



**City of Woodstock  
Office of the  
Chief Administrative Officer**

**To:** Mayor and Members of Council  
**From:** David Creery, P. Eng, MBA  
Chief Administrative Officer  
**Date:** November 16, 2023  
**Re:** **Capital Budget – 2024 and Capital Forecast 2025 - 2028**

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The 2024 Capital Budget and Capital Forecast for 2025 to 2028 are included in this submission for Council's consideration. Projects are listed on a year-by-year basis, and financing recommendations are provided.

The 2024 Capital Budget and the 2025-2028 Capital Forecast, as presented, reflect our projection of the requirements to maintain the existing infrastructure and the needs to support a growing community. Approval of the proposed 2024 capital program does not commit Council to increased funding in the 2024 Revenue Fund Budget.

Inflation continues to impact the capital program with increases in the cost of construction and equipment. As an example, the cost of a half-ton pick-up truck was budgeted in recent years at \$35,000 and the current estimated cost for a comparable truck is \$55,000.

The Downtown Woodstock - Streetscape Master Plan was updated in 2022. The estimated cost of the recommendations in the plan is over \$17,000,000. Infrastructure project INF00138 – Downtown Revitalization is scheduled to begin in 2024 with an attached cost of \$6,500,000 for this phase of the project.

There are a number of large projects included in the proposed 2024 Capital Budget and 2025-2028 Capital Forecast. These larger projects continue to be difficult to finance and result in uneven spending over the forecast years which

can lead to fluctuations in the tax levy and resulting tax rates. The Capital Budget and Forecast proposes the use of over \$51,200,000 in debt financing.

There are numerous projects of significant cost within the Development section of the proposed budget. These projects are typically not candidates for debt financing. The projects related to industrial land development will only move forward as financing from industrial land sales becomes available. The balance of the projects, mainly related to residential growth, will mostly be financed by development charges. The passage of Bill 23, More Homes Built Faster Act, in 2022, has reduced our ability to collect development charges through exemptions and a phased implementation of our new development charge rates. This is impacting the capital program since anticipated financing will be reduced until 2027.

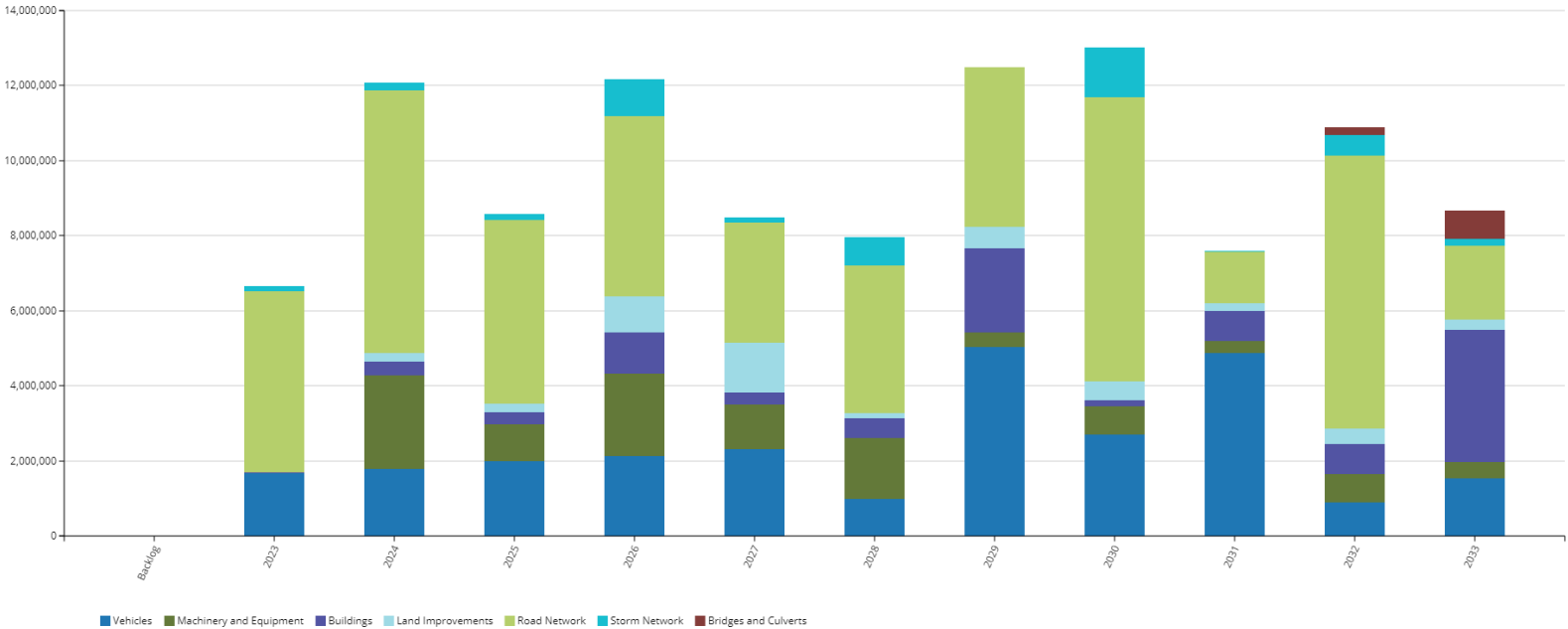
### **Asset Management Plan and Capital Budgeting**

An Asset Management Plan (AMP) is a strategic document that guides a municipality's management of infrastructure and other assets to deliver corporate objectives cost-effectively. The plan employs multi-disciplinary techniques, both technical and financial in nature, over the asset's life cycle to provide specific levels of service. The plan also outlines activities to be undertaken, resources required, responsibilities, timeframes and risks for achieving corporate objectives. Finally, [the Asset Management Plan](#) integrates with other strategic documents of the City such as the Transportation Master Plan, Strategic Plan etc. The City's approved plans are available online at [www.cityofwoodstock.ca/studiesandplans](http://www.cityofwoodstock.ca/studiesandplans). In 2022, Council approved an updated AMP focused on the City's core assets, including road and storm sewer networks and bridge infrastructure. In 2024, this AMP will once again be updated and will include all of the City's assets.

Capital asset management planning identifies current and future capital needs of the City and develops strategies and projects to address those needs. Asset management planning is intended to allow the municipality to make the best possible investment decisions for the infrastructure assets of the City while bringing consistency and standardization to develop best practices across the organization. Asset management should be the driving force in capital budget planning and an effective and meaningful long-term policy.

The AMP has identified investment needs that should be considered over the next ten years. Prioritizing these investments will ensure that the right projects are done at the right time and help the City navigate the capital requirements over the next ten years.

The chart below represents the City’s anticipated annual capital requirements from 2023-2033 to maintain the current levels of service:



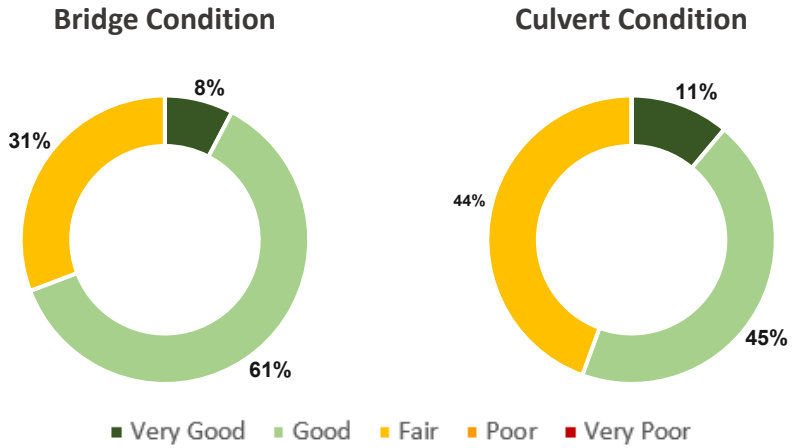
The City’s capital projects should be aligned with and prioritized based on the AMP recommendations and the City’s needs while considering the available resources to finance projects.

The charts on the following pages highlight the current condition ratings of the core asset network.



# BRIDGES AND CULVERTS

Total Replacement Cost	\$31.6 million
Current Condition (Bridge Condition Index)	<b>GOOD (73.57)</b>
Projected Condition in 25 Years	<b>FAIR</b>
Annual Average Funding	\$100,000
Funding Needed Annually to Maintain Asset	\$477,000
Annual Infrastructure Gap	\$377,000





# ROAD NETWORK

Total Replacement Cost

**\$305.2 million**

Current Condition (Structural Adequacy)

**GOOD (74.54)**

Projected Condition in 25 Years

**FAIR**

Annual Average Funding

**\$5.8 million**

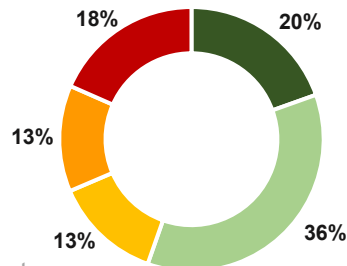
Funding Needed Annually to Maintain Asset

**\$8 million**

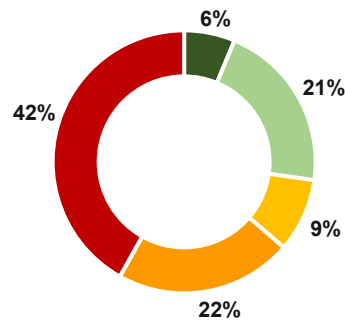
Annual Infrastructure Gap

**\$2.2 million**

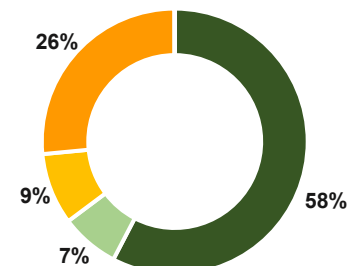
Paved Road Condition



Sidewalk Condition



Streetlight Condition

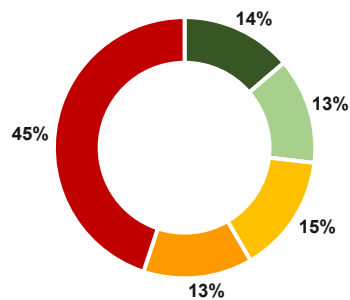




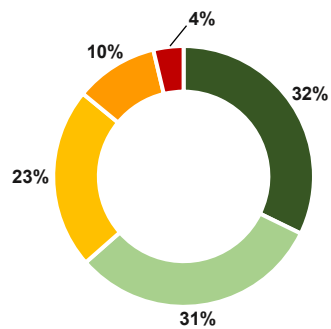
# STORMWATER NETWORK

Total Replacement Cost	<b>\$103.6 million</b>
Current Condition	<b>GOOD</b>
Projected Condition in 25 Years	<b>FAIR</b>
Annual Average Funding	<b>\$960,000</b>
Funding Needed Annually to Maintain Asset	<b>\$2.56 million</b>
Annual Infrastructure Gap	<b>\$1.60 million</b>

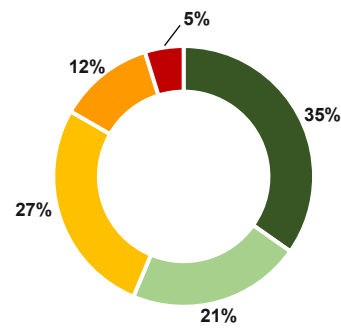
**Catch Basin Condition**



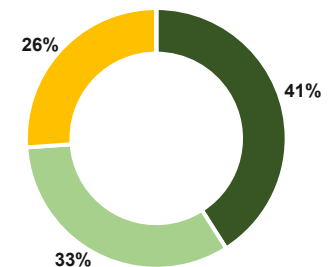
**Gravity Main Condition**



**Manhole Condition**



**SWMF Condition**



■ Very Good 
 ■ Good 
 ■ Fair 
 ■ Poor 
 ■ Very Poor

**Five Year Historical, Proposed 2024 and Four Year Forecast Total Capital Spending  
(including County funded sewer and water capital work)**

2019 Capital Budget (\$,000's)	2020 Capital Budget (\$,000's)	2021 Capital Budget (\$,000's)	2022 Capital Budget (\$,000's)	2023 Capital Budget (\$,000's)	2024 Forecast Capital Budget (\$,000's)	2025 Forecast Capital Budget (\$,000's)	2026 Forecast Capital Budget (\$,000's)	2027 Forecast Capital Budget (\$,000's)	2028 Forecast Capital Budget (\$,000's)
\$28,871	\$31,978	\$24,380	\$25,751	\$32,090	\$37,799	\$67,883	\$61,265	\$46,889	\$59,134
Δ	\$3,107	(\$7,598)	\$1,371	\$6,339	\$5,709	\$30,084	(\$6,618)	(\$14,376)	\$12,245

**Five Year Historical, Proposed 2024 and Four Year Forecast Own Purpose Capital Spending  
(excluding County funded sewer and water capital work)**

2019 Capital Budget (\$,000's)	2020 Capital Budget (\$,000's)	2021 Capital Budget (\$,000's)	2022 Capital Budget (\$,000's)	2023 Capital Budget (\$,000's)	2024 Forecast Capital Budget (\$,000's)	2025 Forecast Capital Budget (\$,000's)	2026 Forecast Capital Budget (\$,000's)	2027 Forecast Capital Budget (\$,000's)	2028 Forecast Capital Budget (\$,000's)
\$24,246	\$27,173	\$22,105	\$22,539	\$27,955	\$30,640	\$44,316	\$56,230	\$41,676	\$54,402
Δ	\$2,927	(\$5,068)	\$434	\$5,416	\$2,685	\$13,676	\$11,914	(\$14,554)	\$12,726

## 2024 Proposed Capital Spending versus 2023 Approved Capital Spending

Program	2023 Approved Capital Budget (\$,000's)	2024 Proposed Capital Budget (\$,000's)	Δ Relative to 2023 Approved Capital Budget (\$,000's)
Information & Communication Technology	\$473	\$405	(\$68)
Fleet & Equipment	\$1,430	\$1,870	\$440
Traffic Signals & Crossing Protection	\$490	\$170	(\$320)
Infrastructure: Roads, Bridges, Storm Sewers, SWM Ponds	\$8,340	\$14,085	\$5,745
Sanitary Sewers (County Responsibility)	\$2,065	\$4,487	\$2,422
Watermains (County Responsibility)	\$2,070	\$2,672	\$602
Street Lighting	\$375	\$140	(\$235)
Development Costs	\$2,700	\$4,015	\$1,315
Recoverable from Future Development	\$30	\$1,180	\$1,150
New Buildings, Repairs and Maintenance	\$7,411	\$3,300	(\$4,111)
Fire Department	\$1,225	\$895	(\$330)
Parks Department	\$1,861	\$2,862	\$1,001
Transit	\$569	\$335	(\$234)
Southside/Outdoor Pool/Spray Pads	\$1,268	\$615	(\$653)
Recreation Programs	\$15	\$11	(\$4)
Community Complex/Civic Arenas	\$304	\$280	(\$24)

Program	2023 Approved Capital Budget (\$,000's)	2024 Proposed Capital Budget (\$,000's)	Δ Relative to 2023 Approved Capital Budget (\$,000's)
Art Gallery	\$951	\$10	(\$941)
Cowan Park Sportsplex	\$490	\$420	(\$70)
Special Events	\$23	\$0	(\$23)
Library	\$0	\$47	\$47
Police	\$0	\$0	\$0
Total	\$32,090	\$37,799	\$5,709

### 2024 Proposed Capital Budget

The projects proposed for 2024 can be categorized as either projects that replace and maintain existing capital assets (state of good repair) or projects that involve new or growth-related capital assets. A typical capital budget is strongly biased towards replace and maintain projects. However, the impact of population growth continues to be reflected in the current capital and forecast budgets. State of good repair capital spending in the 2024 proposed budget represents approximately \$27,310,000 or 72% of total proposed spending while the balance of \$10,480,000 or 28% relates to new capital assets.

## Road Renewal Projects

Spending proposed for 2024 is compared against 2023 in the following table:

Year	2023	2024 Proposed
Road Resurfacing	\$1,640,000	\$1,760,000
Surface Asphalt	\$360,000	\$420,000
Road Reconstruction	\$4,135,000	\$3,760,000
Totals	\$6,135,000	\$5,940,000

In 2015, City Council received a report seeking to improve road conditions as recommended in the Roads Needs Study. Staff recommended an increase in the asphalt resurfacing budget to \$2,000,000 over a 5-year period. Resurfacing at a higher annual amount is not possible without conflicting with sewer and watermain needs that results in complete road reconstruction. City Council approved three of the \$200,000 increments; one in 2015, one in 2018 and the third in 2023. One more increment of \$200,000 is needed to reach the annual \$2,000,000 spending on road resurfacing. Over the years, City Council has also directed additional spending to road resurfacing financed from either the Reserve for Capital Projects or from a revenue fund budget surplus allocation. Neither of these financing methods represents sustainable annual financing for the road resurfacing program.

Currently, the base budget for the annual amount raised for asphalt resurfacing is \$600,000 per year which results in total annual spending of approximately \$1,800,000 using the typical other funding sources. The forecast plan assumes that annual funding for 2025 and beyond will be raised by one more increment of \$200,000. This can be considered with the 2024 revenue fund budget and/or future budgets.

The forecast years show a significant increase in total annual spending on all road renewal projects ranging from \$7,360,000 to \$8,025,000 per year. The increase in the program represents both an increase in the amount of road work, in keeping with the Asset Management Plan and the Road Needs Study, as well as an increase from inflationary effects on materials and labour. Finally, it is important to note that these costs do not include any of the estimates related to the Downtown Revitalization project.

The intent of the City's Long Term Debt Management Policy is to limit annual recurring debt financing to \$900,000 unless otherwise approved by City Council. The 2024 capital road program includes debt issuance of \$800,000 for various roads. Due to rising interest costs, it would be beneficial to reduce the reliance on this source of funding which has typically formed part of the annual road reconstruction financing. However, achieving this reduction in debt financing will require an alternative, sustainable funding source.

It is also important to highlight the progress that has been made in increased road investment. Approved total roads spending was \$2,300,000 in 2010, \$3,400,000 in 2015, and \$5,100,000 in 2020. This compares with the proposed 2024 road spending program of \$5,940,000.

### **Building Projects**

The proposed projects in 2024 are to maintain or replace buildings with the following exceptions:

- \$1,500,000 for the expansion and renovation of the Public Works building.
- \$150,000 for a backup generator at Cowan Sportsplex.
- \$100,000 to add a Special Events office at the Reeves Community Complex.
- \$50,000 for a Museum storage expansion study.

The Capital Forecast also includes some significant new projects:

- 2025 Public Works Storage Building \$795,000
- 2025 Southside Pool Change Room/Facility Expansion \$1,500,000
- 2026 Cowan Fields Arena (Civic Centre replacement) \$15,000,000
- 2026 Police Building Second Storey Addition \$2,000,000
- 2026 Public Works Equipment Wash Building \$1,200,000
- 2027 Fire Department Sub-Station \$2,700,000
- 2028 City Hall Expansion \$4,000,000

## **Parks Department Projects**

Annual capital spending proposed in the Parks Department has grown significantly in recent years. The total proposed spending in 2024 is just over \$2,850,000. Spending remains high in two of the forecast years with totals of \$3,800,000 in 2025 and \$2,400,000 in 2026. Refinements will be made to this program to smooth this spending to the extent possible. The 2024 Capital Budget includes the following notable projects:

- Park Development at Kingsmen Subdivision Phase 4 \$530,000
- Southside Park Expansion \$350,000
- Parking Lot Light Replacements at Reeves Community Complex \$350,000

## **Storm Water Management Projects**

The budget and forecast include the cleanout of various storm water management ponds across the City.

Staff have included \$275,000 in the 2024 capital budget to clean out storm water management assets. Pond maintenance is included in each of the forecast years with costs ranging from \$400,000-\$1,500,000. This is an ongoing maintenance issue and the establishment of a reserve with an annual contribution would be helpful to finance this work.

## **Land Development Projects**

The 2024 proposed budget and capital forecast include significant projects for Land Development:

- 2024-2028 Northeast Industrial Park \$57,855,000
- 2024-2025 Karn and Cachet Development \$1,275,000
- 2025-2027 Cowan Fields Future Development \$6,050,000

## **Communication Tower**

A need has been identified for a replacement communication tower as the current tower on Bower Hill, owned by the County of Oxford, is fully loaded and it is doubtful that the tower can be reasonably upgraded if system expansion is needed. The estimated cost for a ready to install tower and shelter is \$500,000-\$600,000 plus land costs depending on where the tower is located. This project has been included in the forecast in 2027 and will be partially financed from development charges.

Recently, an evaluation of two alternatives was completed to assess the practicality, costs, benefits and limitations of a multi-rooftop configuration versus a new tower. Total estimated costs including radio equipment for these options range from \$1,000,000-\$1,500,000. This would eliminate the need for the installation on the Bower Hill County tower and improve radio reception in signal shadows and within buildings. Further analysis of this project is ongoing.

## **Financing the Plan**

The cost of capital projects is generally funded through an annual contribution from the revenue fund budget, contributions from reserves and reserve funds, the issuance of debt and upper-level government grants such as the Canada Community-Building Fund and the Provincial Gas Tax.

Of note in this five-year program is the significant use of debt financing for a number of projects. The proposed budget and forecast include the issuance of approximately \$51,200,000 of debt. Delaying projects (beyond the five-year plan), cancelling projects, increasing capital contributions from the revenue fund budget or increasing reserve or reserve fund contributions can be options to mitigate the amount of debt financing.

All projects in this budget and forecast need to be carefully examined as this group of projects considerably increases the debt load of the City. In addition, a number of the future year projects are not currently fully funded as evidenced by negative balances in the estimated reserve and reserve fund and grant positions. The grant financing is based on prior year contributions as we await funding announcements from senior levels of government.

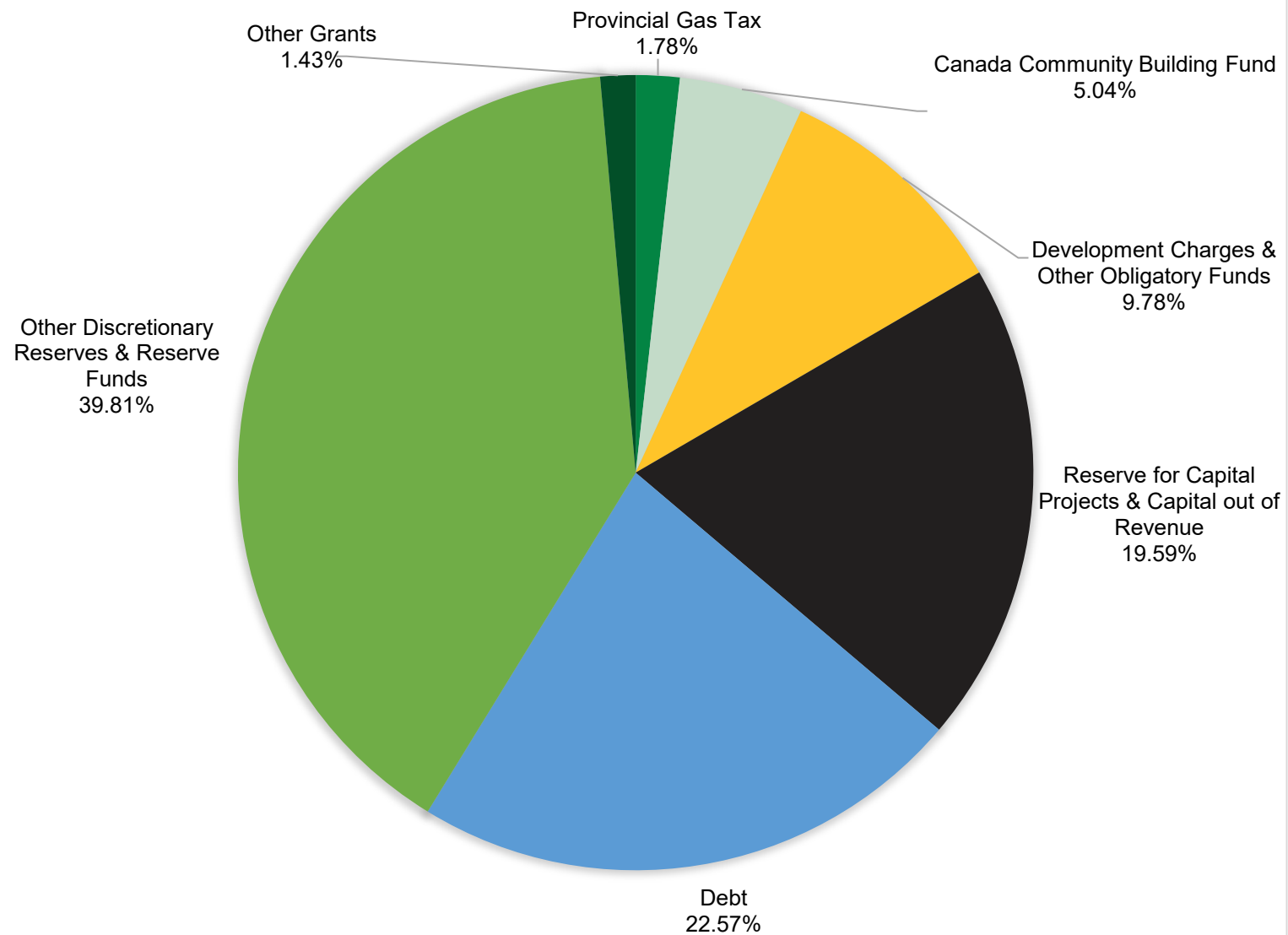
The projects listed may be modified, moved or alternative financing proposed as a result of further analysis or updated information, timing or other decisions of Council. The projections beyond 2024 will be refined as various projects move forward and future funding opportunities arise.

The 2024 capital budget has been developed assuming the typical contributions to reserves and reserve funds and an estimate of the capital contribution from the revenue fund budget. Approval of this program does not commit Council to increased funding in the revenue fund budget.

The following pie chart provides a breakdown of the funding sources for the five year capital program. The cost of sewer and water projects has been excluded as the County funds this work through user fees.

A discussion on each of the funding sources (excluding County funding) follows.

## CAPITAL PLAN FUNDING SOURCES 2024-2028



## **Capital Contribution from the Revenue Fund Budget**

Each year an amount is raised specifically in the revenue fund budget to finance capital projects. This is considered the base allocation. Other sources that contribute to the annual funds available include:

- increase associated with the revenues from new assessments which helps to offset capital costs resulting from new growth and inflationary cost of work,
- the annual OMPF allocation (confirmed at \$20,200),
- the balance of the OLG slot funding after other allocations for revenue fund budget 30%, grants 15% and the Community Social Wellbeing Reserve allocation anticipated to be \$150,000. 2023 revenue from the OLG is projected to be at near normal levels and a conservative estimate has been included in the capital contribution from the revenue fund.

The estimated total capital contribution from the revenue fund for 2024 is slightly more than \$4,300,000. Any additional OLG funding after recalculating based on actual 2023 receipts will also be contributed to the Reserve for Capital Projects.

## **Reserves and Reserve Funds**

Reserves and reserve funds are also used to finance capital expenditures. Amounts contributed and financing decisions are based on a review of current funds available and projected expenditures. The proposed 2024 capital budget allocates financing of \$17,532,000 from reserves and reserve funds.

According to our projections included in the forecast plan, there are a number of reserves and reserve funds that are insufficient to meet the forecast needs, which will need to be addressed in future years.

There is a significant deficiency in the Industrial Land Reserve Fund by 2027, however any projects being financed from this source will only move forward if revenue is realized from industrial land sales. This deficit results from not recording land sale revenues in later years due to timing uncertainties. To the extent possible, spending is matched with available funds.

The Recoverable from Developers reserve also shows a large deficit in the final year of this forecast which will require further refinement and consideration as development policies can be amended to shift financing responsibility.

The deficit in the Reserve for Capital Projects exists as there are no annual contributions to this reserve. Historically, Council allocates the majority of any revenue budget surplus to this reserve. The deficit position highlights the importance of continuing the practice of contributing budget surpluses to the Reserve for Capital Projects.



Revenue Source	2024			2025			2026			2027			2028			
	Starting Balances (Funding)	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance
<b>0100 CAPITAL FUND</b>																
CONTRIBUTION FROM WOODSTOCK POLICE SERVIC						450,000	(450,000)			(450,000)			(450,000)			(450,000)
52001 RES FUND - LAND FOR PUBLIC PURPOSES	389,000	50,000	413,000	26,000	50,000	4,000	72,000	50,000	4,000	118,000	50,000	4,000	164,000	50,000	4,000	210,000
52002 RES FUND - STREET LIGHTING	274,000		140,000	134,000		134,000										
52003 RES FUND - DOWNTOWN REDEVELOPMENT	181,000	200,000		381,000			381,000			381,000			381,000			381,000
52004 RES FUND - ART ACQUISITION	10,000	5,000	10,000	5,000	5,000	5,000	5,000	5,000	10,000		5,000	5,000		5,000	5,000	
52009 RES FUND - INDUSTRIAL LAND	170,000	5,000,000	1,815,000	3,355,000	6,000,000	9,071,000	284,000	11,000,000	11,307,000	(23,000)		11,640,000	(11,663,000)		25,442,000	(37,105,000)
52010 RES FUND - HYDRO RESERVE	1,038,000	433,000		1,471,000	83,000		1,554,000		83,000	1,637,000		83,000	1,720,000		83,000	1,803,000
52038 RES FUND - PARKS & REC SPONSORSHIP	396,000			396,000		150,000	246,000			246,000			246,000			246,000
52013 RES FUND - Street Trees	66,000		66,000													
RES FUND - Complex Roof	200,000			200,000		200,000										
52041 RES FUND - Park Trees RF (Tree Compensation)	510,000		40,000	470,000		106,000	364,000		106,000	258,000		106,000	152,000		106,000	46,000
51003 RESERVE - REPLACEMENT OF EQUIPMENT	1,325,600	1,455,000	1,738,000	1,042,600	1,455,000	1,794,000	703,600	1,455,000	2,150,000	8,600	1,455,000	1,785,000	(321,400)	1,455,000	1,330,000	(196,400)
51009 RESERVE - PURCHASE OF FIRE EQUIPMENT		255,000		255,000	600,000		855,000	600,000		1,455,000	600,000	2,500,000	(445,000)	600,000		155,000
51013 RESERVE - REPAIRS TO MUNICIPAL BUILDING	177,000	450,000	610,000	17,000	450,000	1,645,000	(1,178,000)	450,000	470,000	(1,198,000)	450,000		(748,000)	450,000		(298,000)
51020 RESERVE - PARKS & OPEN SPACES	148,800	200,000	346,000	2,800	200,000	160,000	42,800	200,000	140,000	102,800	200,000	395,000	(92,200)	200,000	140,000	(32,200)
51045 RESERVE - COMPUTERS	18,700	120,000	103,000	35,700	120,000	79,000	76,700	120,000	177,000	19,700	120,000	59,000	80,700	120,000	51,000	149,700
51060 RESERVE - ASPHALT RESURFACING		600,000	600,000		800,000	800,000		800,000	800,000		800,000	800,000		800,000	800,000	
51127 RESERVE - LIBRARY	228,000			228,000			228,000			228,000			228,000			228,000
51143 RESERVE - BUILDING	2,262,000			2,262,000		55,000	2,207,000			2,207,000			2,207,000			2,207,000
51145 RESERVE - LIBRARY CONSULTING SERVICES	280,000		20,000	260,000			260,000			260,000			260,000			260,000
51194 RESERVE - RADIO POLICE & FIRE	223,400	200,000		423,400	75,000		498,400	75,000		573,400	75,000	443,500	204,900	75,000		279,900
14009 RESERVE - CAPITAL PROJECTS	6,550,000		3,592,000	2,958,000		6,584,500	(3,626,500)		3,396,800	(7,023,300)		4,480,000	(11,503,300)		3,761,000	(15,264,300)
14012 RESERVE - RECOVERABLE FROM DEVELOPER	1,432,100		580,000	852,100		1,350,000	(497,900)			(497,900)			(497,900)		7,500,000	(7,997,900)
53006 TRUST FUND - COMPLEX OCCUPANTS	235,000	14,800	185,000	64,800	14,800		79,600	14,800	30,000	64,400	14,800		79,200	14,800		94,000
RES FUND DC - Admin	145,000	36,000		181,000	35,000		216,000	38,000	75,000	179,000	40,000	35,000	184,000	46,000		230,000
RES FUND DC - Library	2,385,000	141,000	20,000	2,506,000	195,000	60,000	2,641,000	227,000		2,868,000	264,000		3,132,000	303,000	25,000	3,410,000
RES FUND DC - Public Works	87,000	130,000		217,000	120,000	230,000	107,000	128,000		235,000	152,000	330,000	57,000	179,000	220,000	16,000
RES FUND DC - Roads & Related	2,300,000	982,000	2,432,000	850,000	1,020,000	6,024,000	(4,154,000)	1,117,000	2,461,200	(5,498,200)	1,238,000	500,000	(4,760,200)	1,360,000	1,349,000	(4,749,200)
RES FUND DC - Transit	280,000	123,000		403,000	147,000		550,000	167,000		717,000	190,000		907,000	213,000		1,120,000
RES FUND DC - Parks & Recreation	3,525,000	1,800,000	1,057,000	4,268,000	2,125,000	3,101,500	3,291,500	1,980,000	1,417,000	3,854,500	1,900,000	352,000	5,402,500	2,100,000	807,000	6,695,500
RES FUND DC - Fire	580,000	126,000	50,000	656,000	162,000		818,000	189,000	40,000	967,000	161,000	1,147,500	(19,500)	150,000		130,500
<b>Total Capital Tree</b>	<b>25,416,600</b>	<b>12,320,800</b>	<b>13,817,000</b>	<b>23,920,400</b>	<b>13,656,800</b>	<b>32,003,000</b>	<b>5,574,200</b>	<b>18,698,800</b>	<b>22,584,000</b>	<b>1,689,000</b>	<b>7,797,800</b>	<b>24,582,000</b>	<b>(15,095,200)</b>	<b>8,203,800</b>	<b>41,540,000</b>	<b>(48,431,400)</b>

## Debt

With careful use, debt is an important tool to provide needed facilities and infrastructure improvements recognizing that the benefits extend for many years and that the current ratepayer should not, and probably cannot, bear the full costs of the project in one year.

These estimates are a worst-case scenario. All estimates have been calculated using current rates of 4.96% for 10-year debt (2023 – 4.39%) and 5.19% for 20-year debt (2023 – 4.73%). The scenarios also assume 100% of the approved debt will be issued which would not be the case if other funding sources become available such as new infrastructure grant offerings.

The City has substantial room to issue new debt. The Province has calculated our Annual Repayment Limit (ARL) for 2023 as \$15,577,998 which is based on 2021 Financial Information Return data. The ARL is recalculated each year and each time that debentures are issued. The City will remain within our ARL should the debt within this budget and forecast be issued. However, issuing new debt does come with a cost which is reflected in the revenue fund budget by way of annual repayments of principal and interest.

Using current rates, each \$1,000,000 of 10-year debt costs an additional \$260,550 in interest which equates to a repayment of principal and interest of \$126,055 (2023 - \$123,000) per year. For 20-year debt, the interest cost is \$532,300 which equates to a repayment of principal and interest of \$76,600 (2023 - \$74,250) per year. In most cases, these additional funds are raised through the current year tax levy.

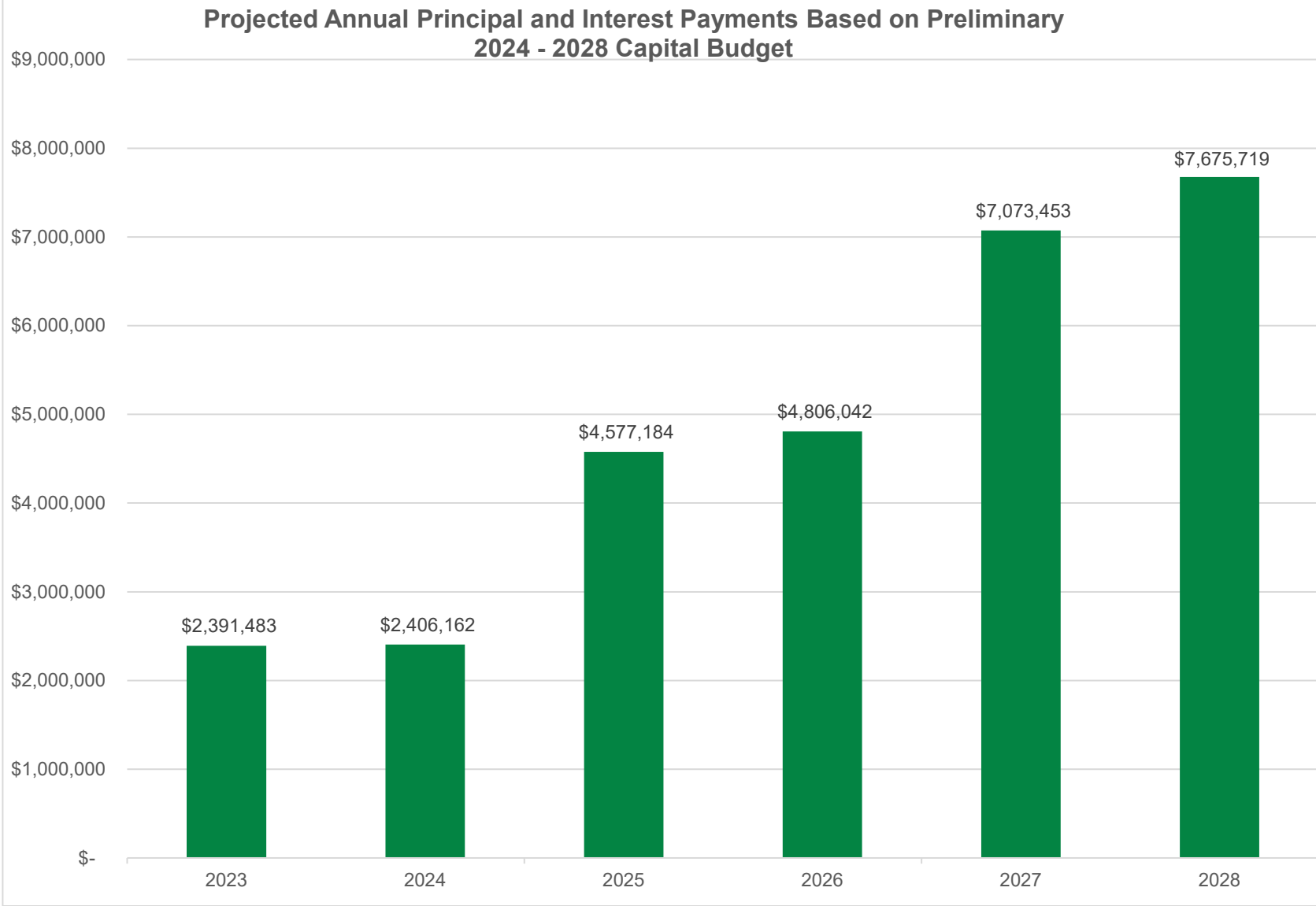
The 2024 Capital Budget includes the issuance of \$8,800,000 of debt comprised of various road reconstruction projects, a portion of the Downtown Revitalization project and an addition to the Public Works office building.

The Downtown Revitalization project is anticipated to be completed over a number of years and all debt financing has been assumed to be for 20 years due to the magnitude of the project. The project is currently anticipated to be 100% debt financed with the most recent estimate being \$17,363,000. When combined with anticipated interest the total cost is \$26,605,375.

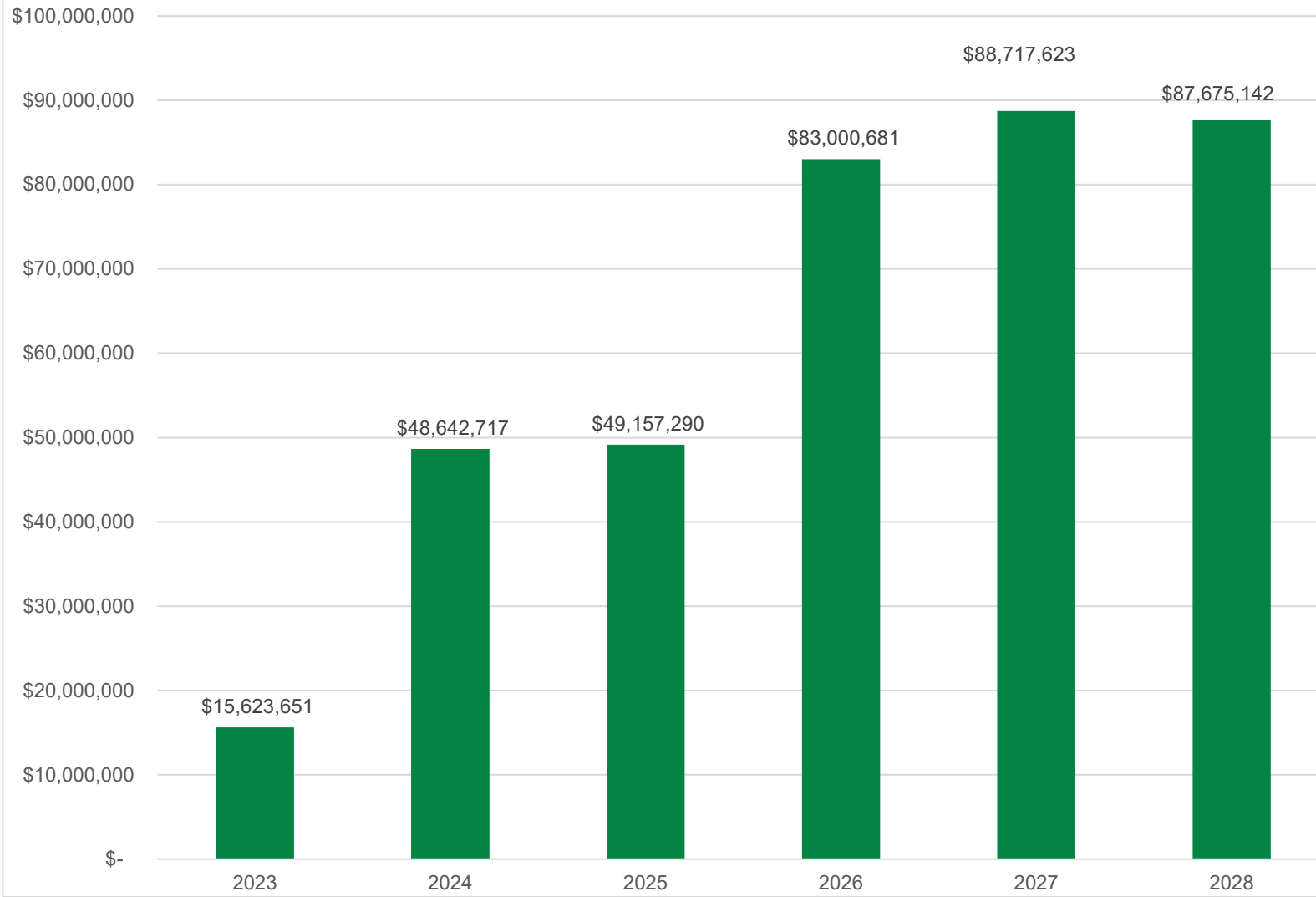
The Capital Forecast years (2025-2028) include the issuance of approximately \$42,500,000 in debt to fund a multitude of projects including ongoing road reconstruction projects, new roofs at a number of City facilities, an expansion of the office, a new Storage building and Equipment Wash building at Public Works, Police Station expansion, Fire Hall sub-station, City Hall expansion/renovation, Cowan Fields Ice Pad/Community Centre (Civic Arena replacement), new turf at the Cowan Sportsplex and the continuation of the Downtown Revitalization project.

Two charts have been included which illustrate the amount of debt (principal and interest) required to be paid on an annual basis and total projected debt (principal and interest) if all projects proceeded as shown in the capital budget and forecast. Assumptions included in this projection maintain the current interest rates and include 20-year debentures for the majority of the building renovations/additions over \$1,000,000.

At the end of this five-year forecast, outstanding debt is more than five times the 2023 level. Moving forward, contributions to a debt repayment reserve could be considered to mitigate the debt spikes. This approach would utilize strategic contributions from such a reserve to flatten the spikes and minimize the levy fluctuations to the ratepayer of the day.



### Projected Principal and Interest Outstanding Based on Preliminary 2024 - 2028 Capital Budget



## Grants

We currently receive funding from the Federal and Provincial governments in the form of Canada Community-Building Fund grants, Ontario Dedicated Gas Tax Funds for Public Transportation and Ontario Community Infrastructure Funds. These grants must be applied to specific types of projects. These grants are identified in the budget as follows:

- **PGT** Dedicated Gas Tax for Public Transportation (ongoing)
- **CCBF** Canada Community-Building Fund (ongoing)
- **OCIF** Ontario Community Infrastructure Fund (ongoing)

The 2024 capital budget proposes the use of \$3,715,000 of the above grants. As the funding announcements are typically made late in the year or early in the new year, estimates have been included in this budget.

The capital forecast plan applies more than the anticipated Canada Community-Building Fund and Dedicated Gas Tax funds over this time frame which further illustrates the need to increase our contributions to capital spending.

A summary detailing the allocation of the capital grants available in order to provide Council with a comprehensive overview of our available financing follows.

ESTIMATED CAPITAL FUND POSITIONS - GRANTS

Revenue Source	2024			2025			2026			2027			2028			
	Starting Balances (Funding)	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance	Est Contributions	Est Expenditures	Ending Balance
<b>0100 CAPITAL FUND</b>																
52022 RES FUND - PROVINCIAL GAS TAX	1,070,000	387,000	335,000	1,122,000	387,000	915,000	594,000	387,000	930,000	51,000	387,000	930,000	(492,000)	387,000	945,000	(1,050,000)
52034 RES FUND - FEDERAL GAS TAX (CCBF)	1,008,000	1,353,000	2,340,000	21,000	1,353,000	2,535,000	(1,161,000)	1,353,000	1,950,000	(1,758,000)	1,353,000	2,355,000	(2,760,000)	1,353,000	2,275,000	(3,682,000)
14004 OCIF Funds	150,500	897,000	1,040,000	7,500	550,000	550,000	7,500	550,000	550,000	7,500	550,000	550,000	7,500	550,000	550,000	7,500
<b>Total Capital Tree</b>	<b>2,228,500</b>	<b>2,637,000</b>	<b>3,715,000</b>	<b>1,150,500</b>	<b>2,290,000</b>	<b>4,000,000</b>	<b>(559,500)</b>	<b>2,290,000</b>	<b>3,430,000</b>	<b>(1,699,500)</b>	<b>2,290,000</b>	<b>3,835,000</b>	<b>(3,244,500)</b>	<b>2,290,000</b>	<b>3,770,000</b>	<b>(4,724,500)</b>

## **Selected Commentaries**

### **Information Technology 230**

*ICT00016 Computer Replacement Council Chambers - \$30,000*

This project relates to an upgrade of audio technology in Council Chambers.

### **Fleet and Equipment 300**

*EQU00005 PW – Replace Garbage Trucks - \$940,000*

This project has been pre-approved by City Council and equipment is on order.

### **Traffic Signals and Crossing Protection 301**

*TRF00001 Repairs at Existing Signalized Intersections - \$70,000*

Funds in 2023 are for signal conflict monitoring and miscellaneous repairs.

*TRF00004 Pedestrian Traffic Signals - \$100,000*

The Transportation Master Plan recommended the use of a warrant system for the determination of the need for the installation of pedestrian traffic signals. The 2024 planned project includes an IPS at Springbank Avenue and Sprucedale Road. Potential IPS projects in subsequent years include Wellington and Brant streets.

### **Infrastructure and Roads 303**

*INF00004 Bridge Rehabilitation and Inspections*

The current estimate of the cost to replace the Butler Street bridge is \$1,600,000 which is scheduled for 2027. City Council should consider establishing an annual Reserve contribution in the Revenue Fund Budget of \$400,000 over the next four years to fund this work.

*INF00007 Warwick Flooding Remediation - \$160,000*

Funds included in 2025 are for the implementation of a sewer backflow installation program which is a recommendation from the environmental assessment study.

*INF00009 Southside Pond Improvements - \$500,000*

This project was approved for construction in the 2022 Capital Budget with an estimated cost of \$2,850,000. The window for completion of this work is limited given environmental sensitivities and the conflicts of construction with activities in Southside Park. The project was originally scheduled for late 2022 with the majority of work occurring in winter of 2023, however this planned schedule did not occur. Current estimates for the cost of this work requires additional funding.

*INF00033 Pittock North Servicing (Water & Sanitary) - \$1,200,000 in 2028*

The 2023 Capital Budget included \$500,000 to complete the installation of water and sanitary service to the north shore of the Pittock. Unfortunately, the design alternatives did not allow for completion of this work within the cost estimate. The most recent estimate is \$1,200,000. Accordingly, this project requires further evaluation and has been pushed to the fifth year of the forecast. Deferring this project will also result in a delay of the Pittock North Shore washroom project.

*INF00138 Downtown Revitalization - \$17,363,000 (\$6,500,000 in 2024)*

Funds are included in the 2024-2027 Capital Budget to reflect the recommendations included in the Downtown Woodstock Streetscape Master Plan and Re-Visioning of Museum Square which was completed in 2022. City Council approved funds in 2023 to complete design work for the first phase of the Dundas Street Streetscape which extends from the intersection of Brock/Light Streets to Wellington Street. The project is intended to create an intensive and functionally diverse area downtown, serving as a primary business, cultural and administrative centre. Museum Square acts as a central focus point within the downtown area and is host to many of Woodstock's events and festivals. Using recommendations found within the Master Plan will ensure Museum Square is more easily adaptable to the various events and purposes for which it is used each year.

## **Development Costs 309**

*DEV00022 Northeast Industrial Park - \$57,855,000 (\$1,395,000 in 2024)*

Continuation of environmental assessments, studies and detailed engineering design work are needed as this development advances towards approval for the next City of Woodstock Industrial Park. This work will only proceed as funds become available in the Industrial Land Reserve Fund.

## **Recoverable from Developers 311**

*RFD00006 Pattullo & Highway 59 Intersection Improvements - \$3,450,000 in 2025*

This amount represents the cost of realigning the intersection to allow future development east of the former Alyea farm. The City has a practice of front-end financing such costs and will recover the majority of the funds from benefitting property owners as development occurs in the area.

It is important to note that there is insufficient financing in this reserve to fund the developer recoverable share of this project. Options include raising funds in the Revenue Fund Budget or the use of financing from an alternate reserve.

*RFD00007 Intersection Improvement Mill St/Clarke Side Rd/TA Driveway- \$1,100,000*

A planned redevelopment of the former Woodstock Inn property at 555 Mill Street will trigger corridor and intersection improvements on Mill Street within the portion of the roadway under the ownership and jurisdiction of the MTO. Total estimated cost of this work is \$4.3 million of which MTO will fund \$2.3 million. Improvements to Clarke Side Road are proposed to be funded by the City through development charges while the balance is funded by the benefitting owners on both sides of Mill Street. As the owner of the west side is not currently planning any development, the City is proposing to front-end finance this share to be recovered in the future upon development of this parcel. This interchange has not been an attractive entrance to the city for many years and it is hoped that this development will improve this.

## **New Buildings, Repairs & Maintenance 310**

*BLD00114 PW Office Addition and Renovations - \$1,500,000*

Funds approved in 2023 were used to develop concepts and complete design of a planned expansion for offices and public works staff support space (i.e., locker/change room expansion, lunch/training room expansion).

*BLD00115 Police 2<sup>nd</sup> Storey Addition - \$2,000,000 in 2026*

Woodstock Police Services are developing a space needs analysis and design concept for future expansion and the addition of a 2<sup>nd</sup> storey on the existing station.

*BLD00079 City Hall Expansion - \$4,000,000 in 2028*

Funds are included in 2028 for an addition on the west side of City Hall to include an accessible public entrance, lobby, Council Chamber access and customer service desk. This work is also intended to improve controlled public access and address a lack of office space. The budgeted amount is a preliminary estimate of the anticipated cost which will be further refined.

With the acquisition of the last property to connect City Hall to Museum Square, expansion will be possible to the west of the current City Hall.

*BLD00130 Complex – Special Events Office \$100,000*

This project will convert a portion of a storage room that is no longer needed and connect it with the former Skating Club office space to create a consolidated office for Special Events staff.

*BLD00132 PW – Perimeter Fence - \$40,000*

This project will complete security fencing around the public works yard. Members of the public have been discovered accessing the yard which poses a safety concern. Recently a fire was started in a salt storage building by an unauthorized member of the public.

**Transit Department 709**

*TRN00012 Cameras on Buses – \$110,000*

This project will introduce video recording capability on each transit bus to enhance the safety of the passengers and the transit operator.

*TRN00017 Electronic Gates at Bus Barn - \$60,000*

This project will enhance security at the bus storage building through the installation of electronic gates. As transit operating hours have expanded into the evening, it is important that staff have this additional level of security. Members of the public have been found accessing the yard.

## **Fire Department 400**

### *FIR00041 Fire Master Plan - \$90,000*

A Fire Master Plan is completed at different intervals of a community's growth to assess fire response capabilities with the given risk levels to understand if fire emergency response is adequate. City Council determines the adequacy of fire emergency response and sets service levels although this is informed through numerous standards and guidelines.

One important output of this work will be an assessment of a location for the planned third fire hall which is included in 2027 at an estimated cost of \$2.7 million.

### *FIR00043 Fire Fighter LODD Memorial - \$35,000*

LODD refers to Line of Duty Death in this project.

### *FIR00053 Fire Shared (WPS) Emergency Command Vehicle - \$800,000 in 2025*

This is a new project that proposes the purchase of a shared emergency command vehicle which provides a mobile base of operations in the event of an emergency. Police/Fire have used a command vehicle from the Region of Waterloo for emergencies such as the Victoria Street apartment building explosion. However, availability of such specialized equipment cannot be guaranteed.

## **Parks 701**

### *PKS00041 Cowan Fields Development – Cricket Pitch and Baseball Diamond*

Funds included in 2024 relate to additional practice area needs for the new cricket pitch currently under construction. Funds included in 2025 relate to lighting the cricket pitch. Funds in 2026 include the construction of an additional ball diamond.

### *PKS00050 2024 Winter lights - \$75,000*

City Council deleted this project from the 2023 capital budget. This project is again proposed to enhance the winter light displays in Museum Square.

*PKS00062 Pavilion Replacement \$230,000*

This project will replace the picnic pavilion on the Pittock north shore as it was deemed unsafe and closed this year.

*PKS00101 Southside Park Expansion \$1,600,000 (\$350,000 in 2024)*

This project includes funds to improve the recently acquired lands that were formerly the Downs at Cedar Creek Golf Course between Parkinson Road and Juliana Drive. Funds included in 2024 include the installation of a bridge to cross Cedar Creek. Funds in future years will be for trail development and tree plantings along with park amenities.

*PKS00119 Cowan Fields Subdivision Development - \$600,000 (\$200,000 in 2024)*

The entirety of the former Woodall Farm property has now been designated for community recreation facilities. This project will fund the master plan development including engineering design for the City roads that will be constructed through this property.

*PKS00121 Parks Master Plan (Bill 23) - \$35,000*

This project will develop the required study to assess the need for public lands in the context of cash in lieu of parkland requirements from proposed development and growth within the City.

*PKS00123 New Complex Spray Pad - \$160,000*

This project will fund the cost of dry playground equipment adjacent to the new major spray pad to be constructed on the Community Complex property.

**Aquatics 705**

*AQ00035 Spray Pad Pavilion - \$200,000*

This project will provide a structure for shade and shelter adjacent to the new major spray pad and playground project at the Community Complex.

## **Community Complex & Civic Centre 708**

*ARE00025 New Twin Pad Arena/Fieldhouse/Youth Centre \$15,040,000 (\$40,000 in 2024)*

The 2021 Recreation Facility Needs Study recommends:

- the retirement of the Civic Centre Arena and the replacement with a new Arena at Cowan Fields within the next 3-5 years,
- the facility to be designed in a manner to accommodate a second future ice pad,
- the facility includes an indoor gymnasium to meet college regulations and include multi-sport capabilities, changerooms, and spectator seating,
- to explore the feasibility of a group fitness studio and an indoor walking track,
- to explore the feasibility of two multi purpose rooms,
- to explore the feasibility of an inter-generational shared space with a broad range of age groups which may include lounge, computer and workspace, reading area etc.

The estimated \$15 million in this budget is representative of the cost to replace the Civic Centre arena and will not include any of the other recreational amenities. The \$40,000 included in 2024 is to complete a feasibility study to establish the scope of recreational amenities that should be included in the development of a new recreational complex at Cowan Fields.

A community fundraising campaign should be considered once the scope is established and Council has endorsed the project in principle.

## **Summary**

All of the projects in the five-year projection need to be reviewed to ensure that the financial security of the City is not compromised. The projects listed may be modified, moved or alternative financing proposed as a result of further analysis, timing or other decisions of Council. It is also important to recognize that the projections beyond 2024 will undoubtedly be refined as projects move forward.

The 2024 Capital Budget has been developed assuming the usual contributions to the reserves/reserve funds and capital out of revenue to finance the program. Approval of this program does not commit Council to increased funding in the revenue fund budget.

Respectfully submitted,

*David Creery*