

## Report FR-CS-18-14

**To:** Chair Pringle and Members of the Corporate Services Committee  
**From:** Kevin Wepler, Director of Finance  
**Meeting Date:** June 10, 2014  
**Subject:** **Corporate Services 2015-2019 Draft Five Year Capital Forecast**  
**Status:** Recommendation adopted by Committee as presented per Resolution CS59-14; Endorsed by County Council July 8, 2014 per Resolution CC97-14;

### Recommendation(s)

**THAT Report FR-CS-18-14 regarding the Corporate Services 2015-2019 Draft Five Year Capital Forecast be received as presented/~~amended~~ and forwarded for inclusion in the corporate Five Year Capital & Extra-Ordinary Expenditures Forecast for consideration by County Council.**

### Background

Attached is a summary of the Five Year Capital & Extra-Ordinary Expenditures for 2015-2019 along with detailed capital project forms for each of the proposed projects for the Corporate Services' operations for the Committee's discussion and direction.

These proposed capital budget submissions are important as they set out proposed plans for future capital spending and attempt to provide councillors with sufficient information in order to make an informed decision from the competing projects.

In 2012, County Council appointed a task force to review administration space needs of the County Corporation. The purpose of this Task Force was to review the findings, conclusions and recommendations of the Ventin Group's analysis of Grey County administration space needs, as outlined in its report, *Space Need Study of the Administration/POA Court*, dated October 11, 2011, and to undertake additional research and enquiry as deemed necessary to make recommendations to the Corporate Services Committee on a preferred course of action to satisfy identified space needs.

The Space Needs Review Task Force, at its April 9, 2013 meeting, recommended hiring the Ventin Group, to provide as the next step in the process, concept design drawings, suggested floor plan layouts and construction cost estimates for a 35-40,000 square foot addition at the rear of the administration building. Based on some very preliminary estimates of cost for this conceptual addition, an estimate of \$6-7 million has been provided.

County Council approved the hiring of the Ventin Group, in order to have this cost refined with conceptual design drawings and floor plans being developed. The Space Needs Review Task Force, at its February 21, 2014 meeting, recommended to the Corporate Services Committee that a 2-storey addition to the County Administration building be considered as proposed by Ventin Group Architects. Once the preferred option for the addition is confirmed, the Ventin Group will develop more detailed drawings and estimated costs for consideration.

Staff, as of May 26, 2014, have not received any updated cost estimates for this proposed 2-storey addition and therefore the project has been included in the 2015-2019 Five Year Capital & Extra-Ordinary Expenditures forecast, as it was in the 2014-2018 forecast, beginning with a Transfer to Reserve in 2014 and 2015, with a construction project estimated at \$7 million potentially beginning in 2016.

The Task Force will continue to meet in order to make recommendations on a preferred course of action to satisfy identified space needs. Projects that had been included in previous Five Year Capital forecasts, that may be impacted by the recommendation of an addition to the rear of the administration building, such as the addition to the POA Court building and the replacement of the asphalt in the parking lots at the rear of the administration building, have either been removed from the 2015-2019 forecast or have been deferred until later in the plan.

There will always be a tendency when reviewing the forecast summary sheets to zero in on the first year of the forecast. Committee members are encouraged to also review subsequent years that have been forecasted, as new projects have been added to the program. New to the Corporate Services 2015-2019 forecast are the following projects:

- Parcel Fabric Adjustment, included in the IT forecast at an estimated cost of \$80,000;
- Humidifiers – Upper Level, included in the Property - Administration Building forecast at an estimated cost of \$20,000;
- Develop a Corporate Communications Plan at an estimated cost of \$45,000;
- Replacement of ORACLE, the County's electronic records management software solution, included in the Clerk & Council Services forecast at an estimated cost of \$300,000.

Additional details on these new projects are contained in the detailed capital project forms included in the attachment to this report.

This review is important in order that projects do not move forward which are not seen as a priority by the Committee. As well, this review provides Committee members with an opportunity to recommend projects that are deemed important that have not been put forward by staff in the forecast.

## Financial / Staffing / Legal / Information Technology

### Considerations

The capital forecasts as presented for the budgets under the direction and control of the Corporate Services Committee, total a net levy amount equaling \$2,983,595, requiring a net levy increase of \$179,300 or a 6.39% increase over the 2014 approved capital budget. This \$179,300 would reflect a 0.34% increase to the corporate net levy requirement for 2015.

\$125,000 of the \$179,300 increase for 2015 is related to the Administration/POA Building expansion project. This \$125,000 increase is a Transfer to Reserve in order to build sufficient funding into the budget to accommodate a future debenture payment to fund this estimated \$7 million dollar expansion project proposed for 2016.

Again, this plan for future capital expenditures could be impacted based on recommendations brought forward from the Space Needs Review Task Force.

### Link to Strategic Goals / Priorities

The Capital Forecast includes ongoing capital funding to preserve the portfolio of buildings under the care and control of the Corporate Services Committee, which support Goal 1.6 of the Corporate Strategic Plan. The goal identifies the importance of accelerating Council's commitment to lifecycle planning for the long term investment of county owned capital assets.

Communication is a key value to the County's Strategic Plan. The report provides information to Council in regards to the estimated future capital funding requirements and needs.

### Attachments

[Attachment to FR-CS-18-14 Corporate Services 2015-2019 Draft Five Year Capital Forecast](#)

Respectfully submitted by,

Kevin Weppeler  
Director of Finance