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2017 CAPITAL BUDGET  
2018 - 2021 CAPITAL FORECAST

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# CAPITAL BUDGET POLICY

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- **Establishes the framework for the preparation of the Capital Budget,**
- **A 5-year capital plan shall be prepared annually,**
- **The Capital Budget shall include recommended financing for each project,**
- **Capital expenditures included shall equal the estimated financial resources available,**
- **The Treasurer shall provide Council with a statement of capital expenditures at least quarterly,**
- **This policy shall be reviewed at the beginning of each Council term.**

# RESERVE AND RESERVE FUND POLICY

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## Principles & Objectives

- Reserves and reserve funds are an essential element of long term financing planning,
- Established and closed by resolution of Council,
- Treasurer is authorized to process transfers in compliance with the policy and the approved operating and capital budgets,
- Other transfers require Council approval.

## Reserves and Reserve Fund Categories

- Stabilization Reserves,
- Government Funded Reserves,
- Obligatory Reserve & Reserve Funds,
- Discretionary Reserve Funds,
- Capital Reserves,
- Miscellaneous Reserves and Reserve Funds,
- Hydro Legacy Reserve Fund.

# LONG TERM DEBT MANAGEMENT

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- **Long term debt will only be used for capital projects which have a life of more than 10 years and a value of \$100,000 or more,**
- **It is the intent to minimize the use of debt where possible and only use it for large non-recurring projects,**
- **However, in light of increasing infrastructure replacement pressures, the maximum debt issued per year will not exceed \$900,000 unless specifically approved by Council,**
- **Debenture terms is 10 years except for large projects,**
- **The Debt Management Policy shall be reviewed at least bi-annually.**

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<b>PROPOSED 2017 CAPITAL BUDGET</b>	<b>\$22,254,000</b>
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<b>PROPOSED 2017 OWN PURPOSE CAPITAL BUDGET</b>	<b>\$20,344,000</b>
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<b>PROPOSED 2018 - 2021 CAPITAL FORECAST</b>	<b>\$97,587,000</b>
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<b>PROPOSED 2018 - 2021 OWN PURPOSE CAPITAL BUDGET</b>	<b>\$70,887,000</b>
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## 2017 CAPITAL PROJECTS

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- Maintain/Replace Projects: \$15 Million
  - New and Growth Related Projects: \$7 Million
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## FINANCING THE 2017 CAPITAL BUDGET

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TOTAL: \$22 Million

Capital out of Revenue:	\$3.3 Million
Reserves and Reserve Funds:	\$9.8 Million
Debt:	\$2.8 Million
County (Sewer/Water Rates):	\$1.9 Million
Grants/Gas Tax:	\$4.3 Million

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## FINANCING THE 2017 CAPITAL BUDGET CONT'D

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### NEW SOURCES OF FUNDING IN 2017

Hydro Legacy Reserve Fund	\$400,000
Municipal Building Reserve	\$250,000

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## ROAD RENEWAL PROJECTS

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	<u>2016</u>	<u>Proposed 2017</u>
Road resurfacing	\$1,440,000	\$1,440,000
Surface asphalt	\$ 220,000	\$ 240,000
Road reconstruction	<u>\$2,500,000</u>	<u>\$2,710,000</u>
	\$4,160,000	\$4,390,000

- Capital program includes the incremental increases for road resurfacing.
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## STORM WATER FLOOD MITIGATION AND QUALITY PROJECTS

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- 2017 Norwich Avenue Surge Pond (Richardson Park) \$550,000
- Warwick Area Dry Pond at Agricultural Society \$110,000
- 2018 - 2021 Southside Pond and Warwick Area Vaults \$7.5 Million

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## STREET LIGHT CONVERSION

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- Conversion of all street lights with energy efficient LED technology
  - 2017 – Acceleration of replacement \$2.55 Million
    - Dependent on OCIF – application funding
    - Need Council approval to spend 2018 OCIF – formula with 2017 tender.
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## PARKS

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- Funds to acquire Sliver and Square from Upper Thames River Conservation Authority in 2017
  - Phase I - Halifax (Springbank) Park development
  - Phase III - Shanna Larsen Park
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## 2017 NOTABLE BUILDING PROJECTS (BY \$ VALUE)

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- Parkinson Road Fire Hall Expansion \$2,000,000
  - Complex Refrigeration Plant Replacement \$1,300,000
  - Southside Pool Dehumidification Replacement \$ 450,000
  - Roof Replacements – Museum & Fanshawe College \$ 794,000
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## 2017 PUBLIC TRANSIT

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- 2017 - 2 Additional Transit Buses \$1,022,000
  - Electronic Fare System \$ 450,000

PTIF Funding

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## 2017 DEVELOPMENT

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Road Cost Share and Front end Financing	\$335,000
Water Main - Front end Financing	\$175,000
Sanitary Sewer – Bysham Phase III and Residential S/S of Devonshire	\$850,000

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## ROOF TOP SOLAR INSTALLATION - OPTIONAL

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- FIT 4 Application for Police Building Roof
  - 25 Kw Solar Panel Pre-approval
  - Estimated cost \$90,000
  - Estimated Revenue \$8,500 per year
  - If approved, financing is recommended from Hydro Reserve
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## DEBT

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2017 Estimated Outstanding Debt     \$19 Million

### Debt Limits

10 year	\$93 Million
20 year	\$150 Million

### 2017 Projects Financed with Debt

- Roads
  - Parkinson Road Fire Hall Expansion
  - Complex Refrigeration Plant Replacement
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## FINANCING RECOMMENDATION

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Consideration of a time limited Capital Levy for

2017: Reduce Debt Financing for Complex Refrigeration Plant

2018 & 2019: Emergency Services Radio Replacement Plan

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