



Legislation Text

File #: AR-20-237, **Version:** 1

TAMRMS#: B06

10 Year Utility RMR Capital Plan

Presented by: Diane McMordie, Director, Finance & Assessment/CFO

RECOMMENDED MOTIONS

1. That the 10 Year Utility RMR Capital plan provided as an attachment to the July 6, 2020 agenda report titled "10 Year Utility RMR Capital Plan" be approved.

2. That the following postponed motion be approved:
(PM-21-002)

"That the 2021 Utility Municipal Capital Budget of 11 capital RMR projects be funded in the amount of \$19,127,000."

PURPOSE OF REPORT

This report presents 10 Year Utility RMR (Repair, Maintain, Replace) plan as originally presented to Community Growth & Infrastructure Standing Committee (CGIS) on June 9, 2020 for Council consideration of the 2021 Utility RMR Capital Plan.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

Strategic Priority #4: Infrastructure Investment: Identify and build needed capital assets.

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

Financial Planning

Stewardship of development of annual operating and capital budgets for Municipal and Utility operations.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On June 9, 2020 CGIS passed the following motions:

(AR-20-200)

That Community Growth & Infrastructure Standing Committee recommend to Council:

That the 10 Year Utility RMR Capital plan provided as an attachment to the June 9, 2020

agenda report titled "10 Year Utility RMR Capital Plan" be received as information.

That Council members submit any motions for proposed amendments to the 10 Year Utility RMR plan to Administration by June 17, 2020.

That Administration prepare backgrounders for proposed changes to the 10 Year Utility RMR Plan and present to Council at the July 6, 2020 meeting for consideration of approval.

Council Policy C-FS-05 Budget and Taxation Guiding Principles

Service Standards/Expectations

3-Municipal and Utility capital budgets shall be prepared and approved by Council for a rolling ten (10) year period and Administration shall be given approval to execute on year one (1) of the plan.

5-The approved operating and capital budgets shall serve as the financial plan for the City and provide Administration with the direction and resources necessary to accomplish Council's strategic direction and Council approved services and service levels in accordance with the Services and Service Levels Inventory.

7- The City is committed to the preservation and long term viability of its current infrastructure and as such commits available capital dollars towards the repair, maintenance and replacement of existing assets prior to consideration of new capital growth projects and assets.

19e-Council shall review and provide final approval of the RMR Capital Budget approximately six months prior to the next fiscal year.

19f- This approval shall grant Administration the authority to issue binding procurement documents such as Request for Proposals, Invitations to Tender and purchase orders and to award contracts at any time after final approval is received from Council.

Any contracts awarded will ensure that the goods and/or services will not be received until after January 1 of the following year when the budget dollars become available.

BACKGROUND AND DISCUSSION

At the CGIS meeting on June 9, 2020, the 10 Year (2021-2030) Utility RMR Capital Plan was presented. Capital projects that have been identified as RMR are critical to sustain current service levels, required as part of detailed lifecycle plans, and are essential for rehabilitation of existing equipment and infrastructure.

No Notice of Motions were submitted.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

The City has two main sources of funding available to be used towards Capital Utility Infrastructure: Utility revenue and grants. The Utility revenue is collected from both consumption usage and flat fees with rates approved by Council; and is calculated to cover both operating cost and capital costs.

Capital costs to support provision of Utility services comprise over 30% of the total costs. The capital costs required to be financed bears significant impacts to the Utility rate and its bylaws to be approved in December 2020.

Legal / Risk:

None at this time

Program or Service:

If the recommendation is passed, this would authorize the Chief Administrative Officer and Administration to begin the preparatory work relating to site planning, establishing commitments, RFP process, and submission of grant applications. This would be accomplished with the understanding that no spending is to occur until the 2021 Budget is approved, as per Council Policy C-FS-05 Budget and Taxation Guiding Principles.

Organizational:

None at this time

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Council 'do nothing'. The 2021 Utility RMR plan would not be approved and Administration would not be able to begin preparatory work towards the execution of the 2021 Capital RMR projects. These projects would need to be addressed again during the budget process in late fall

Report Date: July 6, 2020

Author(s): Diane McMordie

Department: Finance & Assessment

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble