

## **COMMITTEE OF THE WHOLE SEPTEMBER 3, 2002**

### **2003 CAPITAL BUDGET TIMETABLE (ITEM 3, BUDGET SUB-COMMITTEE MEETING OF AUGUST 22, 2002)**

#### **Recommendation**

The Budget Sub-Committee recommends:

That the recommendation contained in the following report of the Commissioner of Finance and Corporate Services, dated August 22, 2002, be approved.

#### **Report of the Commissioner of Finance and Corporate Services**

The Commissioner of Finance and Corporate Services in consultation with the Director of Reserves and Investments recommends:

That the following report be received for information purposes.

#### **Purpose**

To provide Council with a 2003 Capital Budget Timetable.

#### **Background - Analysis and Options**

The objective of the City of Vaughan Capital budget process is to provide a forum for long term planning and establishing construction and service priorities for the future. The proposed guidelines in conjunction with the Five 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 2003 Capital Budget and Five Year Plan, departments should first focus on projects that maintain a standard of repair and maintenance, generate efficiency, and generate cost savings and the availability of staff resources to complete their capital plan. The objective is to have a Budget Sub-Committee recommendation to the Committee of the Whole by the end of December. A public meeting will be held in January 2003, followed by Council approval, (Attachment 2 – 2003 Proposed Capital Budget Timetable). The benefit of this action is twofold. It establishes the capital from taxation and it allows the tendering and construction process to commence early in 2003.

The Guidelines/Procedures (Attachment 1) for submitting the 2003 Capital Budget are similar to those of 2002. All capital projects will be reviewed within the funding source based on criteria outlined in the Guidelines/Procedures.

#### **Conclusion**

To review the proposed capital budget timetable.

#### **Attachments**

Attachment 1 – 2003 Capital Budget Guidelines/Procedures  
Attachment 2 – 2003 Proposed Capital Budget Timetable

Respectfully submitted,

Councillor Bernie Di Vona, Chair

**2003 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 20, 2002***
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 costs 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.

**ATTACHMENT 2**

**2003 PROPOSED CAPITAL BUDGET TIMETABLE**

Capital Guidelines and Instructions issued to Departments	Week of August 25, 2002
Submission of Draft Capital Budget	September 20, 2002
Departmental Reviews with Finance	Week of September 30, 2002
Senior Management Review	October 16, 2002
Senior Management Second Review	October 30, 2002
Budget Sub-Committee	Week of November 4, 2002
Senior Management Follow-up based on Budget Sub-Committee Input	Week of November 11, 2002
Budget Sub-Committee	Week of November 18, 2002
Budget Sub-Committee Recommendation to the Committee of the Whole	December 2002
Public Budget Session	Mid January 2003
Council Approval	End of January 2003