



City of Richmond

Report to Committee

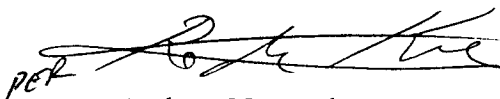
To: Finance Select Committee
From: Andrew Nazareth
Director Finance
Re: **2005 Capital Budget**

Date: November 2, 2004
File:

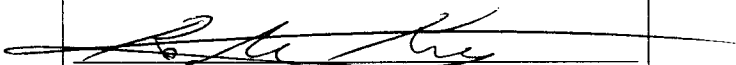
Staff Recommendation

It is recommended that:

- 1) The 2005 Capital Budget be adopted for inclusion in the 2005 Five Year Financial Plan (2005 – 2009) Bylaw; and
- 2) That staff be authorized to commence construction of the 2005 capital projects effective January 1, 2005.

per 

Andrew Nazareth
Director Finance
(4365)

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	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. 2005) and provide estimates for the remainder of the five-year program. The 2005 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 2005 Capital Budget 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 to TAG a Capital Budget that matches the City's needs for investment in capital with its available financial resources and to ensure consistency with Council's term priorities. Staff is currently preparing the details for the years 2006 to 2009 which will be brought forward to Council in the near future; the Capital Budget for these years is intended to be a planning tool that will be reviewed and refined annually based on financial and other trends.

2005 Capital Budget Trends and Highlights

- The Capital Budget has a total value of \$82,831,822.
- "Olympic Oval" and related projects amount to \$36,700,100 which includes: \$15,000,000 for construction, \$11,480,000 for architect, engineering and design fees and \$10,220,100 for site development costs.
- The River Road re-alignment project has been allocated \$3,000,000.

2005 Capital Budget Trends and Highlights (Continued)

- The Maddock Sub-Division's AC watermain was installed in the early 1950's and is now approaching the end of its operational life span. \$1,061,200 has been allocated for the replacement of the AC watermain.
- \$3,837,299 for the replacement of the existing Fire Hall No. 5 located on Westminster Hwy in Hamilton, East Richmond
- \$1,000,000 for the sanitary gravity sewer assessment replacement and rehabilitation for the Broadmoor area sanitary sewers.
- Replacement of the Minoru Park Fieldhouse/Caretaker Suite and park washrooms that were constructed in 1972 for \$565,000.
- 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.
 - iii) Redevelopment of Steveston Park.

The value of these 3 projects total \$1,850,000.

- Provision of \$700,000 has been made to continue Waterfront Improvement Projects as opportunities arise.
- Richmond Fire and Rescue fire truck replacement in the amount of \$901,000.

Financial Impact

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

Funding		
Unappropriated Surplus	\$ 34,700,100	41.9%
Developer Cost Contribution's	13,063,773	15.8%
Reserves/Provisions	11,427,296	13.8%
Gaming Revenue	6,930,784	8.4%
Utilities	6,655,820	8.0%
Capital Reserve	4,977,069	6.0%
Equipment Replacement	2,353,100	2.8%
Grants/Developers	1,841,880	2.2%
Appropriated Surplus	882,000	1.1%
	<u>\$82,831,822</u>	<u>100.00%</u>

Program category		
Major Building	\$ 42,983,399	51.9%
Roads	9,801,128	11.8%
Water Main Replacement	6,055,450	7.3%
Land Acquisition	4,134,000	5.0%
Parkland Acquisition	3,900,000	4.7%
Major Parks/Streetscapes	3,585,200	4.3%
Drainage	1,865,250	2.3%
Minor Building	1,860,175	2.2%
Sanitary Sewer	1,500,000	1.8%
Affordable Housing Project	1,500,000	1.8%
Annual Fleet Replacement	1,082,000	1.3%
Fire Dept Vehicles	901,000	1.1%
LIP/NIC	790,000	1.0%
Technology	652,100	0.8%
Minor Public Works	625,000	0.8%
Computer Capital/Software	575,300	0.7%
Infrastructure Advanced Design & Land	546,820	0.7%
Minor Parks	425,000	0.5%
Child Care Program	50,000	0.1%
	<u>\$82,831,822</u>	<u>100.00%</u>

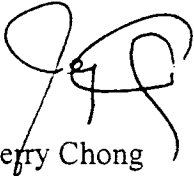
The ongoing impact of the proposed plan on the Operating Budget is estimated at \$239,062; this amount has been incorporated into the draft 2005 Operating Budget and will increase the tax base by approximately 0.22%.

Financial Impact (continued)

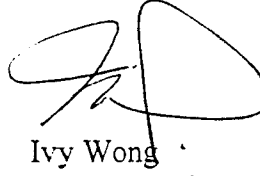
Program Name-Operating Budget Impact (OBI)	
A. Infrastructure Program	\$ 35,000
B. Building Program	69,345
C. Land Program	0
D. Parks Program	131,717
E. Equipment Program	3,000
Totals for Recommended Projects with Impact	<u>\$ 239,062</u>

Conclusion

The 2005 Capital Budget, which has a total value of \$82,831,822, was strategically developed to best represent the interests of all stakeholders while meeting our corporate vision.



Jeffrey Chong
Budgets and Accounting Manager
Chair, Land and Capital Team



Ivy Wong
Revenue and Tax Manager
Vice-Chair, Land and Capital Team

Att.

**CITY OF RICHMOND
PROPOSED 2005 CAPITAL PROGRAM**

PROGRAM DESCRIPTION	PROJECT NAME	2005 BUDGET
INFRASTRUCTURE PROGRAM		
Roads	T1368/1369 - No. 2 Road Bridge	\$2,030,000.00
Roads	Arterial Road Crosswalk Improvement Program	\$100,000.00
Roads	Bicycle Lane Program	\$721,760.00
Roads	Computerized Traffic Signal System Replacement	\$237,368.00
Roads	Neighbourhood Traffic Safety Enhancement Program	\$100,000.00
Roads	No. 4 Road/Westminster Hwy eastbound left turn	\$212,000.00
Roads	River Road Realignment - Phase 1	\$3,000,000.00
Roads	Traffic Signal Installation Program	\$200,000.00
Roads	Transit Plan Infrastructure Improvements	\$50,000.00
Roads	Undergrounding - Hydro/Tel	\$1,350,000.00
Roads	Westminster Hwy: Nelson Rd to Hamilton I/C	\$1,800,000.00
Drainage	Broadmoor Boulevard - Lane Drainage	\$50,000.00
Drainage	Drainage Assessment Program	\$162,250.00
Drainage	Drainage Pump Station Generator Installation	\$75,000.00
Drainage	Horseshoe Slough Drainage Upgrades	\$1,378,000.00
Drainage	Shell Road Canal Benching - Compensation	\$200,000.00
Water Main Replacement	10000 Blk Westminster Hwy	\$560,000.00
Water Main Replacement	AC Replacement Program	\$1,061,200.00
Water Main Replacement	Minor Capital Waterworks Program	\$710,000.00
Water Main Replacement	More Subdivision	\$708,050.00
Water Main Replacement	No. 3 Rd 6000 blk- Granville to Westminster	\$698,700.00
Water Main Replacement	Seismic Upgrades of Waterwork Network	\$50,000.00
Water Main Replacement	Seismic Upgrading of Watermains	\$340,000.00
Water Main Replacement	Seismic Upgrading of Watermains	\$367,500.00
Water Main Replacement	Volunteer Residential Water Metering	\$1,000,000.00
Water Main Replacement	Westminster Highway	\$560,000.00
Sanitary Sewer	Broadmoor Study Area Sanitary Sewers	\$1,000,000.00
Sanitary Sewer	Sanitary Pump Station Rehabilitation	\$250,000.00
Sanitary Sewer	Sanitary Pump Station Rehabilitation	\$250,000.00
Minor Public Works	Public Works Minor Capital	\$319,355.00
Minor Public Works	PW Minor Capital - Traffic	\$255,645.00
Minor Public Works	Wheel Chair Ramp upgrade program	\$50,000.00
LIP/NIC	No. 1 Road Lane Construction	\$790,000.00
Infrastructure Advanced Design & Land	Infrastructure Advanced Design	\$546,820.00
TOTAL INFRASTRUCTURE PROGRAM		\$21,183,648.00
BUILDING PROGRAM		
Minor Building	Building Improvements Minor Capital Program	\$704,691.00
Minor Building	Physical Plant Sustaining Capital	\$1,155,484.00
Major Building	Britannia Heritage Shipyard	\$400,000.00
Major Building	Civic Building Infrastructure Advanced Design	\$331,000.00
Major Building	Community Safety Building Replacement - Bridgeport	\$250,000.00
Major Building	Community Safety Building Replacement - Hamilton	\$3,837,299.00
Major Building	Minoru Park Fieldhouse & Caretaker Suite Replacement	\$565,000.00
Major Building	Olympic Oval Architect, Engineering & Design Fees	\$11,480,000.00
Major Building	Olympic Oval Construction	\$15,000,000.00
Major Building	Olympic Oval Site Development	\$10,220,100.00
Major Building	Public Washroom - Shell Rd Trail	\$100,000.00
Major Building	Relocation of Dyke Trail Washroom- Middle Arm	\$100,000.00
Major Building	Stores Warehouse Post Disaster Renovation	\$700,000.00
TOTAL BUILDING PROGRAM		\$44,843,574.00

**CITY OF RICHMOND
PROPOSED 2005 CAPITAL PROGRAM**

PROGRAM DESCRIPTION	PROJECT NAME	2005 BUDGET
LAND PROGRAM		
Land Acquisition	Affordable Housing Projects	\$1,500,000.00
Land Acquisition	Infrastructure Program - Land Acquisition	\$634,000.00
Land Acquisition	Strategic Land Acquisition	\$3,500,000.00
TOTAL LAND PROGRAM		\$5,634,000.00
PARKS PROGRAM		
Minor Parks	General Development	\$200,000.00
Minor Parks	Tree Planting Program	\$100,000.00
Minor Parks	Unsafe Playground Equipment Replacement	\$125,000.00
Major Parks/Streetscapes	McLennan North Community Park	\$850,000.00
Major Parks/Streetscapes	McLennan South City Wide Park	\$235,200.00
Major Parks/Streetscapes	Minoru Lakes Major Drainage Upgrade	\$100,000.00
Major Parks/Streetscapes	Park Advance Design / Planning Fund	\$100,000.00
Major Parks/Streetscapes	Parks Upgrade Program-Characterization	\$100,000.00
Major Parks/Streetscapes	Special Sports Statutory Reserve Fund	\$250,000.00
Major Parks/Streetscapes	Steveston Park Redevelopment - Phase III	\$500,000.00
Major Parks/Streetscapes	Terra Nova NWQ Park	\$500,000.00
Major Parks/Streetscapes	Trails	\$250,000.00
Major Parks/Streetscapes	Waterfront Improvement Projects	\$700,000.00
Parkland Acquisition	Parkland acquisition	\$3,900,000.00
Child Care Program	Child Care Projects	\$50,000.00
TOTAL PARKS PROGRAM		\$7,960,200.00
EQUIPMENT PROGRAM		
Technology	Fibre Optic Cable Installation	\$400,000.00
Technology	Integrated Library System Replacement Project	\$182,000.00
Technology	Library/Cultural Centre	\$70,100.00
Annual Fleet Replacement	Vehicle Reserve Purchases (PW)	\$1,082,000.00
Fire Dept Vehicles	Vehicle Reserve Purchases (Fire)	\$901,000.00
Computer Capital/Software	Fire Rescue Records Management System	\$175,300.00
Computer Capital/Software	PeopleSoft 2005/06 Upgrade	\$400,000.00
TOTAL EQUIPMENT PROGRAM		\$3,210,400.00
Total 2005 Capital Program		\$82,831,822.00