

UNIFIED LIST OF UNFUNDED CAPITAL REQUIREMENTS

EXECUTIVE SUMMARY

This report responds to Council's request for a unified unfunded capital list based on Council's strategic priorities in the 2015-2018 business plans. Attachment 1 provides the top five priorities for each Infrastructure Investment Plan.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommend that Council receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2014 November 24, Council approved through C2014-0863 that Administration to develop a unified list based on Council's strategic priorities in the 2015-2018 business plans of unfunded capital requirements, should additional funding be available, and present to Council through the Priorities and Finance Committee no later than February 2015.

BACKGROUND

This report focuses on the top unfunded capital projects from each infrastructure investment plan (IIPs) and Police presented to Council through Action Plan 2015-2018 (C2014-0863) Supplemental Information - Figure 29: 2015-2019 Capital Project Listing (Not Funded). Currently, funded capital projects result first from allocation of available funding across departments. Funding is allocated across departments on the basis of grant restrictions, regulatory requirements and Council priorities. Each department then allocates their funding to projects through their Council approved Infrastructure Investment Plans, which are prioritized by the individual departments. IIP lists have been presented to Council for:

- Corporate Level (CLIIP);
- Culture, Parks and Recreation (CPRIIP);
- Emergency Response (ERIIP);
- Transportation (TIIP);
- Police;
- Water (WIIP); and
- Waste & Recycling (WRIIP).

No projects have been included in this report for WIIP or WRIIP as the capital for these areas is self-supported. The total value (\$ millions) of unfunded capital identified in Action Plan is:

| List | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|---------------|----------------|----------------|----------------|----------------|----------------|------------------|
| CLIIP | \$120.0 | \$142.1 | \$173.1 | \$144.1 | \$68.7 | \$648.0 |
| CPRIIP | \$77.8 | \$125.2 | \$95.1 | \$95.8 | \$532.0 | \$925.9 |
| ERIIP | \$42.9 | \$48.2 | \$28.9 | \$39.7 | \$80.2 | \$239.9 |
| TIIP | \$149.6 | \$149.6 | \$149.6 | \$149.6 | \$149.6 | \$747.9 |
| Police | \$24.0 | \$8.9 | \$6.4 | \$11.8 | \$11.9 | \$62.9 |
| Total | \$414.3 | \$474.0 | \$453.0 | \$441.0 | \$842.4 | \$2,624.6 |

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Departments are constantly reviewing and revising capital projects as circumstances, growth and operational needs change.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Attachment 1 provides the initial list of the highest priority unfunded capital projects. This list comprises the top five projects from each IIPs list, along with Police projects, that were prioritized through the individual processes by the responsible Department and are also identified as ready to proceed. The requirement for readiness could mean that several higher priorities were not included if they were not ready to proceed. As well, because Departments continually monitor and consider new information as it becomes available, the projects included in this report may not completely represent the most current priorities.

Although Administration has guidelines for preparing IIPs to ensure consistency in the information that is presented, there is no corporate standard for prioritization based on specific criteria and weightings. Rather, each IIP list is prioritized using criteria and weightings unique to those lists, reflecting the individual nature and purposes of each type of infrastructure. In particular, for Investing in Mobility (TIIP), Transportation takes a two-stage approach where they assign funding to each program category first and then prioritize projects within each category. Community Services & Protective Services (CS&PS) uses criteria and scoring for projects as the first stage in prioritizing projects that comprise the CPRIP and ERIIP. CS&PS is currently reviewing their prioritization process including the assessment criteria to better reflect a strategic planning framework.

The criteria used in Transportation and CS&PS are explicitly focused on benefit, with limited information on risks from project delays and lack of full cost-benefit analysis. In neither case, however, is the final prioritization based solely on scoring and weighting the criteria. While projects are initially screened based on objective criteria, important corporate and political considerations and judgement is required to determine final IIPs rankings. . This, along with differences in criteria and scoring methodology, and the general differences between infrastructure types, makes comparison and prioritization across lists much more difficult.

Further attempts to move to a unified prioritized list of projects would require significant amounts of time and effort. This would include approval of criteria and weightings, along with a scoring methodology that extends beyond the current departmental processes while being consistent with those processes. However, criteria and scoring are not sufficient for prioritization; not even the leading processes can eliminate the need to exercise judgment when prioritizing infrastructure.

Stakeholder Engagement, Research and Communication

Departments were requested to provide the top five unfunded capital projects identified in the Supplemental List of Action by each Infrastructure Investment Plan for ranking across the Corporation.

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Strategic Alignment

This report provides the top unfunded capital projects by IIP list based on Council's strategic priorities in the 2015-2018 business plans, should additional funding be available.

Social, Environmental, Economic (External)

The social, environmental and economic benefits and risks of each project are considered within the individual and Corporate prioritization criteria.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget implications resulting from this report. Any on-going work to develop and refine a unified prioritized list would be accommodated in existing work programs. Approval of any of the unfunded capital projects appropriation in the future may result in operating impacts of capital. These will be identified with the appropriation request.

Current and Future Capital Budget:

There are no immediate capital budget implications resulting from this report. Capital budget requests to Council may occur should additional funding be available. These will follow the normal appropriation process.

Risk Assessment

Capital projects may not be pursued according to the ranking of Attachment 1 due any specific restrictions from the additional funding source on using the fund, the amount of funding available or other strategic factors.

The requirement for readiness means that some projects that are not included in the list may have been identified as a higher priority.

Because the list provided in this report is based on data prepared for Action Plan, it may not fully represent the most current information available.

REASON(S) FOR RECOMMENDATION(S):

Administration is providing top unfunded capital projects by IIP list (Attachment 1) for information. Further work would be required in order to prioritize the list.

ATTACHMENT(S)

1. Top Unfunded Capital Projects List