



REGIONAL MUNICIPALITY
OF WOOD BUFFALO

Special Council Meeting

Jubilee Centre Council Chamber
9909 Franklin Avenue, Fort McMurray

Monday, June 20, 2016
6:00 p.m.

Agenda

Call To Order

New and Unfinished Business

1. Review of Approved Capital Budget
- delegations

Adjournment

Subject: Review of Approved Capital Budget**APPROVALS:**Kevin Scoble, Deputy Chief Administrative Officer
Marcel Ulliac, Chief Administrative Officer**Administrative Recommendations:**

1. THAT Administration resume capital projects identified in Attachment 1 dated June 14, 2016.
2. THAT Administration suspend capital projects identified in Attachment 2 dated June 14, 2016, until a further detailed review is completed of:
 - Contractual obligations
 - Feasibility of modified scheduling and
 - Cash flow implications
3. THAT Administration complete a further detailed review by July 19, 2016.

Summary:

Administration has completed an initial review of the approved capital budget. At this time, no projects are recommended for cancellation. The capital projects identified in Attachment 1 are recommended to proceed based on the following criteria:

- Required to maintain safety or regulatory approval
- Maintain existing level of service
- Substantially complete

As identified in Attachment 2, there are also a number of projects that require further review to confirm whether the approved scope and timing are appropriate under current circumstances. In addition, as Administration is able to enter areas of the region that were impacted by the wildfire, municipal assets are being reviewed and assessed to identify repairs or reconstruction. Capital projects required as a result of the wildfire will be provided for Council consideration and approval upon completion of damage assessments. With the return of staff and contractors to the community, Administration will reassess the impact of the delay on each individual capital project and will submit capital projects that require cash flow changes. The Capital Projects Steering Committee will review and either approve or recommend for consideration by Council based on the nature of the amendments proposed, in compliance with the Fiscal Responsibility Policy (FIN-160). Municipal cash flow has been significantly impacted by the delay in the collection of property tax revenue and the costs of the disaster response. Although disaster response costs will be reimbursed by the Province, funds have not been advanced to the

Municipality to date. Administration is currently working on solutions to mitigate the cash flow situation.

Background:

At the May 11, 2016 Council meeting, the following resolution was carried unanimously:

THAT Administration be directed to undertake a review of the 2016 approved Capital Budget and 2017 – 2020 Capital Plan and report back to Council by June 8, 2016 with a recommendation as to what projects should be continued, deferred or cancelled.

Subsequently, at the May 31, 2016 Council meeting, a motion to defer the review of the approved capital budget to the June 14, 2016 Council meeting in Fort McMurray was also carried unanimously.

All capital projects have been impacted by the wildfire disaster. The most prevalent impact is relative to schedule as work on capital projects ceased for a period of time during the mandatory evacuation. Administration will now begin the process of re-starting projects. The impact of the delay will be re-assessed and capital budget amendments prepared to update cash flow changes as well as to add new projects as a result of wildfire damage. The Capital Projects Steering Committee will reconvene and review all capital budget amendments for cash flow and extended schedule and based on FIN-160, Fiscal Responsibility Policy, will either approve or recommend for Council consideration.

The current capital portfolio consists of approximately 204 active capital projects. Attachment 1 represents 115 capital projects which is 56% of approved capital projects in count and 45% in budget. The remaining capital projects as listed in Attachment 2 will be re-assessed to ensure sufficient resources exist to continue. Attachment 2 represents 89 capital projects which is 44% of approved capital projects in count and 55% by budget. It is anticipated that the majority of local contractors will be involved in immediate clean up and recovery activities and may not have the capacity to resume approved capital projects. In addition to contractor resource considerations, an evaluation of internal human resource capacity and financial capacity within the constrained cash flow environment will be undertaken on a project by project basis.

Alternatives:

1. Status quo - continue capital projects as originally approved
2. Review and reprioritize approved capital projects

Alternative 1 is not viable due to the current cash flow situation, loss of almost 2 months of capital project activity due to mandatory evacuation and availability of all contractors to continue to re-mobilize and remain on pre-wildfire project schedule. In addition, Alternative 1 does not take into consideration the additional workload attributed to capital projects and repairs as a result of the wildfire on municipal infrastructure.

Alternative 2 allows for consideration of the impact of the various resource requirements on a capital project. Unfortunately, the review could not be undertaken in its entirety for the June 14 deadline, therefore Council consideration of Attachment 1 and Attachment 2 will allow Administration additional time to review the impact while allowing other work to continue.

Budget/Financial Implications:

Due to the mandatory evacuation order and state of emergency, approved capital projects have been delayed. While the Municipality has submitted an application for financial assistance under the Disaster Recovery Program, advance funds have not been received to date. In addition, it is expected that the advance funds will not cover the expenses incurred to date. The Municipality has experienced a number of cash flow impacts as follows:

- 2nd and 3rd reading of the 2016 Property Tax Bylaw has not taken place and is proposed for Council consideration prior to the end of June;
- Penalties on unpaid 2016 property taxes will not be applied until January 1, 2017;
- May and June utilities revenue and penalties suspended;
- Reduced franchise fees to be received.

This will increase the complexity of monitoring cash flow for operations as well as the capital portfolio. In addition, resources will need to be deployed to the highest priority areas which will include the repair and/or rebuild of municipal assets impacted by wildfire.

Administration is currently working on a number of initiatives to minimize cash flow impacts as follows:

- Review of existing investment portfolio to request funds from brokers with minimal loss on sale;
- Draw debenture funds for capital projects completed or near completion;
- Review and present line of credit bylaw for Council consideration;
- Finalize request and approval for deferment of Alberta School Requisition payments;
- Request deferment of debenture payments (interest and/or principal) to Alberta Capital Finance Authority (ACFA);
- Monthly cash flow projections are required in order to determine when and if the risk of a cash shortfall is imminent; and
- Review operating and capital budget initiatives and present amendments for Council consideration and approval.

Rationale for Recommendations:

Administration will continue to monitor the progress of approved capital projects. New capital projects required as a result of wildfire damage will be brought forward for Council approval. The Capital Projects Steering Committee will review all capital budget amendments and determine next steps within the Fiscal Responsibility Policy (FIN-160).

Strategic Plan Linkages:

The review of the approved capital budget is aligned to the success of all seven municipal strategic pillars as follows:

- Pillar 1: Building Responsible Government
- Pillar 2: Building Balanced Regional Services
- Pillar 3: Building a Vibrant Economy Together
- Pillar 4: Building an Effective Land Strategy
- Pillar 5: Building a Reliable Transportation System
- Pillar 6: Building a Sustainable Region
- Pillar 7: Building for a Healthy and Active Lifestyle

Attachments:

1. Capital Projects to Resume – June 14, 2016
2. Capital Projects Suspended (Requiring Further Review) – June 14, 2016

Capital Projects to Resume – June 14, 2016

| Capital Project Name |
|---|
| 2016 Heavy Equipment Additions |
| 2016 Heavy Equipment Replacements |
| 2016 Light Equipment Additions |
| 2016 Light Equipment Replacements |
| 911 Dispatch-IT Disaster Recovery |
| Abram's Land Servicing/Site Preparation (<i>Substantially completed</i>) |
| Abram's Parcel 3 Development (<i>Substantially completed</i>) |
| Anzac Fire Hall - Construction |
| Building Life Cycle 2014-2016 |
| Bylaw Area Expansion (<i>Substantially completed</i>) |
| Casman Centre Food Service Expansion (<i>Substantially completed</i>) |
| Casman Centre Generator 2014 (<i>Substantially completed</i>) |
| Christina River Bridge Construction |
| Christina River Bridge Design |
| Community Entrance Feature Signs |
| Confederation Way Sanitary Sewer Bypass |
| Confederation Way Sanitary Sewer Phase 2 - Design |
| Conklin Mobile Waste Water Treatment Plant (WWTP) |
| Conklin Multiplex - Pre Design (<i>Substantially completed</i>) |
| Conklin Tanker 502 Replacement |
| Contaminated Soil Land Farm (<i>Substantially completed</i>) |
| Doug Barnes Cabin Expansion - Design |
| Fire Suppression Fleet Building - Regional Landfill |
| Fort Chipewyan Swimming Pool - Construction |
| Fort Chipewyan Swimming Pool FF & Equipment |
| Fort Chipewyan Winter Road Bridges Replacement - Construction |
| Fort Chipewyan Firebag Bridge Replacement - Construction |
| Fort Chipewyan Richardson River Bridge Replacement - Construction |
| Fort Chipewyan Water Treatment Plant Expansion - Construction |
| Fort MacKay Bridge Replacement (<i>Substantially completed</i>) |
| Fort MacKay Fire Hall - Design |
| Fort McMurray Animal Control Centre |
| Fort McMurray Animal Control Vehicle |
| Fort McMurray Bike Park – Construction (<i>Substantially completed</i>) |
| Fort McMurray Water Treatment Plant Upgrades – Design (Pump Upgrades) |
| Fort McMurray Waste Water Treatment Plant Process Improvements - Construction |
| Frank Lacroix Arena Generator |
| Fort McMurray Waste Water Treatment Plant Process Improvement |
| Grayling Terrace Lift Station - Construction |
| Grayling Terrace Lift Station Assessment |
| Green Plan Initiative - Regional Landfill |

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| Haxton Centre Upgrades – 2014 (<i>Substantially completed</i>) |
| Heavy Equipment Additions 2014 |
| Heavy Equipment Additions 2015 |
| Heavy Equipment Replacements 2014 |
| Heavy Equipment Replacements 2015 |
| Highway 63 Intersection Improvements – Sapræe Creek Trail (Hwy 69) and MacKenzie Blvd. |
| Sapræe Creek Trail (Hwy 69) Lift Station & Forcemain (<i>Substantially completed</i>) |
| Information Security Program |
| IT Infrastructure Upgrades 2013 (<i>Substantially completed</i>) |
| Janvier Skateboard Park (<i>Substantially completed</i>) |
| Janvier Water Treatment Plant Electrical/Mechanical Upgrades - Design |
| Jubilee Plaza Design and Construction (<i>Substantially completed</i>) |
| King Street Bridge Rehabilitation |
| Landfill Gas Management System – Design (<i>Substantially completed</i>) |
| Leachate Treatment Management (<i>Substantially completed</i>) |
| Lift Station Upgrades (South) |
| Light Equipment Additions 2015 |
| Light Equipment Replacements 2015 |
| Light Fleet Replacements 2016 |
| MacDonald Island Park Parking |
| MacDonald-4-Way Chamber Supply Line Design |
| MacKenzie Blvd (Lift Station) Diversion & Sewer Upgrade - Construction |
| Mills Avenue Stormwater Management - Design |
| Mills Avenue Stormwater Management - Construction |
| Municipal Assets - Fall Protection |
| Parsons Creek Water Supply from Water Treatment Plant |
| Regional Landfill Cell II, III/ Stockpile Pad |
| Regional Landfill Cell 4- Construction |
| Regional Landfill Cell 4- Design |
| Regional Landfill Cell 5 - Design |
| Regional Landfill Cell 5 - Pre-design |
| Regional Landfill Lateral Expansion Cell (<i>Substantially completed</i>) |
| Regional Landfill Storm Pond 2 - Construction |
| Regional Landfill Storm Pond 2 - Design |
| Regional SCADA Wan - Construction |
| Regional SCADA Wan - Design |
| River Intake - Design |
| River Intake - Pre-design |
| Rodeo Drive Storm Pipe - Design |
| Rural Community Placemaking – Conklin (<i>Substantially completed</i>) |
| Rural Community Placemaking – Janvier (<i>Substantially completed</i>) |
| Rural Community Placemaking - Fort Chipewyan |
| Rural Community Placemaking – Gregoire (<i>Substantially completed</i>) |
| Rural Infrastructure Rehabilitation (<i>Substantially completed</i>) |
| Saline Creek King Street Booster (<i>Substantially completed</i>) |
| Saline Creek Supply Line from King Street Booster Station to MacKenzie Reservoir |
| Saline Watermain from Hardin Street to King Street Booster Station - Construction |

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| Saprae Creek Fire Hall Expansion Construction |
| Saprae Creek Fire Hall Expansion Design |
| Septage Receiving Station – Construction (<i>Substantially completed</i>) |
| Silin Forest Road Complex Security Gates and Fencing |
| Slow Pitch Ball Diamonds (<i>Substantially completed</i>) |
| Snow Disposal Site – Pre-Design |
| Snye Remediation |
| Snyeside Park System - Pre-Construction |
| South Leg, Range Road 83 at Saprae Creek Trail (Hwy 69) - Design & Construction |
| Specialized Transit Bus Additions 2014-2017 |
| Stonecreek Drainage - Construction |
| Stonecreek Drainage - Design |
| Street Light Improvements -Conklin |
| Tolen Drive Bridge Replacement including Removal of the Saprae Creek Trestles |
| Traffic Signal Rehabilitation 2015-2016 |
| Traffic Signal Upgrades 2013-2014 |
| Training Branch-Fire Pumper Truck |
| Transfer Station/Recycling Depots (<i>Substantially completed</i>) |
| Transit Bus Additions/Replacement 2015 |
| Transit Bus Lifecycle Refurbish Program 2014-2020 |
| Twin Saprae Creek Trail (Hwy 69) West of Saline Creek to Range Road 85 (West Airport Boundary Road) (<i>Substantially completed</i>) |
| Urban Infrastructure Rehab (UIR) 2011-2013 (<i>Substantially completed</i>) |
| Urban Infrastructure Rehabilitation 2014-2016 - Construction |
| Urban/Rural Cemetery Development Construction |
| Warehouse Equipment |
| Winter Heavy Equipment Additions 2015 |
| Wireless Access |

Capital Projects Suspended (Requiring Further Review) – June 14, 2016

| Capital Project Name |
|--|
| A Frame Road Sanitary Lift Station-Design |
| Abasand Heights Pumphouse Upgrade-Design |
| Abasand Pump House Upgrade - Construction |
| Abasand Pump House/Reservoir-Upgrade Design |
| Active Transp. Trail 2014-2016 - Construction |
| Active Transp. Trail 2014-2016 - Design |
| Anzac Community Centre Upgrades |
| Anzac WWTP & Effluent Pipeline - Construction |
| Architectural Upgrades of Owned & Leased |
| Architectural Upgrades of Owned & Leased 2013 |
| Arena Site Preparation |
| Automated River Monitoring |
| Beacon Hill Outflow & Pipeline Upgrade |
| Birchwood Trail Pedestrian Bridge |
| Building Security Infrastructure Upgrade |
| Casman Centre Bldg Mgmt System Upgrade |
| Clearwater Riverside Park - Construction |
| Clearwater Riverside Park -Remediation |
| Community Accessibility - Rural |
| Community Playgrounds (Eagle Ridge and others) |
| Confed Way Sanitary Sewer Phase 2 Construction |
| Conklin Multiplex - Construction |
| Conklin Sewage Lagoon Upgrades |
| ConklinWaterTreatment/SuppUpgrades |
| Council Chamber Technology Upgrades |
| Doug Barnes Cabin Expansion - Construction |
| Electronic Agenda & Voting |
| Enterprise Information Management |
| Enterprise Resource Planning |
| Fire Hall #6 PreDesign & Design |
| Fleet Shop AVL Equipment |
| Fleet Shop Equipment Tooling |
| Flood Mitigation - Construction |
| Flood Mitigation - Predesign/Design |
| Fort Chip Water/Sanitary Sewer |
| Fort Chipewyan Animal Control |
| Fort Chipewyan Base Bleacher Replacements |
| Fort MacKay Fire Hall - Construction |
| Fort MacKay Sewage Lagoon Upgrade - Design |
| Fort MacKay Sewage Lagoon Upgrade - Pre-Design |
| Fraser & Manning PreDesign/Design |
| FraserAve & McLeodSt Extension |
| Greg LakeEstates Trail & Skate Park Design |
| Hwy 63: Bus Lane add at Thickwood |

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| IAS In frastructure Upgrades |
| Intelligent Bus Transit System (IBTS) |
| IS Intrastructure Upgrades 2015 |
| Janvier Sewage Lagoon Upgrade - Construction |
| Janvier Steel Building- Rink Replacement |
| Land Acquisition 2012-2014 |
| Land Acquisition 2013-2014 |
| Land Acquisition 2016 |
| Landfill Gas Management System - Regional Landfill |
| Legislative Management Syst Replacement |
| MacDonald Island Park Sust Capital Grant |
| MacKenzie Stormwater Management - Design |
| Northern Utility Corridor - Pre-design |
| Northside Multi-Use Facility Phase 1 (Twin Arenas) |
| Northside Recreation Centre - Design |
| Parson's Creek Fire Hall 6 - Constr |
| Parsons Creek Highway 686 Bus Lane |
| Prairie Loop Boulevard |
| Pumper Truck for Fire Station #6 |
| RCMP Project Room Fit-Up |
| Road B at Saline Creek |
| Rural Community Placemaking Fort MacKay Design |
| Rural Infastructure Rehab. 2015-2017 - Design |
| Rural Infastructure Rehabilitation 2015-2017 - Construction |
| Rural Water/Sewer Servicing Construction |
| Rural Water/Sewer Servicing Pre-Design & Design |
| Saline Creek Drive - Placemaking |
| SAP Clubhouse Improvements - Equipment |
| Saprae Creek Comm Hall -PreDesign/Design |
| Sapre Creek Water Distribution Upgrades-Pre-design |
| Silin Forest Road Rehabilitation |
| Snyeside Park System - Construction |
| South East 881 Water Supply Line - Pre-design & Design |
| South Regional Reversible Effluent Pipeline-Design |
| Southwest Water Supply Line Phase 1 - Construction |
| Surface Parking Relocation/Improvements Pre-Construction |
| Syncrude TAP Expansion Land Acquisition |
| Tipping Pad Construction |
| Tipping Pad PreDesign & Design |
| Transit Facility Construction Green Trip Project |
| Urban Infastr Rehab 2016-2018 Design |
| Urban Infastructure Rehabilitation 2014-2016 Pre-design & Design |
| Vista Ridge 2014-2016 Capital Grant |
| Warm Up Shelters |
| Waterways & Horse Pasture Park |

