

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 15.1.2**  
**Halifax Regional Council**  
**May 21, 2019**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed by 

**SUBMITTED BY:**

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Jacques Dubé, Chief Administrative Officer

**DATE:** April 24, 2019

**SUBJECT:** Capital Budget Multi-year Process and Timeline

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## **ORIGIN**

January 16, 2019 Item #3 Motion: THAT Budget Committee...

2. Proposes a process and timeline, starting end of April 2019, for Budget Committee to review the list of priority projects and funding options and make recommendations for a multiyear capital plan for consideration starting 2020/21 that includes:

- a. Options, opportunities and challenges in addressing deferred IT and physical plant investments as identified in the staff report and presentation date November 19, 2018;
- b. Options for implementation plan for transformative mobility projects (transit, AT, pedestrian) with 10-year vision that aligns with Federal PTIF funding timeline and is guided by policies in the Integrated Mobility Plan;
- c. Revision of the 10-year Signature Capital Projects plan, timeline and funding options, and;
- d. A review of the Alternative Priority Projects in Attachment 4 of the staff report dated November 19, 2018 for fiscal 2020/21 and 2021/22 and of previously planned and identified capital projects for which funding has not been allocated.

## **LEGISLATIVE AUTHORITY**

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (B) ensure that an annual budget is prepared and submitted to the Council.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council direct the CAO to schedule Budget Committee meetings, as outlined in the Discussion section of this report, to provide guidance for the 2020/21, 2021/22, and 2022/23 capital budget deliberations.

## **BACKGROUND**

On October 16, 2018, the Asset Management Office introduced to Regional Council a transition plan to move the annual capital budget process into a strategic long-term capital planning process. The goal of this transitional plan is to provide more sustainable investments and resilient infrastructure supporting service excellence. During the 2019/20 capital budget process, initial steps were taken in this multi-year iterative transition included implementing a prioritization framework based on best practice, that assisted senior leadership in evaluating corporate-wide project priorities. Also, for the first time, staff presented Council with three-years' funded and prioritized budgets.

The introduction of this important initiative supports Council's interest in developing a long-term funded capital plan that demonstrates the advancement of council's priorities. To this end, on January 16, 2019, Councillor Mason introduced a motion at Budget Committee for staff to provide an impact analysis on key elements of the capital plan.

## **DISCUSSION**

To address the motion of origin from January 16, 2019, staff have developed a plan to integrate addressing the motion's elements with internal initiatives for the next phase of transitioning the capital budget process to strategic capital planning.

Related success in transitioning municipal capital planning is not effectively attainable unless the decision makers of the Budget Committee has equal understanding of the methodologies being implemented by staff over the next few years. It is the intent to provide the Budget Committee with confidence in the strategies, processes and data that staff will be utilizing to support capital recommendations coming forward for more informed decision making.

The key elements required for this transition to strategic long-term capital planning include:

- Understanding Asset Management methodologies,
- Supporting operational maintenance maturity activities and asset data governance,
- Prioritized strategic alignment for focused effort and visible advancement,
- Guidance for longer-term capital investment funding,
- Levels of service (LOS) review and debate.

Upon presentation of each topic to the Budget Committee, staff will incorporate the provided guidance into the preparation of the 2020/21 multi-year capital plan and budget recommendation.

As such, the following dates and presentations are recommended:

<b>BUDGET COMMITTEE</b>		
<b>Session No.</b>	<b>Proposed Date</b>	<b>Topic</b>
1.	July 16, 2019	Multi-year Capital Plan and Asset Investment Framework
2.	July 19, 2019	Prioritizing Capital Outcomes
3.	August 13, 2019	Long-term Capital Strategy and Signature Projects
4.	August 16, 2019	Capital Funding Framework

## **FINANCIAL IMPLICATIONS**

There are no immediate financial implications with the recommendation of this report. Discussions at forthcoming Budget Committee meetings will be considered in the development of this year's capital budget, and implications will be discussed more broadly at that time.

### **RISK CONSIDERATION**

Risk is formally evaluated for each capital project, as part of the prioritization framework. Work completed in response to the January 16, 2019 motion to provide various capital impact analyses will provide commentary on assessed risk of options.

### **COMMUNITY ENGAGEMENT**

Halifax Regional Council meetings are open to public attendance, and a live webcast is provided of the meeting. The agenda, reports, minutes, and meeting video are posted on Halifax.ca.

### **ENVIRONMENTAL IMPLICATIONS**

Any consideration of environmental implications within capital projects will be considered during the project business case development and capital budget evaluation and deliberation processes.

### **ALTERNATIVES**

Halifax Regional Council could alternatively recommend a different timeline for response to the January 16, 2019 motion. Scheduling consideration should be given to the Budget Committee's availability, adequate preparation time for staff's response, and adequate time after the meetings for staff to incorporate the Committee's guidance into the current year's budget recommendation.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Crystal Nowlan, Manager, Asset Management, 902.237.8768

Financial Approval by: Original Signed by   
Jane Fraser, Director of Finance, Asset Management and ICT/CFO, 902.490.4630

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