



## Committee of the Whole - Workshop Meeting

### Agenda

**Date:** January 12, 2017  
**Time:** 1:00 pm  
**Location:** Council Chambers Level 2, City Hall

Note: This meeting is a workshop, no delegations will be registered and only staff directions and motions to receive and file will be permitted.

Pages

**1. Declarations of Interest:**

**2. Delegation(s):**

Not applicable.

**3. Consent Items:**

Reports of a routine nature, which are not expected to require discussion and/or debate. Staff may not be in attendance to respond to queries on items contained in the Consent Agenda.

**4. Regular Items:**

4.1 Capital prioritization for projects eligible for senior level of government funding (F-04-17)

1 - 5

Note: Finance staff will provide a presentation

**5. Confidential Items:**

Confidential reports may require a closed meeting in accordance with the Municipal Act, 2001. Meeting attendees may be required to leave during the discussion.

**6. Procedural Motions:**

**7. Information Items:**

**8. Staff Remarks:**

**9. Committee Remarks:**

10.     Adjournment:



**SUBJECT: Capital prioritization for projects eligible for senior level of government funding**

**TO: Committee of the Whole – Workshop**

**FROM: Finance Department**

Report Number: F-04-17

Wards Affected: All

File Numbers: 435-01

Date to Committee: January 12, 2017

Date to Council: January 23, 2017

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### **Recommendation:**

Endorse the capital evaluation project matrix attached as Appendix A to Finance Department report F-04-17 as a tool to assist in prioritizing capital projects for the purpose of senior government funding opportunities.

### **Purpose:**

To present to Council for presentation and discussion a Capital Project Evaluation Matrix to rank projects eligible for Federal or Provincial level funding programs.

An Engaging City

- Good Governance

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### **Background and Discussion:**

Over the years the City has experienced a variety of senior government funding programs, and it is reasonable to expect future funding programs to continue. As such, we need to be in a better position to understand and communicate capital spending priorities, in order to react more timely when details of new programs are announced, to ensure there are no missed funding opportunities. The Capital Project Evaluation Matrix can be a useful tool to help make strategic funding requests and as a corporate project assessment tool that can assist in prioritizing projects competing for limited resources. Because it is based on specific evaluation criteria in which a numerical

score can be realized, it provides an objective view for decisions and consensus. In addition, the list of capital projects will provide focus for staff to communicate priorities with other levels of government, shape long range funding and resource plans and give staff the necessary direction to pro-actively search for other specific funds that may be available.

In recent years, Council has made a solid commitment to fund infrastructure renewal projects. Approximately 80% of the city's ten year capital budget is allocated to the renewal of existing assets. The budget continues to dedicate 1.25% annually to fund infrastructure needs. The matrix is not intended to supersede this commitment to base level infrastructure funding, and it is not intended to be used to determine whether or not a renewal project is required. The city relies on its Asset Management Plan for the prioritization and renewal of capital assets. The matrix is a tool used to determine priorities and make strategic funding decisions for projects that are considered new and/or enhanced.

## **Strategy/process**

### **Infrastructure Funding Programs**

As part of Budget 2016, the Federal government announced a \$120 billion infrastructure plan. Phase 1 of the infrastructure funding plan consists of funding for Green, Social and Public Transit infrastructure representing approximately \$12 billion to streamline and improve existing programs in the noted areas. Details of Phase 2 of the plan are also currently being developed. This represents a funding opportunity for the City of Burlington in the near future.

### **Capital Project Evaluation Matrix**

The matrix is a tool to identify priority projects recognizing strategic importance, risk, fiscal considerations and community impact as important considerations. Projects will be assigned a priority factor for each of the weighted criteria listed. Priority factors are as follows;

- Low (1) – no impact
- Medium (3) – Indirectly related
- High (5) – Directly related

Each project is scored, weighted and ranked respective to one another. Following is a brief summary of each of the five project criteria areas.

- Link to Strategic Plan: evaluating the project's impact on delivering the strategic initiatives in the City's Strategic plan.
- Risk Management: evaluating the project on the basis of whether it addresses or prevents a risk to safety.

- **Asset Management Impact:** evaluating the project on its impact to the city's current infrastructure. A greater weight has been assigned if the project assists in renewing our current infrastructure thus meeting the goals and objectives of the city's asset management plan.
- **Customer Service Impact:** evaluating the project based on its impact on levels of service and its overall reach in the community. Leads to a community benefit would be assessed as Low, when impacting a select number of residents. Medium, when impacting a select number of residents and user groups. High, when impacting the community as a whole.
- **Financial/ Economic Impact:** evaluating the project based on its overall impact to the operating and capital budget and synergies with other projects.

### **List of Infrastructure Projects**

It is important to note that development of any list of infrastructure projects eligible for senior government programs will not be a comprehensive list, it will continue to evolve and change as strategic priorities are advanced and funding programs are announced. Furthermore, based on most recent experiences some issues that the City will face which will shrink the number and/ or type of infrastructure projects are as follows;

- Senior government programs have very specific requirements of eligibility (ie. environmental initiatives, transit initiatives)
- Short timelines in the completion of the capital project
- Programs generally require the projects to be incremental to planned projects
- Stacking restrictions: inability to use multiple government funding programs to cover a single project

### **Options considered**

Council may chose not to endorse the Capital Project evaluation matrix and wait until details of future funding programs are known before determining priorities for submissions.

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### **Financial Matters:**

At this time there are no budget implications, but Council will need to consider that moving forward with senior government applications for infrastructure projects requires that the city financially support the municipal contribution required to secure senior government funding. This can be anywhere from 25% -50% of the total project cost. Furthermore, proceeding with any new and/or enhanced projects has potential future

impacts to both the city's operating and capital budgets in the form of on-going operating costs and life cycle renewal costs respectively.

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### **Connections:**

Evaluating the city's new and/or enhanced project list for future senior government programs links to the city's strategic plan, asset management plan and budget process.

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### **Public Engagement Matters:**

The opportunity exists to engage the public through the use of Insight Burlington and/ or Mind Mixer to gather feedback on the public's capital priorities when limited funding opportunities exist.

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### **Conclusion:**

A capital evaluation matrix will provide the city with an assessment tool to evaluate capital projects competing for limited funding opportunities. This will allow the city to be more readily prepared to submit applications for senior level of government funding programs.

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Respectfully submitted,

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### **Appendices:**

- a. Capital Project Evaluation Matrix

### **Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.

**CAPITAL PROJECTS ELIGIBLE FOR SENIOR GOVERNMENT FUNDING  
EVALUATION MATRIX**

**Priority Factors 1= LOW, 3=MEDIUM, 5=HIGH**

Project Criteria	Weighting Factor	Capital Projects					
		Project A	Project B	Project C	Project D	Project E	Project F
<b>Link to the Strategic Plan (20)</b>	20						
<b>Risk Management (20)</b> Public Safety	7						
Occupational Health & Safety	7						
Regulatory/ Legal Requirement	6						
<b>Asset Management Impact (20)</b> Maintain existing infrastructure	10						
Enhance existing infrastructure	5						
New infrastructure	5						
<b>Customer Service Impact (20)</b> Maintain existing service level	5						
Enhance existing service	5						
Provides a new service	5						
Leads to a community benefit	5						
<b>Financial or Economic Impact (20)</b> Reduces Operating Expenses	5						
Increases Operating Revenues	5						
Avoided Future capital costs	5						
Coordination with other Projects	5						
<b>Total Score</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>