



City of Richmond

Report to Committee

To: Finance Select Committee
From: Jim Bruce, General Manager,
Finance and Corporate Services

Date: October 22, 2003
File: 0970-02-01

Michael Mack
Chair, Land and Capital Team

Re: 2004 Capital Plan

Staff Recommendation

It is recommended that:

1. The attached 2004 Capital Plan be adopted for inclusion in the 2004 Five Year Financial Plan (2004 – 2008) Bylaw; and
2. That staff be authorized to commence construction of the 2004 projects capital effective January 1, 2004.

Michael Mack
Chair, Land and Capital Team

Andrew Nazareth
Director of Finance
Finance and Corporate Services

MM
Att.

Staff Report

Origin

The Local Government Act 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. 2004) and provide estimates for the remainder of the five-year program. The 2004 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 2004 Capital 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 Strategic Team, which contain members from all divisions within the City, prepared the 2004 Capital 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, 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 Long Range Capital Planning Model allows the Team to recommend a Capital Plan that is in alignment with the City's Vision and can be funded from the available finances in a sustainable manner. The 2004 Capital Plan is intended as a detailed plan for construction. Staff is currently preparing the details for the years 2005 to 2008 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. Please refer to your 2004 Budget binder under the tab '2004 Capital Budget' for the following appendices:

- Appendix 1 - A summary of Capital Budget Funding Sources by program.
- Appendix 2 - Capital projects Recommended by the Team.
- Appendix 3 - Capital projects Not Recommended by the Team.
- Appendix 4 - Annualized Operating Impact for Capital Projects - Summary.

Attached to this report is a summary of the 'Recommended' and 'Not Recommended' 2004 Capital projects (Appendix 5).

- 2004 Capital Plan Trends and Highlights
- The 2004 Capital Plan has a total value of approximately \$40.5 M; an increase of approximately 3 percent over 2003.
- The Parks Program has decreased by approximately \$1.3 M due to a reduction in Development Cost Charge (DCC) revenues.
- No funding from General Revenue has been allocated to the capital program in order to minimize pressure on the Operating Budget. Instead this level of funding has been replaced by Casino Revenue
- The proposed Sanitary Sewer for servicing No. 4 Road and Ferndale Road referred to the Land & Capital Team by Council has been included in the 2004 Capital Program.
- The proposed Williams Road drainage works referred to the Land & Capital Team by Council is phased over three years due to funding availability within Drainage Development Cost Charges (DCC). Processing of rezoning applications would continue to be deferred until the works are completed in 2007.
- Provisions have been made for repayment of a loan to accommodate the purchase of parking meters that occurred in 2003.
- The 2004 DCC Roads Program exceeds the 50% expenditure guideline by \$274,647. The proposed program reflects an expenditure of 53.4% of the estimated December 31, 2003 available funding. This additional expenditure request is on a one-time exception basis to accommodate three essential traffic safety programs as outlined below:
 1. Neighbourhood Traffic Safety Enhancements
 2. Arterial Road Crossing Improvements
 3. Traffic Signal Installation Program

Historically reserves may increase at year-end due to closure of capital projects and as a result may reduce the current need to exceed the expenditure guideline.

- Upgrading of Westminster Highway from Nelson Road to Hamilton Interchange is recommended. This project provides additional roadway capacity to meet both the current traffic demand and respond to anticipated growth in the Fraserport Industrial Area.
- Reconstruction of the Lansdowne Sanitary Forcemain to accommodate multi family residences at Garden City and Alderbridge Way.
- Renovation of the Brighthouse Library in order to facilitate rapid grow and provide customer service improvements.

- Replacement of the Minoru Park Fieldhouse/Caretaker Suite and park washrooms that were constructed in 1972.
- Park works are proposed in areas that have experienced, and are currently experiencing, rapid residential growth, including:
 - i) Construction work in the McLennan North Community Park.
 - ii) Development of the Terra Nova North West Quadrant Park.
- Provision has been made to continue Waterfront Improvement Projects as opportunities arise.
- Funding has been provided to accommodate the acquisition of integrated Records Management Software for Fire Rescue. Project funding will be phased over two years.

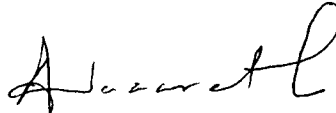
The ongoing impact of the proposed 2004 Capital Plan on the Operating Budget is estimated at \$294,648 as outlined in Appendix 4; this amount has been incorporated into the draft 2004 Operating Budget and will increase the tax base by approximately .3%.

Conclusion

The Land and Capital Team worked closely with the Finance and Corporate Services Division to develop a Capital Plan for 2004 within specific financial parameters. The 2004 Capital 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.



Michael Mack
Chair, Land and Capital Team



Andrew Nazareth
Director of Finance,
Finance and Corporate Services

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Att.

**CITY OF RICHMOND
PROPOSED 2004 CAPITAL PROGRAM - RECOMMENDED SUMMARY**

Appendix 5

Program Description	Project Name	2004 Budget
Infrastructure Program		
Roads	Arterial Road Crosswalk Improvement Program	\$75,000
Roads	Browngate Rd Ext (payback to capital reserve) for land costs	\$500,000
Roads	Computerized Traffic Signal System Replacement	\$200,000
Roads	Neighbourhood Traffic Safety Enhancement Program	\$100,000
Roads	No. 2 Road Bridge	\$2,030,000
Roads	Parking Lot Rehab	\$500,000
Roads	Traffic Signal Installation Program	\$100,000
Roads	Transit Plan Infrastructure Improvements	\$50,000
Roads	Undergrounding - Hydro and Telus	\$1,350,000
Roads	Westminster Hwy: Nelson Rd to Hamilton I/C	\$3,000,000
Drainage	Drainage Assessment Program	\$162,250
Drainage	Environmental Compensation for Westminster Hwy Bike Path Project	\$180,000
Drainage	Horseshoe Slough Drainage Upgrades	\$1,400,000
Water Main Replacement	AC Watermain Replacement	\$612,000
Water Main Replacement	AC Watermain Replacement	\$810,900
Water Main Replacement	Bakerview/Saunders	\$344,000
Water Main Replacement	Bridgeport and Viking Phase 2	\$627,100
Water Main Replacement	Minor Capital Waterworks Program	\$400,000
Water Main Replacement	More Subdivision	\$595,000
Water Main Replacement	Pressure Reducing Valve Station Seismic Upgrade	\$200,000
Water Main Replacement	Seismic Upgrades of Waterwork Network	\$50,000
Sanitary Sewer	City Centre & Fraser Areas Sanitary Sewers	\$900,000
Sanitary Sewer	Jesmond Water and Sewer Replacement	\$274,300
Sanitary Sewer	Lansdowne Sanitary Forcemain Upgrade	\$900,000
Sanitary Sewer	Sanitary Sewer Extension No. 4 Rd.	\$100,000
Minor Public Works	Public Works Minor Capital	\$471,200
Minor Public Works	PW Minor Capital - Traffic	\$377,200
LIP/NIC	LIP	\$750,000
Land	Infrastructure Advanced Design	\$325,000
Land	RAV Project Infrastructure Advanced Design	\$150,000
Total Infrastructure Program		\$17,533,950
Building Program		
Minor Building	Building Improvements Minor Capital Program	\$754,691
Minor Building	Physical Plant Sustaining Capital	\$1,169,529
Major Building	Aberdeen Centre space	\$380,000
Major Building	Brighthouse Library Renovations	\$2,970,600
Major Building	Britannia Heritage Shipyard	\$250,000
Major Building	Civic Building Infrastructure Advanced Design	\$231,000
Major Building	Minoru Park Fieldhouse & Caretaker Suite Replacement	\$565,000
Major Building	Richmond Tennis Club Relocation Advanced Design	\$100,000
Total Building Program		\$6,420,820

CITY OF RICHMOND
PROPOSED 2004 CAPITAL PROGRAM - RECOMMENDED SUMMARY

Appendix 5

Program Description	Project Name	2004 Budget
Land Program		
Land Acquisition	Affordable Housing Statutory Reserve	\$1,500,000
Land Acquisition	Strategic Land Acquisition	\$2,000,000
Total Land Program		\$3,500,000
Parks Program		
Land Acquisition	Parkland acquisition	\$4,500,000
Minor Parks	General Development	\$204,000
Minor Parks	Tree Planting Program	\$100,000
Minor Parks	Unsafe Playground Equipment Replacement	\$139,100
Major Parks/Streetscapes	Contribution to Special Sports Statutory Reserve Fund	\$250,000
Major Parks/Streetscapes	McLennan North Community Park Development	\$974,500
Major Parks/Streetscapes	Minoru 2 and Hugh Boyd 1 Sportsfield Lighting	\$320,000
Major Parks/Streetscapes	Park Advance Design/Planning Fund	\$120,000
Major Parks/Streetscapes	Terra Nova NWQ Park	\$1,000,000
Major Parks/Streetscapes	Trails	\$250,000
Major Parks/Streetscapes	Waterfront Improvement Projects	\$600,000
Major Parks/Streetscapes	Waterfront Improvement Reserve Fund	\$600,000
Total Parks Program		\$9,057,600
Equipment Program		
Vehicle Equipment	Meters Parking Program	\$567,720
Vehicle Equipment	Vehicle Reserve Lease Purchases	\$229,579
Vehicle Equipment	Vehicle Reserve Purchases (Fire)	\$1,240,000
Vehicle Equipment	Vehicle Reserve Purchases (PW)	\$1,750,000
Technology	Fire Rescue Records Management System	\$186,371
Total Equipment Program		\$3,973,670
Total Proposed 2004 Capital Program - Recommended		\$40,486,040

CITY OF RICHMOND
PROPOSED 2004 CAPITAL PROGRAM - NOT RECOMMENDED SUMMARY

Appendix 5

Program Description	Project Name	2004 Budget
Infrastructure Program		
Roads	Fibre Optic Cable Installation	\$600,000
Roads	No. 6 Road Widening	\$329,000
Roads	Upgrade of MoT Traffic Signals	\$100,000
Drainage	Drainage Pump Station Rehabilitation	\$750,000
Sanitary Sewer	Fraserlands Industrial Area	\$500,000
Total Infrastructure Program		\$2,279,000
Building Program		
Minor Building	Minoru Aquatic Centre Solar Heating Panel System	\$100,000
Minor Building	Power Smart Projects	\$673,000
Minor Building	Watermania Solar Heating Panel System	\$100,000
Total Building Program		\$873,000
Land Program		
Land Acquisition	Infrastructure Program - Land Acquisition	\$800,000
Total Land Program		\$800,000
Parks Program		
Minor Parks	Sports Field Drainage Program	\$90,000
Minor Parks	Tennis Court/Hard Surfaces Resurfacing Program	\$100,000
Major Parks/Streetscapes	Beautification Team Initiatives	\$75,000
Major Parks/Streetscapes	Minoru Park Upgrade	\$150,000
Major Parks/Streetscapes	Skate Spot City Centre	\$25,000
Major Parks/Streetscapes	No.2 Rd.)	\$5,366,000
Major Parks/Streetscapes	tram restoration and relocation	\$1,719,000
Total Parks Program		\$7,525,000
Equipment Program		
Vehicle Equipment	Purchase of Hydro Excavation Equipment	\$450,000.00
Technology	Fibre optic cabling to City Buildings	\$215,000.00
Technology	Remote Inspections	\$100,000.00
Total Equipment Program		\$765,000
Total Proposed 2004 Capital Program - Not Recommended		\$12,242,000