

Summary of Spring 2023 SCBA Recommendations

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Summary of Recommended Spring 2023 SCBA Adjustments

The following is a high-level summary of the total impact to the approved capital budget.

Budget Adjustment Type	Impact to Capital Budget (\$ millions)
New Profiles Recommended for Funding	\$11.1
Scope Change Adjustments - Increases	\$3.7
Recosting Adjustments - Increases: \$12.1 - Decreases: (\$2.2)	\$9.9
Funding Source Adjustments	\$ -
Transfer from Operating to Capital	\$1.0
Project Development and Delivery Model (PDDM) Adjustments	\$ -
Total	\$25.7

Breakdown of Spring 2023 SCBA Adjustments

The following sections provide an overview of the adjustments within each of the categories of the Spring 2023 SCBA. Full details are shown in the Detailed Spring 2023 SCBA Report in Attachment 4. New profiles for capital projects being recommended for funding are included in Attachment 5.

New Profiles Recommended for Funding

Administration is recommending Council approve seven new capital profiles primarily funded with transfers from existing approved profiles. These profiles contain projects originally within the scope of the approved composite profiles that have completed a sufficient level of planning and design (reached Checkpoint 3) and are being created as a standalone profile in compliance with capital budget practices (\$2 million or greater for growth projects and \$5 million or greater for renewal projects).

The total value of all seven profiles is \$110.7 million, funded with \$99.6 million from already existing profiles and the rest from grants: \$8.7 million, Active Transportation Fund (Federal) and \$2.4 million, Green and Inclusive Community Buildings program.

The table below provides a summary of the seven new profiles included in this category that make up the \$110.7 million.

Table 1

Ref (Attachment 4)	Profile Number	Profile Name	Amount (\$ millions)
4.1-1	23-30-9321	Warehouse Park	\$44.5
4.1-2	23-22-9704	Imagine Jasper Avenue (114 Street - 124 Street)	\$36.0
4.1-3	23-22-9703	107 Avenue Revitalization	\$14.8
4.1-4	23-12-9201	Northgate Lions Senior Centre Rehabilitation	\$4.8
4.1-5	23-24-9401	23 Avenue over Whitemud Creek Pedestrian Bridge Replacement	\$4.7
4.1-6	23-30-9320	Secord South Park Development	\$3.5
4.1-7	23-10-9316	Edmonton Exhibition Lands Racetrack Infield Improvements	\$2.4
Total			\$110.7
Less: New Standalone Profiles funded with transfers from existing approved budgets			(\$99.6)

Net Impact to Approved Capital Budget	\$11.1
Consists of the new Active Transportation Fund (Federal), and the new Green and Inclusive Community Buildings (GICB) program.	

Further details of these projects are included within the new standalone profiles in Attachment 5.

Scope Changes

Scope change adjustments are required when projected costs for capital profiles have increased or decreased to accommodate changes in the scope of work originally planned. Recommended scope changes are categorized as follows:

- Scope change increases requesting new funding
- Scope change increases requesting funding be transferred from an existing approved budget

Scope changes recommended in the Spring 2023 SCBA will result in an increase of \$3.7 million to the approved capital budget.

Table 2

	Impact to Capital Budget (\$ millions)
Total Value of Scope Change Increases	\$38.9
Less: Scope Change Increases funded with transfers from existing approved budgets	(\$35.2)
Net Impact to Approved Capital Budget	\$3.7

Scope Change Increases Requesting New Funding

Scope changes recommended for new funding are as follows:

4.2-1. CM-99-9000 - Infrastructure Delivery - Growth (\$2.0 million)

This scope change is required to add the Scona Pool demolition project to "CM-99-9000 - Infrastructure Growth - Delivery". The total estimated cost of the project is \$2 million. This project is consistent with recommendations

and next steps outlined in the August 24, 2022 Executive Committee Integrated Infrastructure Services Report "IIS01425 - Scona Pool Recommendations". The funding source being recommended for this adjustment is Pay-As-You-Go.

4.2-2. CM-61-3235 - Transit Facility and ROW Renewal (\$0.4 million)

This scope change is required to complete the additional work of adding garbage cans, benches, upgrading of CCTV cameras and procuring/installing Indigenous art to the Telus Transit Station project being delivered in "CM-61-3235 Transit Facility and ROW Renewal". The total cost of the scope change is \$375,000, and it will be funded entirely with new grant funding from the Canada Community Revitalization Fund program.

4.2-3. 21-32-9100 - Confederation District Park Renewal (\$0.3 million)

This scope change is required to complete additional work related to the accessible pathway being delivered as part of "21-32-9100 - Confederation District Park". The total cost of the scope change is \$324,750, and it will be funded entirely with new grant funding from the Canada Community Revitalization Fund program.

4.2-4. CM-36-3636 - Neighbourhood Park Development Program - New (\$0.27 million)

This scope change adjustment is required to add \$266,578 of grant funding that was received under the Canada Community Revitalization Fund (CCRF) program to "CM-36-3636 - Neighbourhood Park Development Program - New". This funding will be used to fund the Schonsee Spray Park and Callaghan Spray Park - Phase 2 projects being delivered under this composite profile.

4.2-5. CM-39-0000 - Open Space - Minor Renewal Program (\$0.2 million)

This scope change is required to design and construct cemetery grade beams within multiple cemeteries, to be delivered within "CM-39-0000 - Open Space - Minor Renewal Program". The additional \$200,000 will be funded with a transfer from the Perpetual Care Reserve.

4.2-6. CM-66-3300 - LRT Signals and Electrification Renewal (\$0.17 million)

This scope change is required to add additional grant funding received under the Canada's Rail Safety Improvement Program (RSIP) to "CM-66-3300 - LRT Signals and Electrification Renewal". The result of this additional funding is a slight increase to the percentage of the ideal investment level that will be delivered within this profile.

4.2-7. CM-21-0000 - Transportation: Public Transit - Renewal (\$0.17 million)

This scope change is required to add grant funding received under the Canada's Rail Safety Improvement Program (RSIP) to "CM-21-0000 - LRT Signals and Electrification Renewal". The result of this additional funding is a slight increase to the percentage of the ideal investment level that will be delivered within this profile.

4.2-8. CM-30-3030 - Open Space: Planning and Design - Growth (\$0.05 million)

This scope change is required to add \$50,000 of grant funding approved under the federal Active Transportation Fund program to "CM-30-3030 Open Space: Planning and Design - Growth" This funding will be used for growth design related to the Missing Connection Links project.

4.2-9. CM-99-9000 - Infrastructure Delivery - Growth (\$0.05 million)

This scope change is required to add \$50,000 of grant funding approved under the federal Active Transportation Fund program to "CM-99-9000 - Infrastructure Delivery - Growth" This funding will be used for growth delivery related to missing sidewalk connections.

4.2-10. CM-20-2020 - Transportation: Planning and Design - Growth (\$0.05 million)

This scope change is required to add \$50,000 of grant funding approved under the federal Active Transportation Fund program to "CM-20-2020 - Transportation: Planning and Design - Growth". This funding will be used for growth design related to the active transportation improvements project.

4.2-11. CM-60-1771 - Police Equipment (\$0.04 million)

This scope change is required to add funds of \$40,834 received from the Edmonton Police Foundation to fund the purchase of a K9 Storm Intruder dog borne camera system with three protective vests.

4.2-12. CM-60-1771 - Police Equipment (\$0.01 million)

This scope change is required to add funds of \$13,000 received from Public Safety Canada for the purchase of the OpenVision digital real time x-ray imaging system relating to the Papal visit.

Scope Change Increases Requesting Funding From Existing Budget

Scope changes recommended to be funded with a transfer from an existing approved budget (and therefore have no impact on the City's overall capital budget) are as follows:

4.2-13.21-12-0310 - Peter Hemingway Fitness & Leisure Centre Rehabilitation - Phase 1 (\$32.2 million)

This scope change is required to fund Phase 2 of the Peter Hemingway Fitness & Leisure Centre Rehabilitation project. Phase 2 activities include site drainage, building envelope, further mechanical and electrical life cycle needs, and integration of accessibility and sustainability of the facility. The total estimated cost of the scope change is \$32.2 million, and will be funded with transfers from existing approved budgets "CM-12-0000 - Facility Service Delivery Renewal" (\$16.2 million), "CM-99-9000 - Infrastructure Delivery - Growth" (\$0.2 million), and "21-12-0330 - Kinsmen Sports Centre Facility Rehabilitation" (\$14 million). The estimated completion date of the profile will be changed to June, 2026 to reflect the Phase 2 scope being added and coincide with the timing of completion of the Coronation Park Sport and Recreation Centre.

The transfer of \$14 million of funding from the Kinsmen Sports Centre Facility Rehabilitation project will result in a scope reduction to that project. The replacement or upgrade to end of life mechanical, electrical and architectural components of the Kinsmen project that were originally approved by Council will no longer be proceeding if this adjustment is approved. This includes, but is not limited to replacement of boilers, air handling units and plumbing, electrical panels, transformers, exterior doors and windows, flooring and lighting. The remaining funding in the Kinsmen Sports Centre Facility Rehabilitation project will be used to complete the pool headwall and critical safety, code, and policy requirements only. The scope that is being removed would be re-assessed by Administration against other priorities within the next 2027-2030 capital budget.

4.2-14. CM-10-1010 - Facility: Planning and Design - Growth and CM-99-9000 Infrastructure Delivery - Growth (\$3.0 million)

The City has an approved Federal Building Canada Fund grant for the Fort Edmonton Expansion Project. With the expansion completed, there are Federal Building Canada Fund approved funds remaining of \$9.37 million. The City is requesting an amendment to the agreement so that approximately \$1 million of the remaining funds can be reallocated to complete the Fort Edmonton Train Station Redevelopment. This funding will be combined with \$2 million partnership dollars from the Fort Edmonton Foundation to deliver the project. This scope change adjustment is required to transfer a portion of the previously approved grant and partnership funds to the appropriate planning and delivery composite profiles, in order for the project to proceed through the PDDM process. Additional City funding will not be required.

Recosting

Recosting adjustments are required when an approved capital project is projected to be over or under budget. This can occur when tenders on capital projects are over or under the budget. Recommended recosting adjustments are categorized as:

- Recosting increases requesting new funding
- Recosting increases requesting funding to be transferred from an existing approved budget
- Recosting decreases with funding released
- Recosting decreases with funding transferred back to original composite profiles

Recosting adjustments recommended in the Spring 2023 SCBA will result in a net \$9.9 million increase to the approved capital budget.

Table 3

	Recosting Increases			Recosting Decreases			(\$ millions)
	Requiring New Funding	Funded with Transfers	Total	Funding Releases	Funding Transfer to Composites	Total	Combined Impact to Capital Budget
Total Value of New Recosting Adjustments	\$12.1	\$12.0	\$24.1	(\$2.2)	(\$11.5)	(\$13.7)	\$10.4
Less: funding transfers from existing approved budgets	-	(12.0)	(12.0)	-	11.5	11.5	(0.5)
Net Impact to Approved Capital Budget	\$12.1	\$ -	\$12.1	(\$2.2)	\$ -	(\$2.2)	\$9.9

Recosting Increases Requesting New Funding

Recosting adjustments recommended for new funding are as follows:

4.3-1. 21-10-9103 - Iron Works Building Rehabilitation (\$5.1 million)

This recosting adjustment is required to fund higher than anticipated costs of the Iron Works Building Rehabilitation project. The project requires an additional \$5,080,000 of funding for tenant fit up costs, and additional costs related to remediation and market related cost escalations. This project was originally funded with Debt to be repaid with the Quarters Community Revitalization Levy (CRL). Current forecasts indicate future Quarters CRL revenue will be insufficient to take on additional Quarters CRL debt, therefore this recosting adjustment is being recommended to be funded with tax-supported debt.

4.3-2. CM-36-3636 - Neighbourhood Park Development Program - New and Other Various Related Profiles (\$3.0 million)

This recosting adjustment is required to add \$2,954,820 of third party funding received and recognized in prior years to multiple capital profiles. When profiles that include third party funding such as partnership funding, developer financing, and developer arterial roadway assessment are first created, the amount of these outside funding sources is based on the best estimate at that time. Often, the amount of actual third party funding received is different from the original estimated amounts. In these cases, the actual funding received is applied as a funding source to the projects in the year it was received, and an adjustment to the capital budget to add this funding to the profile is brought forward at the next Supplemental Capital Budget Adjustment.

4.3-3. Various Neighbourhood Renewal Profiles (\$2.4 million)

This recosting adjustment is required to add Local Improvements Property Share funding to various Neighbourhood Renewal Program standalone profiles. When the standalone profiles are first approved, the amount of Local Improvement Property Share funding is based on a PDDM checkpoint 3 level estimate. These adjustments are required to match the actual expenditures incurred and funded with Local Improvement Property Share funding.

4.3-4. 23-51-1905 - Taxation Assessment Collections System (TACS) Transformation (\$1.0 million)

This recosting adjustment is required to fund additional support costs related to the Taxation Assessment Collections System (TACS) Transformation project. Funding for this project was originally anticipated to be available within the Assessment and Taxation operating budget, which

released \$250,000/year from its base in the 2023 to 2026 operating budget to fund this item. However, the released funds were not transferred to Pay-As-You-Go, and instead were released. Due to this error, this adjustment now requires Pay-As-You-Go funding from the corporate funding pool to proceed. Administration will monitor the deficit in the corporate Pay-As-You-Go pool over the remainder of the 2023 to 2026 capital budget cycle, and may come forward at a future Supplemental Operating Budget Adjustment to add the \$250,000 per year back to the tax levy (directed to Pay-As-You-Go, and prorated over the remainder of the budget cycle).

4.3-5. 22-10-9312 - Commonwealth Recreation Centre Solar Photovoltaic Project (\$0.37 million)

This recosting adjustment is required to fund additional costs related to market escalation and unknown site conditions for the Commonwealth Recreation Centre Solar Photovoltaic Project. The \$372,240 adjustment is funded with grant funding received under the Alberta Municipal Solar Funding Program (AMSP), therefore no additional City funding is required for this adjustment.

4.3-6. CM-20-0052 - Library Furniture and Equipment (\$0.19 million)

This recosting adjustment is required due to unbudgeted expenditures incurred in 2022 for remaining Milner Library Branch capital fit-up costs. The total increase of \$185,075 is funded by Edmonton Public Library's restricted reserves.

4.3-7. CM-20-0051 - Library Materials (\$0.07 million)

This recosting adjustment is required due to the purchase of additional library materials in 2022, funded with additional donations received in the amount of \$68,862.

4.3-8. CM-61-3235 - Transit Facility and ROW Renewal (\$0.03 million)

This recosting adjustment is required to address additional safety and accessibility issues by widening the pedestrian pathway at the 112 Ave railway crossing project being delivered within "CM-61-3235 - Transit Facility and ROW Renewal". The additional \$33,600 of costs are being funded by additional grant funding received under the Rail Safety Improvement Program (RSIP).

4.3-9. 22-22-9701 - Gateway Blvd Renewal (University Avenue to 82 Avenue) (\$0.02 million)

This recosting adjustment is required for additional costs related to "22-22-9701 - Gateway Blvd Renewal (University Avenue to 82 Avenue)". The

\$15,000 in additional costs are funded by grant funding received under the Canada Community Revitalization Fund (CCRF).

Recosting Increases Requesting Funding from Existing Approved Budget

Recosting adjustments requesting a transfer from an existing approved budget (no impact to the City's overall capital budget) are as follows:

4.3-10. CM-18-1515 - Technology Infrastructure - Renewal (\$6.2 million)

This recosting adjustment is required to address an over-expenditure of \$6,261,722 carried forward from the 2019-2022 budget cycle in "CM-18-1515 - Technology Infrastructure - Renewal". The over-expenditure was due to the growing demands of IT data storage, improving database management and optimization, increased virtualized servers to improve the City's disaster recovery position and enable cloud infrastructure integration and renewal of additional networking equipment and access points, reducing risk of network failure and increasing service coverage. This over-expenditure will be funded with savings carried forward from 2019-2022 capital profiles as follows: "19-18-1901 - Information Security and Disaster Recovery Enhancements" (\$1,301,346), "19-51-1904 - Next Generation 9-1-1 (NG911) IP Call Handling" (\$1,420,255), "CM-18-1510 - Technology Applications - Renewal" (\$2,500,000), "CM-18-1514 - Technology Implementation - Growth" (\$800,000), and "CM-18-1517 - Technology Planning - Growth" (\$240,121).

4.3-11. CM-31-0000 - Open Space: River Valley System - Renewal (\$5.4 million)

This recosting adjustment is required to address an over-expenditure of \$5,356,864 in "CM-31-0000 - Open Space: River Valley System - Renewal". This over-expenditure was due to emergent projects related to river valley trail renewal, and advancement of the Rundle Park road and parking lot renewal. This over-expenditure will be funded with a transfer from existing approved budgets in "CM-40-9000 - Building Great Neighbourhoods Delivery - Growth" (\$4,700,000), and "CM-40-9001 - Rural and Industrial Road Upgrading" (\$656,864).

4.3-12. 23-30-9321 - Warehouse Park (\$0.3 million)

This recosting adjustment is required to transfer budget related to costs incurred in 2022 and prior years related to the Warehouse Park project, originally captured under the Future Phase Green and Walkable - Other Streets project. This adjustment requires council approval because it involves debt as a funding source and will result in a borrowing bylaw change brought forward at a later point in time.

Recosting Decreases - Funding Releases

Recosting adjustments result in a net decrease to the City's approved capital budget are as follows:

4.3-13.21-40-9031 - Winterburn Industrial Road Upgrading (\$2.1 million)

This recosting adjustment is required to release \$2,141,324 of Local Improvements Property Share funding for the Winterburn Industrial Road Upgrading project, as the work has been completed and the budget is no longer required.

4.3-14.16-17-6130 - East End Trails (\$0.04 million)

This recosting adjustment is required to release \$40,145 of Parkland Purchase Reserve funding from the East End Trails project, as the project is complete and the budget is no longer required.

Recosting Decreases - Funding Transferred Back to Original Composite Profiles

Recosting adjustments where funding is transferred back to the composite profiles where it was originally transferred from are as follows:

4.3-15. Various Neighbourhood Renewal Profiles (\$9.4 million)

This recosting adjustment is to transfer remaining funds from Neighbourhood and Alley Renewal projects to "CM-25-0000 - Transportation: Neighbourhoods - Renewal". This \$9,201,364 adjustment is being transferred because the Neighbourhood and Alley Renewal projects are substantially complete and are no longer required.

4.3-16.17-74-4103 - Jasper Avenue New Vision Phase 2 (\$2.1 million)

This recosting adjustment is required to transfer \$2,067,400 of Debt CRL Downtown funding no longer required for the Jasper Avenue New Vision Phase 2 project, back to the Downtown CRL delivery composite profile. This adjustment requires council approval because it involves debt as a funding source and will result in a borrowing bylaw change brought forward at a later point in time.

4.3-17.15-74-4031 - The Quarters Downtown - Phase II (\$0.09 million)

This recosting adjustment is required to transfer \$90,305 of Debt CRL Quarters funding no longer required for the Kinistinaw Park project, back to the original Quarters Phase II composite profile. This adjustment requires council approval because it involves debt as a funding source and will result in a borrowing bylaw change brought forward at a later point in time.

Funding Source Adjustments (Council)

This type of adjustment is strictly for funding source adjustments that normally result in no change to the overall budget of a profile, however requires Council approval because they involve debt financing or a specific level of reserve funding. Composite profiles are also included as part of this process.

Funding source adjustments recommended in the Spring 2023 SCBA will not have an impact on the approved capital budget.

Transfers from Operating to Capital

This type of adjustment is to recognize the reallocation of operating expenditures to capital. There are \$1 million in operating expenditures being recommended to be transferred to capital, with no impact to the overall tax levy.

A breakdown of recommended Transfers from Operating to Capital can be found in Attachment 4.

Project Development and Delivery Model Adjustments

Approved by City Council at the April 25, 2017 meeting, Capital Project Governance Policy C591 implemented the Project Development and Delivery Model (PDDM) to ensure all capital projects (infrastructure, fleet and equipment, information technology and land) follow a phased approach that includes formal checkpoint reviews as projects progress through their lifecycle (strategy, concept, design, build and operate). As the majority of projects approved in the 2015-2018 capital budget predate this policy, a number of profiles were advanced without the benefit of this process to define scope, schedule and budget. These adjustments allow for consistent measuring of all capital profiles in accordance with the PDDM model.

There are three PDDM Adjustments recommended in the Spring 2023 SCBA. These adjustments are to realign the cash flows of transformational projects that were approved outside of the PDDM process. A breakdown of recommended PDDM Adjustments can be found in Attachment 4.