

CORPORATE LEVEL INFRASTRUCTURE INVESTMENT PLAN 2015-2018

EXECUTIVE SUMMARY

To present the Corporate Level Infrastructure Investment Plan (CLIIP) list covering the period 2015 to 2024 in preparation for Action Plan 2015-2018.

ADMINISTRATION RECOMMENDATION(S)

That the Land and Asset Strategy Committee recommends that Council:

1. Approve, in principle, the Corporate Level Infrastructure Investment Plan 2015-2024 (Attachment), and
2. Direct Administration to use the CLIIP 2015-2024 list as the basis of the 2015-2018 capital budget submission (Action Plan 2015-2018) and the strategic planning session on capital in the fall.

PREVIOUS COUNCIL DIRECTION / POLICY

Council directs Administration to begin to recast the five year capital budget aligned to Council Priorities and Action Plan 2015-2018, including consideration of flood requirements and new funding availability from Build Canada and any other funding options, and return to Council through Priorities and Finance Committee by 2014 October with recommendations for the November capital budget deliberations (PFC2014-0509).

BACKGROUND

The CLIIP was first developed and presented to Council in 2008 September as the basis for the 2009-2011 capital budget submission (BPBC2) and continued to be used for the 2012-14 Business Plan and Budget Creation (BPBC3) process.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

This new plan is for the upcoming Action Plan 2015-2018 (4) budget cycle and will cover the 10 year period from 2015 to 2024.

While the Investing in Mobility Plan, Culture Parks & Recreation Infrastructure Investment Plan and Emergency Response Infrastructure Investment Plan represent the most visible municipal infrastructure, the CLIIP list includes critical backbone physical assets that support the front line service providers across The Corporation including the utilities. Some examples of capital projects in the CLIIP list are: corporate environment programs, information technology and systems, fuel storage facilities, corporate facilities and operational workplace centres.

The current 2015-2024 CLIIP list is a comprehensive overview of all capital maintenance, upgrade, growth and new service requirements from the business units noted in the stakeholder engagement section of this report.

Each business unit prepared a business case for each project and submitted and prioritized their capital projects which are then cash-flowed against available capital funding sources. A proposed capital budget submission will be presented to Council in the fall as part of the 2015-2018 Action Plan process.

The comprehensive 10 year CLIIP list identifies a total capital investment requirement of \$1.391 billion over four years as presented in the Attachment. The list is not prioritized.

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For the CLIIP business units, the sources of capital financing are: pay-as-you-go, lifecycle maintenance upgrade reserve, reserve for future capital, tax-supported debt, self-supported debt, revenue/reserve, Municipal Sustainability Initiative funding, Alberta Municipal Infrastructure Program funding, community investment fund and private contributions. Community investment fund was one of the financing sources used by the Office of Land Servicing & Housing.

While the Municipal Sustainability Initiative provided to The Corporation approximately \$3 billion over 10 years since 2009, for the CLIIP list this grant has been fully committed during the last budget cycle. Due to the types of CLIIP projects, which are more lifecycle and maintenance in nature, CLIIP capital projects are not generally eligible for government grants or developer levies.

It is also important to note that the CLIIP list is only a point-in-time list of priorities and that this list will change as priorities change in the future. It is expected that minor adjustments will be made to the CLIIP list annually, corresponding with the budget adjustment process. Significant edits may result as a product of each business units' asset management and business planning processes over the coming months but will be finalized for the 2015-2018 Action Plan.

Going forward, the CLIIP list will be the source document for the 2015-2018 capital budget process as well as the next Infrastructure Status Report, the Long Range Financial Plan and preparation of business units' asset management plans.

Stakeholder Engagement, Research and Communication

The current CLIIP list includes the following business units: City Wide Planning and Policy, Local Area Planning and Implementation, Inspections and Permits, Assessment, Environmental & Safety Management, City Clerk's Office, Law, City Manager Office, Finance & Supply, Corporate Properties & Buildings, Customer Service & Communications, Fleet Services, Human Resources, Infrastructure & Information Services, Information Technology, Office of Land Servicing & Housing and four legislative business units. These business units submitted their business cases into a web tool which was a significant process improvement compared to a manual approach in previous business cycles.

Strategic Alignment

The corporate level process for infrastructure investment planning will forge linkages and partnerships across The Corporation to facilitate the long term sustainability of The Corporation.

Social, Environmental, Economic (External)

Social

The CLIIP list criteria identified additional points available on the evaluation scale when projects deal with social accessibility, prosperity, quality of life, and image of each Calgarian. The projects listed in the CLIIP are critical to create and sustain a vibrant, healthy, and safe corporation.

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Environmental

The CLIIP list has implications across all areas of the Triple Bottom Line due to the fact that the member business units are core to all front line citizen-facing business units. Within the Triple Bottom Line though, CLIIP projects tended to impact internal economics (strengthening the workplace, accessibility, safety, health and wellness etc.) and environment (environmental site compliance, remediation, environmental legislation etc.).

Economic

The CLIIP process is critical to future development in Calgary and the sustainability of the Corporation's core assets, in addition to the alignment of sound asset management best practices. These infrastructure priorities contribute to keeping citizens and staff safe and enhancing the quality of life for citizens.

Financial Capacity

The CLIIP list is a significant tool for implementing strategic planning decisions by aligning business units' asset management plans to projected financial capacity for a 10 year horizon. Although the current list still puts the emphasize on the immediate 2015-2018 budget cycle, during the summer months all CLIIP business units will be asked to provide their final infrastructure investment plans for 2015 to 2021. Administration will present a finalized CLIIP list In October/November as part of the 2015-2018 budget deliberation process. As the CLIIP is developed to become a comprehensive capital investment plan, it will be the basis for future capital budgets and business planning cycles for all CLIIP business units.

Current and Future Operating Budget:

The completion of the CLIIP process will identify all current and future operating budget impacts within and across the CLIIP business units.

Current and Future Capital Budget:

The completion of the CLIIP process will identify all current and future capital budget impacts, as well as operating impacts of capital within and across the CLIIP business units.

Risk Assessment

The CLIIP list prioritization will lower the overall risks associated with capital works and long term planning creating synergistic opportunities across The Corporation allowing for better multiyear budgeting in both the capital and operating spheres.

REASON(S) FOR RECOMMENDATION(S):

Approving the CLIIP List as presented, in principle, will provide the basis for all the business units in the CLIIP to prepare and develop their four year budget, five year forecast and 10 year plan.

ATTACHMENT

Corporate Level Infrastructure Investment Plan 2015-2024