



SUBJECT: Approval of 2019 capital budget and forecast

TO: Committee of the Whole - Budget

FROM: Finance Department

Report Number: F-02-19-2

Wards Affected: All

File Numbers: 435-01

Date to Committee: February 21, 2019

Date to Council: March 25, 2019

Recommendation:

Approve the 2019 capital budget for the City of Burlington, with a gross amount of \$96,765,023 and a debenture requirement of \$6,978,000, and the 2020-2028 capital forecast with a gross amount of \$722,568,322 and a debenture requirement of \$56,655,218 as outlined in finance department report F-02-19 as amended by the Committee of the Whole - Budget; and

Administer the debenture in the amount of \$6,978,000 in 2019 as tax supported debt; and

Authorize staff to proceed with the 2019 capital projects representing not more than 50% of the 2019 capital from current funding in advance of the 2019 operating budget approval; and

Declare that, in accordance with sis. 5(1)5 of the *Development Charges Act, 1997* and s. 5 of Ontario Regulation 82/98, it is Council's clear intention that the excess capacity provided by the above-referenced works will be paid for by future development charges.

Purpose:

An Engaging City

- Good Governance

This report provides the recommendations received at the January 17, 2019 Committee of the Whole – Budget meeting regarding the proposed 2019 capital budget and forecast.

Background and Discussion:

On January 17, 2019 the Committee of the Whole – Budget received finance department report F-02-19; the 2019 operating and capital budget overview.

Committee members have also received the proposed 2019-2028 capital budget and forecast book which will be required for consideration at the meeting of February 21, 2019.

The recommendations contained in Appendix A to finance department report F-02-19 will be considered at the February 21, 2019 Committee of the Whole – Budget meeting. Capital budget action request forms submitted to the finance department by members of Council will also be considered at the February 21, 2019 meeting.

Appendix A provides a consolidated summary of the proposed amendments provided by members of Council to facilitate the 2019 proposed capital budget review at the February 21, 2019 meeting as well as the final approval of the capital budget at the February 25, 2019 Council meeting.

This consolidated listing will be used to ensure that the appropriate staff and information are available during the review and will be used as the format for the capital budget review.

Financial Matters:

The proposed 2019 capital budget is \$96.8 million, with a ten-year program of \$819.3 million. The city has capital assets with a replacement cost of approximately \$3 billion. The capital program focuses on the city's infrastructure requirements to address the much-needed renewal of these assets in the most cost-effective manner. The budget reflects incremental tax supported funding of 1.25% (\$2 million) from the operating budget as well as the repurposing of the phased reduction to the hospital levy to support the city's infrastructure requirements.

Public Engagement Matters:

Staff will continue to use the city's website as a communication medium through videos, webcast and online surveys.

The City is continuously looking for ways to improve and increase transparency for the public. A new "Budget Basics" video has been created and posted on the website which explains how the city develops its budgets. In addition, a revised version of Burlington Open Budget, on the city's website, is available to the public to allow residents to view the city's 2019 budget data in an intuitive and illustrative form. A

telephone town hall was held on February 7, 2019 and an in-person town hall was held on February 11, 2019, two Committee of the Whole-Budget meetings were held on February 4 & 7, 2019 to hear public delegations on the budgets and ward budget meetings were hosted by ward councillors.

Conclusion:

The proposed 2019 – 2028 capital budget and forecast presents a balanced program aimed to deliver on the Strategic Plan and the city's commitment to the asset management plan.

Respectfully submitted,

Lisa Palermo

Committee Clerk

905-335-7600, ext. 7492

Appendices:

- A. 2019 Consolidated capital budget review forms
- B. Memo from Councillor Nisan regarding Brant Hills Park Splash Pad
- C. Memo from staff regarding Fire fleet capital submission

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.