

2007 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 2007 Capital Budget Guidelines & Procedures and the 2007 Capital Budget Timetable be approved.

Economic Impact

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

Purpose

The purpose of this report is to inform the Budget Committee of the 2007 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 multi-year capital plans provides stability and balances the need for service with affordability and the requirement to meet the changing economic conditions.

In preparing the 2007 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 report to the Budget Committee in December with a public meeting and Council approval early in the new year. The benefit of this timeline is to allow the tendering and construction process to commence early in 2007 to obtain lower bid prices.

The 2007 Capital Budget Guidelines & Procedures (Attachment 1) and the 2007 Proposed Capital Budget Timetable (Attachment 2) are similar to those of 2006 and have taken into consideration the 2006 election process. All capital projects will be reviewed within the applicable funding source(s) based on the criteria outlined in the 2007 Capital Budget Guidelines & Procedures, corresponding reserve by-laws where applicable and all City of Vaughan financial policies.

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 approve the proposed 2007 Capital Budget Timetable.

Attachments

Attachment 1 – 2007 Capital Budget Guidelines & Procedures
Attachment 2 – 2007 Capital Budget Timetable

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Respectfully submitted,

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Commissioner of Finance & Corporate Services

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City of Vaughan 2007 Capital Budget Guidelines & Procedures

Definition:

A Capital expenditure must have a gross cost exceeding \$20,000 and be required for the purpose of constructing, acquiring or improving lands, buildings, engineering services or machinery and equipment. The project must be undertaken for the purpose of providing municipal services, have a lasting benefit beyond one year and/or extend the life of the asset.

An expenditure for repair or maintenance designed to maintain an asset in its original state is not a capital expenditure.

Deadline:

Capital budgets are to be submitted to Reserves & Investments no later than **September 15, 2006**.

Guidelines & Procedures:

Each capital budget request should include a project justification which references appropriate source information to support the project. Examples of appropriate source information would include reference to the Development Charge Background Study, life cycle requirements as provided in the Long Range Financial Planning Model, Council Extracts and existing Departmental programs.

All capital budget requests must include a 3% administration fee to cover internal administration costs related to the project, identify operating budget impacts including additional staffing requirements and must be approved by the respective department Head prior to submission to Reserves & Investments.

The value of projects approved will depend on the amount of funds available in a particular funding source and the impact on the City's overall finances. The criteria used for prioritizing funding within a funding source for a capital project includes but is not limited to consideration of the following:

- Pre-Budget approval obtained
- Additional funds required to complete previously approved projects
- Legal or Regulatory requirements
- Growth related projects
- Established programs
- Infrastructure repair projects
- Net revenue generating, cost savings or efficiency improvement projects
- New service levels



City of Vaughan 2007 Capital Budget Timetable

Date	Activity
August 1, 2006	Capital Budget Intranet Site on The Vibe available to Departments
September 15, 2006	Draft Departmental Capital Budgets due to Reserves & Investments
September 18 – October 13, 2006	Departmental Capital Budgets Reviewed with Reserves & Investments and Commissioner of Finance & Corporate Services
October 16 - November 30, 2006	Senior Management Team Reviews
December 2006	Proposed Capital Budget to Budget Committee
December 2006 – January 2007	Budget Committee Deliberations
January 2007	Budget Committee recommendation to Council to set a date for Public Input
February 2007	Public Input Meeting
February 2007	Council Approval