



# City of Port Moody

## Report/Recommendation to Council

Date: December 5, 2023  
Submitted by: Finance and Technology Department – Financial Services Division  
Subject: Provisional 2024-2028 Capital Budget – Approval

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### Purpose

To present the provisional 2024 Capital Budget for approval.

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### Recommended Resolution(s)

**THAT the 2024 projects be approved as attached to and recommended in the report dated December 5, 2023, from the Finance and Technology Department – Financial Services Division regarding Provisional 2024-2028 Capital Budget – Approval.**

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### Background

The provisional 2024 Capital Budget was presented to the Finance Committee on November 21, 2023 (**Attachment 1**).

### Discussion

The provisional Five-Year Financial Plan encompasses \$78.8 million in projects spanning from 2024 to 2028. In 2024, there are \$23.8 million in proposed projects, with contributions from all city departments. These projects are funded through a combination of City reserves and external funding sources. Although several City reserves initially have substantial opening balance deficits, they are brought into balance by the end of the Five-Year Financial Plan in 2028.

The list of 2024 projects are diverse and includes project submissions for the following items:

- Firehall and Public Safety Building Upgrades - Including the installation of digital control systems, improved access, and heat pump systems for energy efficiency.
- Civic Centre Enhancements - Ongoing repairs and improvements to the Civic Centre, ensuring its aesthetic appeal and functionality including washroom upgrades and carpet and replacement.
- Gymnasium Air Conditioning - A significant investment in air conditioning for the Recreation Complex's gymnasium, enhancing the overall functionality of the space and user experience.

- Fleet Garage Improvements - Enhancements to the Fleet Garage, including exterior building upgrades, bulk oil storage, and a new diagnostic laptop for improved maintenance.
- Road Reconstruction and Rehabilitation - Several road reconstruction and rehabilitation projects at various locations, such as Ioco Road Corridor.
- Storm Drainage Improvements - Focused on Moody Centre, these improvements aim to enhance storm drainage infrastructure.
- Water Network Infrastructure Renewal - A substantial investment in the city's water network infrastructure for long-term sustainability.
- Traffic Signal and Streetlight LED Replacement - Upgrading and replacing traffic signals and streetlights with energy-efficient LED technology.
- Sewer Capital Infrastructure Program - An extensive investment program aimed at maintaining and rehabilitating the city's sewer infrastructure, addressing both linear and non-linear components.

The following table highlights the top ten projects for 2024 by budget (dollars).

Staff have prepared the provisional 2024 Capital Plan for the Committee's approval in line with the 2024 Financial Plan Guidelines and other City policies and Master Plans.

Port Moody Capital Plan					
Top 10 Projects (by dollar)					
Project ID	Project Name	Climate Action Plan	Priority	2024	Percentage of Total Projects
WT24009	Water Network Infrastructure Asset Renewal Program	☐ Not Applicable	☐ 3. High	2,925,000	12%
EN24009	Major Road Network (MRN) Road Rehabilitation Program	☐ Not Applicable	☐ 3. High	2,750,000	12%
DR24013	Ioco Road Corridor Reconstruction	☐ Infrastructure	☐ 3. High	1,750,000	7%
SD24010	Sewer Capital Infrastructure Program (Linear and Non-Linear)	☐ Not Applicable	☐ 3. High	1,320,000	6%
DR24009	Storm Drainage Improvements - Moody Centre	☐ Infrastructure	☐ 3. High	1,147,000	5%
EN24006	Local Road Network (LRN) Road Reconstruction Program	☐ Not Applicable	☐ 3. High	1,000,000	4%
FC24240	Recreation Complex - Gymnasium Air Conditioning (GHGR)	☐ Buildings	☐ 3. High	800,000	3%
IS24020	Lifecycle Computer Replacement Program	☐ Not Applicable	☐ 3. High	470,000	2%
FC24242	Recreation Complex - Skate Shop Renovation	☐ Not Applicable	☐ 4. Medium	436,400	2%
FC24020	Civic Centre - Washroom Upgrades	☐ Not Applicable	☐ 3. High	350,000	1%
<b>Total - Top 10 Projects (by dollar)</b>				<b>\$ 12,948,400</b>	<b>55%</b>

Funding for the Capital Plan is proposed to come from multiple City reserves, including the:

- Asset Reserves;
- Community Amenity Contribution Reserve;
- Density Bonus Reserve;
- Development Process Reserve;
- Equipment Replacement Reserve Fund;
- Local Government Climate Action Program Reserve;
- MRN Reserves;

- New Initiative Reserve;
- Sidewalk Reserve;
- Utility reserves (Sewer, Water, Drainage, and Sanitation).

Reserves are required to be balanced over the Five-Year Financial Plan as part of a balanced budget. It is common practice to have more projects than funding in a particular year for reserves depending on the overall reserve balance and the nature of the projects, as long as the final year of the Five-Year Financial Plan remains in a positive balance. A complete list of Capital and Operating projects and reserve summaries is included in **Attachment 1**.

## Other Option(s)

THAT staff report back with additional requested information on the 2024 Capital Plan;

AND THAT project(s) \_\_\_\_\_ be removed from the capital plan pending further deliberation.

## Financial Implications

All capital projects are aligned with a funding source (City reserve or external funding source). Only one submitted 2024 project has an ongoing impact on the operating budget, which, would result in an additional funding requirement in 2024 and beyond (tax increase). BL24001, a new vehicle for Building Officials and the Community Development Department has an ongoing operating impact.

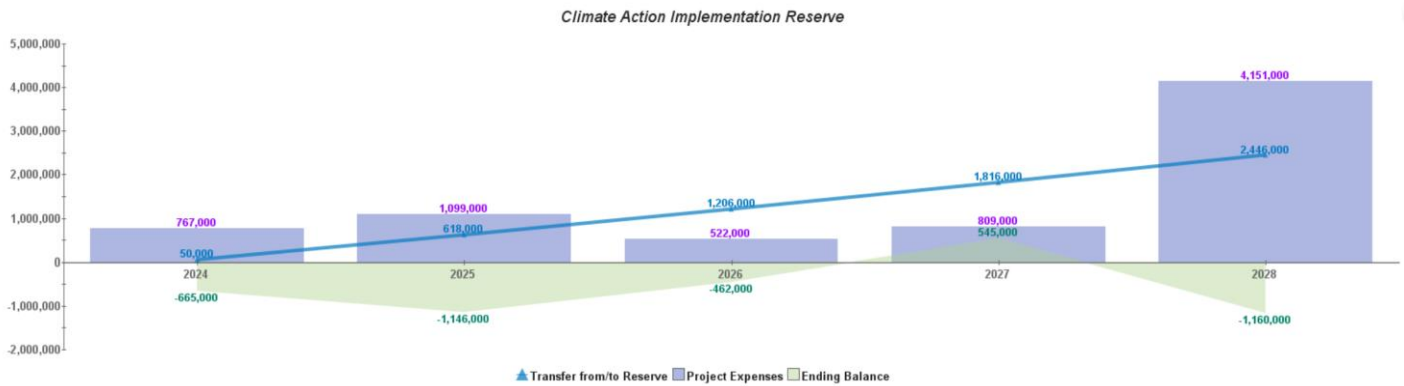
The proposed Capital Plan includes an annual funding increase to the Asset Reserve of the equivalent of a 1% tax increase (\$532,000 in 2024). This is in line with the City's past practice to ensure funding is available for the renewal of City assets.

The New Initiatives reserve includes an increase of \$15,000 to the annual contribution. Since 2022, the annual contribution has increased by \$15,000 annually to provide the necessary funding for the proposed projects.

The annual transfer to the Climate Action Implementation Reserve increased by \$532,000 (1.00%) in 2024 and 1% of tax in 2025 through 2028 as direct by Council at the September 5, 2023, City Initiatives and Planning Committee.

At the November 21, 2023, Finance Committee meeting, committee members requested additional information regarding the Climate Action Implementation Reserve, and the overall reserve balance if the \$532,000 increase was deferred to 2025. This would result in a funding reduction of \$2,660,000 over the 2024-2028 Five-Year Financial Plan. As illustrated in Chart 1, this would result in an ending balance (2028) deficit of \$1,160,000 and could result in delays to the Recreation Complex - Ice Plant Heat Recovery (GHGR) project in 2028.

Chart 1 – Climate Action Implementation Reserve – Funding increase delayed to 2025



### Communications and Civic Engagement Initiatives

The City's Financial Plan and associated resources will be posted on the City website. Engage Port Moody, the City's public engagement platform, will be used to collect community feedback on the 2024 Financial Plan. The annual budget survey, budget resource information, and FAQs will be posted on the project page, and staff will answer questions from community members, and collect general comments and feedback to be presented to Council. The Engage Port Moody hub allows Council to see questions and comments from the community as they are posted. Staff will report back to the Finance Committee with the full results of the budget consultation in early 2024.

### Council Strategic Plan Objectives

The recommendations in this report align with the following Council Strategic Plan Goal(s):

- Strategic Goal 1.1 – Prioritize Core Services

### Attachment(s)

1. Attachment 1 – Report considered at the November 21, 2023, Finance Committee meeting – Capital Budget.

### Report Author

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## Report Approval Details

Document Title:	Provisional 2024-2028 Capital Budget – Approval.docx
Attachments:	- Attachment 1 - Report considered at the November 21, 2023, Finance Committee meeting – Capital Budget.pdf
Final Approval Date:	Nov 27, 2023

This report and all of its attachments were approved and signed as outlined below:

Paul Rockwood, General Manager of Finance and Technology - Nov 23, 2023

Stephanie Lam, City Clerk and Manager of Legislative Services - Nov 24, 2023

Lindsay Todd, Manager of Communications and Engagement - Nov 24, 2023

Tim Savoie, City Manager - Nov 27, 2023