

# DECISION/DIRECTION NOTE

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**Title:** 2021 Capital out of Revenue  
**Date Prepared:** February 9, 2021  
**Report To:** Committee of the Whole  
**Councillor and Role:** Councillor Shawn Skinner, Finance & Administration  
**Ward:** N/A

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## Decision/Direction Required:

Council to Approve 2021 Capital Out of Revenue Listing and Parks Reserve Projects.

## Discussion – Background and Current Status:

The City's Capital out of Revenue program is determined on an annual basis and funded primarily from an allocation from the City's annual operating budget, as well as other sources. This program is different from the City's larger cost-shared capital arrangements with the Federal and Provincial Governments, for which the City borrows its share of the cost.

Total Capital out of Revenue funding is comprised of:

<b>CAPITAL OUT OF REVENUE FUNDING</b>	<b>2021 Budget</b>
Federal Gas Tax Funding - Mews replacement	4,681,863
Provincial Gas Tax - One Time - Unrestricted	831,153
Parks Reserve	562,483
Fleet acquisition	3,600,000
Water related projects	3,230,000
Carried forward - Net funds from previous projects	657,192
General	12,409,160
<b>TOTAL CAPITAL OUT OF REVENUE FUNDING</b>	<b>25,971,851</b>

The sources of funding are described further below. It is important to note that some sources are already committed for various purposes, while others are available for general use.

1. Federal and Provincial Gas Tax Funding - Federal Gas Tax funding has been fully dedicated by Council directive to the replacement of the Mews Recreation Centre. The Provincial Gas Tax amount of \$831K was first awarded in the 2015 Provincial budget. This amount is unrestricted and as such can be spent on any project and has been included with the general capital out of revenue contribution.

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2. Parks Reserve - Development fees collected in excess of the Parks Reserve annual cap of \$3 million. These excess funds are redistributed for general capital use.
3. Fleet acquisition fund - In accordance with City policy this is dedicated to replacement of the City's fleet. This amount is unchanged from the 2016-2018 Capital Plan.
4. Water related projects - These funds are committed to projects that are funded through the water tax and focus exclusively on work related to the water system.
5. General- This amount is not project specific and used to fund an assortment of projects. Amounts carried forward are attached. Transfers will be required to balance and close numerous capital jobs with the net funding remaining brought forward. A reconciliation of prior years' Parks Reserve and other carry forward items resulted in additional unallocated funds and are included therein.

Combining the sources of funding that are not otherwise committed gives the following funding available for projects for 2021:

<b>UNCOMMITTED FUNDS FOR GENERAL USE</b>	<b>2021 Budget</b>
Provincial Gas Tax - One Time - Unrestricted	<b>831,153</b>
Parks Reserve	<b>562,483</b>
Carried forward - Net funds from previous projects	<b>657,192</b>
General	<b>12,409,160</b>
<b>TOTAL UNCOMMITTED FUNDS FOR GENERAL USE</b>	<b>14,459,988</b>

Below is the proposed capital out of revenue expenditure listing for 2021:

<b>CAPITAL OUT OF REVENUE EXPENDITURE</b>	<b>2021 Budget</b>
Grind and Patch	2,000,000
Capital grants Community Groups	500,000
Various City Buildings	500,000
Playground Replacement Program	100,000
Sidewalk/Curb/Gutter Repair	700,000
IT Project Capital Budget	250,000
Affordable Housing Strategy	182,000
SJRFD Radio System	750,000
Sanders - Fleet Replacement	550,000
Municipal Residential Tree Planting Initiative*	
Large Diameter Culvert Replacement	600,000
Annual Traffic Calming Program*	(50,000)
Annual Intersection Safety Program	100,000
Annual Infill Sidewalk Program	500,000
St. John's Airport - Flight Attraction Contribution	100,000
Wetlands Study Phase 2	150,000
Rawlin's Cross Reconfiguration (2020 Project Cancelled)	(150,000)
Cameras on Sanders	126,000
Downtown Decorative Lighting	(191,938)
Asphalt Lab Relocation	225,000
George Street Revitaliation Project - Study Only	(50,000)
Canada Games Capital Commitment	750,000
Server Replacement	500,000
Pitt's Memorial Dr. - Viaduct Street Light Repairs	150,000
Roundabouts & Goldstone/TGH Ramps	252,825
Firdale Dr Swale Maintenance	205,000
GIS Arial Mapping	100,000
Parking Enforcement Bldg - Building Envelope Upgrade	250,000
Data Collection for Asset Management	250,000
Generator Installation (1 NPH)	200,000
Bleacher Replacement Program	200,000
Brine Equipment	15,000
Rennies River Flood Mitigation	250,000
Goulds Pumping Stn - Demolish Ex. Bldg. & Site Work	250,000
Downtown Pedestrian Mall	50,000
Foran Greene Room Upgrades	125,000
Ladysmith @ Kiwanis intersection - Permanent curb extensions	85,000
<b>TOTAL CAPITAL OUT OF REVENUE EXPENDITURE</b>	<b>10,523,887</b>

\*Deferred items from 2020 Capital out of revenue which are not recommended for reinstatement due to available time and resources. There is \$25,000 allocated for the Residential Tree Planting Initiative for 2021, however, due to the release of 2020 deferred funds, the 2021 cumulative balance is \$0.

It is recommended that the below items which were deferred from the 2020 Capital out of Revenue listing be reinstated for completion in 2021.

<b>2020 Deferred Projects for Reinstatement</b>	<b>2020 Budget</b>
IT Project Capital Budget	250,000
Wetlands Study Phase 2	350,000
City Hall Energy Efficiency Assessment (sustainability plan)	100,000
Cameras on Sanders	200,000
Pavement Marking Digitization	100,000
Downtown Decorative Lighting	291,938
Pedestrian & Bike Counters	50,000
<b>TOTAL 2020 DEFERRED PROJECTS FOR REINSTATEMENT</b>	<b>1,341,938</b>

There is currently \$3,936,102 unallocated from 2021 available capital funds. It is recommended that this funding not be allocated at this time until there is more certainty around the timing of the 2020-23 cost-shared multi-year capital works (MYCW) program. This funding is supposed to span three years 2020-2023; however, there has not yet been a call for this program. Should this program not become available in a timely manner, it may be recommended that these funds be used for a 2021 Streets Rehabilitation Program as the MYCW program is the main source of funding for the City's program.

Below is a project recommended to be funded from the Parks and Open Spaces Reserve which contains a balance of \$3M at December 31, 2020. The balance after the below expenditures is \$1,400,000.

<b>PARKS RESERVE EXPENDITURE</b>	<b>2021 Budget</b>
<b>Opening Parks Reserve Balance</b>	<b>3,000,000</b>
Galway Park - Phase 1	1,600,000
<b>Parks Reserve Balance</b>	<b>1,400,000</b>

### **Key Considerations/Implications:**

1. Budget/Financial Implications:

As per above.

2. Partners or Other Stakeholders:

Many residents and businesses are affected by decisions related to Capital expenditure. Recent budget engagement and Citizen surveys provided an opportunity to incorporate that feedback into the decisions made around the capital listing.

3. Alignment with Strategic Directions/Adopted Plans:

Consideration must be given to how the projects listed align with the City's newly developed Strategic Plan goals.

4. Legal or Policy Implications:
5. Privacy Implications:
6. Engagement and Communications Considerations:
7. Human Resource Implications:
8. Procurement Implications:

Timeliness of approval of the plan is important to allow departments time to prepare (i.e. prepare tenders, RFP's, etc.) for the upcoming construction season.

9. Information Technology Implications:
10. Other Implications:

**Recommendation:**

That Council approve the 2021 Capital out of Revenue Listing and Parks Reserve Project.

**Prepared by:** Melanie Shea

**Approved by:** Kris Connors/Derek Coffey

**Report Approval Details**

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This report and all of its attachments were approved and signed as outlined below:

**Kris Connors - Feb 9, 2021 - 3:27 PM**

**Derek Coffey - Feb 9, 2021 - 3:43 PM**

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This report and all of its attachments were approved and signed as outlined below:

**Kris Connors - Feb 12, 2021 - 10:45 AM**

**Derek Coffey - Feb 12, 2021 - 10:54 AM**