

2018 Capital Budget

Council-in-Budget Committee
November 8, 2017

Presentation Agenda

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

1) Inputs & Drivers

- Asset Management Plan (AMP)
 - Approved 2015 (priority to roads, bridges, water & wastewater)
 - Required by Province for grant funding
 - Identifies long term requirements over 100 years
 - Financial strategy for sustaining investment
 - Council supported 2.5% levy increase over several years (2013-2018) to reduce funding gap of capital reserves
 - 2018 proposes \$250,000 or 1% (CBC-01-2018 Table 3)
 - Reserve Policy and targets

1) Inputs & Drivers

- Master Servicing Plans for replacement of existing assets
- Development Charges Background Study: guides new or growth asset development (expires 2019)
- Consultation with external partners and agencies

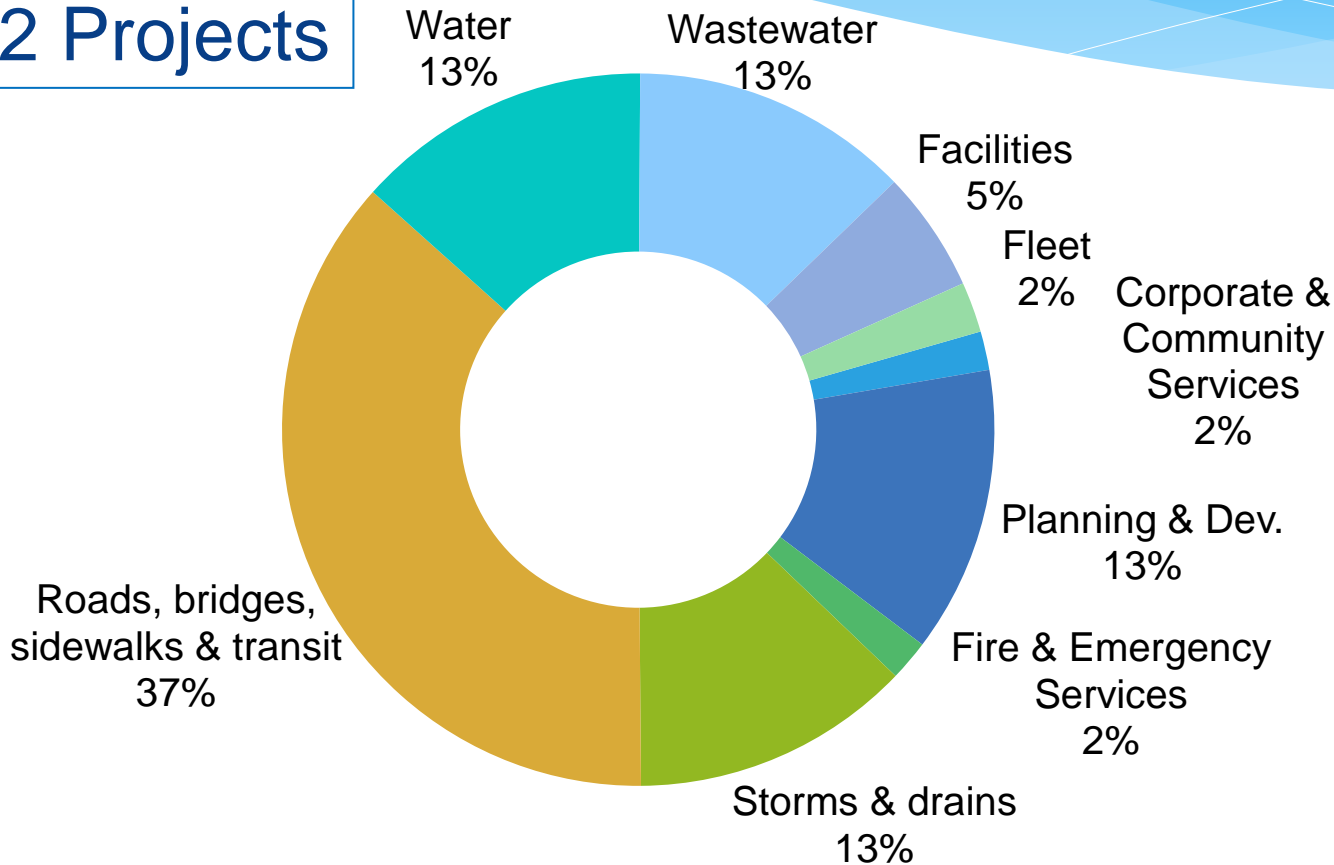
1) Inputs & Drivers

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

2) Budget Program Highlights

Cost = \$12.7million Request

72 Projects



2) Budget Program Highlights Existing vs. Growth

Existing Assets

\$10.8M (85%) for replacement or rehabilitation, including:

- \$1,300,000 Road resurfacing program
- \$1,120,000 Nigh Rd sewershed trenchless rehabilitation
- \$ 795,000 Crystal Beach Drive watermain & road
- \$ 838,550 Prospect Point Rd upgrades

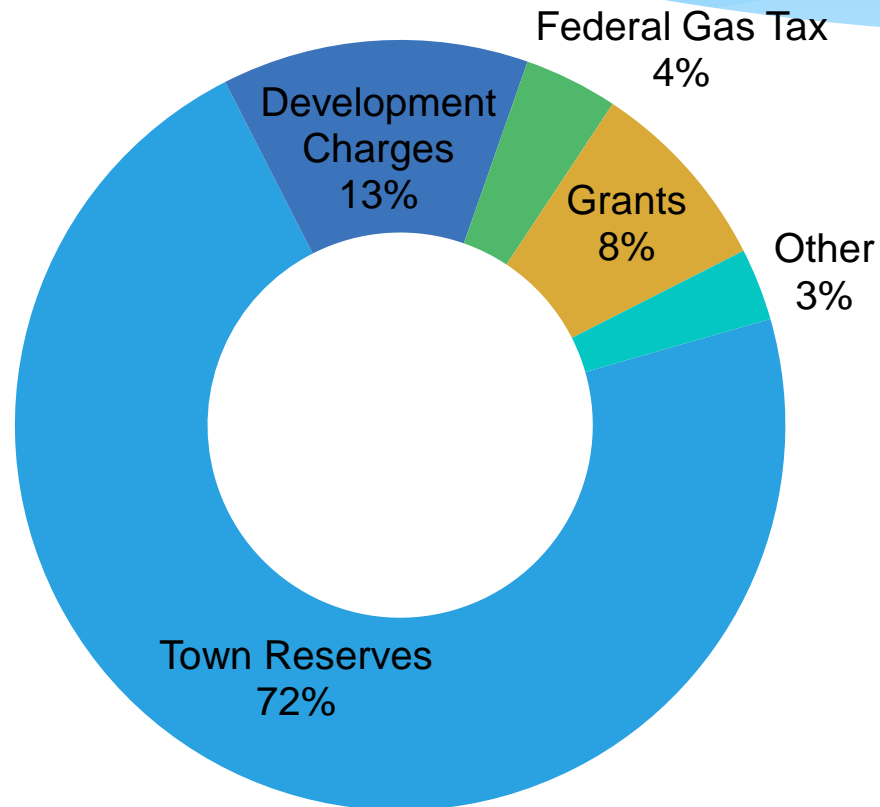
2) Budget Program Highlights Existing vs. Growth

Growth Assets

\$1.9M or 15% for new or growth, including:

- \$ 750,000 Crystal Ridge Park improvements
- \$ 328,330 Prospect Point Rd storm sewers
- \$ 154,000 Crystal Ridge Landing Subdivision storm sewers

2) Budget Program Highlights Financing = \$12.7million

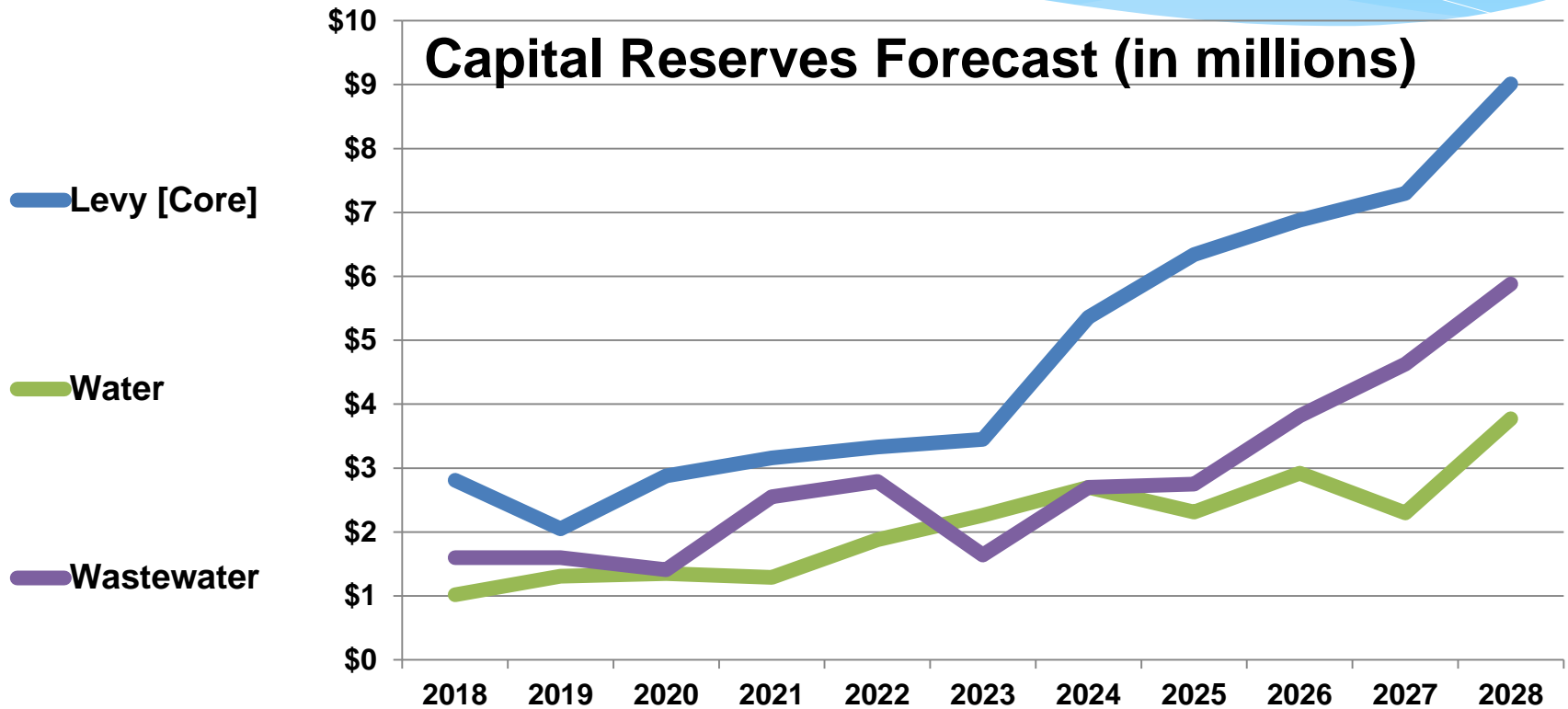


2) Budget Program Highlights Financing

Reserves: \$9.1M or 72%

- Available Capital Reserve balances of approx. \$12.9 million.
- Annual contribution of \$9.7 million for both Levy and W&WW.
- Proposed \$250,000 strategic increase (2017 - \$500,000).
 - The 2018 Capital Budget and Forecasts do not rely upon.
 - Represents approximately 1% of Levy.
 - Allocations (Table 3 of Report) based on Reserve Policy and greatest need.

2) Budget Program Highlights Financing



2) Budget Program Highlights Financing

Grants: \$1.0M or 8%

- \$693,548 OCIF Formula-based for Crystal Beach Drive
- \$350,000 Niagara Waterfront Investment for Bay Beach.

Debt: None in 2018

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

2) Budget Program Highlights Financing

Gas Tax Funding: \$500,000 or 4%

- Bridges (\$954,255/yr Federal commitment)

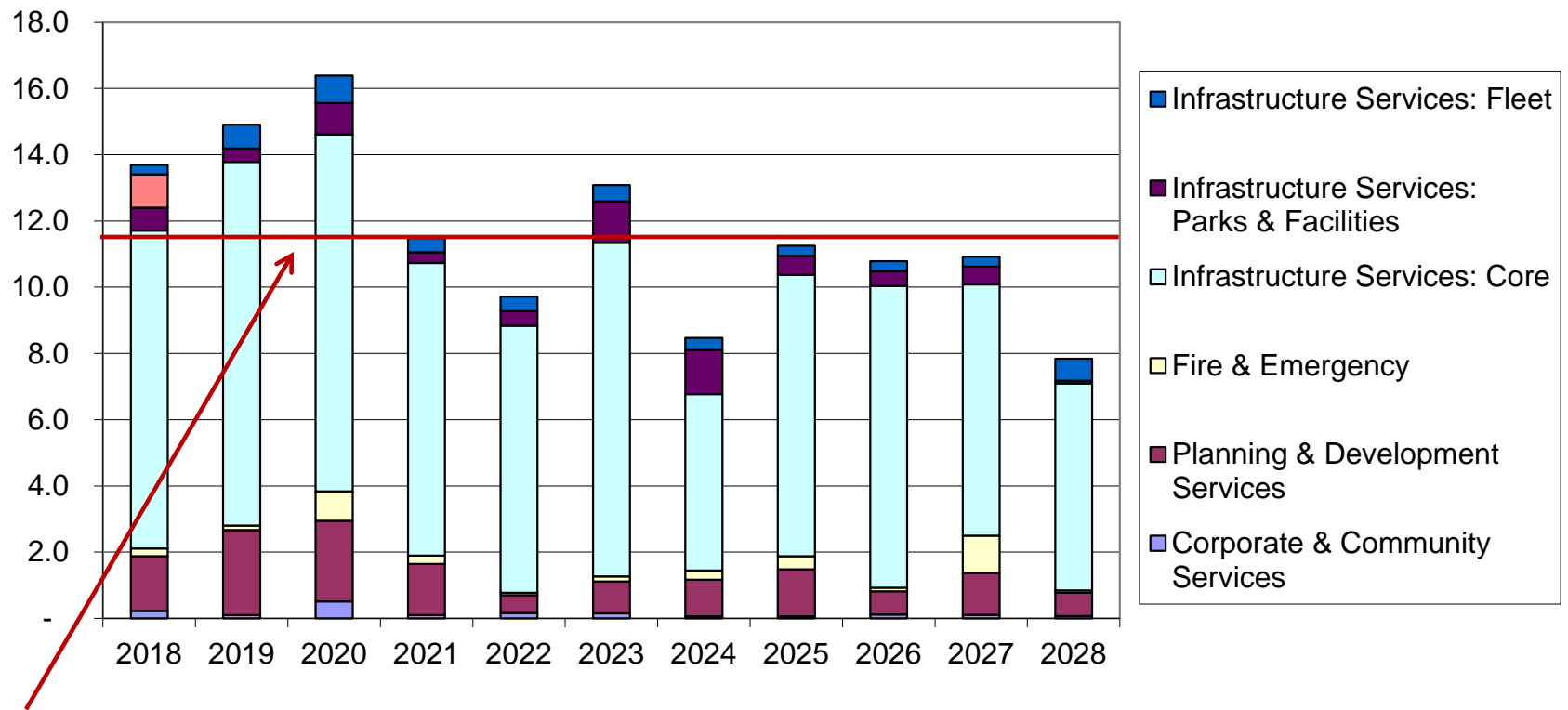
Development Charges (DC): \$1,634,529 or 13%

- Various projects identified in the 2014 DC Study

Other: \$385,000 or 3%

- \$225,000 Landowner contributions for drains
- \$85,000 Donations (i.e., Bay Beach)
- \$75,000 Steam Engine repairs previously allocated

2) Budget Program Highlights 10-year Forecast



Average annual Capital Program is \$11.6 million (2018 to 2028)

2) Budget Program Highlights Approvals

Preliminary approval:

- \$3,673,000 (Appendix “1”)
- By-law: November 27, 2017
- Reserve funding currently available; expedite process

General approval:

- \$9,024,570 (Appendix “2”)
- By-law: February 26, 2018
- Reserve funding insufficient; requires 2018 levy contributions

3) Unknown Factors

- Operating budget impact: \$63,888 /year, or 0.27% of General Levy (Appendix “3”).
- Parks: Rely on estimated cash-in-lieu of parkland revenues.
- Development Charges: Estimated based on current trends.
- Federal Gas Tax: Agreement to be reviewed 2018.
- AMP: Needs to be updated and awaits the outcome of several master plan studies. The “Infrastructure gap” is well documented and the condition of assets (e.g., roads) will continue to deteriorate.

3) Opportunities

- Grant funding: External Federal, Provincial & Region funding (e.g., OCIF Formula-based) has assisted in defraying pressures. OMPF funding above based amount in budget may be directed to one-time needs, such as road resurfacing.
- Preliminary 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:

- Nov 8 Budget-in-Committee: report & presentation
- Nov 27 By-law (Appendix 1 “preliminary”)

Water & Wastewater Budget & User Fees:

- Dec 6 Budget-in-Committee: reports & presentation
- Jan 22 By-laws

General Levy Budget:

- Jan 10 Budget-in-Committee: reports & presentation (Library/EDTC)
- Jan 24 Budget-in-Committee: reports & presentation (Town)
- Feb 26 By-laws (Levy & Capital Appendix 2 “general”)

5) Presentation Questions



Refer to Council Report No. CBC-01-2018 for further information

6) Capital Project Worksheets Review

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