,000

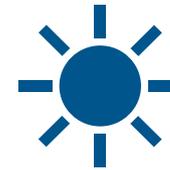
HalifACT 2050



	3 Yr. Gross Project Cost	New/Enhanced	Support
<u>HalifACT 2050</u>			
Energy Efficiency	\$ 6,000,000	\$ -	\$ 6,000,000
HalifACT 2050 Action Plan	5,000,000	5,000,000	-
Total HalifACT 2050	\$ 11,000,000	\$ 5,000,000	\$ 6,000,000

Key Strategic Investments

	<u>2020/21</u>		<u>2021/22</u>		<u>2022/23</u>	
Integrated Mobility Plan (IMP)	15,605,000	8.9%	15,980,000	7.3%	31,070,000	14.0%
Moving Forward Together Plan (MFTP)	34,590,000	19.8%	39,320,000	18.1%	22,735,000	10.2%
HalifACT 2050	3,000,000	1.7%	4,000,000	1.8%	4,000,000	1.8%
Tota Capital Plan	174,735,000		217,424,000		222,174,000	



Impact of Increased Debt

	2020/21	2021/22	2022/23	2023/24	Total Impact
Debt Target Base	\$231,200	\$226,800	\$222,500	\$ -	
Decrease from previous year	(\$4.5)	(\$4.4)	(\$4.3)	(\$ -)	(\$13.2 M)
Proposed Debt Target	\$248,640	\$259,061	\$257,682	\$ -	\$35.2 M
Increase in Debt Service Charges	\$ -	\$0.9	\$3.1	\$4.5	\$8.5 M
\$ Impact on Average Tax Bill	\$ -	\$3.00	\$12.00	\$17.00	\$32.00

Sustainability of Capital Delivery

- Adoption of Asset Management Policy
- Development of Asset Management Plans
- Long Term Financial Funding Model
- Focus on Council Priorities
- Adequate Resourcing for project delivery
 - Project Managers
 - Engineers
 - Contract Mangers
 - Back Office Support – procurement, accounting, legal

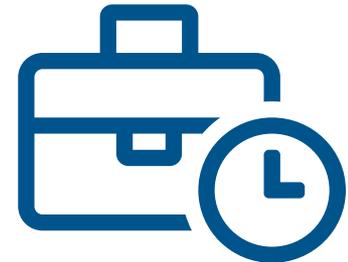
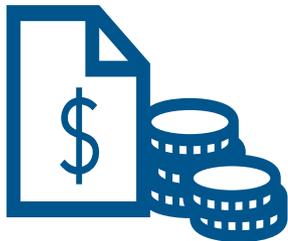
Capacity – Current vs. Desired

Options for capital program design going forward:

Increase Capacity (Funding/Resources)

vs.

**Revisit Service Levels and Delivery
Expectations**



Recommendation

It is recommended that the Budget Committee recommend Halifax Regional Council to:

1. Approve the capital budget for 2020/21, and approve in-principle the 2021/22 and 2022/23 capital budgets as per Attachment 1;
2. Approve the schedule of 2020/21 reserves withdrawals as per Attachment 2;
3. Approve the schedule of 2020/21 advanced tender projects as per Attachment 3;
4. Approve the schedule of multi-year projects as per Attachment 4;
5. Approve an increase in debt funding for 2020/21, 2021/21 and 2022/23 capital projects as described in this report.



Thank you

