



Request for Decision

Title	Reallocation of 2018 Capital Program Engineering and Bridge Budgets
Proposed Motion	<p>1. That Council authorize Administration to reallocate engineering funds from previous years' Capital Programs and adjust the 2018 Capital Program engineering budgets as described in Attachment 1.</p> <p>2. That Council authorize Administration to reallocate the \$500,000 from the Bridge File 76320 construction budget as follows: \$350,000 to Bridge File 9421 for construction and \$150,000 to the 8.17 Road Network Reserve (Capital).</p>
Administrative Recommendation	<p>1. Administration recommends that Council proceed with the proposed budget reallocation to address the uncertainty of the refinery revenue timing and funding gaps for the engineering of certain projects.</p> <p>2. Administration recommends that Council proceed with the proposed budget reallocation to Bridge File 9421 so that these funds could be utilized effectively while allowing administration time to address the land-related issues of Bridge File 76320.</p>
Previous Council Direction	<p>December 20, 2017 - Motion 506/17 That Council approve the 2018 Operating and Capital Budget as amended.</p> <p>December 13, 2016 - Motion 455/16 That Council approve the 2017 Operating and Capital Budget as presented in the 2017 Budget Document.</p> <p>December 8, 2015 - Motion 394/15 That Sturgeon County Council approves the 2016 Operating and Capital Budgets totalling \$70,652,637 as presented in the 2016 Budget Document.</p>
Report	<p><u>Background Information</u></p> <p>Engineering Budget Reallocation (Motion #1)</p> <ul style="list-style-type: none">• The refinery-funded items in the 2018 Capital Program are not moving forward for construction and engineering until certainty with regards to funding can be obtained.• If the engineering for the 2019 construction scheduled projects is not completed in 2018 these projects will not be ready for construction next year as programmed.

- Administration is proposing that engineering funds from previous years' Capital Programs be reallocated to the 2018 Capital Program for engineering to remove the dependency on the refinery revenue funding.
- This reallocation will also allow Administration to address program funding gaps to complete engineering this year for all rehabilitation and reconstruction program projects scheduled for construction in 2018/2019.

Bridge File 76320 Budget Reallocation (Motion #2)

- Land-related issues prevent Bridge File 76320 from moving forward into Stage 4 (Construction) of the 4-Stage Capital Plan this year. This bridge is related to the Villeneuve Drainage project. If land continues to be an issue this project could be delivered in future years along with the Villeneuve Drainage project (dependent upon budget availability). The Villeneuve Drainage project design work is expected to start this year.
- In lieu of Bridge File 76320, Bridge File 9421 is proposed to be advanced to construction in 2018 rather than 2019 as this project is shovel ready.
- Remaining dollars from the Bridge File 76320 budget would be transferred to the 8.17 Road Network Reserve (Capital).

External Communication

- None.

Relevant Policy/Legislation/Practices:

- None.

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – By proceeding with these budget reallocations and addressing funding uncertainty/land constraints, the County is demonstrating fiscal responsibility in alignment with Goal 1.2 of the 2018-2020 Corporate Business Plan.

Planned Growth and Prosperity – By proceeding with the Capital Program as planned even with funding uncertainty and land constraints, the County is proceeding with the Sustainable Roads Improvement Strategy (SRIS) in alignment with Goal 2.3A of the 2018-2020 Corporate Business Plan.

Organizational:

By reallocating funds in the 2018 Capital Program to address funding uncertainty/land constraints, we are demonstrating our commitment to managing investment in maintenance intensive assets. This allows County operations staff to focus on other assets and increases our ability to provide maintenance services to the public. Further, this reallocation of funds ensures that Engineering staff are being utilized fully in accordance with the department plan.

	<p><u>Financial:</u></p> <p>Engineering Budget Reallocation (Motion #1) as per Attachment 1:</p> <ul style="list-style-type: none"> Funds from projects numbered one (1) through seven (7) are proposed to be reallocated to projects eight (8) through seventeen (17) to address the refinery funding uncertainty and funding gaps of certain projects. The attached table shows the proposed new budgets for engineering. <p>Bridge File 76320 Budget Reallocation (Motion #2):</p> <ul style="list-style-type: none"> The \$500,000 construction budget for Bridge File 76320 is proposed to be reallocated as follows: <ol style="list-style-type: none"> \$350,000 for the construction of Bridge File 9421; and \$150,000 to the 8.17 Road Network Reserve (Capital).
<p>Alternatives Considered</p>	<p>Engineering Budget Reallocation (Motion #1):</p> <ul style="list-style-type: none"> Wait until the timing of the refinery revenue is known to commence engineering on refinery funded 2018 Capital Program items. Delay the refinery-funded portion of the 2018 Capital Program by one year <p>Bridge File 76320 Budget Reallocation (Motion#2):</p> <ul style="list-style-type: none"> Carry forward the \$500,000 construction budget for Bridge File 76320 to future years' Capital Programs.
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u></p> <p>Engineering Budget Reallocation (Motion #1):</p> <ul style="list-style-type: none"> Delaying the commencement of the 2018 Capital Program engineering is not in alignment with Goal 1.2 of the 2018-2020 Corporate Business plan (fiscal responsibility). Delaying the commencement of the 2018 Capital Program engineering was not considered to be in alignment with Goal 2.3 of the 2018-2020 Corporate Business Plan (managing investment in current assets). <p>Bridge File 76320 Budget Reallocation (Motion #2):</p> <ul style="list-style-type: none"> Carrying forward the construction budget for Bridge File 76320 to future years' Capital Programs was not considered to be in alignment with Goal 2.3 of the 2018-2020 Corporate Business Plan (managing investment in current assets). <p><u>Organizational:</u></p> <p>Engineering Budget Reallocation (Motion #1)</p> <ul style="list-style-type: none"> Delaying the commencement of the 2018 Capital Program engineering would likely result in our operations staff having to repair/maintain failed infrastructure for an additional year.

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- Delaying the commencement of the 2018 Capital Program engineering could result in the underutilization of Engineering staff.

Bridge File 76320 Budget Reallocation (Motion #2)

- Carrying forward the construction budget for Bridge File 76320 to future years' Capital Programs instead of transferring a portion of that budget to Bridge File 9421 would result in an additional year of maintenance on Bridge File 9421.

Financial:

Engineering Budget Reallocation (Motion #1)

- Delaying the commencement of the 2018 Capital Program engineering would maintain the project budgets as planned while not addressing the uncertainty of the refinery revenue timing.

Bridge File 76320 Budget Reallocation (Motion #2)

- Carrying forward the construction budget for Bridge File 76320 to future years' Capital Programs would maintain the project budgets as planned while potentially increasing the County's maintenance costs on Bridge File 9421.

Follow up Action Engineering Budget Reallocation (Motion #1):

- Administration will commence the 2018 Capital Program engineering immediately and proceed as planned.

Bridge File 76320 Budget Reallocation (Motion #2):

- Administration will proceed with construction of Bridge File 9421 in 2018 and transfer funds to the Transportation Network Reserve.

Attachment(s) 1. Proposed Budget Reallocations (Attachment 1)

**Report Reviewed
by:**



Brian Hartman, Manager Engineering Services



Collin Steffes, GM Integrated Growth



Bill Minnes, County Commissioner – CAO

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>