

2006 CAPITAL BUDGET TIMETABLE

Recommendation

The Commissioner of Finance & Corporate Services and the Director of Reserves & Investments in consultation with the City Manager and the Senior Management Team recommends:

That the attached 2006 Capital Budget Guidelines and the Timetable be approved.

Economic Impact

There is no economic impact as this is an information item.

Purpose

To inform the Budget Committee of the 2006 Capital Budget Timetable.

Background - Analysis and Options

The City of Vaughan Capital Budget process provides a forum for long-term planning and establishing construction and service priorities for the future. The proposed guidelines in conjunction with a multi year capital plan provide stability and balance. The need for service with affordability and the requirement to meet the changing economic conditions.

In preparing the 2006 Capital Budget, departments should focus on projects that maintain a standard of repair and maintenance, general efficiency, generate cost savings and the availability of staff resources to complete their capital plan. The objective is to have a Budget Committee recommendation to the Committee of the Whole in December 2005. A public meeting is to be held in January 2006 followed by a Council approval shortly thereafter. The benefit of this action is to allow the tendering and construction process to commence early in 2006.

The Guidelines/Procedures (Attachment 1) and the 2006 Proposed Capital Budget Timetable (Attachment 2) for submitting the 2006 Capital Budget are similar to those of 2005. All capital projects will be reviewed within the funding source based on criteria outlined in the Guidelines/Procedures.

Relationship to Vaughan Vision 2007

This report is consistent with the priorities previously set by Council in Vaughan Vision 2007 particularly: 2.1 Ensure long term financial stability.

Conclusion

Budget Committee review and acknowledge the proposed 2006 Capital Budget timetable.

Attachments

Attachment 1 – 2006 Capital Budget Guidelines/Procedures

Attachment 2 – 2006 Proposed Capital Budget Timetable

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Respectfully submitted,

Clayton D. Harris, CA
Commissioner of Finance & Corporate Services

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**2006 CAPITAL BUDGET
GUIDELINES/PROCEDURES**

1. A Capital Budget project expenditure:
 - . must be a significant expenditure incurred to acquire or improve land, buildings, engineering services, machinery and equipment used in providing municipal services. The expenditure has a lasting benefit beyond one year and usually extends the life of a fixed asset.
 - . have a gross cost exceeding \$20,000; or
 - . can be funded from development charges - regardless of the cost.
2. An expenditure on repair or maintenance designed to maintain an asset in its original state is not a capital expenditure.
3. Capital budgets are to be submitted no later than September 16, 2005
4. Capital budget requests must be reviewed and approved by the respective departmental Commissioner prior to submission.
5. Please remember to add 3% to the budget totals for each project to cover internal administration fees related to the project.
6. Criteria for evaluating funding for a capital project within a funding source includes, but is not limited to:
 - . legal agreement in place (i.e. subdivision agreement);
 - . pre-budget approval obtained;
 - . additional funds required to complete projects approved in previous capital budgets;
 - . health and safety concern;
 - . generates net revenue;
 - . cost saving/efficiency measure;
 - . capital project previously approved but put on hold;
 - . public input complete;
 - . level of development within the service area;
 - . availability of alternative service locations; and
 - . operating budget impact.
7. Where applicable, a capital project must be supported by a cost benefit analysis.
8. For capital projects with an operating impact, please submit a report on the gross and net effect on operating costs in the year of approval and on an annualized basis, including staffing requirements.

2006 PROPOSED CAPITAL BUDGET TIMETABLE

Capital Budget Packages sent to Departments	July 22, 2005
Departmental Meetings - Discuss Individual Projects	August 15-26, 2005
Draft Capital Budget Due	September 16, 2005
Departmental Reviews - Draft Budgets	September 19 - 30, 2005
Senior Management Team Review	Week of October 3, 2005
Senior Management Team - Second Review	Week of October 11, 2005
Proposed Capital Budget to Budget Committee	Week of October 24, 2005
Senior Management Review Post Budget Committee	Week of October 31, 2005
Revised Proposed Budget to Budget Committee	Week of November 14, 2005
Budget Committee Recommendation to Committee of the Whole	End of December 2005
Public Input Meeting	January 2006
Council Approval	January 2006