

DECISION/DIRECTION NOTE

Title: Parks and Open Spaces Reserve Capital Projects

Date Prepared: June 26, 2020

Report To: Committee of the Whole

Councillor and Role: Councillor Dave Lane, Finance & Administration

Ward: N/A

Decision/Direction Required: Direction on Parks and Open Spaces Capital Reserve

Discussion – Background and Current Status:

At the regular Council meeting of March 9th, 2020 Council approved five projects to be undertaken from the parks and open spaces reserve through directive R-2020-03-09/124. The approved projects are:

PARKS RESERVE EXPENDITURE	2020 Budget
Canadian Tire Jumpstart Contribution	300,000
Bowring Park Observation Decks	45,000
McNiven Pl to Dureness St Trail Connection	100,000
Victoria Park - Phase 3	150,000
TOTAL PARKS RESERVE EXPENDITURE	\$ 595,000

Approval of the above projects would see the balance in the reserve drop from \$3M to \$2.41M. This reserve is replenished through development fees. When the balance in the reserve reaches \$3M the excess is transferred to the City's general capital funding and thus available to fund other capital projects. The amount of this transfer in recent years is in the range of \$1M but it can vary depending on development activity for a particular year.

At the committee of the whole meeting on June 24th, 2020 Council approved deferral of selected capital projects. As part of that discussion Council referred the City's contribution of \$377,923 toward the bike master plan project for funding consideration under the parks and open spaces reserve. The entire project is valued at \$2.5M and is proposed under a cost-sharing agreement with the federal government. This approval has not yet been received and even if received in 2020, timing will not permit construction to commence in 2020.

There is also another potential project requiring funding under this reserve – Phase 1 of the Galway park. Should Council approve the concept for this park the cost of approx. \$1.6M (including taxes) could be funded from this reserve as well. Given the timelines however no construction activity would occur in 2020. It is brought forward for the information of Council

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given the project would be a significant funding requirement on the parks and opens spaces reserve.

If Council were to approve all the above projects the effective balance remaining in the reserve would be \$427K. With annual contributions to the reserve in the vicinity of \$1M there would be nothing transferred to fund general capital spending for the next few years.

The deferrals for capital out of revenue were based on projects for which work had not yet commenced or was not tendered. Application of this same framework would result in the following:

PARKS RESERVE EXPENDITURE	2020 Budget	Defer
Canadian Tire Jumpstart Contribution	300,000	
Bowring Park Observation Decks	45,000	45,000
McNiven Pl to Dureness St Trail Connection	100,000	100,000
Victoria Park - Phase 3	150,000	
TOTAL PARKS RESERVE EXPENDITURE	\$ 595,000	\$ 145,000

In addition, it is not recommended to proceed with approving funding for either the contribution to the bike St. John's master plan or Phase 1 of the Galway park at this point in time.

Considering the current pandemic and significant uncertainty of the length and full impact on taxpayers and ultimately City finances, staff felt it prudent to reduce cash outflows and provide Council with more maneuverability in decision making as the City looks toward recovery and a plan to move forward. This is not to say the aforementioned projects are not without merit nor that they will never get funded – they are just paused. At a future date there may be more clarity on the City's financial position as a result of the ongoing pandemic.

Key Considerations/Implications:

1. Budget/Financial Implications:
2. Partners or Other Stakeholders:
3. Alignment with Strategic Directions/Adopted Plans:
4. Legal or Policy Implications:
5. Privacy Implications:
6. Engagement and Communications Considerations:
7. Human Resource Implications:

8. Procurement Implications:

9. Information Technology Implications:

10. Other Implications:

Recommendation:

That Council defer the following capital projects: Bowring Park observation decks, McNiven Place to Durness Trail, the contribution to the bike master plan, and Phase 1 of the Galway park.

Prepared by: Derek Coffey