



2018 Recommended Budget

Consolidated Capital Budget

A decorative graphic at the bottom of the page. It features a bright yellow sun with a glowing center, positioned above a series of blue and teal wavy lines representing water or hills. The sun is partially obscured by a yellow triangular shape that points upwards.

**Becoming Canada's
most livable community**
...focusing on priorities



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Introduction

The 2018 capital budget demonstrates prudence and financial leadership with reasonable expectations on future budgets. A financially strategic approach in alignment with community priorities will guide the County in accomplishing goals while reducing risk and controlling costs.

In 2018, the focus will be to continue supporting annual maintenance programs, catch up on open projects and limit spending to infrastructure essential for service delivery. By planning carefully to capture strategic and financial opportunities, the capital budget positions the County well to ensure the organization is able to deliver on its promises. The budget reflects the challenges and opportunities of today's economic environment and what can be accomplished within the County's means to deliver capital projects that add true value to the community.

The value of capital

Capital assets, such as facilities, parks, vehicles, roads and water lines, are the backbone of every community. It is critical to rethink, revitalize and preserve our capital assets in order to meet community priorities, accommodate a vigorous and resilient economy, and continue to provide the essential services residents rely on each day for health, safety and enjoyment.

Building a responsible capital budget involves allocating resources to meet both today's needs and the requirements for long-term financial sustainability. A number of factors must be examined in terms of capital projects—the pressures of infrastructure maintenance, growth and new capital projects must be balanced against the impacts on future operating budgets, staff resources and available funding.

The true cost of capital

In 2017, the County approved a number of design projects, with the expectation that the subsequent construction elements would come forward as new capital requests in future years.

The 2018 capital budget includes a number of these subsequent construction projects, with updated business cases that reflect the true cost of capital.

It is important to view capital investment in terms of these true costs (design, land, construction, etc., as a whole) in order to support sound decision making—choosing the most important projects based on priorities and funding—and create positive impacts for the future.

A strategic planning approach

A variety of processes, strategies and funding options have been employed to promote long-term financial sustainability and responsible spending in the 2018 capital budget:

- Use of PBB principles to align capital recommendation with Council's strategic goals
- Utilize grants appropriately to position ourselves favourably for future capital demands
- Limited capital plan to enable project deliverability; set up departments for success



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Planning philosophy

The approach surrounding Strathcona County's capital planning continues to center on methods that clearly examine present needs and capacity while exploring efficiencies in the context of priorities.

The philosophy includes:

- Completing the appropriate steps, such as land purchase and utilities, prior to construction in order to help reduce capital budget amendments and issues with project delays.
- Unbundling the stages of capital projects to create multiple decision points in the construction process and give the County greater flexibility. The option to reconsider advancing on projects at the functional planning, schematic design or detailed design stages offers greater financial security.

Focus for capital spending in 2018

Capital spending in 2018 will support the following programs and projects:

Asset management: annual programs

To ensure a sustainable future, the first capital consideration is the maintenance of existing assets. The recommended 2018 capital budget focuses largely on annual rehabilitation and replacement programs to support responsible capital planning and preventing an infrastructure deficit in the future. It is imperative to continue with the renewal cycles and annual maintenance based on periodic asset reviews to maintain service levels in the long term and protect the County's investments.

The cost for annual programs is expected to be \$36M in 2018. These programs are supported each year by specific, dedicated reserves that have been built over time to provide secure, continuous funding.

Meeting community demands: service capital

Multi-Purpose Agricultural Facility (Outdoor Amenities and Servicing)

The importance of agriculture to the economic, cultural and social well-being of Strathcona County has been identified. A multi-purpose agricultural facility will enhance the profile and strength of agricultural lifestyle in the County. The cost for this phase of the project is expected to be \$16.1M.

OSRFS - Ardrossan Spray Park

Expansion of the outdoor amenities in Ardrossan will compliment the existing recreation infrastructure and entice residents to frequent the recreation complex and surrounding area. The park reflects the needs of the community while considering available space and amenity requirements. The cost for the project is \$1.5M.

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Improving safety and service delivery:

Building Security Improvements

To provide additional security for staff and visitors, modifications are required to create a new hallway entrance. These modifications are proactive measures to enhance the ability to provide service to the resident in a safe and comfortable environment. The cost of the project is \$160K.

Asbestos Removal and Abatement Program

This project is part of an ongoing program to remove asbestos from multiple vertical infrastructure Utility sites across the County. The removal of the asbestos will help ensure the health and safety of employees by providing a safe work environment. The cost of the project is \$150K.

Accommodating growth: infrastructure expansion

County Hall Phase 4 Renovations

This project involves the re-stacking of the main floor of County Hall which will help meet current and future capacity needs, while providing a healthier, safe, and user friendly work environment. The cost for this phase of the modernization is expected to be \$4.6M.

Serving the community

The capital budget serves the community in five main ways:

- Planned maintenance and lifecycle repair
- One-time and emergent maintenance and repairs
- Rehabilitation and revitalization
- Planning and design of future assets
- The creation/ purchase / construction of new assets

Challenges identified include:

- Maintaining current infrastructure
- Bridging the long-term funding gap
- Balancing capital needs for today and the future

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	Cost	Dept.
Buildings		
Annual Parking Lot Rehab Program	\$ 408,744	TAS
Annual Facility Capital Lifecycle	2,300,000	FAC
County Hall Phase 4 Renovations - Construction	4,652,000	FAC
OSRFS - Ardrossan Spray Park	1,500,000	RPC
OSRFS - Kinsmen Leisure Centre	5,000,000	RPC
Multi-Use Agriculture Facility - Outdoor Amenities & Servicing	16,110,000	TAS
Biomass - Fuel Handling Reconfiguration	150,000	UT
Building Security Improvements	160,000	FAC
	30,280,744	
Electronic Hardware/Software		
IT Corporate Infrastructure Replacement Program - Municipal	\$ 718,500	ITS
IT Infrastructure Replacement Program - Utilities	40,000	UT
IT Infrastructure Replacement Program - Library	57,267	LIB
Service Management Tool	114,250	ITS
Mobile Device Management	95,000	ITS
	1,025,017	
Machinery & Equipment		
Annual Recreation Equipment Replacement Program	\$ 233,000	RPC
Annual SCES Equipment Replacement Program	84,000	SCES
Annual Water Meter / Radio Frequency Program	500,000	UT
Library Collection Replacement	589,279	LIB
Slide-in Calcium Tank	35,000	TAS
Dry Roadway Sweeper	12,000	TAS
Enhance Fibre - Festival Place	30,000	ITS
	1,483,279	
Program Parks & Open Space Development		
Annual Parks Infrastructure Lifecycle	\$ 610,000	RPC
Annual OSRFS Outdoor Revitalization Program	1,136,000	RPC
Heritage Hills Park	285,000	RPC
	2,031,000	
Utilities		
Infrastructure Renewal - Utilities Lifecycle Management	\$ 700,000	UT
Annual Corrosion Control Program	85,000	UT
Annual Hydrant / Valve Replacement	281,000	UT
Annual Rollout Carts	92,600	UT
Ardrossan Water Supply New Main - Design and Land	500,000	UT
Transmission Meter Installation	350,000	UT
Asbestos Removal and Abatement Program	150,000	UT
	2,158,600	
C - Construction	D - Design	L - Land
Annual Program	Rehab / Replacement	U - Utilities
Growth	Developer Levy	Suggested Annual Value Added

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2018 capital budget (continued)

Roadway Infrastructure			
Annual Rural Road Rehab Program	\$	6,776,587	TAS
Annual Bridge Replacement Project		1,990,000	TAS
Annual Residential Rehab Program		8,185,589	TAS
Annual Arterial Road Rehab Program		2,700,000	TAS
Annual Asphalt Trail Rehab Program		329,118	TAS
Annual Traffic & Pedestrian Safety Improvements		670,000	TPE
Annual Traffic Signal / Intersection Replacements		930,400	TPE
Annual Sidewalk Missing Links Program		902,782	TPE
Class I Grid Road Improvement_LU		1,284,500	TPE
Twp Rd 550, Rge Rd 221 to 830_DLU		1,125,000	TPE
Train Whistle Cessation Rg Rds 231, 223 and 220		46,500	TPE
		24,940,476	
Vehicles			
Fleet Transit Replacements	\$	3,238,890	FLT
Annual Utilities Fleet Addition & Replacement Program		570,968	UT
Annual Vehicle & Equipment Fleet Replacements		3,093,815	FLT
Vehicle purchase (Parent Link Centre)		45,675	FCS
Fleet Addition - SWC Tractor		55,000	RPC
Vehicles for Maintenance Operations		67,750	FAC
		7,072,098	
GRAND TOTAL		68,991,214	
<div> <div>C - Construction</div> <div>D - Design</div> <div>L - Land</div> <div>U - Utilities</div> </div> <div> <div>Annual Program</div> <div>Rehab / Replacement</div> <div>Suggested Annual</div> <div>Growth</div> <div>Developer Levy</div> <div>Value Added</div> </div>			

2018 capital funding

	Total Funding	Tax Levy	Reserve	Grants	Developer Levy	User Rates	Other
Buildings	30,280,744	14,499,000	5,744,944	10,036,800	-	-	-
Electronic Hardware / Software	1,025,017	-	1,025,017	-	-	-	-
Land Development	-	-	-	-	-	-	-
Machinery & Equipment	1,483,279	-	867,000	27,000	-	-	589,279
Program Parks & Open Space Development	2,031,000	-	1,821,000	-	-	-	210,000
Roadway Infrastructure	24,940,476	-	19,022,450	4,793,026	-	-	1,125,000
Utilities	2,158,600	-	2,158,600	-	-	-	-
Vehicles	7,072,098	-	6,472,098	600,000	-	-	-
GRAND TOTAL	68,991,214	14,499,000	37,111,109	15,456,826	-	-	1,924,279