City of Richmond

Report to Committee

To Finance Select - Nov 18, 2003

To:	Finance Select Committee	**Date:**	November 18, 2003
From:	Jim Bruce General Manager, Finance & Corporate Services	**File:**	0970-02-01
Re:	**2004 Capital Program Referrals**		

Staff Recommendation

It is recommended that:

1. the 2004 Capital Plan be adopted for inclusion in the 2004 Five Year Financial Plan (2004-2008)

2. that staff be authorized to commence construction of the 2004 projects.

Mike Mack
Manager, Finance & Administration
Community Safety Division

Jim Bruce
General Manager,
Finance and Corporate Services

Att.

Staff Report

Origin

As a result of discussions arising at the Special Finance Select Committee Meeting of November 3, 2003 there were four referrals requesting additional information on 2004 Capital Project submissions.

Analysis

Each of the stakeholders (names in brackets below) responsible for the capital submissions have compiled the information and they are attached for your information in the following documents:

Attachment A – The feasibility of allocating $250,000 for *Sports Field Drainage* for four fields (to be identified) located in north, south, east and west Richmond; and the impact which this would have on the capital budget (Mike Redpath).

Attachment B – With regard to the *Power Smart Projects*, on how these projects could be funded with payback options, with minimum impact on the capital budget (Phil Hogg)

Attachment C – The cost of relocating and placing the *Steveston Tram* within the car barn; the cost of, and footage required, to construct a track within the car barn; also, to provide a breakdown of the proposed total cost of the project; and whether there were any unique funding strategies which would be used to accommodate any part of the project (Vern Jacques)

Attachment D –*Skate Spot City Centre*, whether funding could be found to provide a safe location for youth to skateboard within the City Centre, such as in the McLennan North Park; and provide information on where the facility could be located, including ways of funding the project, such as corporate sponsorship (Mike Redpath)

Financial Impact

In order to accommodate funding for project referrals as outlined below, staff propose that the Minoru Park Fieldhouse and Caretaker Suite estimated at $565,000 be deferred from the 2004 to the 2005 capital program. While advanced design for this 30-year-old facility could be completed in 2004, the siting of the public facility is currently being reviewed as part of the PRCS Master Plan and Minoru Park Planning process. It is expected that this process will be complete in May of 2004 in time to construct the facility in 2004 however deferral to 2005 would not present significant operational challenges.

Sports Field Drainage	$250,000
Minoru Aquatic Solar Heating Panel System	$150,000
Watermania Solar Heating Panel System	$150,000
Steveston Tram Relocation	$ 66,125
Skate Spot City Centre	$ 25,000
Sub Total	**$641,125**
Approved Grants	-$134,000
Deferred Minoru Park and Caretaker Fieldhouse	-$565,000
Total Balance	**$ 57,875**
Capital Reserve	$278,625
Available for Additional Power Smart Projects	**$336,500**

Staff recommend allocating $336,500 from Capital Reserve to assist in financing other power smart projects included in the 2004 Capital submissions. If additional funding is received through B.C. Hydro Incentive Grants additional power smart projects will be accommodated.

Conclusion

The 2004 Capital Plan was strategically developed to best represent the interests of all stakeholders while meeting the City's Corporate Vision. The Plan utilizes existing funding in an effective manner while ensuring the City's strong financial position is not impacted.

Michael Mack
Chair Land & Capital Team

Jim Bruce
General Manager,
Finance and Corporate Services

JWB:mgm

ATTACHMENT A.

SPORTS FIELD DRAINAGE

Staff reviewed the priority sports fields on City owned land, which have the greatest need for drainage and would have the highest benefit to community sports field usage. The following fields have been identified:

Steves Park	-South-	$60,000
Boyd 4	-West-	$60,000
Brighouse School Park	-North-	$60,000
King George	-East-	$60,000
Project Contingency		$10,000
	Total	$ 250,000

If Committee approve the deferral of the Minoru Park Fieldhouse and Caretaker Suite there is no impact on the capital budget in approving the Sports Field Drainage Project. However the operating budget impact is estimated at $2000 per annum for drain line and irrigation maintenance for the four fields commencing in 2005 post construction.

ATTACHMENT B.

POWER SMART PROJECTS

In regards to the 2004 Power Smart Submissions it is recommended that the City proceed with the Minoru Aquatic Solar Heating Panel System for $150,000 and the Watermania Solar Heating Panel System for $150,000. Both of these projects could be approved with the deferral of the Minoru Park Fieldhouse and Caretaker Suite with no financial impact on the operating and capital budget as outlined below:

1. Capital Reserve (deferred project)	$166,000
2. Green Infrastructure Grant (approved)	$134,000

An application requesting a Renewable Energy Deployment Grant will also be processed for the Solar Heating Panel System projects and if approved will reduce the funding requirement by the City from Capital Reserve by $75,460

In addition staff recommend that $336,500 be allocated from Capital Reserve to accommodate financing of other power smart projects. If additional funding is received through B.C. Hydro Incentive Grants additional power smart projects will be accommodated. Facility Management propose that only projects demonstrating a return in investment or those receiving favourable grants will be considered. These projects will be accommodated with no financial impact on the operating budget.

ATTACHMENT C.

STEVESTON TRAM

An estimate has been provided for the cost of minimal track construction within the car barn and a short length outside the building to allow the tram to be placed and rolled into the barn and in future to be rolled out for public display.

Track construction:			
-rail, ties, hardware, ballast,	70 meters	320.00	22,400.00
-premium cost for reduced quantity	42%	22,400.00	9,500.00
-extra for bumper/stops	2 sets	3,000.00	6,000.00
-Construct ditch crossing	1 L/S	5,000.00	5,000.00
-remove shrubs and sterilize soil	1 L/S	2,000.00	2,000.00
Subtotal			44,900.00
Design, Management & Contingency	(25%)		11,225.00
Total			56,125.00
Cost of Moving the Tram			10,000.00

The total estimate to accommodate relocating the tram into the barn with minimal track construction is $66,125. This funding can be provided with the deferral of the Minoru Park Fieldhouse and Caretaker Suite.

The total project cost to provide 400 metres of track, electrical service to the site and overhead power from the car barn to No 2 Road is estimated as follows:

	Quantity/Unit	Unit Cost	Amount
Track Construction			
– rail, ties, hardware, ballast (main line)	300m	320.00	96,000.00
– rail, ties, hardware, ballast (up to car barn)	100m	320.00	32,000.00
– extra for bend/sharp turn	1 ea	10,000.00	10,000.00
– excavation for track and ballast bed (by developer)	m	-	-
– restore asphalt pavement	20m	70.00	1,400.00
– restore curb & gutter, catch basins	m	-	-
– relocate or cut and replant trees	10 ea	400.00	4,000.00
– relocate CB, IC and drainage	2 sets	2,200.00	4,400.00
– fill ditch near No. 2 Road for track crossing (phase 2)	m	-	-
– restore boulevard grass area	400m	20.00	8,000.00
– relocation of streetlights	1 set	1,800.00	1,800.00
			157,600.00
Overhead Power			
– metal pole & conc. Base + davit arm + wiring	400m	410.00	164,000.00
– extra for bends	- ea	-	-
			164,000.00

Power Supply/Rectifier Station

– rectifier/booster, installation and housing	1 ea	150,000.00	150,000.00
– hydro connection, transformers (allowance)	1 L/S	60,000.00	60,000.00
			210,000.00

Cost Summary for Phase 1, No. 2 Road to London Princess

Track Construction		158,000.00
Overhead Power		164,000.00
Power supply/Rectifier Station		210,000.00
	Subtotal	532,000.00
Design, Management & Contingency (25%)		133,000.00
	Total	665,000.00

A community based fundraising group is currently in the formative stages. The expressed goal of the group is to raise funds through corporate sponsorship grant applications and generation of services in kind toward development of infrastructure for the tram.

Funds generated by this group could go toward part or all future stages of the project.

ATTACHMENT D.

SKATE SPOT CITY CENTRE

The experience the City has had with skaters using the rails and concrete terraces at City Hall has highlighted the popularity of this activity with City Centre youth. That activity has been displaced with the introduction of a variety of barriers installed in spring of 2003. Meetings with skaters provided valuable feedback in terms of the kind of skateboard elements that are most appropriate. The skaters prefer urban elements similar to those at City Hall to a typical skate park development. The low impact of a skate spot has the potential to be applicable in a wide variety of situations, i.e. existing neighbourhood parks, urban plazas, or sports complexes, and is accessible to all ages and levels of ability.

Based on discussions with the youth, an ideal location for the skate spot is at Brighouse Park. The site is already used by youth in the community as a skate spot, and with the availability of the lacrosse box, which is not programmed year round, a variety of 'urban elements' can be included in and around the park that can be installed for use by the skaters.

Original Capital Submission:

Base development of the skate spot elements is estimated at $25,000. This funding can be provided with the deferral of the Minoru Park Feildhouse and Caretaker Suite and used as seed money to help leverage community and corporate donations to enhance the skate spot initiative. An opportunity exists to purchase some portable skate spot elements which are commercially available that can be used at a variety of sites throughout the City.

Garden City Community Park (formerly McLennan North)

The Council approved concept plan for this 21-acre park site is currently under detailed design and construction. In 2003 site preparation including clearing trails, demolition of houses and structures on the site has occurred, and major construction of trails, the storm water retention lake, forest pathways, and open areas will occur over 2004. The primary function of this site is for passive use in the City Centre area with the botanical garden and pacific-rim species tree arboretum being the first phase completed in 2000 for the Millennium. Staff does not recommend inclusion of the skate spot at this site.

City of Richmond

Report to Committee

To Finance Select - Nov 18, 2003
To Finance Select - Oct 29, 2

To:	Finance Select Committee	**Date:**	October 22, 2003
From:	Jim Bruce, General Manager, Finance and Corporate Services	**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

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Att.

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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 Brighouse 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

MM
Att.

Appendix 5

CITY OF RICHMOND
PROPOSED 2004 CAPITAL PROGRAM - RECOMMENDED SUMMARY

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	Brighouse 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**

Appendix 5

CITY OF RICHMOND
PROPOSED 2004 CAPITAL PROGRAM - RECOMMENDED SUMMARY

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**

Appendix 5

CITY OF RICHMOND
PROPOSED 2004 CAPITAL PROGRAM - NOT RECOMMENDED SUMMARY

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**