

Statement

1. The Municipality of Cumberland is committed to ensuring the effective management of its capital assets. A prudent multi-year capital plan is used to identify and prioritize expected needs based on the Municipality's long-term strategic goals.
2. The identification and reporting of tangible capital assets upholds Public Sector Accounting Board (PSAB) standards. Under the Canada-Nova Scotia Agreement on the Transfer of Federal Gas Revenues, municipalities in Nova Scotia must also submit a Capital Investment Plan (CIP) annually to be eligible for funding. The CIP is not a substitute for a multi-year capital plan; rather, it complements the County's long-term planning for its capital needs.

Policy Objectives

3. The objectives of the Multi-Year Capital Planning Policy are to:
 - a) Support the Municipality of Cumberland's long-term strategic goals;
 - b) Promote good infrastructure management to ensure basic health and safety for citizens;
 - c) Maximize the economic potential and attractiveness of the municipality;
 - d) Reduce future operating costs and avoid higher replacement costs and unforeseen infrastructure failures in the future;
 - e) Improve collaboration on projects with other levels of government and various public and private stakeholders with the aim of maximizing financing, funding, and grants;
 - f) Uphold PSAB standards;
 - g) Meet the requirements of the Canada-Nova Scotia Agreement on the Transfer of Federal Gas Revenues.

Policy Principles

A capital plan shall be prepared for all municipal infrastructure for the Municipality of Cumberland, including but not limited to: water, sewer, transportation, sanitation, and other essential public services. It will establish project scope and costs, detail estimated amounts of funding from various sources, and project future operating and maintenance costs.

3. The capital plan shall be developed using the following steps:
 - a) Establish goals and objectives;
 - b) Use asset management tracking and reporting system to support and encourage long term municipal planning and provide effective stewardship of infrastructure assets to maximize benefits;
 - c) Estimate fiscal capacity (e.g. using the Debt Affordability Model);
 - d) Prepare information about proposed capital projects using:
 - o Questionnaire # 1 for Projects at the Concept or "Idea" Stage
 - o Questionnaire # 2 for Projects at the Detailed Planning or Final Design Stage,
 - o Questionnaire # 3 for Projects at the Implementation or "Shovel Ready" Stage;
 - e) Evaluate against policy criteria for capital projects;
 - f) Create multi-year capital plan;
 - g) Finance capital acquisitions;
 - h) Assess impact on tax rates;
 - i) Implement annual capital budget;
 - j) Monitor plan results.
4. The plan shall differentiate between capital and operating expenditures. Capital projects are hereby defined as projects, equipment and acquisitions that meet Financial Reporting and Accounting Manual (FRAM) Guidelines. Eligible projects are any that receive Council approval and are allowed under the Municipal Government Act.
5. The Municipality's Director of Finance shall coordinate the projection of expenditures and revenues. Department Heads shall be responsible for providing updated forecasts.
6. Final approval of the capital plan shall be the responsibility of Council.
7. The planning period shall be over a minimum period of five years and reviewed annually as part of the budget process by the Capital Investment Plan Committee (CIPC). The CIPC shall consist of the Director of Finance, the Director of Engineering and Operations, the Director of Community Development and three Councillors.

The following timeline is suggested for the CIPC meetings. The CIPC may wish to set aside time for other special meetings at any stage within the proposed time frame.

- a) *December* - Send notice to Capital Investment Committee, staff and Council of capital budgeting process, with request to identify new projects for January CIPC meeting.
- b) *January* - Review and discuss status of existing projects at CIPC Meeting. List and identify new projects submitted by Council and staff. At this stage, the CIPC identifies which projects should proceed to be costed by staff and provides direction on which projects are to be brought forward in the budgeting process.

- c) *February* - Staff reviews the current capital budget approvals and the preliminary capital list of new projects by reporting estimated project costs based on:
- industry standards;
 - length of time to complete these projects;
 - estimated new annual operating costs, if any; and
 - identification of potential funding sources for each project.

The CIPC prioritizes these projects and identifies proposed year of project commencement.

- d) *March* - From direction at the February CIPC meeting, staff proposes the capital budget for discussion, concentrating on the new projects.
At March Council meeting, Council approves the capital budget.

8. The following criteria shall be used to evaluate the capital needs of the Municipality of Cumberland:


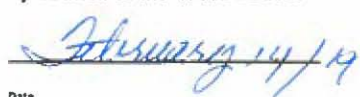
- (1) *Environmental Considerations*
- (2) *Financial Feasibility*
- (3) *Legal Mandates*
- (4) *Risk/Liability/Safety*
- (5) *Asset Rehabilitation*
- (6) *Health Impacts*
- (7) *Economic Development Impacts*
- (8) *External Impacts*
- (9) *Distribution Effects (Local vs Municipal)*
- (10) *Inter-Municipal Effects*
- (11) *Service Improvements*
- (12) *Social Impacts*
- (13) *Revenue Producing*
- (14) *Aesthetic Impacts*
- (15) *Project supports actions of the Integrated Community Sustainability Plan*

For criteria weightings and descriptions, please see the Municipality's "Capital Investment Plan Criteria Guide" which may be adopted and amended by ordinary resolution of Council from time to time.

9. The capital budget will show the sources of funding. Based on priorities, Council may wish to seek Federal and/or Provincial infrastructure funding and make approval of this source of funding a pre-requisite for proceeding on a project. Funding may potentially come from the following sources:
- a) Expensed against general operations in one year;
 - b) Borrowing from the Nova Scotia Municipal Finance Corporation;
 - c) Transfers from operating surplus, operating reserve(s), capital reserve(s), or other special reserves established by Council for capital projects, equipment or acquisitions;
 - d) External sources, such as Federal or Provincial infrastructure programs.

Application

10. This Policy applies to all long-term capital borrowing of the Municipality of the County of Cumberland.
11. All previous Multi Year Capital Plan or Capital Planning Policies of the Municipality are hereby repealed.

<u>Clerk's Annotation for Official Policy Book</u>	
Date of Notice to Consider:	January 6, 2019
Date of Adoption of Policy:	February 6, 2019
I certify that this Policy 15-06 Conflict of Interest Policy was adopted by Council as indicated above.	
 _____ Municipal Clerk	 _____ Date