

Re: Item No. 6

HALIFAX

2023/24 Multi-Year Capital Plan

Budget Committee
01/18/2023

Overview

Recommendations to Approve:

- Base Capital Budget
- Strategic Initiatives Budget
- Reserve Withdrawals Budget
- Multi-Year Projects

Alternatives for Consideration:

- Increase New Sidewalks Program
- Reductions Supporting 8% to 4% Budget Increase

2023-2024

Draft Capital Plan



HALIFAX

2022/23 Capital Planning - Interrupted

HRM's **Capital Budget**, in particular, faces three key challenges:

1. First, there are insufficient funds to support the services directed by Regional Council. There is evidence that the amount of funding allocated to “Asset Renewal” is insufficient to maintain HRM’s existing assets in safe and reliable working condition. The rapid population growth of the region has led to additional demands for growth in services, requiring more assets and upgraded designs.
2. Secondly, there is a limit to how many projects HRM can deliver at any one time. HRM’s capital program has been able to deliver around \$155M per year with previous staffing levels.
3. Lastly, delays and gaps in the industries’ supply chain, as well as the labour market, have caused extensions to project delivery timelines and increased vendor costs, sometimes as high as 30%-50% over previous costs. This is putting pressure on HRM’s reserve balances and further deferring necessary maintenance activities.

Further to these key challenges,

4. Highest inflation since 1970’s diminishing purchase power of every dollar spent.
5. Projected 2022/23 deficit and slowed deed transfer tax growth eliminating additional funding source to replenish capital reserves to support unplanned opportunities and increases.

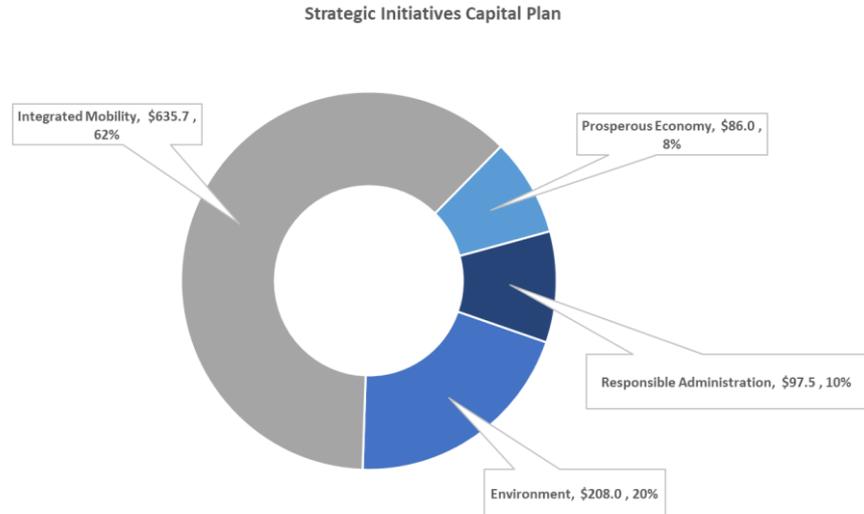
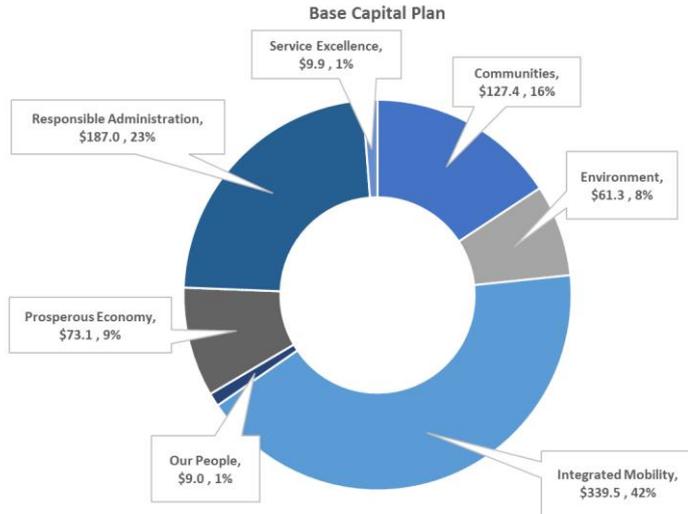
2023/24 Capital Planning - Adjusted

	2022/23 Capital Plan	Fall 2022 Update	2023/24 Capital Plan	Current vs. Prior Plan
Asset Category	2023/24 - 2026/27	2023/24 - 2026/27	2023/24 - 2026/27	Variance
Buildings/Facilities	\$ 270,954	\$ 372,981	\$ 227,511	\$ (43,443)
Business Systems	38,072	30,713	20,271	(17,801)
District Capital Funds	6,016	6,016	6,016	-
Outdoor Recreation	39,500	49,105	51,255	11,755
Roads, Active Transportation & Bridges	360,047	359,320	334,715	(25,332)
Traffic & Streetlights	22,791	26,791	23,650	859
Vehicles, Vessels & Equipment	76,753	184,792	82,017	5,264
Other Assets	32,200	85,358	61,768	29,568
Total Base Capital Plan	\$ 846,333	\$ 1,115,076	\$ 807,203	\$ (39,130)

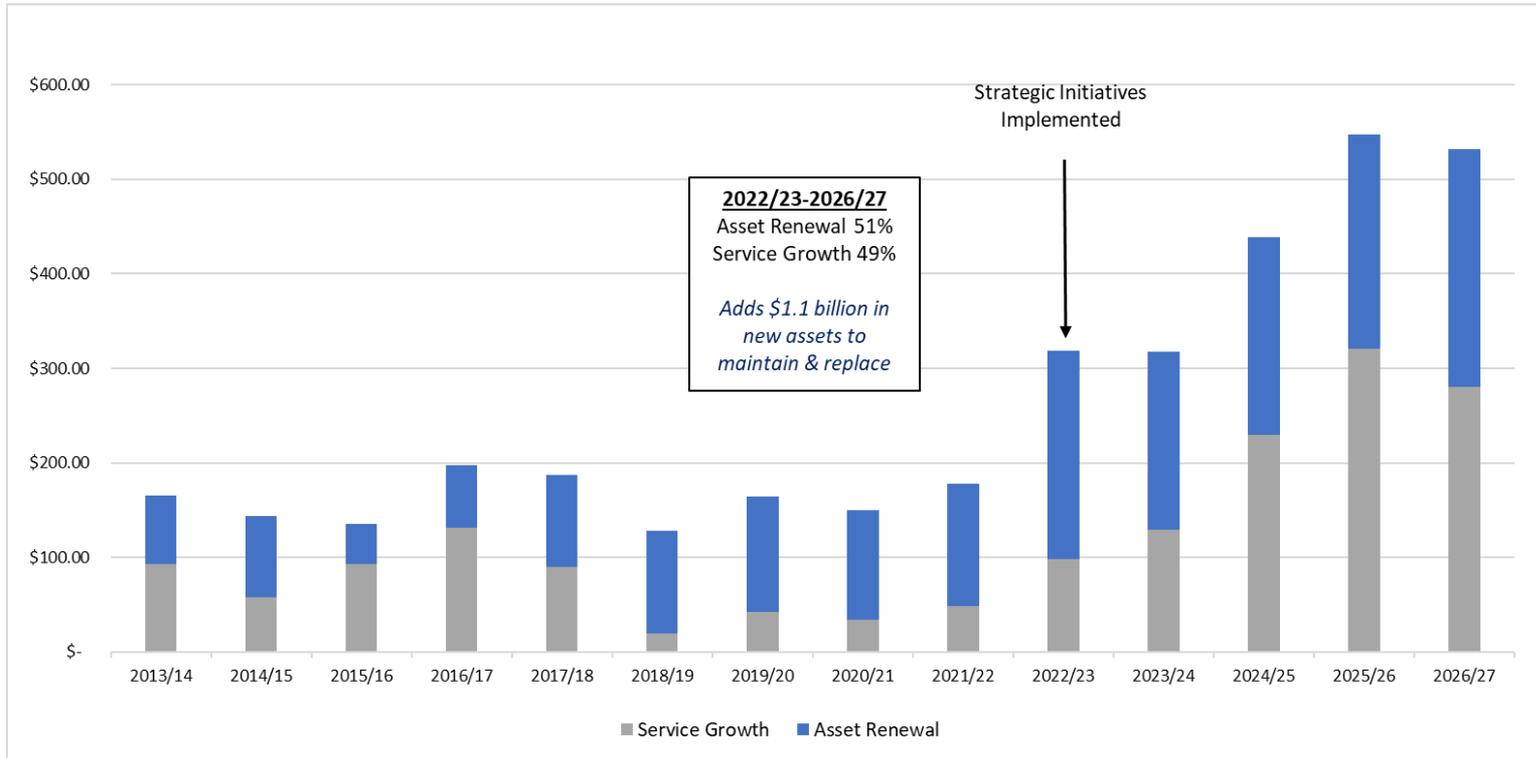
Reduced Purchase Power = Trade-off Decisions (*maintain long-term value*)

- ✓ *Continue all renewal programs*
- ✓ *Continue all design & planning work*
- ✓ *Pause on new work that is not life safety*

Council & Administrative Priorities



Trend & Future Sustainability



Base Capital Plan

Asset Category	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Buildings/Facilities	\$ 40,255	\$ 32,811	\$ 53,361	\$ 43,226	\$ 52,930	\$ 50,775	\$ 80,580
Business Systems	14,702	19,637	16,324	6,745	4,625	4,075	4,826
District Capital Funds	754	1,504	1,504	1,504	1,504	1,504	1,504
Outdoor Recreation	3,980	10,010	11,030	9,405	17,100	11,800	12,950
Roads, Active Transportation & Bridges	50,645	58,034	78,795	65,320	93,450	85,870	90,055
Traffic & Streetlights	1,100	3,712	5,944	6,175	5,725	5,475	6,275
Vehicles, Vessels & Equipment	36,330	38,750	22,708	27,327	19,385	16,260	19,045
Other Assets	2,060	2,355	31,747	12,162	28,180	20,702	724
Total Base Capital Plan	\$ 149,826	\$ 166,813	\$ 221,413	\$ 171,864	\$ 222,899	\$ 196,461	\$ 215,959

Source of Funds	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Capital from Operating	\$ 20,500	\$ 52,576	\$ 65,920	\$ 63,540	\$ 87,191	\$ 93,584	\$ 110,855
Debt	24,401	45,087	35,460	39,040	46,970	38,900	66,930
Canada Community Building Fund (Gas Tax)	46,174	26,265	47,275	31,100	26,500	26,500	26,500
Reserves	47,513	34,811	52,054	28,723	39,575	25,807	6,229
Confirmed Cost Sharing	11,238	8,075	20,704	9,461	22,663	11,670	5,445
Total Base Capital Funding Plan	\$ 149,826	\$ 166,813	\$ 221,413	\$ 171,864	\$ 222,899	\$ 196,461	\$ 215,959

Strategic Initiatives Capital Plan

Project Name	2022/23 Budget	2023/24 Budget	2024/25 Plan	2025/26 Plan	2026/27 Plan	2027/28-2032/33 Plan	Total Remaining 10Yr SI Cost	Confirmed Funding	Not Funded
Cogswell Interchange Redevelopment	\$ 16,030,000	\$ 35,600,000	\$ 31,600,000	\$ 18,750,000	\$ -	\$ -	\$ 85,950,000	\$ 85,950,000	\$ -
Halifax Forum Redevelopment	-	2,500,000	22,000,000	45,000,000	28,000,000	12,500,000	110,000,000	81,000,000	29,000,000
STRATEGIC INITIATIVE - Halifax Climate Action Plan									
HalifACT - Climate Action Plan	9,960,000	20,675,000	40,505,000	43,775,000	35,086,000	172,259,000	312,300,000	113,590,000	198,710,000
Electric Bus Procurement & Ragged Lake Transit Centre Expansion	63,413,000	40,687,000	-	-	-	-	40,687,000	40,687,000	-
Electric Bus Phase 2 (Ebus + chargers)	-	-	10,224,000	-	17,045,000	239,968,000	267,237,000	-	267,237,000
STRATEGIC INITIATIVE - Integrated Mobility Plan (IMP)									
Burnside Transit Centre Eco-Rebuild - Design	-	20,840,000	-	-	-	-	20,840,000	20,840,000	-
Burnside Transit Centre Eco-Rebuild - Construction ***	-	-	50,000,000	75,000,000	100,000,000	125,000,000	350,000,000	-	350,000,000
Expansion Buses (MFTP Phase 2)	-	-	-	-	-	18,224,000	18,224,000	-	18,224,000
IMP Land Acquisition	5,000,000	16,400,000	32,800,000	4,340,000	4,340,000	13,020,000	70,900,000	70,900,000	-
Major Strategic Multi Modal Corridors: Studies and Design	500,000	640,000	890,000	890,000	890,000	1,500,000	4,810,000	4,250,000	560,000
Major Strategic MMC: Alderney Dr (Dundas St-Wyse Rd)	-	-	-	-	-	5,900,000	5,900,000	-	5,900,000
Major Strategic MMC: Barrington St (North St-Spr. Garden Rd)	-	-	-	-	2,000,000	3,100,000	5,100,000	2,000,000	3,100,000
Major Strategic MMC: Bayers Road	-	-	100,000	4,600,000	-	-	4,700,000	4,700,000	-
Major Strategic MMC: Bedford Highway	-	-	-	-	-	34,450,000	34,450,000	-	34,450,000
Major Strategic MMC: Dunbrack Street	-	-	-	-	-	7,900,000	7,900,000	-	7,900,000
Major Strategic MMC: Dutch Village Rd	-	1,000,000	6,000,000	-	-	-	7,000,000	7,000,000	-
Major Strategic MMC: Herring Cove Road	-	-	-	-	4,200,000	21,700,000	25,900,000	25,900,000	-
Major Strategic MMC: Highway 7 - Magazine Hill	-	-	-	-	-	3,000,000	3,000,000	-	3,000,000
Major Strategic MMC: Lower Water St (Morris St-Duke St)	-	-	-	-	2,500,000	12,500,000	15,000,000	3,500,000	11,500,000
Major Strategic MMC: Portland Street	-	-	-	-	-	10,000,000	10,000,000	-	10,000,000
Major Strategic MMC: Robie St & Young St	-	-	-	-	2,150,000	-	2,150,000	2,150,000	-
Major Strategic MMC: Trunk 7 (Main St), Dartmouth	-	-	-	-	-	5,900,000	5,900,000	-	5,900,000
Major Strategic MMC: Windmill Rd (Akerley Blvd-Wyse Rd)	-	-	-	-	-	2,100,000	2,100,000	-	2,100,000
Mill Cove Ferry Service - Construction ***	-	5,000,000	11,000,000	134,000,000	110,000,000	-	260,000,000	26,000,000	234,000,000
Windsor Street Exchange	2,665,000	1,900,000	10,200,000	24,025,000	10,000,000	-	46,125,000	46,125,000	-
TOTAL MULTI-YEAR STRATEGIC INITIATIVES CAPITAL PLAN	\$ 97,568,000	\$ 145,242,000	\$ 215,319,000	\$ 350,380,000	\$ 316,211,000	\$ 689,021,000	\$ 1,716,173,000	\$ 534,592,000	\$ 1,181,581,000

Anticipated Strategic Projects

Burnside Transit Centre Eco-Rebuild:

\$21M Design Phase 2023/24

- *Funded (HRM \$7.2M)*

\$350M Construction 24/25-27/28

- Not Funded (HRM Est. 50%)

Plus Electric Bus Purchase Phase 2

\$267M (Start 2024/25 Not Funded)

Mill Cove Ferry Service:

\$3M Design Phase – Complete

\$TBD Land Acquisition 23/24

\$260M Construction 23/24 - 26/27

- Not Funded (HRM Est. \$18M-\$70M)
- Plus Decision on New Bedford Library

Expanded Municipal Service

Est. **+\$6.5M** Annual Staff & Operating Costs

Base Capital Budget est. **+\$25M** annually plus full replacement in future

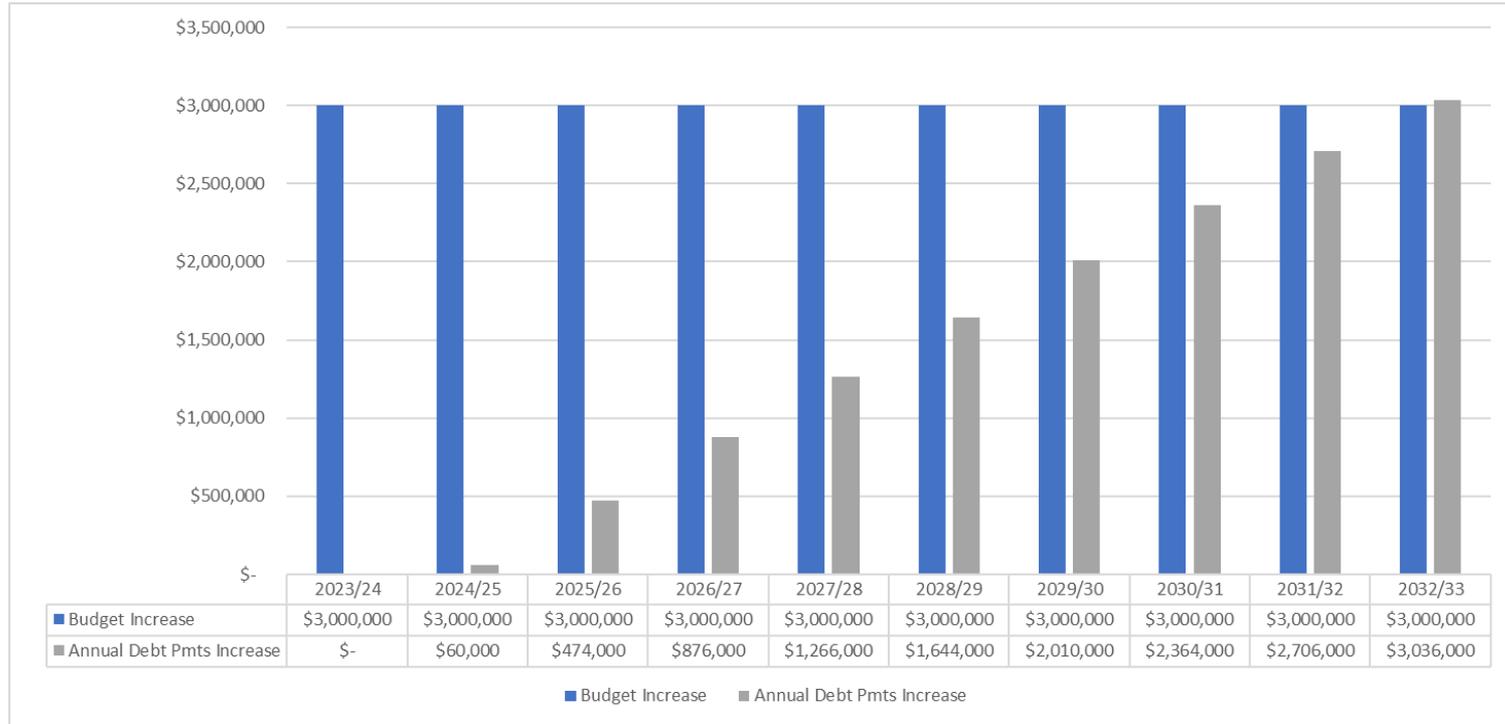
Recommendation – 2023/24 Reserve Withdrawals

Reserve Account	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Q421 - Options Reserve	\$ 2,000,000	\$ -	\$ -	\$ 7,800,000
Q506 - Landfill Closure Reserve	-	40,000	657,000	3,572,000
Q526 - Capital Fund Reserve	5,020,000	29,569,500	14,716,000	4,260,000
Q546 - Multi-District Facilities Reserve	1,200,000	1,790,000	2,145,000	1,415,000
Q556 - Solid Waste Facilities Reserve	3,055,000	2,411,000	1,536,000	1,926,000
Q611 - Parkland Development Reserve	100,000	500,000	500,000	500,000
Q616 - Business Parks	-	-	32,250,000	9,000,000
Q621 - Community & Events	100,000	-	250,000	250,000
Q626 - Gas Tax Reserve	46,174,000	26,265,000	47,275,000	31,100,000
Q666 - Strategic Initiatives Reserve Capital	19,293,000	500,000	-	-
Q667 - Strategic Initiatives Reserve Operating	-	-	500,000	640,000
Total 2023/24 Capital Reserve Withdrawals	\$ 76,942,000	\$ 61,075,500	\$ 99,829,000	\$ 60,463,000

Recommendation – 2023/24 Multi-Year Capital Projects

Project Name	Previous Yrs' Gross Budget	2023/24 Capital Budget	Future Yrs' Gross Budget	Future Yrs' Gross Budget
Beechville Lakeside Timberlea Recreation Centre Recap	4,500,000	-	18,500,000	\$ 23,000,000
Captain William Spry Renovations	400,000	800,000	5,000,000	\$ 6,200,000
Cogswell Interchange Redevelopment	35,440,000	35,600,000	50,350,000	\$ 121,390,000
Mill Cove Ferry Service	2,900,000	5,000,000	255,000,000	\$ 262,900,000
Windsor Street Exchange	4,965,000	1,900,000	44,225,000	\$ 51,090,000
Grand Total 2023/24 Muti-Year Projects	48,205,000	43,300,000	373,075,000	\$ 464,580,000

Alternative: Increasing New Sidewalks Program



Alternatives: Proposed Reductions: 8% - 4%

1. **\$750,000:** Reduce District Capital Funds (On-going)
2. **\$1.51 Million:** Reduce Urban Forestry Master Plan Implementation (One-time)
3. **\$3 Million:** Defer Regional AAA Bike Network (One-time)
4. **\$500,000:** Defer Road Safety Improvement (One-time)
5. **\$600,000:** Defer Middle Musquodoboit Park Development (One-time)
6. **\$50,000:** Defer Glen Arbour Way Park – New Ninja Warrior Course (One-time)
7. **\$125,000:** Defer Park Road Park Development (One-time)
8. **\$150,000:** Defer Grassy Brook Park Bridge Upgrades (One-time)
9. **\$100,000:** Defer Gorsebrook Park Sport Field Rehabilitation Design (One-time)
10. **\$750,000:** Defer Eastern Passage Common Park Skatepark Replacement (One-time)
11. **\$200,000:** Defer Mount Edward Elementary School Park Ball Diamond Rehabilitation (One-time)

Recommendation – 2023/24 Budget

Asset Category	2023/24		
	Capital Budget	On-Going OCC	One-Time OCC
Buildings/Facilities	\$ 43,226	\$ 323	\$ 715
Business Systems	6,745	3,121	60
District Capital Funds	1,504	-	-
Outdoor Recreation	9,405	51	-
Roads, Active Transportation & Bridges	65,320	577	-
Traffic & Streetlights	6,175	66	-
Vehicles, Vessels & Equipment	27,327	104	-
Other Assets	12,162	150	-
Total Base Capital Plan	\$ 171,864	\$ 4,390	\$ 775
Buildings/Facilities	23,340	-	-
Roads, Active Transportation & Bridges	55,540	(610)	-
Vehicles, Vessels & Equipment	40,687	80	-
Other Assets	20,675	(684)	-
Total Strategic Initiatives Capital Plan	\$ 140,242	\$ (1,214)	\$ -
Buildings/Facilities	-	-	-
Vehicles, Vessels & Equipment	5,000	-	-
Total Anticipated SI Capital Plan	\$ 5,000	\$ -	\$ -
TOTAL CAPITAL PLAN ('000's)	\$ 317,106	\$ 3,176	\$ 775

Source of Funds	2023/24
Capital from Operating	\$ 63,540
Debt	39,040
Canada Community Building Fund (Gas Tax)	31,100
Reserves	28,723
Approved Cost Sharing Agreements	9,461
Total Base Funding Plan	\$ 171,864
Strategic Initiatives Debt (SI Reserve)	\$ 33,276
Strategic Initiatives Debt (Climate Action Tax)	30,680
Strategic Initiatives Debt (Cogswell Land Sales)	35,600
Confirmed Cost Sharing	45,685
Total SI Funding Plan	\$ 145,242
TOTAL CAPITAL FUNDING PLAN ('000's)	\$ 317,106