

Capital Prioritization

Administration analyzed the remainder of the 2019 - 2022 capital budget to determine all potential areas where funding could still be redirected to address COVID-19 operating shortfalls. This analysis was broken down into two phases, which are described below.

Phase 1 - Initial Capital Budget Filtering

The starting point of this analysis was the \$8.43 billion dollars remaining in the current capital budget cycle from 2020 and beyond, spread out over 500 approved capital profiles. Administration applied the filters identified in the Council motion (project timing, funding source, mandate and safety considerations) to limit the analysis to 70 capital profiles that met the criteria to be able to address COVID-19 operating shortfalls:

The outcome of the above filtering process was a subset of growth and renewal projects that were further prioritized based on Phase 2.

Phase 2 - Prioritization of Remaining Growth and Renewal Capital

Administration divided the capital profiles remaining from the Phase 1 filtering process into growth and renewal subsets. These lists were then prioritized based on the following strategic and operational criteria:

Growth subset:

- Strategic Criteria
 - Alignment to Big City Moves from City Plan (A Rebuildable City, Communities of Communities, Catalyze and Coverage, Greener as we Grow, and Inclusive and Compassionate)

- Operational Criteria
 - Safety - indirect or longer-term safety impacts
 - Financial efficiency - project ultimately results in operating cost savings
 - Social - project creates social support for citizens

- Environmental - purpose of the project is primarily to protect the environment or minimize environmental impact.
- Link to renewal work - leveraging timing of renewal work to complete growth needs.

Renewal Subset:

- Operating and maintenance impact - projects generate net capital or operating savings for the City.
- Asset condition assessment - investment required in order to maintain reasonable asset conditions.
- Nature of renewal (key infrastructure) - level of a risk to corporate operations and an impact to the City's ability to provide existing services if renewal work is not completed.

Results*Growth Projects for Consideration:*

Profile #	Branch	Project Name	Potential Budget Reduction (2021-2022) (\$000's)
CM-30-3030	IIS - Building Great Neighbourhoods and Open Spaces	Sports Field Irrigation	300
CM-10-1010	IIS - Infrastructure Planning & Design	Riverbend Library Relocation	500
CM-25-3005	OPS - Fleet & Facility Services	Tools & Shop Equipment Program	100
CM-33-3004	OPS - Parks & Roads Services	Root for Trees	300
CM-99-9000	IIS - Infrastructure Delivery	Operational Yards OHS/Security Improvements	5,000
CM-99-9000	IIS - Infrastructure Planning & Design	Cemeteries Master Plan	3,000
15-21-5801	IIS - Infrastructure Delivery	Coronation Community Recreation Centre	800
CM-40-9000	IIS - Building Great Neighbourhoods and Open Spaces	Neighbourhood Revitalization	5,800
CM-30-3030	IIS - Building Great Neighbourhoods and Open Spaces	Glengarry District Park Renewal Phase 1	170
15-74-4111	UF - Economic & Environmental Sustainability	EETP - Stormwater Drainage Solutions	2,000
20-20-2020	IIS - Infrastructure Planning & Design	Transit Priority Improvements - Heritage Valley to Century	249

		Park	
CM-30-3030	IIS - Building Great Neighbourhoods and Open Spaces	Rollie Miles District Park	977
CM-17-1020	UF - City Planning	Mature Area Land Acquisition	4,489
CM-25-3003	OPS - Fleet & Facility Services	Vehicle & Equipment Hoist Program	600
Total			24,285

Renewal Projects for Consideration:

Profile #	Branch	Project Name	Potential Budget Reduction (2021-2022) (\$000's)
CM-25-0000 (Scenario 1)	IIS - Building Great Neighbourhoods and Open Spaces	Transportation: Neighbourhoods - Renewal	24,000
CM-25-0000 (Scenario 2)	IIS - Building Great Neighbourhoods and Open Spaces	Transportation: Neighbourhoods - Renewal	54,500

Notes:

Renewal projects were reviewed against the principles provided in the capital prioritization and infrastructure cut-back scenario motion (made by Council on May 25, 2020) and additional operational and strategic criteria. Based on that analysis the Neighbourhood Renewal Program may be considered for reduction for either \$24 million or \$54.5 million. A reduction of \$24 million or \$54.5 million will bring the funding level from the current 97% to 93% and 88% respectively.

In accordance with Policy C595A *Neighbourhood Renewal Program*, Neighbourhood renewal funds are limited solely to operating and capital expenditures related to the renewal of neighbourhood residential, industrial and commercial collector, local and alley road right of way surface assets. Use or redirection of these funds for any other purpose (i.e. used to offset other budget

challenges) would be considered a policy amendment and as such, in accordance with the policy, a non-statutory public hearing must be held.

Proposed Facility Closures and Savings:

(\$000's)	Operating Budget Reductions (Ongoing)			Capital Cost Avoidance	Total Cost Savings
	Revenue	Expense	Net (2)	Renewal Costs (3) (4)	
Eastglen Pool	249	796	547	2,206	2,753
Scona Pool	-	305	305	16,730	17,035
Oliver Outdoor Pool	62	253	191	980	1,171
Oliver Arena	107	152	45	3,789	3,834
Tipton Arena	132	216	84	2,913	2,997
Asphalt Plant	-	231	231	-	231
Total	550	1,953	1,403	26,618	28,021

Notes:

- (1) Facility closures based on recommendations from completed Program and Service Reviews related to Recreational and Sport Facility Access/Recreation, Culture Programming, Road Services, and Parks and Open Spaces.
- (2) The operating budget reductions resulting from the proposed facility closures are reflected in the FCS00078 Fall 2020 Supplemental Operating Budget Adjustment Report (November 16, 2020 City Council meeting).
- (3) Renewal costs are not currently included in the 2019-2022 capital budget. These are renewal costs for consideration in future capital budgets. Amounts are based on estimates completed in 2013 for Scona Pool, 2014

- for Eastglen Pool and Oliver outdoor Pool, 2017 for Oliver Arena, and 2019 for Tipton Arena. Renewal costs for the Asphalt Plant are minimal, as older facilities on the site are not scheduled for significant renewal.
- (4) The estimates account for addressing basic deferred maintenance with no capacity to address current functional challenges, including modernization to meet user expectation, or policy objectives set out in policy *C532 Sustainable Building* and *C602 Accessibility for People with Disabilities*.