

# 2019 Capital Budget

**Council Chambers**  
**February 11, 2019**



# Presentation Agenda

- 1) Inputs & Drivers
- 2) Budget Program Highlights
- 3) Risks & Opportunities
- 4) Next Steps
- 5) Presentation Questions
- 6) Capital Project Worksheets Review

# 1) Inputs & Drivers

- Asset Management Plan (AMP)
  - 2015 AMP approved (priority to roads, bridges, water & wastewater)
  - 2019 AMP by GM BluePlan expected in April
  - Required by Province for grant funding
  - Identifies long term requirements over asset life cycle
  - Financial strategy for sustaining investment:
    - 2019: \$162,624 or 0.6% proposed inflationary increase on existing contributions
    - 2019: \$500,000 or 1.9% proposed strategic increase (CBC-03-2019 Table 3)
    - Reserve Policy and targets

# 1) Inputs & Drivers

- Master Servicing Plans for departmental prioritization for replacement of existing assets
- Development Charges (DC) Background Study: guides new or growth asset development
  - 2019 Capital based on existing 2014 DC Study (expires Mar 31/19)
  - 2019 DC Study to guide future Capital budgets; Study expresses Council's intent to incorporate into future budgets
- Corporate review: strategic alignment & funding availability
- Consultation with external partners and agencies

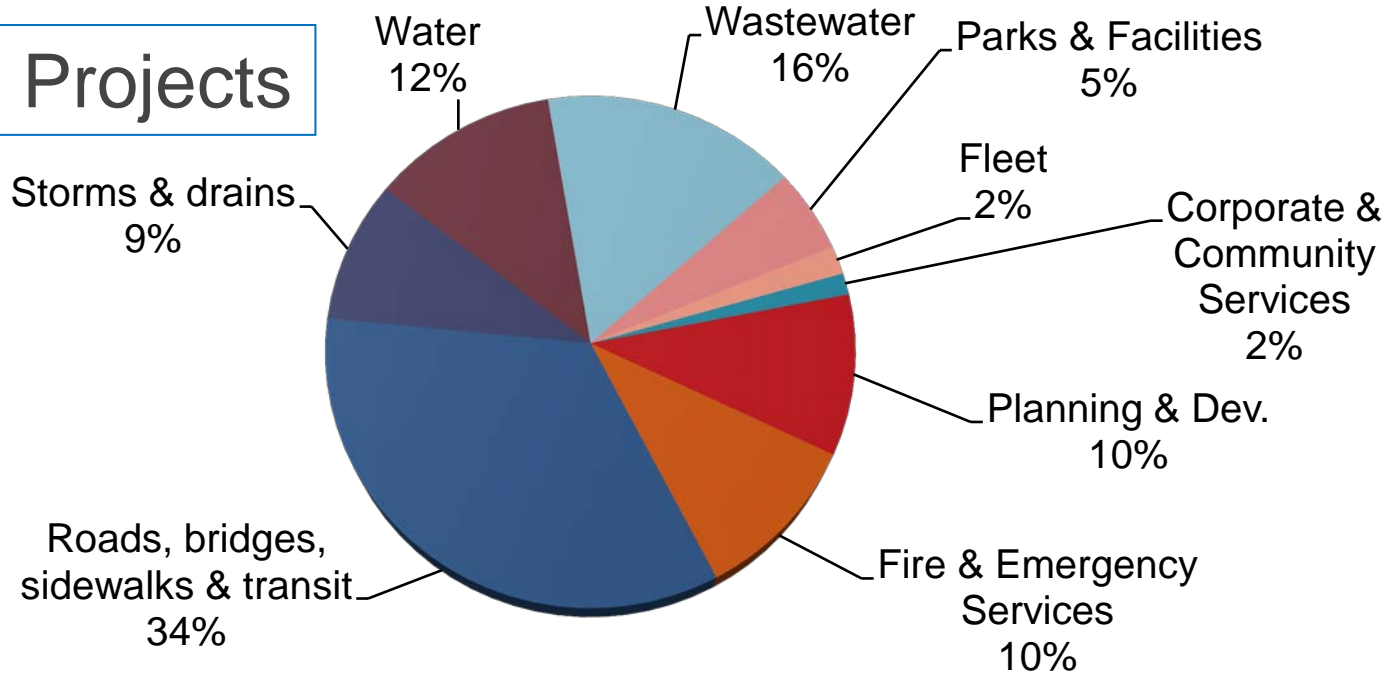
# 1) Inputs & Drivers

Plan	Current Version	Revision
Development Charges Background Study	2014	2019
Bridge & Culvert Assessment	2017	2019
Facility Condition Assessment	2007	2018
Water Distribution System MP	2007	2017
Wastewater MP	2011	2019
Road System MP	2015	2018
Parks & Open Space MP	2006	2019

# 2) Budget Program Highlights

## Cost = \$14.2M Request

59 Projects



## 2) Budget Program Highlights Existing vs. Growth

### Existing Assets

\$11.8M (83%) for replacement or rehabilitation, including:

- \$ 3,025,000 Lakeside Road watermain replacement
- \$ 1,300,000 Road resurfacing program
- \$ 1,086,000 Highland Ave sanitary sewer & road reconstruction
- \$ 907,000 Bridge & culvert replacement

## 2) Budget Program Highlights Existing vs. Growth

### Growth Assets

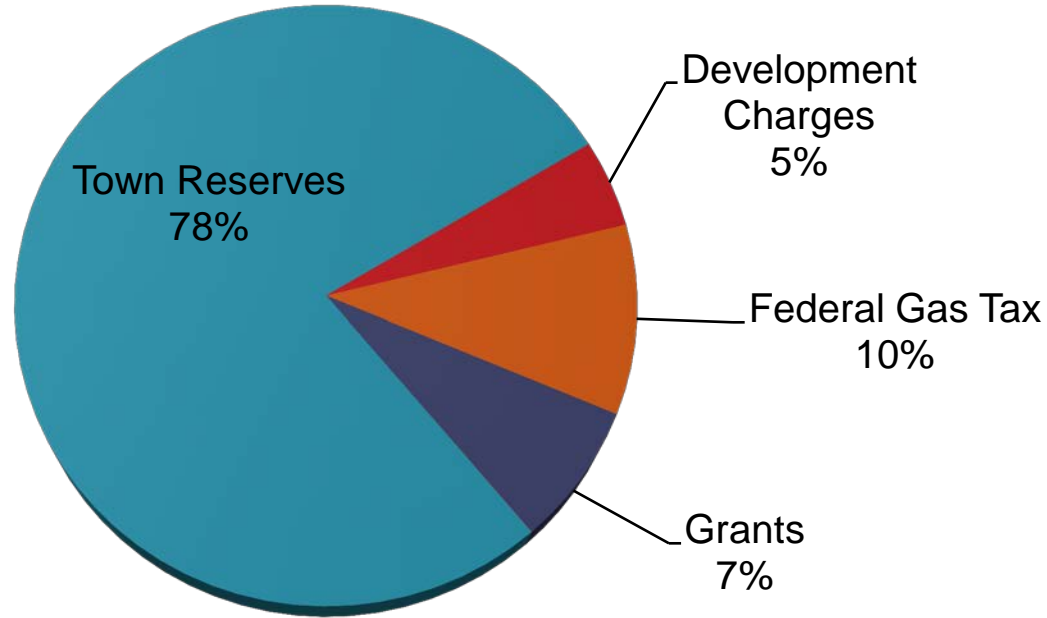
\$2.4M or 17% for new or growth, including:

- \$ 1,093,000 Lakeside Road replacement – storm component
- \$ 750,000 Crystal Ridge Park improvements
- \$ 140,000 McAfee cemetery expansion



## 2) Budget Program Highlights

### Financing = \$14.2M



## 2) Budget Program Highlights Financing

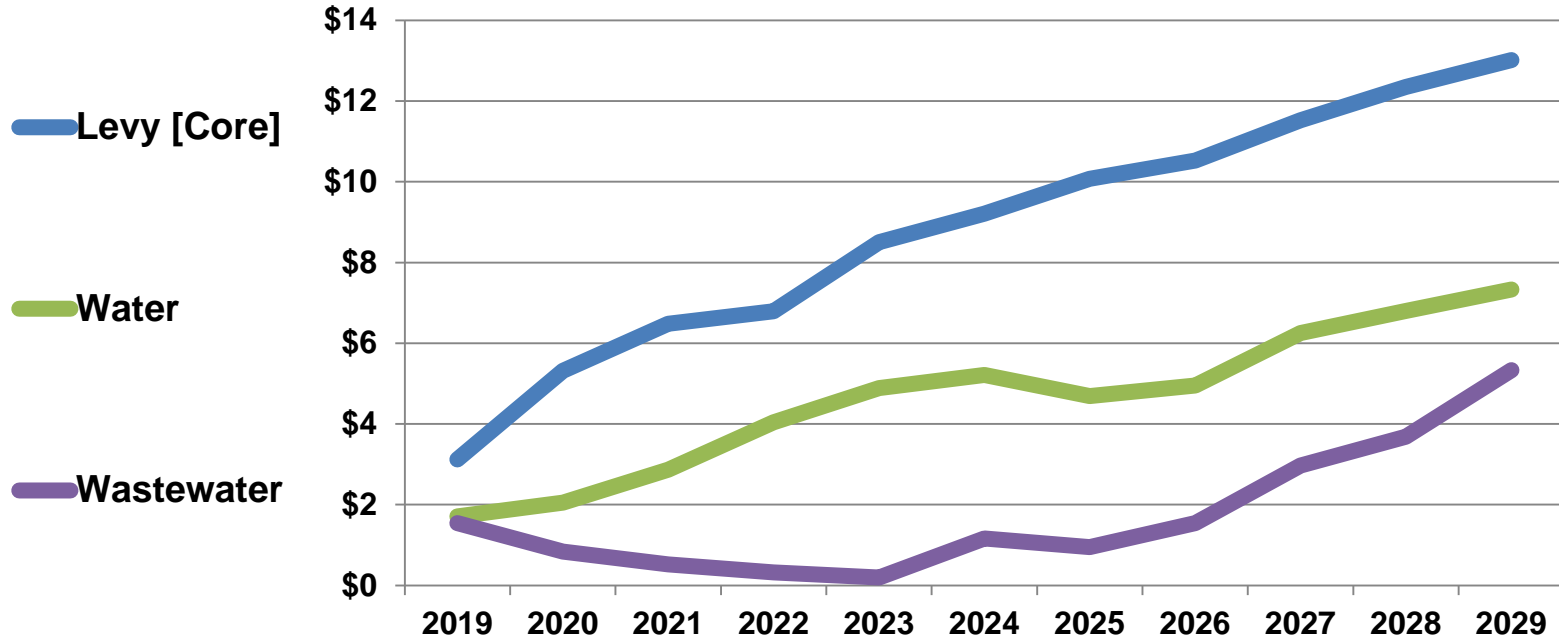
**Reserves:** \$11.0M or 78%

- Available Capital Reserve balances of approx. \$15.3M.
- Annual contribution of \$10.3M for both Levy and W&WW.
- Proposed 2019 increases:
  - The 2019 Capital Budget and Forecasts do not rely upon.
  - Represents approximately 2.5% of Levy (0.6% + 1.9%).
  - Allocations (Table 3 of Report) based on Reserve Policy and greatest need.

# 2) Budget Program Highlights

## Financing

### Capital Reserves Forecast (in millions)



## 2) Budget Program Highlights Financing

**Gas Tax Funding:** \$1.4M or 10% (\$931,626/yr commitment)

- \$900,000 for Road resurfacing
- \$544,200 for Bridges & culverts

**Grants:** \$1.1M or 7%

- \$1,063,860 OCIF Formula-based for Lakeside Road

**Development Charges (DC):** \$673,166 or 5%

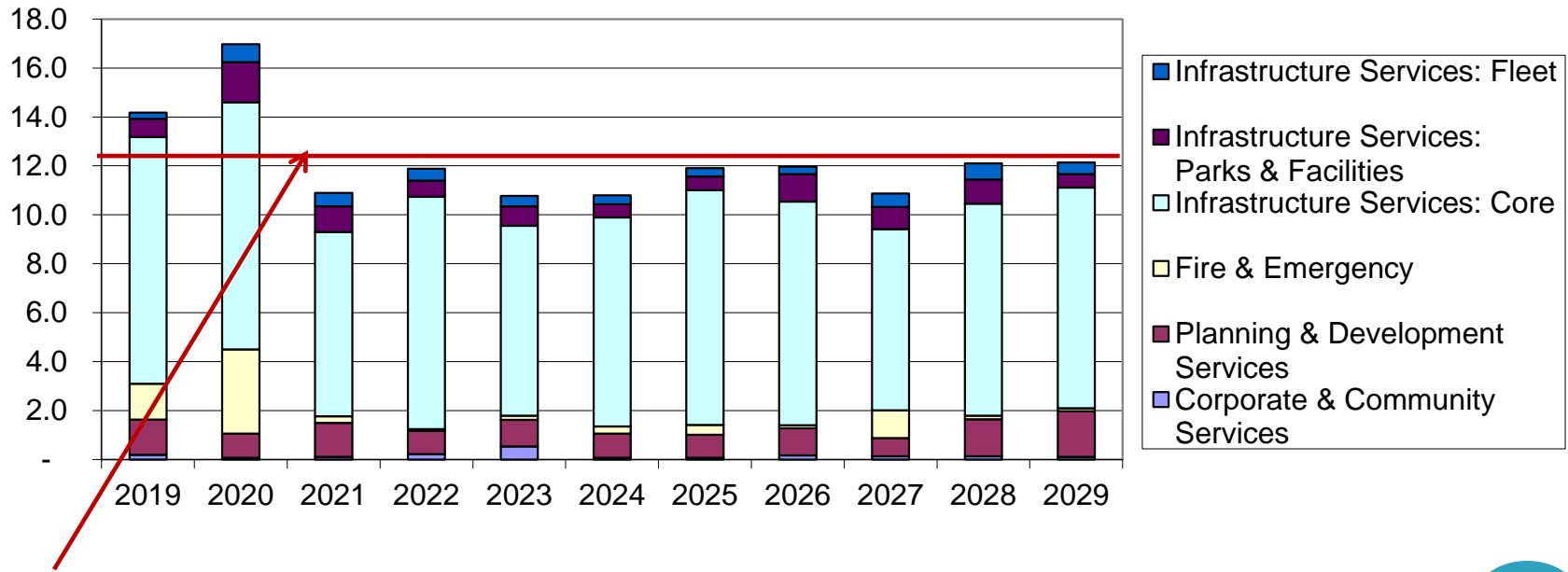
- Projects as identified in the 2014 DC Study

**Debt:** None in 2019

- Debt charges <5% Town revenue = “low risk” (25% limit)

# 2) Budget Program Highlights

## 10-year Forecast



Average annual Capital Program is \$12.2M (2019 to 2029)

## 2) Budget Program Highlights Approvals

### General approval:

- \$14,183,000 (Appendix “1”)
- By-law: March 25, 2019 (or April 8, 2019)
- Reserve funding requires 2019 levy contributions

### 3) Risks

- **Operating budget impact:** \$80,767/yr or 0.31% of Levy (App “2”). Asset growth has staffing and management pressures.
- **Parks:** Rely on estimated cash-in-lieu of parkland revenues.
- **Development Charges:** Estimated based on existing by-law which sets intention to follow through on projects in future budgets.
- **Federal Gas Tax:** 5-year agreement for 2019 to 2023.
- **OMPF:** Provincial government delayed announcement for 2019. 50% funding allocated in past to one-time needs (road resurfacing).
- **AMP:** Currently being updated and includes most recent master plan studies. Will include revised financing strategy to address the “Infrastructure gap”.

### 3) Opportunities

- **Grant funding:** External Federal, Provincial & Region funding (e.g., OCIF Formula-based) assists in defraying pressures.
- **Early budget approval:** Tends to generate greater interest and may minimize costs.
- **Debt:** Low reliance on debt provides capacity for new and growth assets as needs arise.
- **Operating budget impact:** Some replaced assets may result in lower costs (e.g., lower energy & maintenance costs).



## 4) Next Steps

### Capital Budget:

- Mar 25 By-law (together with Levy below)

### General Levy Budget:

- Feb 20 Library/EDTC reports & presentation
- Mar 5 Town Levy #1: Town reports & presentation
- Mar 20 Town Levy #2: Town review (if necessary)
- Mar 25 By-laws: Levy & Capital

# 5) Presentation Questions



Refer to Council Report No. CBC-03-2019 for further information

# 6) Capital Project Worksheets Review

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