

2004 CAPITAL BUDGET TIMETABLE

Recommendation

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

That the following report be received for information purposes.

Purpose

To inform the Budget Committee of the 2004 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 2004 Capital Budget, 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 Committee recommendation to the Committee of the Whole in December 2003. A public meeting will be held in January 2004, followed by Council approval. 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 2004.

The Guidelines/Procedures (Attachment 1) and 2004 Proposed Capital Budget Timetable (Attachment 2) for submitting the 2004 Capital Budget are similar to those of 2003. All capital projects will be reviewed within the funding source based on criteria outlined in the Guidelines/Procedures.

In recognition that 2003 is an election year, and in discussion with Clerk's staff there are no scheduled meetings with the Budget Committee between the final Council meeting before the election, September 22, 2003 and the commencement of the new Council term effective December 1, 2003.

Conclusion

To review the proposed 2004 Capital Budget timetable.

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Attachments

Attachment 1 – 2004 Capital Budget Guidelines/Procedures
Attachment 2 – 2004 Proposed Capital Budget Timetable

Respectfully submitted,

**2004 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 12, 2003.***
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.

City of Vaughan 2004 Capital Budget Timetable	
Date	Activity
Early July 2003	Capital Budget Guidelines and Instructions Issued to Departments
Mid September 2003	Departmental Submission of Draft Capital Budget
End of September 2003	Departmental Reviews with Finance
Mid October 2003	Senior Management Reviews
End of October 2003	Senior Management Reviews
Early December 2003	Draft Capital Budget to Budget Committee
December 2003	Budget Committee recommendations to Council.
January 2004	Public Budget Session
January 2004	Council Approval