



City of Richmond Hill

Mayoral Decision

(Part VI.1 of the *Municipal Act, 2001*)

Decision Number: 20-23

To: Members of Council and the City Clerk

Purpose: To provide the proposed 2024 Capital Budget

I, **David West**, Mayor of the City of Richmond Hill, in accordance with Subsection 284.16 of the *Municipal Act, 2001*, do hereby submit for Richmond Hill Council's consideration a proposed 2024 Capital Budget as follows:

1. A 2024 Capital Budget in the amount of \$102,161,700 that includes project management and overhead costs as identified in Appendix 'A' of Staff Report SRCFS.23.054 (submitted to Budget Committee of the Whole at its meeting on November 21, 2023, and attached hereto), funded from those sources identified in Appendix "B" of staff report SRCFS.23.054; and
2. A contingent 2024 Capital Budget pending approval of grant funding, for projects listed in in Appendix 'C' of Staff Report SRCFS.23.054.

Dated at Richmond Hill, this 8th day of December, 2023.

Original signed in the Office of the Clerk

David West

Mayor



Staff Report for Budget Committee of the Whole Meeting

Date of Meeting: November 21, 2023

Report Number: SRCFS.23.054

Department: Corporate and Financial Services

Division: Financial Services

Subject: 2024 Draft Capital Budget and 9 Year Forecast

Purpose:

To provide Council with the 2024 Draft Capital Budget and Forecast for the Capital program reflective of Council's Strategic Priorities 2020-2022.

Recommendations:

- a) That Budget Committee of the Whole recommends that the Mayor submit, for Council's review, a 2024 Capital Budget that includes the following:
 - i. A 2024 Capital Budget in the amount of \$102,161,700 that includes project management and overhead costs as identified in Appendix "A" of SRCFS.23.054, funded from those sources identified in Appendix "B" of SRCFS.23.054;
 - ii. Contingent 2024 Capital Budget pending approval of grant funding, for projects listed and funded from those sources identified in Appendix "C" of SRCFS.23.054; and

- b) That Budget Committee of the Whole recommends that Council receive for information purposes the 2025-2033 Capital Forecast as identified in Appendix "D" of SRCFS.23.054, in the amount of \$1,678,173,000 that includes project management and overhead costs.

Contact Person:

Diana Selicean, Financial Management Advisor, Corporate and Financial Services
Lisa Chen, Manager Fiscal Planning and Strategy, Corporate and Financial Services

Report Approval:

Submitted by:

Gigi Li, Director Financial Services and Treasurer, Corporate and Financial Services
Paolo Masaro, Executive Director Infrastructure and Engineering Services

Approved by: Darlene Joslin, City Manager

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All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner and City Manager. Details of the reports approval are attached.

Background:

The Capital Budget and Forecast outlines the City of Richmond Hill's capital investment priorities, encompassing new development and revitalization of existing infrastructure. These investments are essential to ensure the effective delivery of municipal services.

The Operating Budget is a financial plan for the day-to-day operations that residents rely on such as roads repairs, fire services, parks maintenance and snow clearing, and will be discussed at the November 28 and December 5, 2023, Budget Committee of the Whole meetings.

The City of Richmond Hill is one of over 5,600 municipalities in Canada and one of over 440 municipalities in Ontario that own, manage and maintain an asset portfolio. These assets are managed on behalf of Council and residents, and include:

- Award-winning community centres, pools, arena, parks, playgrounds and trails;
- Highly valued libraries;
- A state-of-the-art theatre;
- Critical community connectivity infrastructure such as roads, sidewalks, sanitary and storm sewers and watermains; and
- Assets to support service-delivery such as, fleet, emergency vehicles, safety and security facilities (fire station), office and operational spaces, furniture, fixtures, equipment and information technology systems.

The future direction for Richmond Hill is established in the Official Plan and Council's Strategic Priorities 2020-2022. These documents set the foundation to guide the future growth, development and objectives of the City. A new Strategic Plan update is in progress and expected to complete by year's end.

The Strategic Vision of "**Richmond Hill – where people come together to build our community**" is action orientated and develops the strategy and activities to achieve that vision. This is further supported by Council's Strategic Priorities for 2020-2022, which include Fiscal Responsibility, Balancing Green and Growth, A Strong Sense of Belonging and Getting Around the City.

The City's Official Plan guides how land is used, and how and where growth and development will take place in our city. It provides "direction for growth, balancing change in the City with protection of what is valued from the past, truly blending the old and the new" while seeking to "Build a new kind of urban" supported by community asset investments, partnerships, policies and supporting implementation vehicles. These key directions align with Council-approved plans and strategies (for example,

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transportation, pedestrian and cycling infrastructure, parks and recreation, and culture) as well as departmental plans.

The various plans and strategies are in place to support the vision and to ensure that residents are provided with the infrastructure necessary to support their choice to live, work and play in our community.

A. Capital Budget Strategy

Capital investments are necessary to continue to provide services and programs that a growing community needs, now and into the future. This achieves the City's commitment to providing exceptional public service to the community.

Staff report *SRCFS.23.034 – 2024 Capital and Operating Budget Strategy*, tabled at the June 27, 2023 Budget Committee of the Whole meeting, directed staff to present a 2024 Capital Budget and Forecast that:

- a) Continues to manage the City's capital program reflective of corporate priorities
- b) Maximizes all funding from external sources, development charges and reserve funding
- c) Proposes funding not to exceed:
 - a. \$31 million from Tax Supported Reserve Funds
 - b. \$23 million from Development Charges Reserve Funds
 - c. \$9 million from Cash-in-Lieu of Parkland Reserve Fund

Council approved the above recommendations as part of the July 12, 2023 Council meeting and the 2024 Draft Capital Budget meets these funding targets.

B. Capital Budget and Forecast Process

The following information provides context to the development of the 2024 Capital Budget and 2025-2033 Forecast.

Capital Sustainability Steering Committee

The Capital Budget and Forecast builds on the comprehensive review of the Master Plans performed by the previous Capital Sustainability Steering Committee (CSSC) established 2019 to 2020. Council re-established the CSSC in July 2023, with the objective to review financial implications of long-term Master Plans and recommend to Council a Financial Sustainability Strategy, where it would then be reviewed annually in conjunction with the budget process.

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Annual Review

The City follows a rigorous and reiterative annual capital planning process. Due to the long-term nature of capital investments, the capital planning horizon covers a ten-year period – an annual capital budget and a 9 year forecast, and is reviewed annually to re-assess the timing, condition and projected costs.

The budget review process advances collaboratively with stakeholders across all functional areas of the organization with strategic leadership provided through the Staff Budget Committee to ensure all project requests are reviewed from a corporate-wide perspective. Cross-functional information sharing and utilizing expertise within the organization ensures projects are examined for appropriateness of project timing and maximizing the limited funding resources.

Projects ready for implementation undergo a scoring and prioritization exercise, and ranked amongst all projects based on achieving strategic priorities and complying with regulatory requirements. Based on the available funding, projects are included in the budget. Once the budget is adopted it begins the planning and procurement process, and may span a number of years into construction or acquisition. Upon completion, the asset becomes available to provide services to the community.

Services and Assets

As a municipal service provider, the capital budget requirements are aligned with the services that are driving the need for the asset to be constructed, acquired or replaced. This provides a clear picture of the long term costs of providing each type of service to the community, and allows Council to make informed decisions about further investments.

Growth and State of Good Repair

The capital budget is comprised of two components: growth and state of good repair projects. This delineation sets the principles for capital funding.

Growth projects are planned in anticipation of servicing an increasing population and are funded mainly from development charges. Master Plans, including the Transportation Master Plan, Urban Master Environmental Servicing Plan, Parks Plan, Recreation and Culture Plan, cascade and build on the Official Plan's growth projections. The financial implications and timing are then reflected in the Development Charges Background Study.

State of Good Repair projects prioritize when existing assets are due for repairs and renewal to ensure reliability, and performance through alignment with the City's asset management practices and are funded mainly from tax or rate supported reserve funds. The 2023 State of Infrastructure Report and 2021 Asset Management (AM) Plan prioritize projects using an evidence-based risk prioritization process. The AM Plan

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recommendations and strategies leverage the City's Enterprise Asset Management (EAM) system. The EAM system gathers important asset data (e.g. asset condition) and then applies asset level of service considerations, lifecycle activities, and risk score calculations for the City's Core assets to assist staff in developing state of good repair capital project decisions. The results support the development of asset management and financial strategies for Core assets and ensures the most efficient use of available funding. The development of state of good repair capital projects is also supported and determined through individual asset condition studies and assessments completed by various departments and divisions.

Budgets include Project, Project Management and Overhead Costs

Depending on the project type, project management and overhead budgets are allocated to each project on a percentage basis based on the project cost. This provides a true picture of the overall resources required to construct or acquire the asset.

Project management is related to time spent by staff (project managers) on capital projects and is added to the project cost (e.g. materials and contracted services).

Overhead is an indirect cost related to time spent by non-project management on capital administration unrelated to one specific task or a particular project. For example support from senior management, legal services, financial services, human resources and information technology.

Financial/Staffing/Other Implications:

This staff report summarizes the detailed information provided in the [2024 Draft Budget Book](#), distributed electronically on the City's website on November 8, 2023 (<https://www.richmondhill.ca/en/find-or-learn-about/Budget.aspx>). The Capital Budget and Forecast section can be found on pages 188 through 268.

Starting with the 2024 Budget cycle, Richmond Hill falls under the Strong Mayor Powers legislation. With respect to the budget, the Mayor is responsible for proposing a budget to Council annually. For continuity, the capital budget report incorporates the capital forecast, where the latter's oversight remains under Council's jurisdiction. The report recommendations have been modified to reflect the applicable authority.

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2024 Capital Budget

The staff recommended 2024 Capital Budget, \$102,160,700, is summarized in Appendix “A”, and the recommended funding sources are identified in Appendix “B”.

The 2024 Draft Capital Budget is comprised of \$97,224,700 in project costs and \$4,936,000 in project management and overhead costs.

The 2024 Draft Capital Budget consists of projects that include a plan to study, design, build, contribute to or tender within the next 12 months or longer construction period (depending on the complexity of the project). The table below summarizes the 2024 Draft Capital Budget by service categories:

SERVICE	GROWTH NEW SERVICE	STATE OF GOOD REPAIR	TOTAL REQUEST
Transportation	\$4.2	\$15.0	\$19.2
Roadway System	2.1	14.1	16.2
Active Transportation	2.1	0.9	3.0
Environmental	\$3.2	\$18.3	\$21.5
Water Distribution	0.5	10.6	11.1
Wastewater Collection	2.7	4.3	7.0
Stormwater Management	0.0	3.4	3.4
Recreation and Culture	\$26.3	\$19.7	\$45.9
Parks and Outdoor Recreation	23.9	3.5	27.4
Recreation Facilities	1.3	12.6	13.9
Cultural Services	-	0.1	0.1
Libraries	1.0	3.4	4.4
Protection	\$0.9	\$2.7	\$3.6
Fire Services	0.9	2.7	3.6
Administration	\$1.8	\$4.8	\$6.5
Municipal Services	1.8	4.8	6.5
Other	\$0.3	\$5.1	\$5.3
Other	0.3	5.1	5.3
TOTAL 2024 BUDGET	\$36.6	\$65.6	\$102.2

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The completion of the 2024 capital program will result in net additions to the City's capital infrastructure (growth) and renewals to existing assets (state of good repair).

Highlights are as follows:

Growth and New Services

- New Trail and multi-use path (3.9 km)
- Sidewalk Infill - Construction (1.4 km)
- Sanitary Sewer Improvements (0.6 km)
- Watermeters (532)
- New Parkland (2.93 hectares)
- Outdoor Facility - Pickleball Court (4), Tennis Court (1), Splash Pad/Ice Rink (1), Multiuse Court (2), Fitness Equipment (1)
- Park Amenities - Pedestrian and cyclist bridge and ramps (1), Shade Structure (1), Panhandle Drive (1)
- Water bottle fill station (18)
- Fleet and Equipment for Parks and Urban Forestry (6), Electric Vehicles and chargers (6)
- Software to improve residents experience (2) – GIS and Tax Portal

State of Good Repair

- Trail Improvements (1.7 km)
- Road – (13.5 lane km)
- Road Overlay (26.1 lane km)
- Bridges and Culverts Rehabilitations (10)
- Traffic Signal Replacements (5)
- LED Conversion (22)
- Illumination – (16)
- Watermain Replacements– (7.9 km)
- Watermeters (156), AMI Collectors (8)
- Sanitary Sewer - (2.0 km)
- Ponds - Sediment Removal (2)
- Outdoor Facilities – Tennis Courts (8) , Soccer Fields (2), Playground (4), Senior Baseball Diamond (1)
- Park Amenities (2)
- Facilities – Interior Finishes (19), Exterior Finishes (4), Roof Replacements (5), Mechanical, Electrical, HVAC (16), Security (2)
- Parking Lots - Parks (3), Facilities (2)
- Fire Fleet and Equipment – Fire Support Vehicles (3), Fire Engine (1),
- Public Works Operations Equipment (32)
- Street Tree Replacements (Emerald Ash Borer) (150)

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Contingent 2024 Capital Budget Pending Grant Funding Approval

The City applies for grants from funders when our projects and programs meet the goals of the fund to support investment in the community, while reducing the property tax support requirement and the reliance on the City's reserve funds.

Staff forecast and monitor grant funding opportunities based on a review of priorities and activities of other levels of government and other funders. Current trends suggest that there are and will continue to be opportunities for alignment with funder priorities such as climate change adaptation and mitigation, housing and complete communities, accessibility and active recreation.

Staff monitor grant intakes and identify eligible projects within the budget or forecast years. Staff also maintain a list of capital projects to be added to the 2024 Draft Capital Budget, contingent on a successful grant funding award, to allow for timely submissions as grants become available. The grant contingent capital budget projects are listed in Appendix "C", along with the original year and funding sources if the grant is was not available. If grant funding is available in 2024, an application will be submitted for funding and upon successful notification, the project will be advanced in 2024, with City funding sourced from sources as described and the amount will be reduced dependent on the final grant award.

Operating Budget Impact

New or enhanced Capital Budget assets usually present an operating budget impact to emplace into service in future operating budgets. Operating costs may be a result of licenses, fuel for new fleet, costs to maintain additional square footage of facilities or additional lane kilometres of road.

Funding Sources

Reserves and Reserve Funds are a key component of the City's finances and provide a strong indicator of the City's financial health. They are established and approved through by-laws or Provincial legislation to allow for funding flexibility, risk mitigation, operational uncertainty stabilization, and employed in the long-term financial stability of the City.

Funding sources for the City's Capital Budget are:

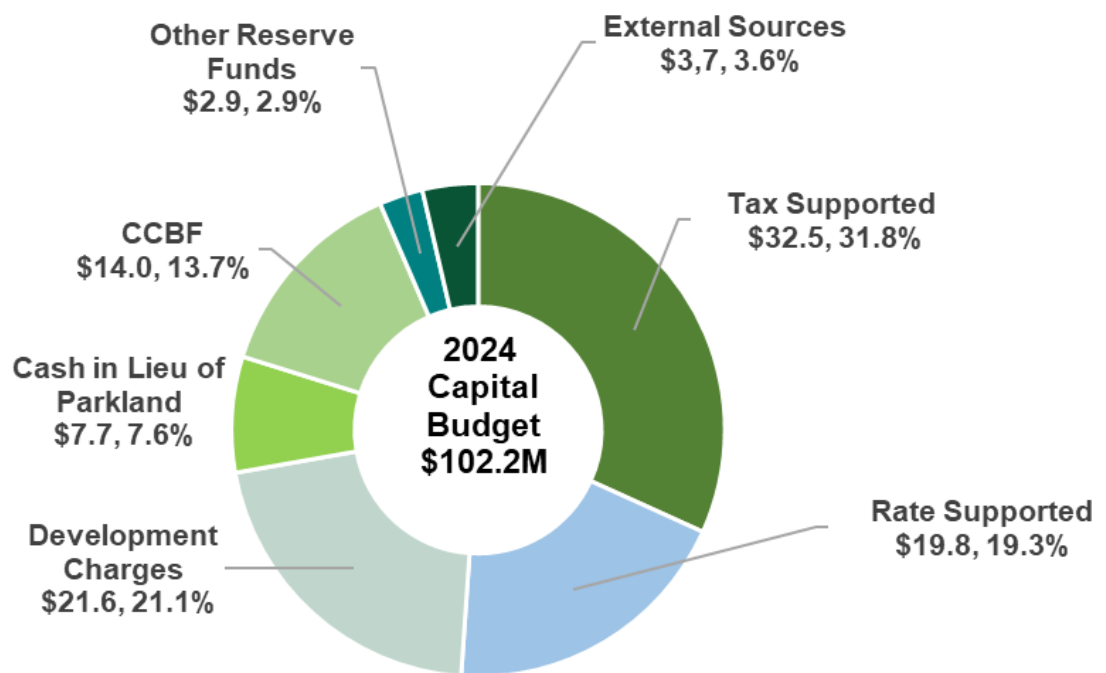
- **Tax supported** reserve and reserve funds including:
 - a. Repair and Replacement Reserve Funds and
 - b. Cash to Capital Reserve Fund
- **Rate supported** reserve funds that provide funding for water, wastewater and stormwater related infrastructure
- City-wide and Area Specific **Development Charges** collected during the development agreement process and the building permit issuance stages

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- **Cash-in-Lieu of Parkland** funds collected specifically for parkland and recreation related capital
- **Canada Community Building Fund** (formerly Federal Gas Tax), an annual allocation to municipalities from the federal government based on a per capita formula
- **Other** internal funding sources including reserves and Hydro reserve funds
- **External** funding sources including third party recoveries

Funding sources for the 2024 Capital Budget Request projects are shown in the graph below. Impact to the capital reserve funds are highlighted in the following section.

2024 Capital Budget Funding Sources (\$ millions)



Financial Sustainability and Reserve Funds

The long-term planning nature along with the ongoing advancement and evolution of the asset management work will inform the longer term capital investment needs. The approach in this budget is to develop a 10-year capital program (current budget + 9 year forecast – Appendix “D” 2025 –2033 Capital Forecast) to capture critical projects to inform Council of the required investments.

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The forecast provided is intended to align and adapt to changing priorities as new information becomes available. As projects are developed and implemented and new ones added, the 10-year capital program will be refined based on evidence. The City's AM program and Plans will continue to evolve, improve and mature over time. Next steps include the development of the 2024 Asset Management Plan for council approval by June 2024. This work, along with this 2024 Capital Budget and Forecast, will inform an update to the Financial Sustainability Strategy while balancing the impacts of legislation that affect the City's long term financial plan.

In preparation of this Capital Budget and in anticipation of the financial impact of provincial legislation, projects were prioritized to reach a Tax Supported Reserve Funds target net of project management cost of \$31 million, Cash in Lieu of Parkland Reserve Fund target of \$9 million, Development Charges Reserve Funds target of \$23 million. Staff also carefully reviewed and prioritized the stormwater management related projects funded from the Water Quality Protection Reserve Fund to align the budget with the remaining available balance. As presented to Committee of the Whole on November 15, the stormwater management capital funding strategy is depleted will be reviewed as part of the 2024 workplan.

The prioritization exercise included a review of growth projects that may be impacted by Bill 23 legislation and the timing of delivering for third party (York Region) projects, thus, recommended to reduce or defer projects into future years in the forecast. Growth and SOGR projects of \$11.83 million with lower priority and risk scores were deferred or cash flowed over multiple years to demonstrate fiscal prudence in light of funding pressures. This resulted in the reducing funding source pressures to meet the capital strategy targets:

- \$1.89 million in Tax Supported Reserve Funds
- \$8.43 million in Rate Supported Reserve Funds
- \$1.51 million Development Charges Reserve Funds

Capital Forecast (2024-2033) and Impact on Reserve Funds

The proposed Capital Forecast is a projection of upcoming infrastructure needs supported by the EAM state of good repair requirements for Core assets and Non-core assets - needs identified through condition assessments and studies conducted by departments and divisions, and investments identified in the plans and programs that incorporate growth. These competing priorities will continue to pose financial pressures on the capital related reserve funds.

The 2024 Capital Budget and Forecast represents a ten-year outlook of capital works and asset investments that consider corporate priorities, The Capital Forecast is updated annually to reflect revised/actual growth assumptions and the evolving state of good repair asset management needs depending on the desired level of service.

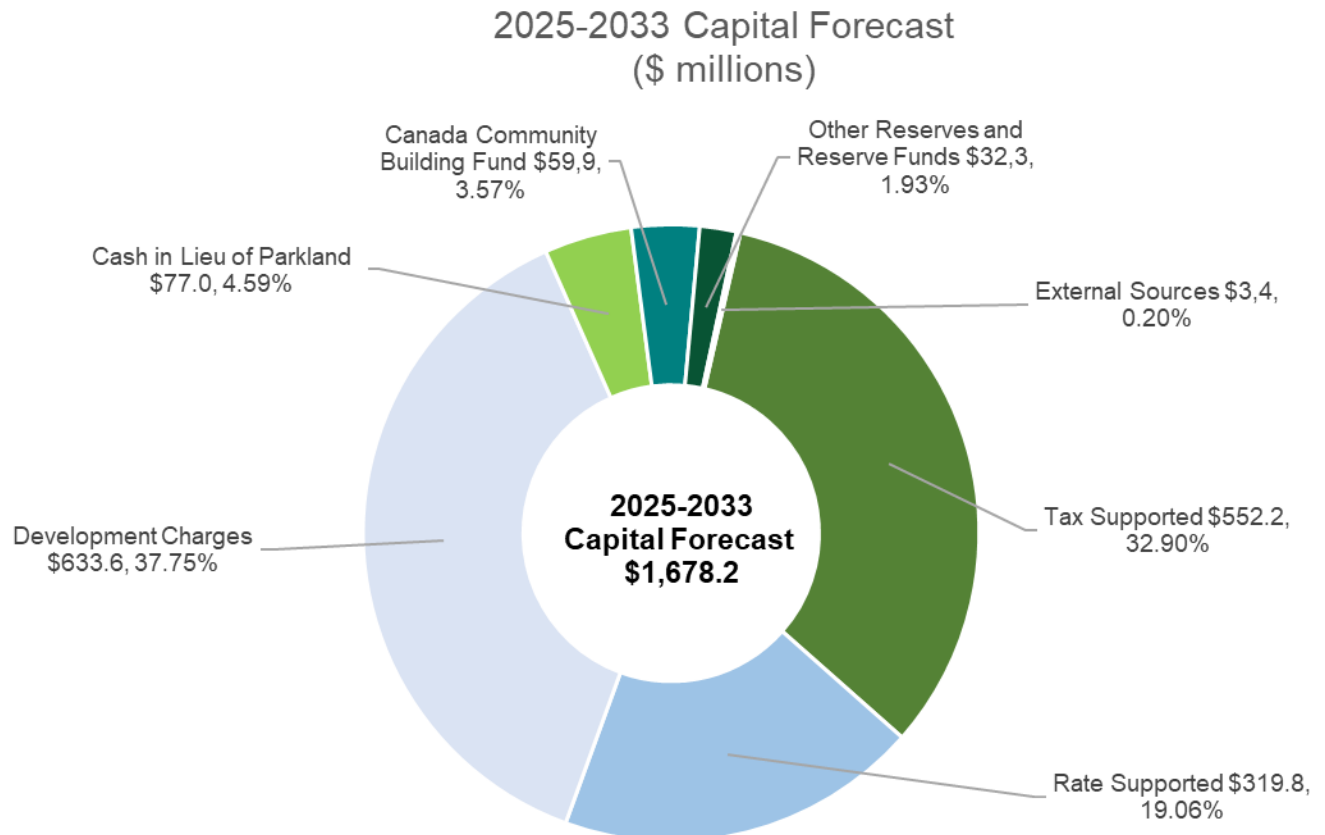
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The projected needs over the 10-year capital program for state of good repair and growth/new service by major funding categories are as follows:

2025-2033 Capital Budget and Forecast (in \$ millions)	2024 Budget	2025 Forecast	2026 Forecast	2027 Forecast	2028 Forecast	2029-2033 (5 years)	2025-2033 (9 years)
Growth/New Service	36.6	66.6	91.0	70.8	178.9	400.7	808.0
State of Good Repair	65.6	120.4	102.7	109.7	112.7	424.7	870.2
Total Cost Estimate	\$102.2	\$187.0	\$193.6	\$180.5	\$291.6	\$825.4	\$1,678.2
Funding Sources							
Tax Supported	32.5	63.4	62.7	56.1	72.0	298.0	552.2
Rate Supported	19.8	59.4	52.3	48.5	39.8	119.8	319.8
Development Charges	21.6	43.4	61.9	46.3	156.7	325.3	633.6
Cash in Lieu of Parkland	7.7	8.8	7.0	17.0	11.3	33.0	77.0
Canada Community Building Fund	14.0	6.7	6.4	6.7	7.8	32.3	59.9
Other Reserves and Reserve Funds	2.9	4.3	3.0	5.8	3.8	15.5	32.3
Grants and Recoveries	3.7	1.0	0.3	0.3	0.3	1.5	3.4
Total Funding Sources	\$102.2	\$187.0	\$193.6	\$180.5	\$291.6	\$825.4	\$1,678.2

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Funding sources over the 2025 to 2033 Capital Forecast period are illustrated in the following graph:



Tax Supported Reserve Funds

Tax Supported Reserve Funds are utilized to fund the repair, maintenance and replacement of infrastructure for SOGR projects. For 2024, capital projects include facilities, roads, parks assets, IT infrastructure and replacement of fleet vehicles and equipment. The 2024 Draft Capital Budget funded by Tax Supported Reserve is \$32.5 million (31.8%) and the forecast for 2025 to 2033 is \$552.2 million (32.90%).

These reserves are funded from tax by transfers from the Operating Budget and the Capital Sustainability Asset Levy. In 2015, Council adopted the Capital Asset Sustainability Strategy, to progress towards a “Pay As You Go” capital approach. The Capital Asset Sustainability (CAS) Fee was approved in 2016 and was expected to increase annually by 1% tax rate equivalent until 2025. In June 2023 Council endorsed the 2024 Budget Strategy that recommended to increase the CAS Levy to 1.5% tax rate equivalent and extend beyond 2025, and the 2024 increase is subject to the adoption of the Mayor’s proposed budget on December 13, 2023.

Using updates from the City’s Master Plans, programs and the evolving information from Enterprise Asset Management (EAM), funding requirements are proving greater

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than previously anticipated. This results in pressures to the Tax Supported Reserve Funds. An update to the Financial Sustainability Strategy will be undertaken when all Plans are finalized and the City's 2024 Asset Management Plan is completed in 2024. The capital forecast and resulting pressure on the Tax Supported Reserve Funds will be updated annually to reflect the evolving state of good repair asset management needs depending on the desired level of service.

Rate Supported Reserve Funds

The Rate Supported Reserve Funds consist of: Water Quality Protection, Watermain repair and replacement, Watermeter repair and replacement and Sanitary Sewer repair and replacement.

Rate Supported Reserve Funds are utilized to fund the repair, maintenance and replacement of water, wastewater and stormwater management infrastructure. The rate supported reserve funds are the third largest funding source for the 2024 Capital Budget with \$19.8 million (19.3%) and \$319.8 million (19.06%) in the forecast for 2025 to 2033.

Provincial legislation requires the Water and Wastewater reserves to be self-sufficient, and therefore an update to the Water and Wastewater Financial plan will be required in the future to ensure rates are set appropriately.

The Water Quality Protection Reserve Fund is utilized to fund stormwater management initiatives (i.e. sediment removal, stormwater management facilities rehabilitations, as well as, valleyland restoration) to protect properties and City infrastructure.

Staff was able to achieve sustainability of the Water Quality Protection Reserve Fund for 2024 by deferring some of the stormwater management projects that are delivered in collaboration with York Region and cash flowing a number of City delivered projects over a few years.

A Stormwater Management Rate Structure Review will be presented to Council on November 22, 2023 to inform the longer term financial sustainability plan and refinement of the rate structure.

Development Charges Reserve Funds

Development Charges fund eligible growth related infrastructure. For 2024, capital projects include new parks, new facilities, and continued development of road networks.

The total amount in the 2024 Draft Capital Budget funded by Development Charges Reserve Funds is \$21,6 (21.12%) and total \$633.6 million (37.75%) over the 2025 to 2033 forecast.

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In 2024, the capital request of \$21,6 million is under the approved cap of \$23 million mainly due to \$3.18 million grant received for the David Dunlap Observatory Park's pedestrian and cycling bridge and trail.

Allocation of DCs to projects are based on timing of growth development requirements and can fluctuate between years.

The City may experience potentially reduced Development Charges revenues in the future, as a result of Bill 23. This will result in the City's need to identify alternate funding sources and it may necessitate the need for tax levy increased support.

Cash in Lieu of Parkland

Cash in Lieu of Parkland is utilized to fund the purchase and development of new parkland, park amenities, and the revitalization of existing parks. The total amount in the 2024 Draft Capital Budget funded by the Cash in Lieu of Parkland Reserve Fund is \$7.7 million (7.6%) and \$77.0 million (4.59%) for the 2025-2033 capital forecast.

Staff explored approaches to optimize the use of Cash in Lieu of Parkland for parks revitalization projects, and as a result, the 2024 Capital Budget request funded from this reserve fund is \$1.3 million less than the 2024 Capital Budget cap of \$9.0 million.

The City may also experience a reduction in Parkland dedication revenues as a result of new legislation. This will result in the City's need to identify alternate funding sources and it may necessitate the need for tax levy increased support.

Canada Community Building Fund

The Canada Community Building fund (CCBF) is a grant allocated to the city on a per capita basis to support infrastructure priorities. Richmond Hill strategically assess the capital projects against the eligibility criteria and prioritizes state of good repair projects that would of been otherwise funded from Tax Supported Reserve Funds and growth portion of projects that are not eligible for funding from Development Charges. Eligible categories prioritized by the City include local roads and bridges, community energy system, recreational and cultural infrastructure and capacity building.

The amount in the 2024 Draft Capital Budget funded by CCBF is \$14.0 million (13.69%) and total \$59.9 million (3.57%) over the 2025 to 2033 forecast.

The 2024 Capital Budget and Forecast CCBF funding is allocated to finance programs focused on revitalizing and building new infrastructure related to:

- Road network (road Overlay, Reconstruction, Illumination, Sidewalk, Bridges)
- Active transportation
- Buildings and parking lots

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- Projects deemed ineligible by Bill 23: studies or audits that support long term Infrastructure planning

Relationship to Council’s Strategic Priorities 2020-2022:

The 2024 Capital Budget and Forecast is the implementation of the City’s Official Plan, strategies, and programs, which represents the tangible implementation of investments through the action of “Balancing Growth and Green” and “Fiscal Responsibility”. This budget and forecast represents “Fiscal Responsibility”, through direct integration of the Asset Management Plan strategies and evidence-based decision-making.

Climate Change Considerations:

The proposed budget include potential climate change considerations related mitigation and adaptation, including: developing a Community Improvement Plan study to incentivize sustainable design and buildings which will help conserve community energy and reduce greenhouse gas emissions; Developing the Strategic Plan which currently incorporates priorities related to climate resiliency; tree replacement initiatives which enable our urban forest canopy to grow and contribute to carbon sequestration, flood mitigation and the cooling of our communities; Proposed upgrades to facilities and infrastructure which prolong their life, minimizing the frequency of construction activity and related emissions, and provide opportunities to incorporate energy-efficient or climate-resilient technology and design.

Conclusion:

The City of Richmond Hill’s Capital Program provides for new infrastructure that is reflective of a growing population, while balancing the state of good repair of existing assets. In recognizing these challenges and being responsive, a 2024 Draft Capital Budget and Forecast is presented for review and approval.

The City’s infrastructure assets are in good condition relative to many other Ontario and Canadian municipalities. The condition of the assets and the ability to provide core services is a result of responsible capital asset management programs that are supported by Council and the community.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format, please call the contact person listed in this document.

- Appendix A: 2024 Capital Budget
- Appendix B: 2024 Capital Budget Funding Sources
- Appendix C: 2024 Capital Budgets Contingent on Grant Funding
- Appendix D: 2025 - 2033 Capital Forecast

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Report Approval Details

Document Title:	SRCFS.23.054 2024 Draft Capital Budget and 9-Year Forecast.docx
Attachments:	<ul style="list-style-type: none">- SRCFS.23.054 - Appendix A - 2024 Capital Budget.pdf- SRCFS.23.054 - Appendix B - 2024 Capital Budget Funding Sources.pdf- SRCFS.23.054 - Appendix D - 2025-2033 Capital Forecast.pdf- SRCFS.23.054 - Appendix C - Contingent 2024 Capital Budgets Pending Grant Funding.pdf
Final Approval Date:	Nov 15, 2023

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

Paolo Masaro - Nov 13, 2023 - 11:11 AM

Gigi Li - Nov 13, 2023 - 11:17 AM

Sherry Adams - Nov 14, 2023 - 10:47 AM

Darlene Joslin - Nov 15, 2023 - 4:56 PM

City of Richmond Hill
2024 Capital Budget by Delivering Department and Division Summary
(\$ in 000's)

Delivering Department/Division	2024 Capital Budget
Office of the City Manager	\$82,063
Infrastructure and Engineering Services	\$81,410
Infrastructure Delivery	56,235
Facility Management	18,684
Infrastructure Planning and Development Engineering	6,490
City Manager's Office	\$653
Economic Development and Richmond Hill Centre	633
Strategy and Transformation	20
Community Services	\$11,020
Public Works Operations	8,038
Fire and Emergency Services	2,644
Recreation and Culture Services	338
Corporate and Financial Services	\$6,170
Information Technology	5,145
Financial Services	1,025
Planning and Building Services	\$913
Policy Planning	710
Development Planning	203
Richmond Hill Public Library	\$1,995
Content and Community Engagement	1,482
Branch and Customer Experience	259
Information Technology	152
Library Administration	102
TOTAL	\$102,161

City of Richmond Hill
2024 Capital Budget by Service Summary
(\$ in 000's)

Service/Asset	2024 Budget
Roadway System	\$16,223
Bridges and Culverts	3,920
Fleet and Equipment	20
Roads	11,645
Strategies/Plans/Studies	638
Active Transportation	\$3,006
Parks (outside ROW)	1,569
Roads (within ROW)	1,362
Strategies/Plans/Studies	75
Water Distribution	\$11,096
Strategies/Plans/Studies	51
Water	11,045
Wastewater Collection	\$ 6,980
Sanitary	6,858
Strategies/Plans/Studies	122
Stormwater Management	\$3,439
Stormwater Controls	558
Stormwater Conveyance	2,754
Strategies/Plans/Studies	127
Parks and Outdoor Recreation	\$27,430
Fleet and Equipment	635
Parks	25,760
Strategies/Plans/Studies	710
Trees and Natural Areas	324
Recreation Facilities	\$13,948
Buildings	13,843
Fleet and Equipment	23
Strategies/Plans/Studies	81
Libraries	\$4,441
Buildings	1,989
Fleet and Equipment	1,563
IT Infrastructure	457
Strategies/Plans/Studies	431
Cultural Services	\$127
Buildings	127
Fire Services	\$3,606
Buildings	962
Fleet and Equipment	2,502
Strategies/Plans/Studies	142
Municipal Services	\$6,534
Buildings	546
Fleet and Equipment	609
IT Infrastructure	4,440
Strategies/Plans/Studies	940
Other	\$5,332
Buildings (Multiple Sub-Services)	2,263
Other	2,917
Strategies/Plans/Studies	152
TOTAL	\$102,161

SRCFS.23.054 APPENDIX B - 2024 CAPITAL BUDGET FUNDING SOURCES

City of Richmond Hill
2024 Capital Budget Funding Sources

Funding Sources	2024 Total Capital Budget Request	2024 Project Management and Overhead Cost	2024 Total Request
<u>Reserves and Reserve Funds</u>			
<u>Tax Supported</u>	\$31,013,200	\$1,443,100	\$32,456,300
Infrastructure Repair and Replacement	\$14,253,000	\$400,400	\$14,653,400
Capital Asset Continuity	\$8,245,000	\$571,300	\$8,816,300
Transportation Network	\$6,547,400	\$410,800	\$6,958,200
Cash to Capital	\$1,967,800	\$60,600	\$2,028,400
<u>Rate Supported</u>	\$18,358,300	\$1,394,600	\$19,752,900
Watermain Repair and Replacement	\$9,460,700	\$760,771	\$10,221,471
Sanitary Repair and Replacement	\$5,727,200	\$431,805	\$6,159,005
Watermeter Repair and Replacement	\$524,500	\$7,868	\$532,368
Water Quality Protection	\$2,646,000	\$194,167	\$2,840,167
<u>Development Charges</u>	\$20,133,400	\$1,444,400	\$21,577,800
Parks and Outdoor Recreation	\$12,877,300	\$948,700	\$13,826,000
Engineering Services	\$5,862,100	\$446,300	\$6,308,500
Fire Services	\$700,000	\$23,900	\$723,900
Library Services	\$469,000	\$7,000	\$476,000
Area Specific	\$225,000	\$18,500	\$243,500
<u>Cash in Lieu of Parkland</u>	\$7,195,600	\$551,500	\$7,747,100
<u>Canada Community Building Fund</u>	\$13,981,600	-	\$13,981,600
<u>Other Reserves and Reserve Funds</u>	\$2,823,900	\$102,400	\$2,926,300
Community Benefits Charge	\$841,800	\$68,800	\$910,600
Watermeter	\$485,400	\$7,300	\$492,700
Non Growth	\$444,500	\$13,700	\$458,200
Ecological Legacy	\$317,300	\$300	\$317,600
Strategic Rapid Transit Reserve	\$263,700	\$4,000	\$267,700
Tax Rate Stabilization	\$263,000	\$300	\$263,300
Theatre Repair and Replacement	\$132,000	\$2,400	\$134,400
Section 37 Community Benefits	\$50,000	\$4,100	\$54,100
Terrestrial Natural Area Restoration	\$17,900	\$1,500	\$19,400
Monitoring	\$8,300	\$100	\$8,400
<u>External Sources</u>	\$3,718,700	-	\$3,718,700
Grants	\$3,180,000	-	\$3,180,000
Recoveries	\$538,700	-	\$538,700
Total Funding	\$97,224,700	\$4,936,000	\$102,160,700

SRCFS.23.054 - APPENDIX C - 2024 CAPITAL BUDGET CONTINGENT ON GRANT FUNDING

City of Richmond Hill
2024 Capital Budget Contingent on Grant Funding

Asset	Project Number	Project Name	Expenditure Type	Forecast Timing	Amount	FUNDING					
						Tax Supported	Rate Supported	Development Charges	Cash In Lieu of Parkland	Canada Community Building Fund	Other Reserves and Reserve Funds
Buildings											
	100386	Enhancement Fire Regional Training Centre	Construction	2026	3,000,000	1,500,000		1,500,000			
Parks											
	100180	Town and Unity Park Revitalization	Construction	2026	5,000,000	480,000		2,400,000	1,920,000		200,000
	100196	Mill Pond Park Revitalization	Design and Construction	2025-2027	9,500,000	588,800	3,000,000	2,944,000	2,355,200		612,000
	100208	Brickworks Park Revitalization	Construction	2026	1,700,000	654,300			981,300		64,400
	100265	RH David Dunlap Observatory Park	Construction	2025-2026	5,900,000	800,000		500,000	3,800,000	800,000	
	100659	Bridgeview Park Revitalization	Construction	2025	2,430,000			1,140,900	1,140,900	148,200	
	100765	Chapman Park and Good Brothers Park Revitalization	Construction	2025	1,800,000	865,600			865,600		68,800
	100226	Ozark Park	Construction	2025	5,374,000	1,913,800			2,870,600	374,000	215,600
Parks (outside ROW)											
	100206	Lake to Lake Priority Spine 2 Extension	Construction	2026	700,000			700,000			
	100660	Priority Spine 4 - Oxford-Direzze Trail	Construction	2025	1,310,000			1,310,000			
	100808	Jefferson Forest Trail (Local Trail Priority 1)	Construction	2025	1,700,000			1,700,000			
	100813	Elgin East Channel Lands Trail (Local Trail Priority 3)	Construction	2025	625,000			625,000			
	100841	Beaver Woodland South Trail (Local Trail Priority 2)	Construction	2025	1,425,000			1,425,000			
	100833	Trails Repair and Replacement Program	Design and Construction	2025	600,000	600,000					
Roads											
	100371	Bayview Hill Lighting Replacement	Construction	2026	1,315,000			263,000		1,052,000	
Sanitary											
	100427	Centre Street Sanitary Sewer Replacement	Construction	2025	3,000,000	300,000	2,700,000				
Stormwater Controls											
	100603	Paradelle Pond (2-14) Snively Wetland Outlet	Construction	2026	2,500,000		2,500,000				
Stormwater Conveyance											
	100345	Mill Street Altamira Ave Drainage Works	Construction	2025	2,000,000		2,000,000				
	100558	Pomona Creek Garden Ave Valleyland Rehabilitation	Construction	2025	1,000,000		1,000,000				
	100581	Unity Park Channel Enclosure	Construction	2026	1,700,000		1,700,000				
	100608	South Richvale Valleyland Sewer Protection	Construction	2025	981,000		981,000				
Strategies/Plans/Studies											
	100627	Stormwater Master Plan	Other	2025	750,000		750,000				
Trees and Natural Areas											
	100054	DDO PH 4 Ecological Restoration	Construction	2026	629,000						629,000

SRCFS.23.054 - APPENDIX D - 2025-2033 CAPITAL FORECAST

**City of Richmond Hill
2025 - 2033 Capital Forecast by Service
(\$ in '000)**

Service	2025 Budget	2026 Budget	2027 Budget	2028 Budget	Capital Forecast 2029-2033	Capital Forecast 2025-2033
Transportation	\$48,399	\$36,037	\$35,879	\$68,403	\$189,117	\$377,835
Roadway System	41,022	34,074	32,908	63,647	167,939	339,589
Active Transportation	7,378	1,963	2,971	4,756	21,178	38,246
Environmental	\$65,868	\$72,085	\$51,952	\$41,433	\$128,619	\$359,957
Water Distribution	24,988	29,999	25,011	22,403	68,200	170,601
Wastewater Collection	14,214	5,560	5,532	5,478	16,474	47,257
Stormwater Management	26,666	36,526	21,409	13,553	43,945	142,099
Recreation and Culture	\$36,075	\$48,749	\$57,942	\$125,965	\$342,997	\$611,727
Parks and Outdoor Recreation	22,580	22,904	36,205	40,747	140,025	262,462
Recreation Facilities	4,961	17,118	13,063	76,206	153,381	264,729
Cultural Services	5,003	5,038	4,962	5,038	25,283	45,325
Libraries	3,531	3,689	3,712	3,973	24,307	39,212
Protection	\$4,200	\$10,090	\$7,291	\$14,298	\$20,416	\$56,295
Fire Services	4,200	10,090	7,291	14,298	20,416	56,295
Administration	\$11,336	\$5,614	\$5,321	\$18,732	\$32,125	\$73,128
Municipal Services	11,336	5,614	5,321	18,732	32,125	73,128
Other	\$21,134	\$21,048	\$22,163	\$22,769	\$112,116	\$199,230
Other	21,134	21,048	22,163	22,769	112,116	199,230
Total Forecast	\$187,012	\$193,623	\$180,549	\$291,600	\$825,389	\$1,678,173