

# DECISION/DIRECTION NOTE

**Title:** 2020 Capital Out of Revenue

**Date Prepared:** February 24, 2020

**Report To:** His Worship the Mayor and Council

**Councillor and Role:** All

**Ward:** All wards

**Decision/Direction Required:** Council to Approve 2020 Capital Out of Revenue Listing & 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>2020 Budget</b>
Federal Gas Tax Funding - Mews replacement	7,089,587
Provincial Gas Tax - One Time - Unrestricted	831,153
Parks Reserve	1,591,283
Fleet acquisition	3,600,000
Water related projects	3,230,000
Carried forward - Net funds from previous projects	1,188,703
General	7,018,653
<b>TOTAL CAPITAL OUT OF REVENUE FUNDING</b>	<b>24,549,379</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.
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.

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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. Carried Forward and 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.

Combining the sources of funding that are not otherwise committed gives the following funding available for projects for 2020:

<b>UNCOMMITTED FUNDS FOR GENERAL USE</b>	<b>2020 Budget</b>
Provincial Gas Tax - One Time - Unrestricted	831,153
Parks Reserve	1,591,283
Carried forward - Net funds from previous projects	1,188,703
General	7,018,653
<b>TOTAL UNCOMMITTED FUNDS FOR GENERAL USE</b>	<b>10,629,792</b>

Below is the proposed capital out of revenue expenditure listing for 2020.

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<b>CAPITAL OUT OF REVENUE EXPENDITURE</b>	<b>2020 Budget</b>
Grind and Patch	1,970,000
Snow removal/dump	886,431
Capital grants Community Groups	800,000
Various City Buildings	500,000
Sidewalk/Curb/Gutter Repair	650,000
IT Project Capital Budget	250,000
Affordable Housing Strategy	133,500
Kenmount Fire Station Upgrade (City Share)	187,500
SJRFD Radio System	22,500
Sanders - Fleet Replacement	550,000
Municipal Residential Tree Planting Initiative	25,000
Large Diameter Culvert Replacement	180,000
Annual Traffic Calming Program	50,000
Bike St. John's Master Plan - Project	377,923
Annual Infill Sidewalk Program	(50,000)
Loader Purchase	600,000
St. John's Airport - Flight Attraction Contribution	200,000
Fort Amherst (City Share)	100,000
Wetlands Study Phase 2	350,000
Rawlin's Cross Reconfiguration (subject to approval)	150,000
City Hall Energy Efficiency Assessment (Sustainability Plan)	100,000
Cameras on Sanders	200,000
Pavement Marking Digitization	100,000
Downtown Decorative Lighting	291,938
Asphalt Lab Relocation	175,000
George Street Revitalization Project - Study Only	50,000
Pedestrian & Bike Counters	50,000
Bike Racks	10,000
Sidewalk snowblowers (2)	620,000
Sidewalk plows (4)	800,000
Land Acquisition	300,000
<b>TOTAL CAPITAL OUT OF REVENUE EXPENDITURE</b>	<b>10,629,792</b>

Approval is currently being sought for the 2020 budget year only. Pending a further review of capital needs and project funding requirements, approval for 2021 projects will be sought at a later date.

It is important to note that should a 2020-2023 MYCW cost-shared program with Government of Newfoundland and Labrador not be available or at an amount not comparable to previous programs, the above listing may need to be reevaluated.

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Below is a list of projects recommended to be funded from the Parks and Open Spaces Reserve which contains a balance of \$3M.

<b>PARKS RESERVE EXPENDITURE</b>	<b>2020 Budget</b>
Canadian Tire Jumpstart Contribution	<b>300,000</b>
Bowring Park Observation Decks	<b>45,000</b>
McNiven PI to Dureness St Trail Connection	<b>100,000</b>
Victoria Park - Phase 3	<b>150,000</b>
<b>TOTAL PARKS RESERVE EXPENDITURE</b>	<b>595,000</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. Engagement and Communications Considerations**

#### **6. Human Resource Implications.**

#### **7. 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.

#### **8. Information Technology Implications**

#### **9. Other Implications**



**Recommendations:**

1. Council approve the 2020 Capital Out of Revenue list.
2. Council approve the recommended Parks Reserve projects.

**Attached:** Report: Funds Carried Forward from Previous Projects

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**Approved by/Date/Signature:** Kevin Breen, City Manager

Derek Coffey, Deputy City Manager – Finance &  
Administration



## Funds Carried Forward From Previous Projects

Budget Year	Description	Job #	Available
2019	Grind & Patch	ENG-2019-962	(9,633.52)
2019	Oxen Pond Road Storm Sewer Upgrade	Eng-2019-963	27,836.67
2019	2019 Carry forward Amount Adjustment	N/A	50,000.00
2017 NRP	Portugal Cove Road WTM Replacement	ENG-2017-854	(140,468.91)
2018	Cumberland Crescent Storm Sewer	ENG-2018-896	500,000.00
2013	Blackmarsh Rd/Captain Whalen	ENG-2013-669	(65,000.00)
2019	Linegar Avenue Phase 1B	ENG-2019-950	300,000.00
2017	Team Gushue Highway - notional amount to be set aside	N/A	500,000.00
2017	Rotary Park Wharf	ENG-2017-874	(2,315.47)
2017	BAY BULLS ROAD PH 2	ENG-2013-674	(3,004.35)
2017	TERRA NOVA RD ARCHIVES BLDNG	ENG-2015-767	31,288.77
	<b>Total Funds Carried Forward</b>		<b>1,188,703.19</b>