

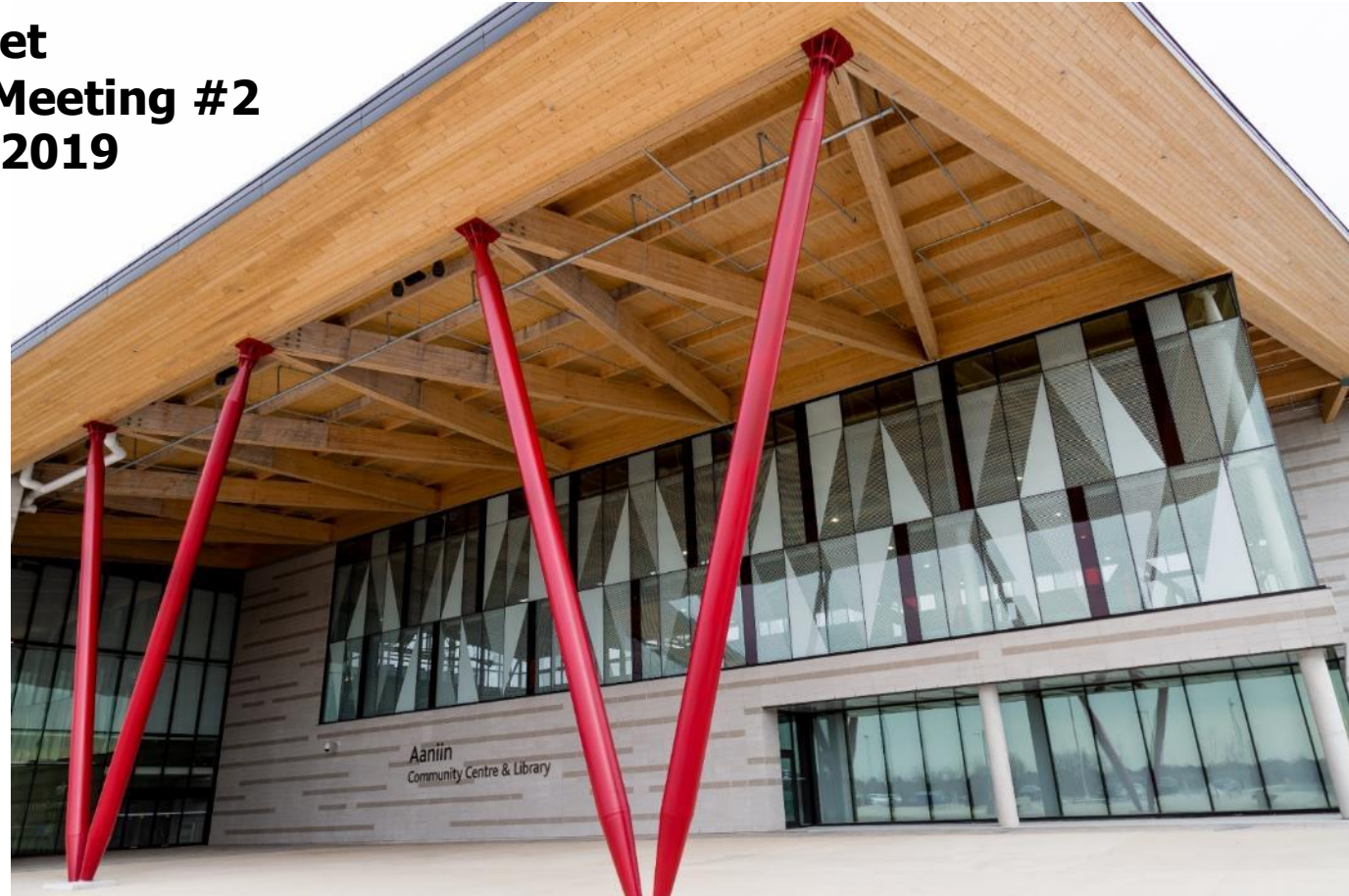


A G E N D A
BUDGET COMMITTEE
January 22, 2019
9:30 a.m.
Council Chamber
MEETING NO. 2

Chair: Councillor Amanda Collucci
Vice-Chair: Councillor Andrew Keyes
Members: Deputy Mayor Don Hamilton
Councillor Karen Rea
Councillor Keith Irish
Councillor Reid McAlpine
Councillor Khalid Usman
Mayor Frank Scarpitti (ex-officio)

- **2019 BUDGET PRESENTATION** **Slide 1**
- 1. Capital Budget Review Process** **Slide 3**
- 2. Overview of the Project Funding Request Form** **Slide 4**
 - Appendix A – Glossary **Page 8**
 - Appendix B – Project Funding Request Form (Sample) **Page 10**
- 3. Review of the 2019 Proposed Capital Budget** **Slide 5**
- 4. Next Steps** **Slide 7**

2019 Budget Budget Committee Meeting #2 January 22nd, 2019



Agenda

1. Capital Budget review process
2. Overview of the Project Funding Request Form
3. Review of the 2019 Proposed Capital Budget
4. Next Steps

1. Capital Budget Review Process

Format – review by exception

- the Chair will identify the total number of projects being requested for the Department on page # of the summary document starting from Project #X to Project #Y
- inquire Members of Council if they have questions on those projects
- The respective Director will be in attendance to address questions
- Budget Committee will vote to approve the projects at the end of the review of each department's requests

	#	\$
Pre-approved	29	21.42
Remaining projects for consideration	198	105.04
Total	227	126.46

2. Overview of the Project Funding Request Form

- Refer to Appendix A (Glossary) and Appendix B (sample copy of the project funding request form)

3. Review of the 2019 Proposed Capital Budget

Order of review (for January 22, 25 and 29 meetings)

Development Services

- Culture, Museum, Theatre and Arts Centre
- Planning and Design
- Engineering

Corporate Services

- ITS
- Finance
- Sustainability Office and Asset Management

3. Review of the 2019 Proposed Capital Budget

Order of review (for January 22, 25 and 29 meetings)

Community & Fire Services

- Fire & Emergency Services
- Recreation Services
- Markham Public Library
- Operations (Roads, Parks, Fleet, Utility Inspection & Survey and Business & Technical Services)
- Environmental Services (Infrastructure, Stormwater, Waste and Waterworks)

Corporate Wide

4. Next Steps

- Review of 2019 Capital Budget (Budget Committee Meetings #3 and 4)
 1. Friday, January 25, 2019 – 9:30 a.m. – 12:30 p.m.
 2. Tuesday, January 29, 2019 - 9:30 a.m. – 12:30 p.m.
 - Review of the 2019 proposed capital budget by exception
 - Please bring your computer to access the capital budget request forms (e-file)
- Public Meeting: Thursday, February 21, 2019 – 7:00 p.m. – 9:00 p.m.

Appendix A

Glossary – 2019 Project Funding Request Form

1. Number – A unique 5-digit project number is assigned to each project. The first 2 digits identifies the year of the project request. (all project numbers will start with 19 representing 2019 requests)
2. Project Name – Name of project
3. Commission – requesting Commission
4. Department – requesting Department
5. Project Manager – name of Staff who will be responsible for managing the project
6. Wards – the checked box(es) indicates the respective ward(s) that will be affected by the project. ‘CW’ represents City-Wide.
7. Project Cost – total project cost including HST impact of 1.76%
8. Drop down menu to identify the project type. Selections include a. new asset/expansion, b. repair/replacement, c. studies/pilot
9. Useful life – identifies asset useful life, if applicable
10. Pre-approval – indicates if project was fully/partially pre-approved
11. Category – drop down menu to select one of the following categories:
 - a. Annual – annual request that will be completed within the calendar year
 - b. Minor – a non-recurring project that will be initiated within the calendar year and be completed within 12 months after initiation
 - c. Major – multi-year project
12. Cost validation – drop down menu to select one of the following methods to validate project cost:
 - a. Recent Awards
 - b. Internal peer review
 - c. External peer review: review based on external sources e.g. consultants
 - d. Third party estimates (quotes from vendors): estimates provided by vendors
 - e. Published Guidelines: costs based on industry standards and/or published guidelines
 - f. Other: specify other validation in the Notes section of the request form
 - g. Multiple: specify multiple selections from above in the Notes section of the request form
13. Requirement validation – drop down menu to select one of the followings:
 - a. Condition assessment: assessment by City staff or consultants on the condition of the asset and the need for repair/replacement/rehabilitation.
 - b. Visual inspection: inspection of the asset to determine if the asset needs repair/replacement/rehabilitation.
 - c. Documentation (based on historical data): requirement based on studies conducted, life cycle study, departmental study, industry standards.
 - d. Legislative compliance: requirement based on legislation.
 - e. Other: specify other validation in the Notes to Request Form field.
 - f. Multiple: specify multiple selections from above in the Notes section of the request form
14. Detailed description – outlines scope of the project

15. Building Markham's Future Together – describes how the project aligns to one of the 4 pillars (a. Exceptional Services by Exceptional People, b. Engaged, Diverse and Thriving City, Safe and Sustainable Community, Stewardship of Money and Resources)
16. Project Cost – total project costs with breakdown of internal charges, external consulting and HST impact. NOTE: capital project contingencies have been consolidated into one project under Project #19256 "Corporate Capital Contingency; therefore you will not see contingency amounts identified on the individual capital project requests
17. Notes: additional supplementary information (example: asset state of good repair, any backlog in the program, total project costs including previously approved projects and future phases)
18. Proposed source(s) of funding: drop down menu to select the corresponding funding source(s) for the project. This section also identifies the breakdown of the components in the project
19. Operating Budget Impact: identifies any incremental operating budget impact (for example: additional operating costs, savings in the operating budget, additional revenues)
20. DCA – if the project is funded from Development Charges, departments are to select from a drop down menu the corresponding item and the associated costs identified in the DC Background Study
21. Life Cycle – if the project is funded from Life Cycle, departments are to select from a drop down menu the corresponding asset replacement/rehabilitation and the associated costs identified in the 2018 Life Cycle Reserve Study Update
22. Explanation is provided by the department if the amount requested differs from the amount identified in the DC Background Study or Life Cycle Reserve Study
23. Cash Flow Estimates – identifies anticipated expenditures being incurred by quarter
24. Procurement Plan – identifies the projected contract award date, project completion date and deliverables
25. Business Case – Rationale for project submission - additional information to substantiate the need for the project, implications if the project is not being approved and other alternatives that were considered by staff

Appendix B

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2019 PROJECT FUNDING REQUEST FORM

① Number: 19170

② Project Name: Asphalt Resurfacing

③ Commission: Community & Fire Services

④ Department: Operations - Roads

⑤ Project Mgr: Zoyab Vahora

⑥ Ward(s): CW 1 2 3 4
5 6 7 8

⑦ Project Cost: \$6,730,200

⑧ Repair/Replace

⑨ Useful Life: 20

⑩ Pre Approval:

⑪ Category: Minor

⑫ Cost Validation: Recent awards

⑬ Requirement Validation: Condition assessment

⑭ **DETAILED DESCRIPTION (SCOPE OF PROJECT):**

Asphalt resurfacing of roads throughout the City utilizing a pavement management program to select rehabilitation candidates. The overall goal is to maintain an acceptable pavement condition index and user satisfaction by implementing cost effective strategies designed to extend pavement life and reduce overall maintenance costs of the road network.

⑮ **BUILDING MARKHAM'S FUTURE TOGETHER: Describe how this project/initiative advances the objectives of BMFT.**

Primary Objective: Municipal Services

Properly paved and well maintained roads help reduce accidents and promotes safe movement of traffic reducing traveling time. Contracts within this program call for reharvesting and recycling of construction materials. Strategies include warm mix designs which lowers emissions and utilizes recycled aggregate.

⑯ **PROJECT COSTS (\$)**

NOTES

⑰

	<u>2019</u>	<u>Future Phases</u>
Cost/Quote:	6,526,372	0
Internal Charges:	89,002	0
External Consulting:	0	0
Contingency %: 0	0	0
Sub Total:	6,615,374	0
HST Impact:	114,864	0
Total Project Cost:	6,730,200	0

Asphalt Resurfacing of approximately 14.4km of two lane roadway and 17 two lane km's of pavement preservation which is comparable to last year's program. Other work includes interlock, material testing, route and seal, steel, asphalt condition inspection and AC index. Various strategies are utilized on a site specific basis to reach program goals. There is no substantial backlog in this program. In order to achieve the 80% target, a review will be undertaken to explore change in the mix of strategy as well as the appropriateness of 80% as the target. Laser condition survey conducted bi-annually indicates 2017 pavement condition result shows that 74% of the road network is deemed good or better (target = 80%).

⑱ **PROPOSED SOURCE(S) OF FUNDING (\$)**

<u>Funding Type</u>	<u>Budget</u>	<u>Components</u>				<u>Other</u>	<u>TOTAL</u>	<u>Future Phases</u>
		<u>Asphalt</u>	<u>Concrete</u>	<u>Preservation</u>				
Gas Tax	6,165,798	2,962,581	2,035,200	508,800	659,217	6,165,798	0	
Operating Funded Life Cycle	564,402	0	0	0	564,402	564,402	0	
TOTAL FUNDING	6,730,200					6,730,200	0	

⑲ **OPERATING BUDGET IMPACT**

<u>Personnel</u>	<u>Non Personnel</u>	<u>Revenues</u>	<u>Expenditures/(Revenues)</u>
\$0	\$0	\$0	\$0

Project Name: Asphalt Resurfacing

20

DCA

Name

Year

Amount

Amount in

Study

21

Life Cycle

Amount in Study: 6,364,900

Amount Incl HST 6,731,800

Year in the study 2018

22

DCA and/or Life Cycle: Explain if there is a change in the year and/or an increase/decrease in cost:

Total request is different than the life cycle amount due to the AC index.

23

Cash Flow Estimates:

Quarter 1:	\$0
Quarter 2:	\$0
Quarter 3:	\$5,000,000
Quarter 4:	\$1,730,200
Year 1 Total Cash Flow:	\$6,730,200
Year 2:	\$0
Year 3 + beyond:	\$0
Total All Years:	\$6,730,200

24

Procurement Plan:

RFP/Tender Submission to Purchasing: 01/02/2019

RFP/Tender Award by: 01/03/2019

Estimated Project Completion Date: 30/06/2020

Estimated 2019 Deliverables

25

Business Case - Rationale for project submission

i) Project Class: Recurring Project – Maintain/Increase Service Level and no change in funding

ii) What is the rationale for this project? Comment on Service Level.

Condition assessment is conducted bi-annually to determine specific locations. This is followed by a detailed visual inspection by Operations staff which verifies the lazer condition assessment. Identified in the Life Cycle Reserve Study.

iii) What are the implications of this project not being approved?

Pavement conditions will deteriorate. It may result in a significant cost increase to the pavement management program if not approved.

iv) What alternatives were considered?

Cost effective strategies are designed to extend pavement life and reduce overall maintenance costs of both the road and sidewalk network. No alternatives are available.