

# 2019 DRAFT BUDGET



Centre Wellington

## OVERVIEW PRESENTATION



PRESENTED TO THE COMMITTEE OF THE WHOLE

February 6, 2019

# Overview Presentation Agenda



1. Overview & Summary
2. General Budget Information
3. Tax Supported Operating Budget
  - Operating Budget Facts
  - Funding Challenges
  - OMPF Funding Reduction
  - Contributions to Capital
  - Impact Areas
  - Impact on Township's Portion of the Tax Levy
  - 3 Year Operating Forecast

# Overview Presentation Agenda



## 4. Capital Budget

- Capital Budget Facts
- 2019 Capital Project Highlights
- Allocation of OLG Funds in 2019 Capital Budget
- 10 Year Capital Forecast
- 2020 and 2021 Project Highlights
- Dedicated Capital Levy / OCIF Capital Plan

## 5. Debt Analysis

# New for 2019

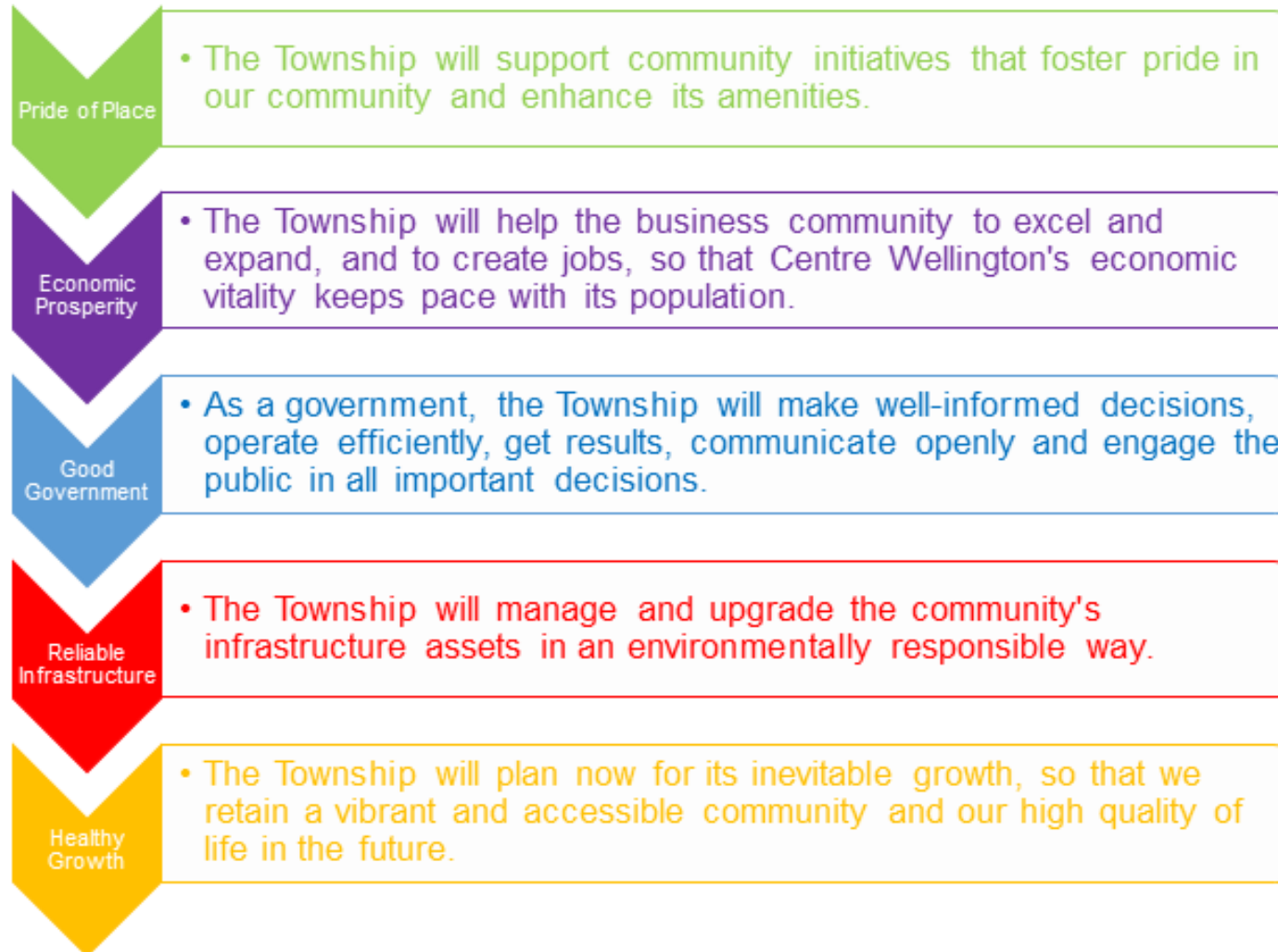
- Additional analysis, charts, tables
- Departmental breakdown (operating)
- Staffing strategy
- 3-year operating forecast
- Asset management content



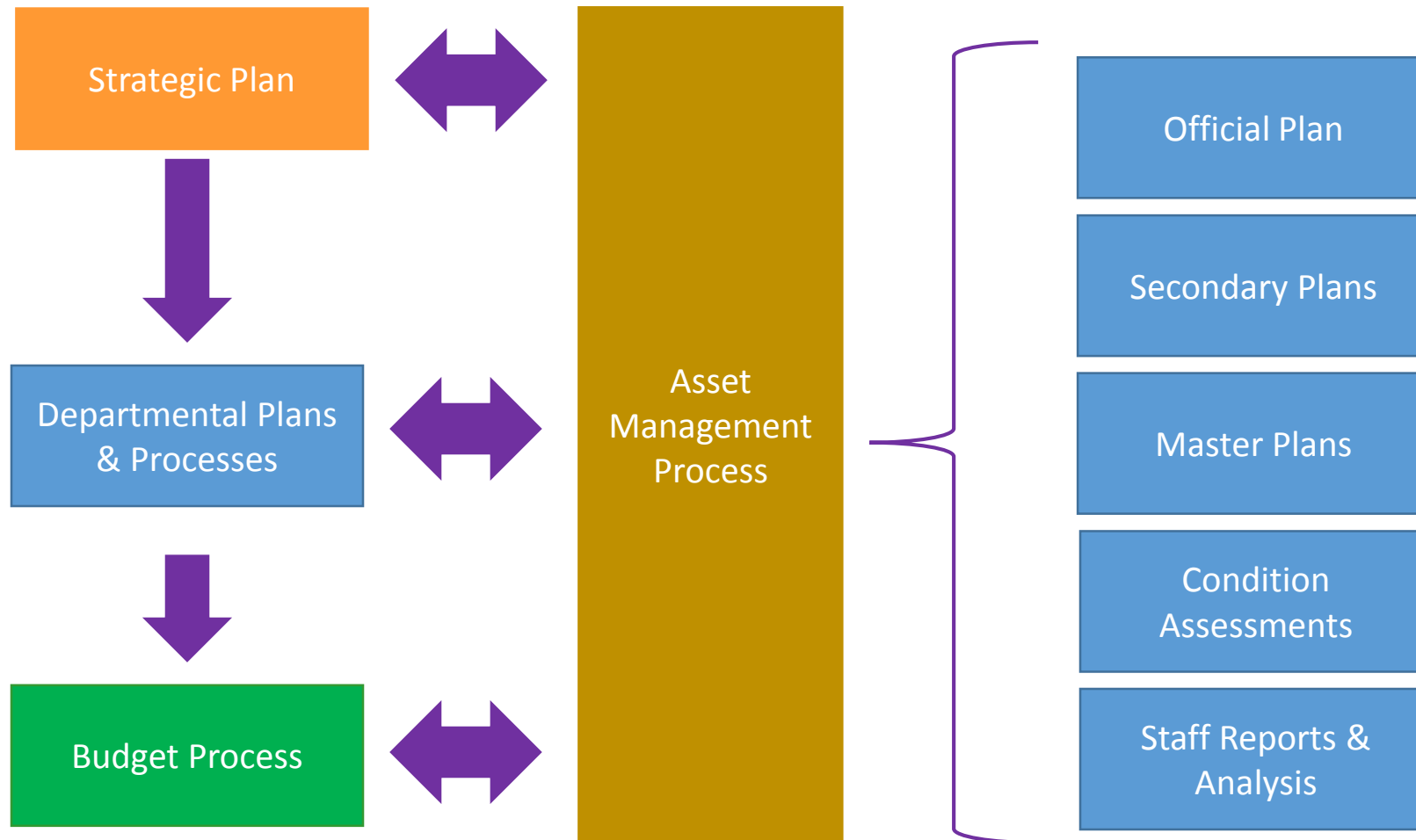
# Budget & Strategic Planning



Centre Wellington



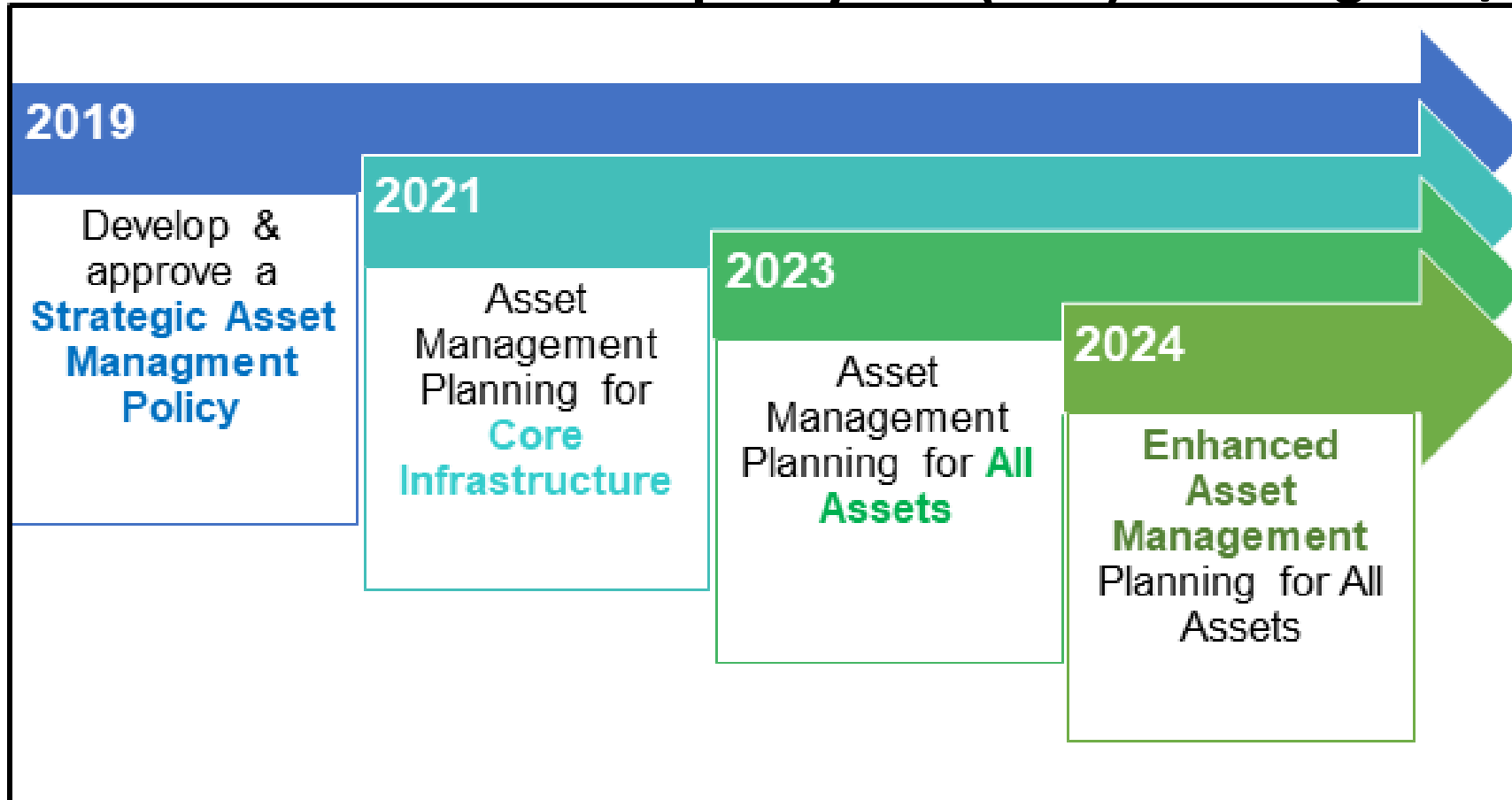
# Budget & Asset Management



# Asset Management Requirements



- **Infrastructure for Jobs and Prosperity Act (IJPA) & O.Reg 588/17:**



# Asset Management Requirements

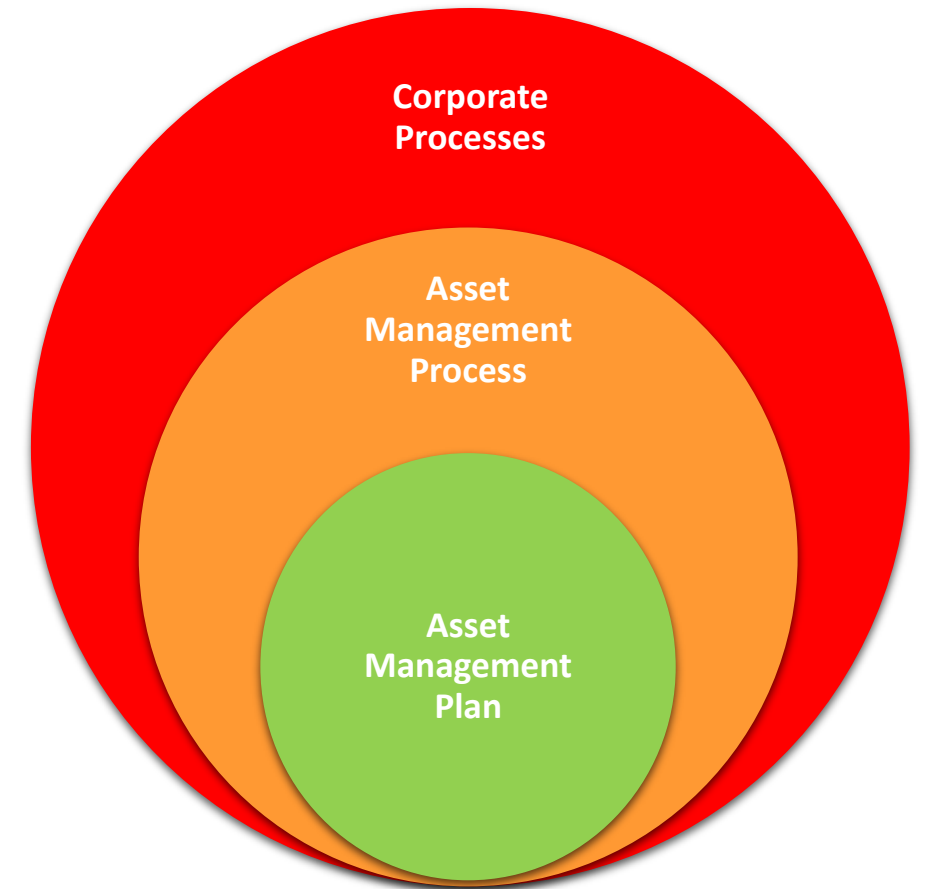


- **Provincial Grant Application Based Funding:**
  - Requires submission of an asset management plan
- **Federal Gas Tax Funding:**
  - Requires an asset management plan for all assets
- **Development Charges Act:**
  - Requires an asset management plan
    - Capital costs proposed to be funded under the DC bylaw
    - Ensure assets are “financially sustainable over their full lifecycle”



# Asset Management Benefits

- **Internal Benefits:**
  - Knowledge of assets owned
    - Replacement value, condition, etc.
  - Great planning tool
    - Linkage to budget process and strategic plan
  - Identification of priorities
    - Required for grant applications and gas tax allocations
  - Long-term identification of gaps in both asset spending and investing
    - Infrastructure gap
    - Funding gap



# Asset Management Plan



- **Prioritizing Assets:**

**Asset Risk/Criticality = Asset **Probability** of Failure X Asset **Consequence** of Failure**

<b>Asset Type</b>	<b>Consequence Variables</b>
<b>Bridges &amp; Culverts</b>	Response time, detour length, traffic counts, local access, and heritage.
<b>Roads</b>	Traffic counts, and speed limits.
<b>Water mains</b>	Land use, static pressure, trunk main vs. local main, and main diameter.
<b>Sanitary Sewer mains</b>	Main diameter, force main vs. gravity main, river crossing, proximity to water, and land use.
<b>Other Assets</b>	Criticality of the services being provided by the asset.

# Asset Management Planning

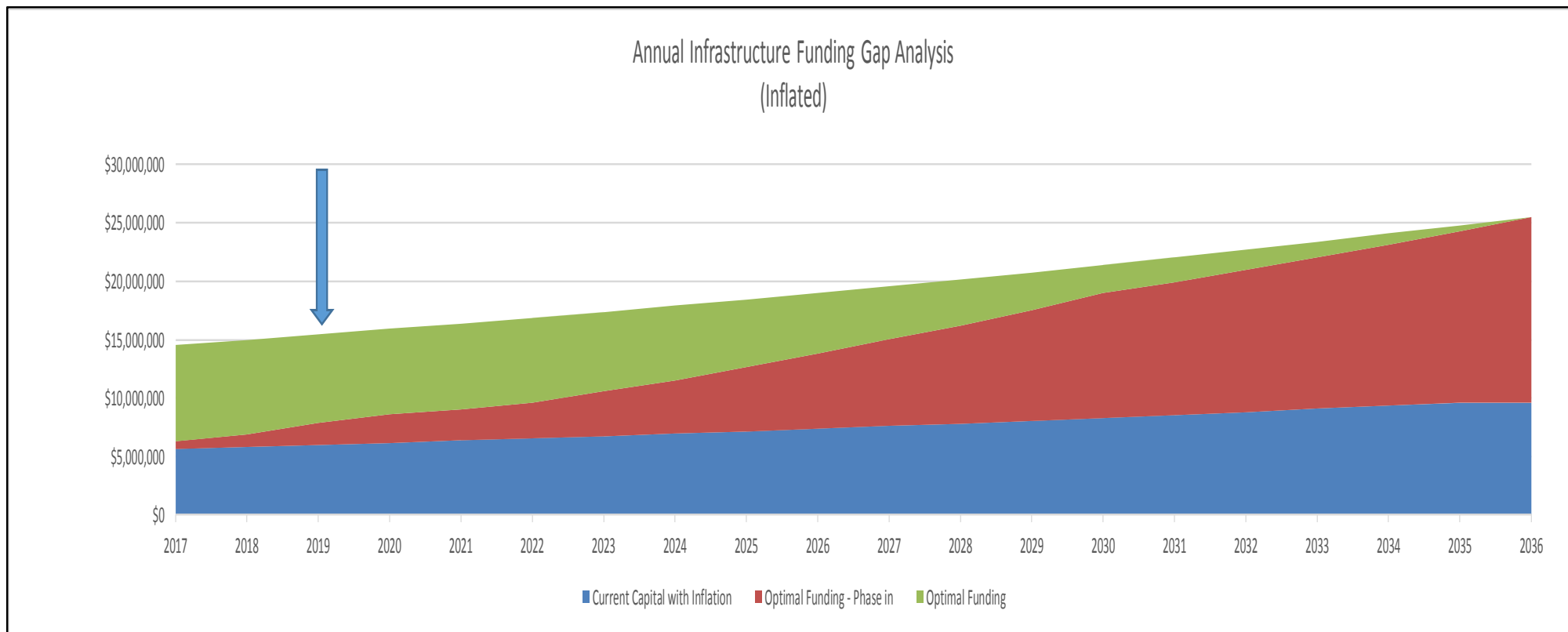
## Investment in Assets



Area	Replacement Cost (2016 \$)	Replacement Cost (2019 \$)
Tax Supported	\$ 602,300,000	\$ 658,100,000
Water Supported	\$ 114,100,000	\$ 124,700,000
Sanitary Supported	\$ 127,000,000	\$ 138,800,000
<b>Total</b>	<b>\$ 843,400,000</b>	<b>\$ 921,600,000</b>

# Asset Management Planning

## Investment in Assets



# Asset Management Planning Recommendations



## **Tax Supported**

- ***4.9% increase in taxation rates annually to 2030 (includes operating inflationary increases). 2.89% increases thereafter.***

## **Water/Sanitary Supported**

- ***Water and sanitary sewer rate increases in line with the Township approved Water & Wastewater Rate Study. The Rate Study recommends annual increases to water and sanitary sewer rates of 2.5% and 4.0% respectively.***

# Asset Management Planning

## Tax Supported – Funding Gap



Consistent Tax Supported Funding	2014 (first AM Plan)	2018 Budget	2019 Budget	2020 Forecast	2021 Forecast
Transfer to General Capital Reserve	700,500	800,500	825,000	850,000	875,000
Dedicated Capital Levy	-	915,300	1,208,200	1,482,100	1,528,500
Gas Tax Funds	794,200	850,200	855,200	855,200	894,100
OCIF Funds	-	793,377	1,216,174	1,271,559	1,271,559
OLG Funds	2,150,000	2,125,000	2,165,000	2,165,000	2,165,000
Transfer to Vehicle/Equipment Replacement	1,065,000	1,512,000	1,619,000	1,777,000	1,922,000
<b>Total</b>	<b>4,709,700</b>	<b>6,996,377</b>	<b>7,888,574</b>	<b>8,400,859</b>	<b>8,656,159</b>
<b>AM Plan Recommended Phase-In</b>	<b>-</b>	<b>6,900,000</b>	<b>7,900,000</b>	<b>8,600,000</b>	<b>9,000,000</b>
<b>Optimal Capital Investment</b>		<b>15,000,000</b>	<b>15,500,000</b>	<b>15,900,000</b>	<b>16,400,000</b>
<b>Annual Funding Gap</b>		<b>(8,003,623)</b>	<b>(7,611,426)</b>	<b>(7,499,141)</b>	<b>(7,743,841)</b>



# Asset Management Planning

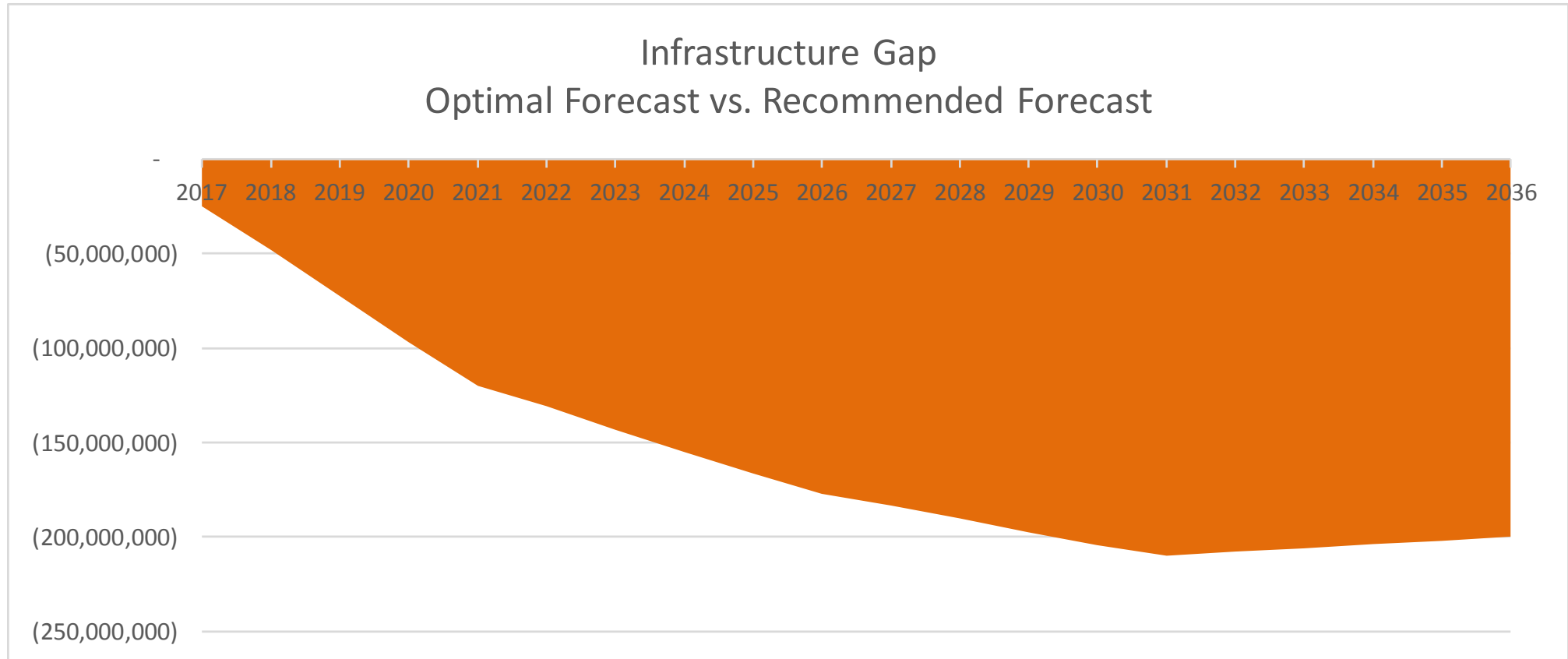
## Tax Supported – Funding Gap



	<b>A</b>	<b>B</b>	<b>C</b>	<b>A-B</b>	<b>A-C</b>
<b>Year</b>	<b>Projected Capital Investment</b>	<b>Recommended Phase-In</b>	<b>Optimal Capital Investment</b>	<b>Recommended Phase-In Gap</b>	<b>Annual Funding Gap</b>
<b>2019 Budget</b>	7,888,574	7,900,000	15,500,000	(11,426)	(7,611,426)
<b>2020 Forecast</b>	8,400,859	8,600,000	15,900,000	(199,141)	(7,499,141)
<b>2021 Forecast</b>	8,656,159	9,000,000	16,400,000	(343,841)	(7,743,841)
<b>2022</b>	TBD	9,600,000	16,900,000	TBD	TBD
<b>2023</b>	TBD	10,600,000	17,400,000	TBD	TBD
<b>2024</b>	TBD	11,500,000	17,900,000	TBD	TBD
<b>2025</b>	TBD	12,700,000	18,500,000	TBD	TBD
<b>2026</b>	TBD	13,900,000	19,000,000	TBD	TBD
<b>2027</b>	TBD	15,000,000	19,600,000	TBD	TBD
<b>2028</b>	TBD	16,200,000	20,200,000	TBD	TBD

# Asset Management Planning

## Tax Supported – Infrastructure Gap





# Budget Overview



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Sources of Funding	2019 Budget		
	Operating	Capital	Consolidated
Taxation	13,457,855	-	13,457,855
PIL and Supplementary Taxation	417,000	-	417,000
Dedicated Capital Levy	1,208,200	-	1,208,200
Water/Sanitary Sewer Fees	10,084,200	-	10,084,200
OCIF	1,216,174	-	1,216,174
OLG	2,165,000	-	2,165,000
Gas Tax	855,200	-	855,200
Building & Planning Revenue	1,336,300	-	1,336,300
Parks & Recreation User Fees	1,938,000	-	1,938,000
Development Charge Reserve Funds	1,903,158	1,541,500	3,444,658
OMPF	319,515	-	319,515
Transfers from Reserves - Operating	686,821	-	686,821
Penalty, Interest and Investment Income	1,560,000	-	1,560,000
Other User Fees and Charges	2,123,143	-	2,123,143
Debt	-	1,758,000	1,758,000
Developer Contributions	-	4,159,000	4,159,000
Transfers from Reserves - Capital	-	14,476,450	14,476,450
<b>Total Sources of Funding</b>	<b>39,270,566</b>	<b>21,934,950</b>	<b>61,205,516</b>

# Budget Overview



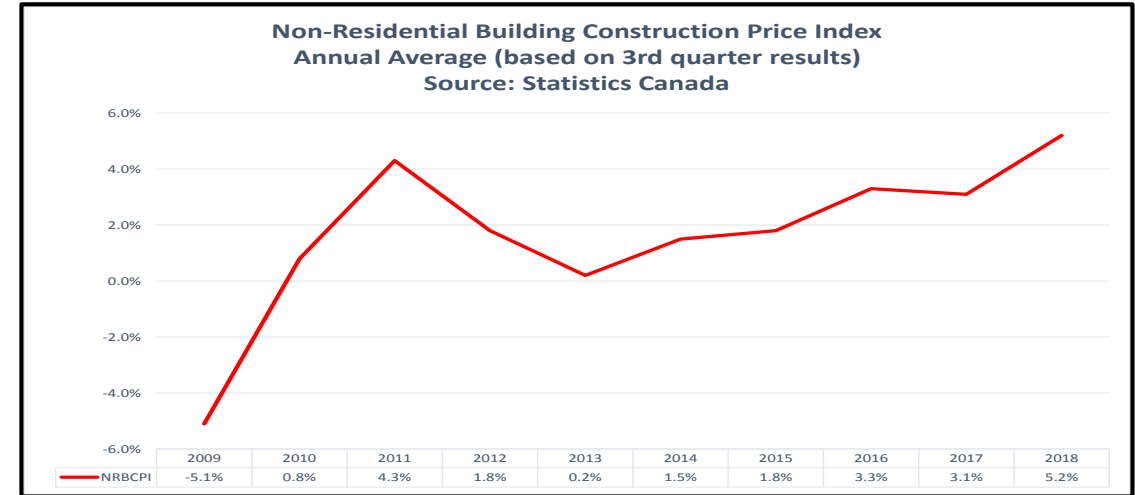
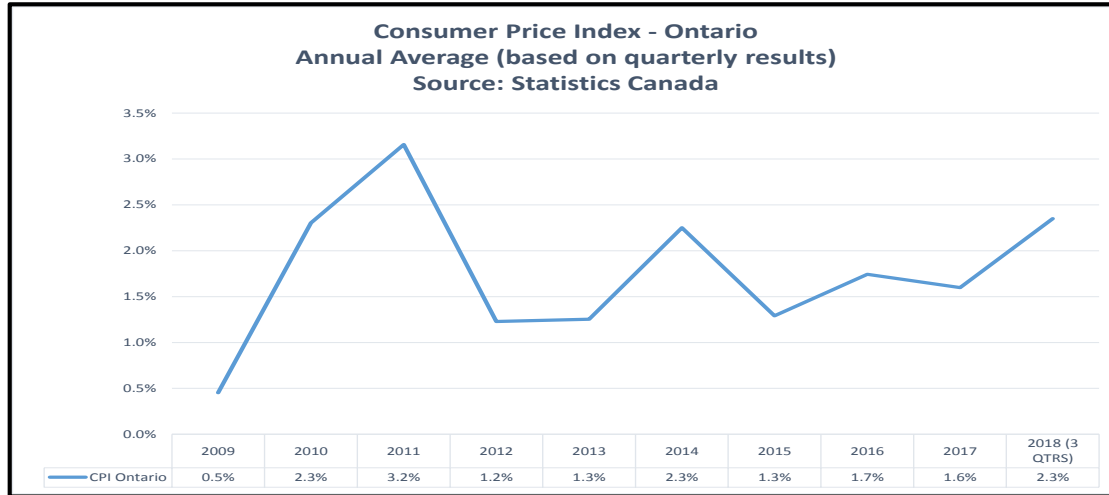
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Expenditures	2019 Budget		
	Operating	Capital	Consolidated
Wages and Benefits	14,195,503	-	14,195,503
Debt Payments - P&I	2,608,655	-	2,608,655
Transfers to Capital Reserves	12,196,826	-	12,196,826
Utilities	1,902,400	-	1,902,400
Fleet Costs	946,850	-	946,850
Insurance	862,775	-	862,775
Transfers to Reserves - Other	70,300	-	70,300
Other Purchased Goods and Services	6,487,257	-	6,487,257
Capital - Studies	-	730,000	730,000
Capital - Corporate	-	90,000	90,000
Capital - Municipal Buildings	-	10,000	10,000
Capital - Fire Services	-	402,000	402,000
Capital - Health Services	-	150,000	150,000
Capital - Transportation & Public Works	-	9,243,000	9,243,000
Capital - Sanitary Sewer	-	3,247,000	3,247,000
Capital - Waterworks	-	4,570,000	4,570,000
Capital - Parks and Recreation	-	872,000	872,000
Capital - Vehicle Replacement	-	1,309,000	1,309,000
Capital - Equipment Replacement	-	1,311,950	1,311,950
<b>Total Expenditures</b>	<b>39,270,566</b>	<b>21,934,950</b>	<b>61,205,516</b>

# Inflation Analysis



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2019 Tax Supported Operating Costs	2019 Gross Expenditures	Applicable Inflation
Operating Costs	\$ 18,632,359	2.3%
Capital Transfers-Internal	3,652,200	5.2%
Capital Transfers-External	4,236,374	5.2%
Debt Payments	940,581	0.0%
<b>Total</b>	<b>\$ 27,461,514</b>	<b>3.1%</b>

# Dedicated Capital Levy (DCL)

- How the DCL works:
  - 2% increase in taxation, compounding annually
  - Average assessed residential property:

Year	Impact	Annual DCL Impact					Total
		Y1	Y2	Y3	Y4	Y5	
• 2015	2% increase in taxation	\$17					= \$17
• 2016	2% increase in taxation	\$17 + \$18					= \$35
• 2017	2% increase in taxation	\$17 + \$18 + \$19					= \$54
• 2018	2% increase in taxation	\$17 + \$18 + \$19 + \$20					= \$74
• 2019	2% increase in taxation	\$17 + \$18 + \$19 + \$20 + \$21					= \$95

# 2019 Fees and Charges

- Regular practice to bring forward an update to fees and changes every December
- Integrated into the annual budget process
- Categories:
  - Parks & Recreation
  - Fire Services
  - Cemeteries
  - Building Services
  - Planning Services
  - Corporate Services
  - Infrastructure Services
  - Water & Wastewater
  - Township Wide

# 2019 Fees and Charges



- Fees & Charges affect the budget:
  - Play a role in estimating user fee revenues within the operating budgets
  - Funds equipment replacement within the capital budget
- Makes sense to bring forward as part of the budget process
  - Decisions on fees and charges and budget can be connected
- 2019: Fees and Charges passed in advance of the budget (report COR2018-78)
  - If a fees and charges amendment is needed, it can be brought forward subsequent to budget passage

# 2019 Fees and Charges

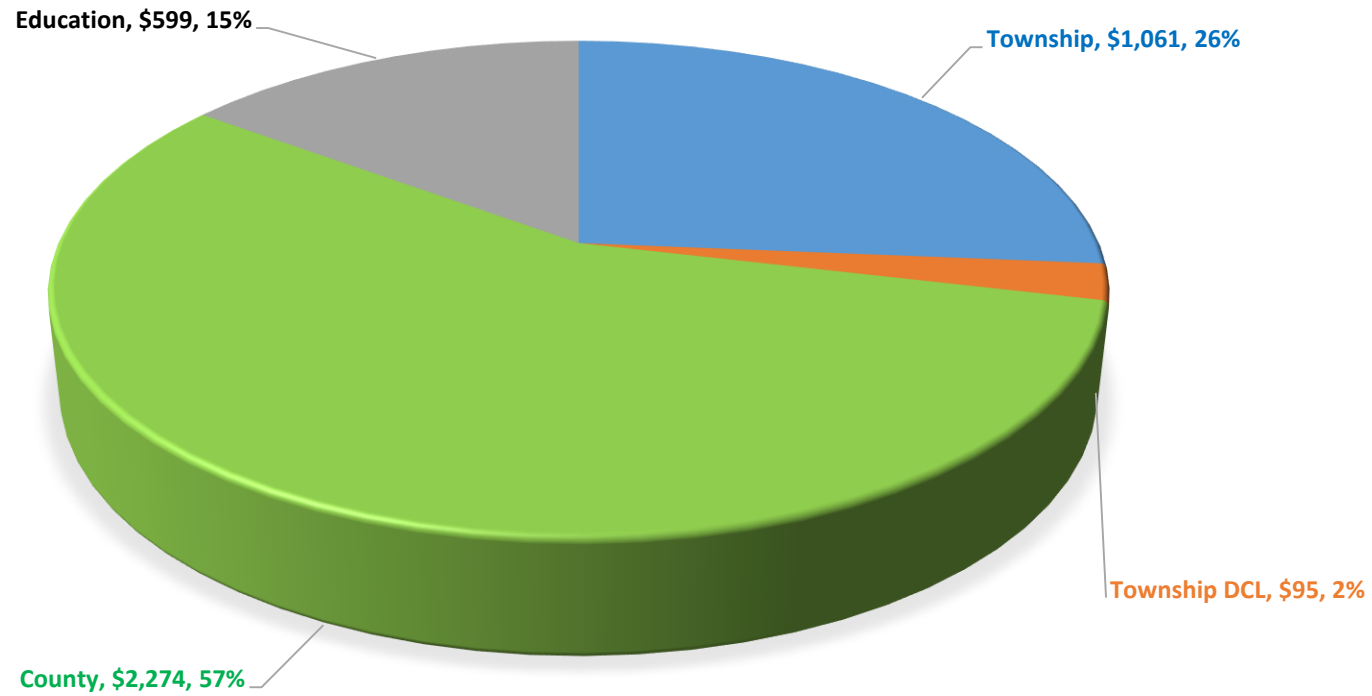


- Summary of 2019 Fees and Charge Increases:
  - **Parks & Recreation** – most fees increased 3.5% representing inflation plus additional labour increases
  - **Fire Services** – moved to hourly rate based fees
  - **Cemeteries** – fees generally increased 3.0%, with larger increases for Belsyde Cemetery for single/double lots
  - **Building & Planning Services** - fees generally increased 2.5%
  - **Corporate & Township Wide** - fees generally held at 2018 levels
  - **Infrastructure Services** - fees generally increased 2.5%
  - **Water & Sanitary** – Increase of 2.5% and 4.0% respectively, based on the approved Rate Study.

# Centre Wellington Facts

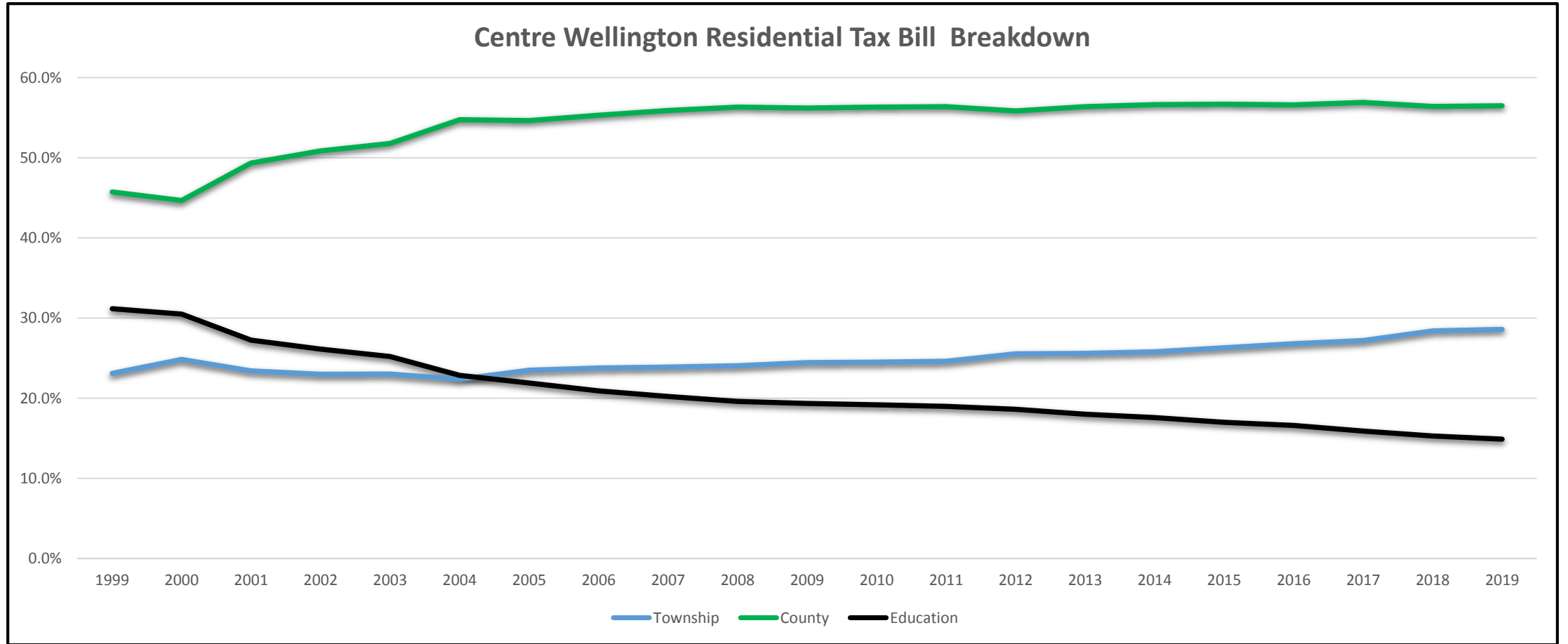


2019 Average Residential Tax Bill Breakdown





# Centre Wellington Facts

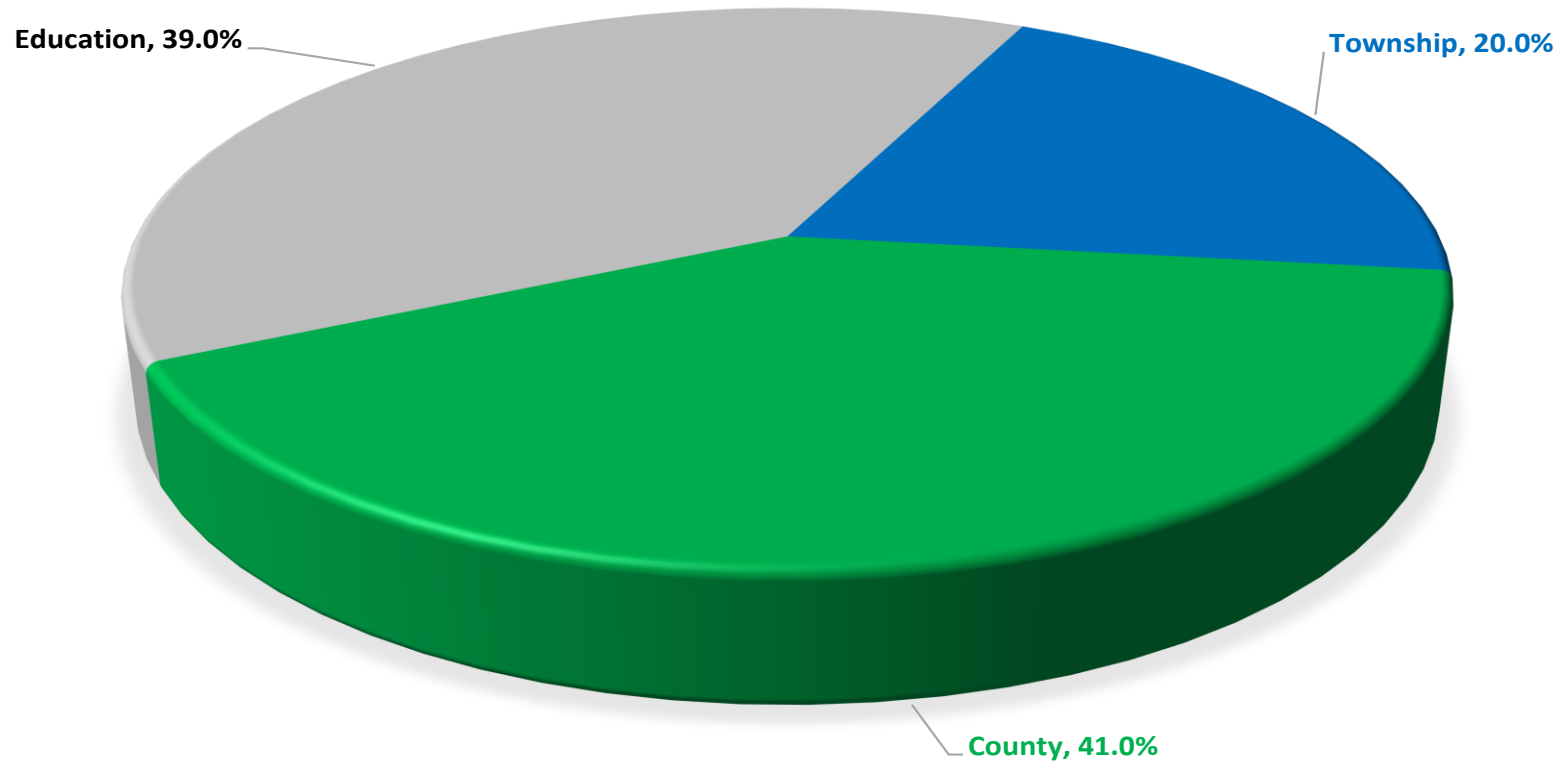


# Centre Wellington Facts



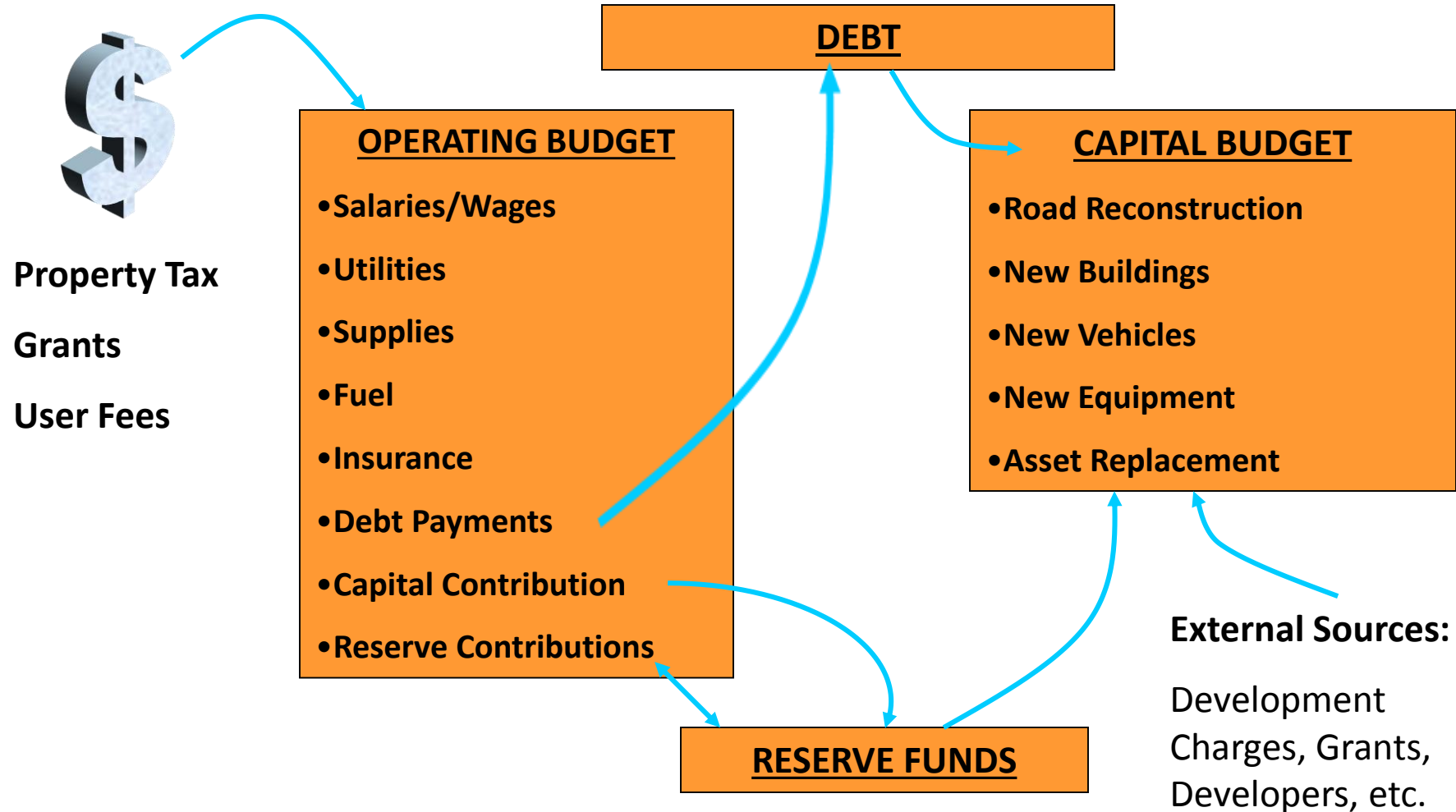
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### Average Commercial/Industrial Tax Bill Breakdown

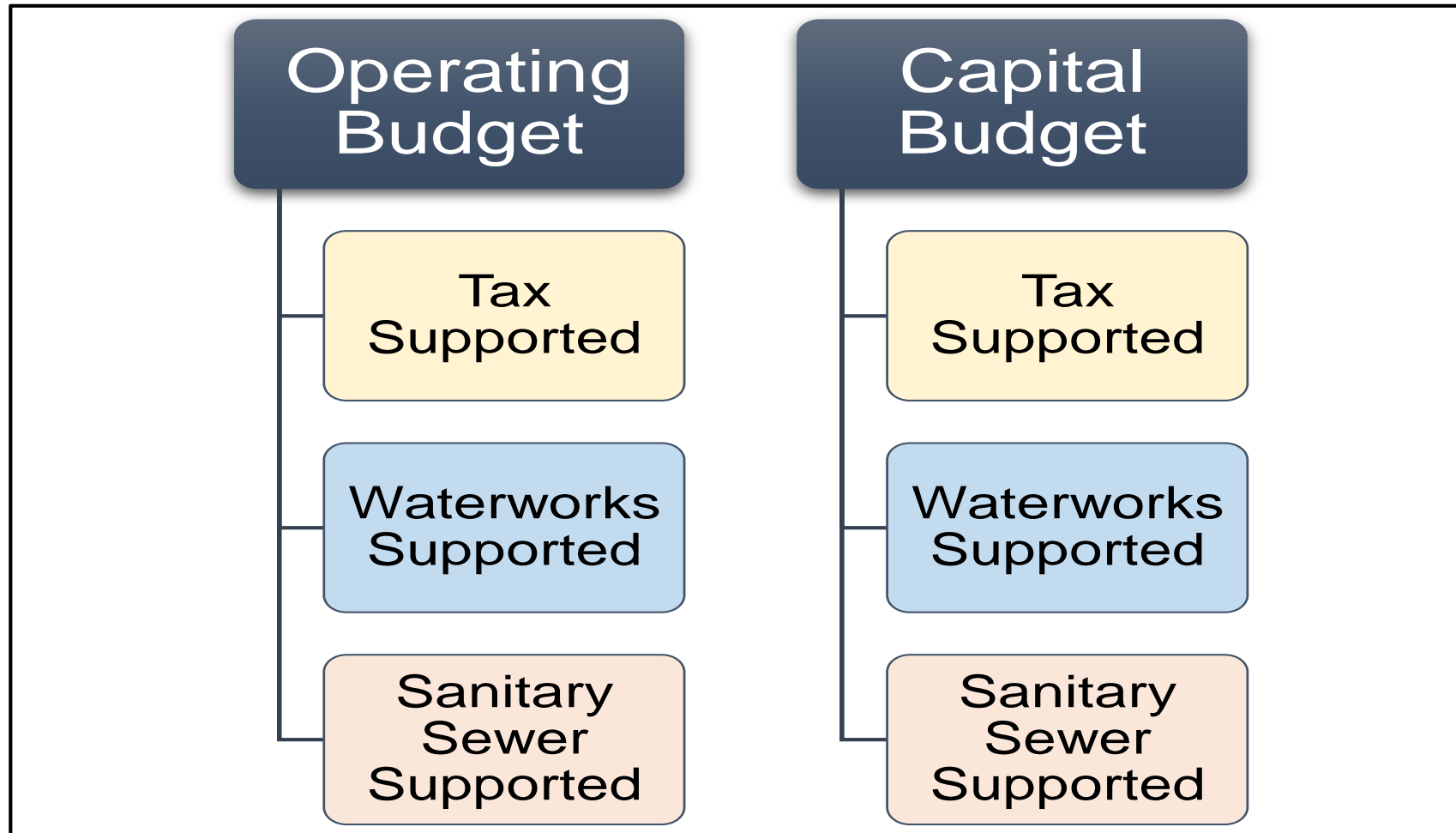




# How the Municipal Budget Works



# Operating and Capital Budgets



# 2019 TAX SUPPORTED



# OPERATING BUDGET



# 2019 Draft Operating Budget Facts



Total Operating Budget of \$39.1M funded as follows:

- Tax Supported = \$27.5M
- User Pay (Water/Sanitary Sewer) = \$11.6M

# 2019 Budget Process



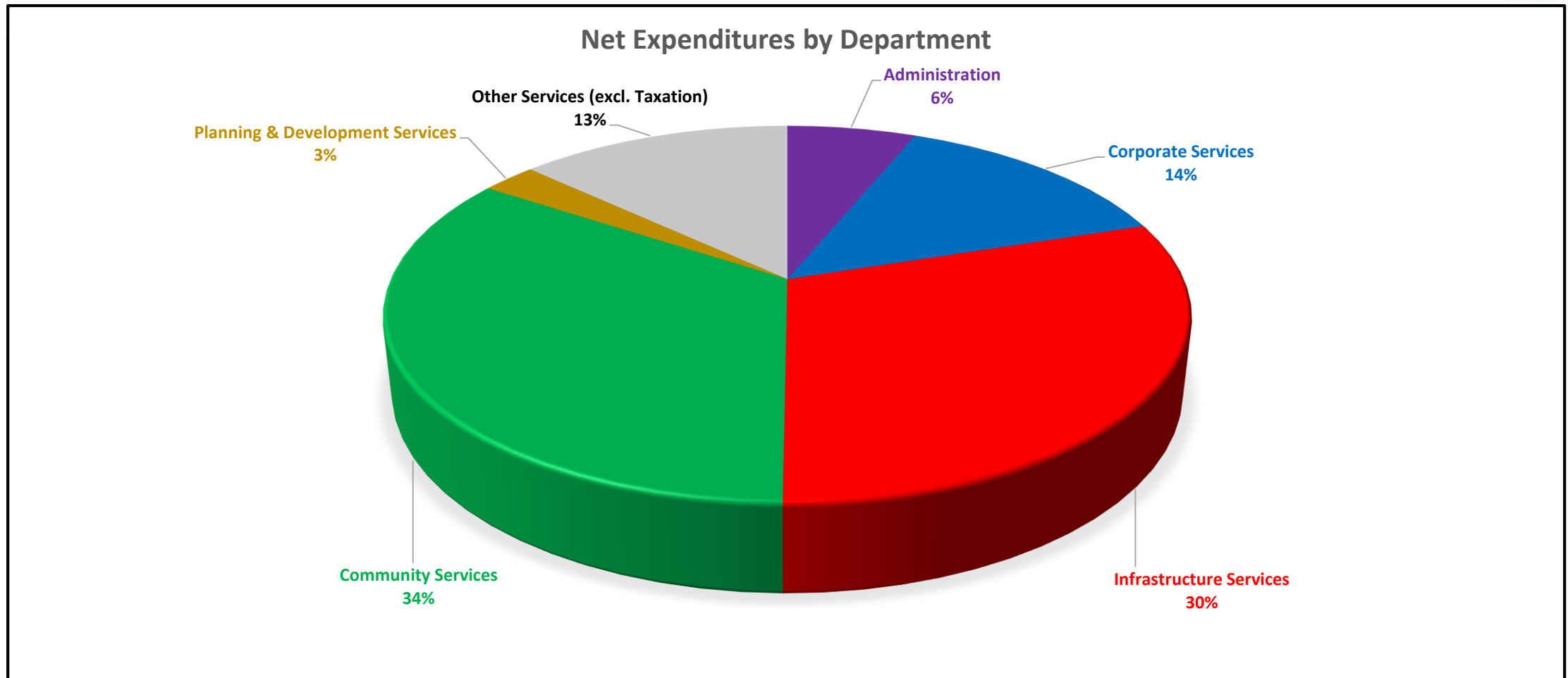
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2018	August	<ul style="list-style-type: none"> <li>- Capital budget discussions initiated at a staff level.</li> <li>- Timing of development related infrastructure determined.</li> </ul>
	September	<ul style="list-style-type: none"> <li>- Operating budget discussions initiated at a staff level.</li> <li>- Salary, wages &amp; benefit calculations for 2019 started.</li> </ul>
	October	<ul style="list-style-type: none"> <li>- Municipal Election.</li> </ul>
	November	<ul style="list-style-type: none"> <li>- Development of 10-year bridge and culvert plan.</li> <li>- Development of 10-year capital forecast.</li> <li>- Integration of Master Plans into the capital forecast.</li> </ul>
	December	<ul style="list-style-type: none"> <li>- Council inaugural meeting &amp; orientation meetings.</li> <li>- Strategic Planning development initiated by Council &amp; staff.</li> <li>- 3-year staffing strategy developed.</li> <li>- Finalization of 2019 capital budget.</li> </ul>
2019	January	<ul style="list-style-type: none"> <li>- Master Plan meetings with Council.</li> <li>- Finalization of 2019 operating budget.</li> <li>- Development of 3-year operating forecast.</li> <li>- Finalization of Draft Budget.</li> </ul>
	February	<ul style="list-style-type: none"> <li>- Budget deliberation meetings.</li> <li>- Proposed budget approval (February 25<sup>th</sup> Council meeting).</li> </ul>

# 2019 Tax Supported Operating Budget



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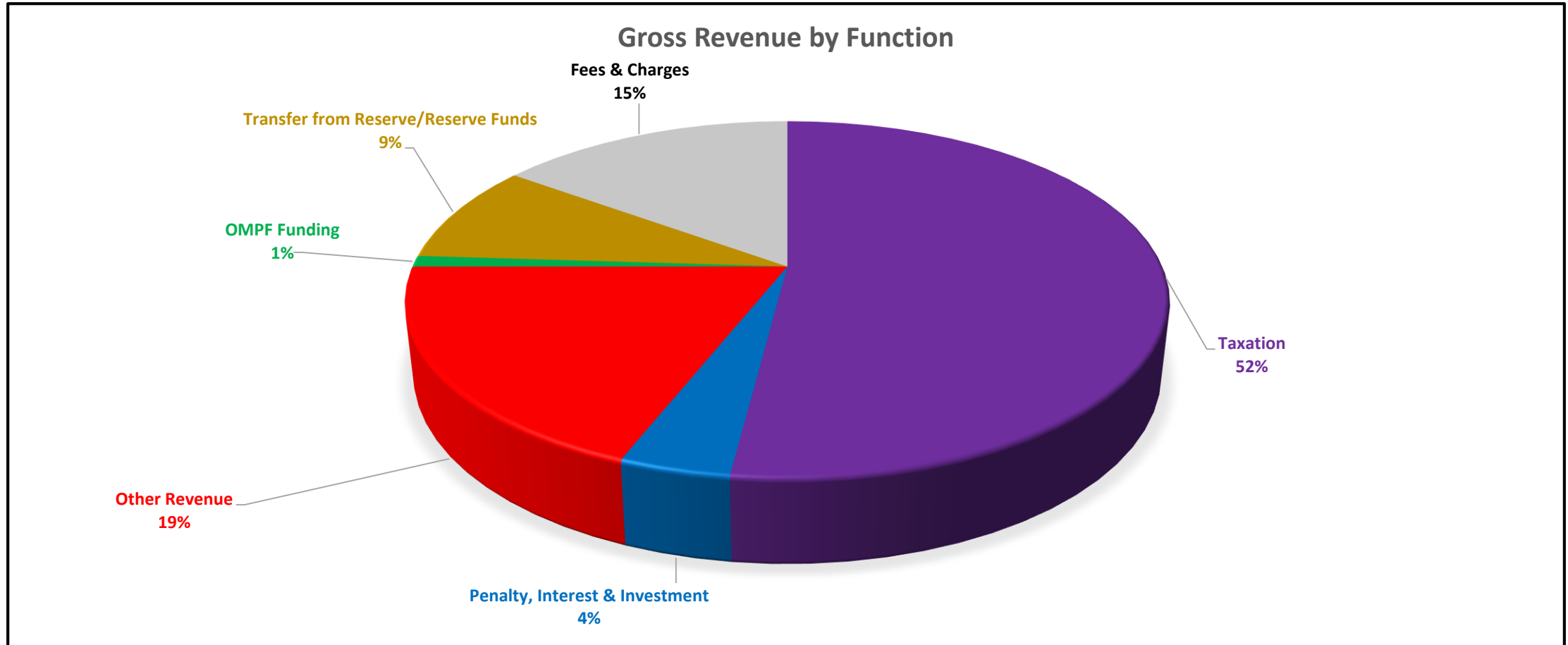




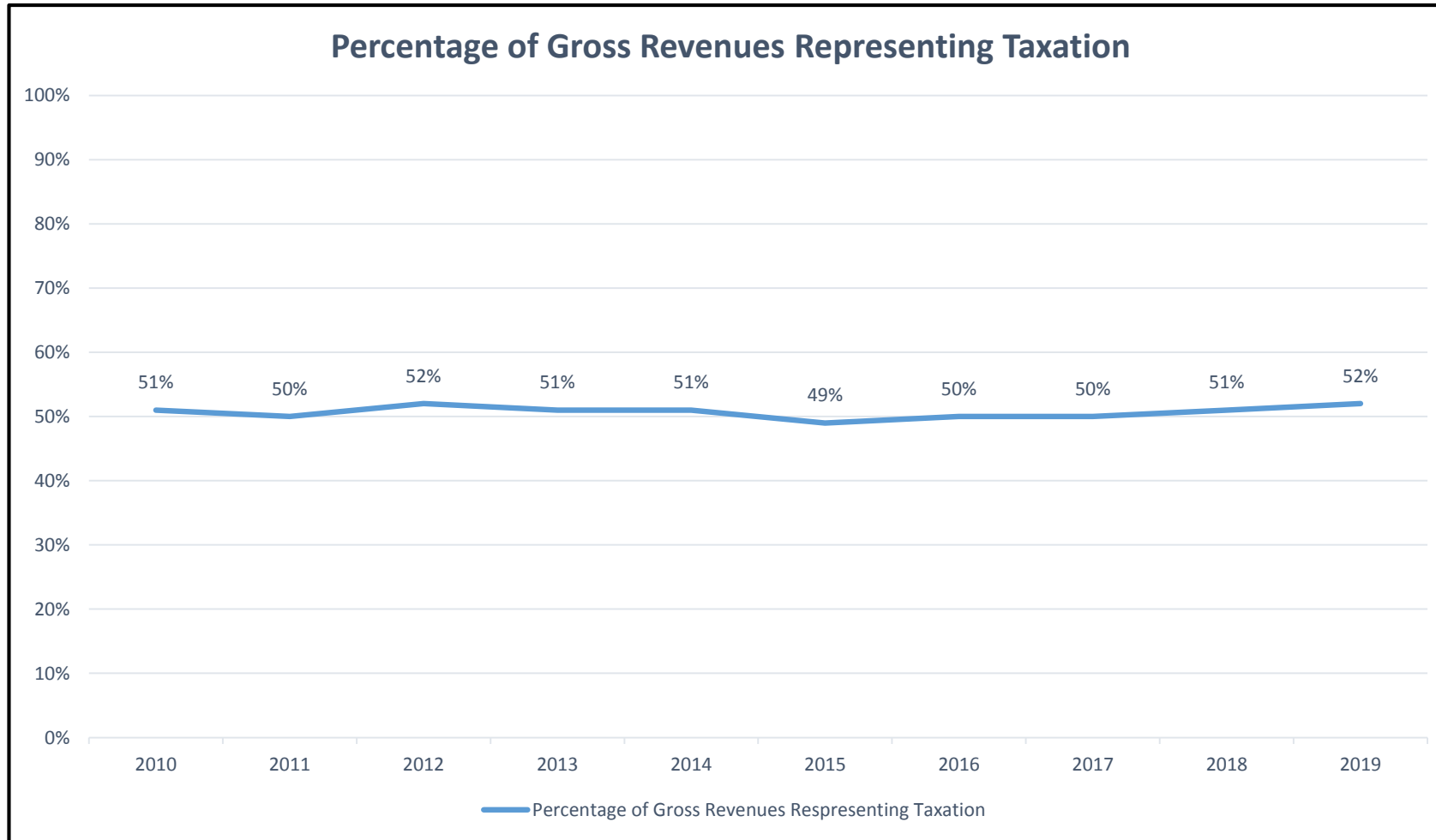
# 2019 Tax Supported Operating Budget



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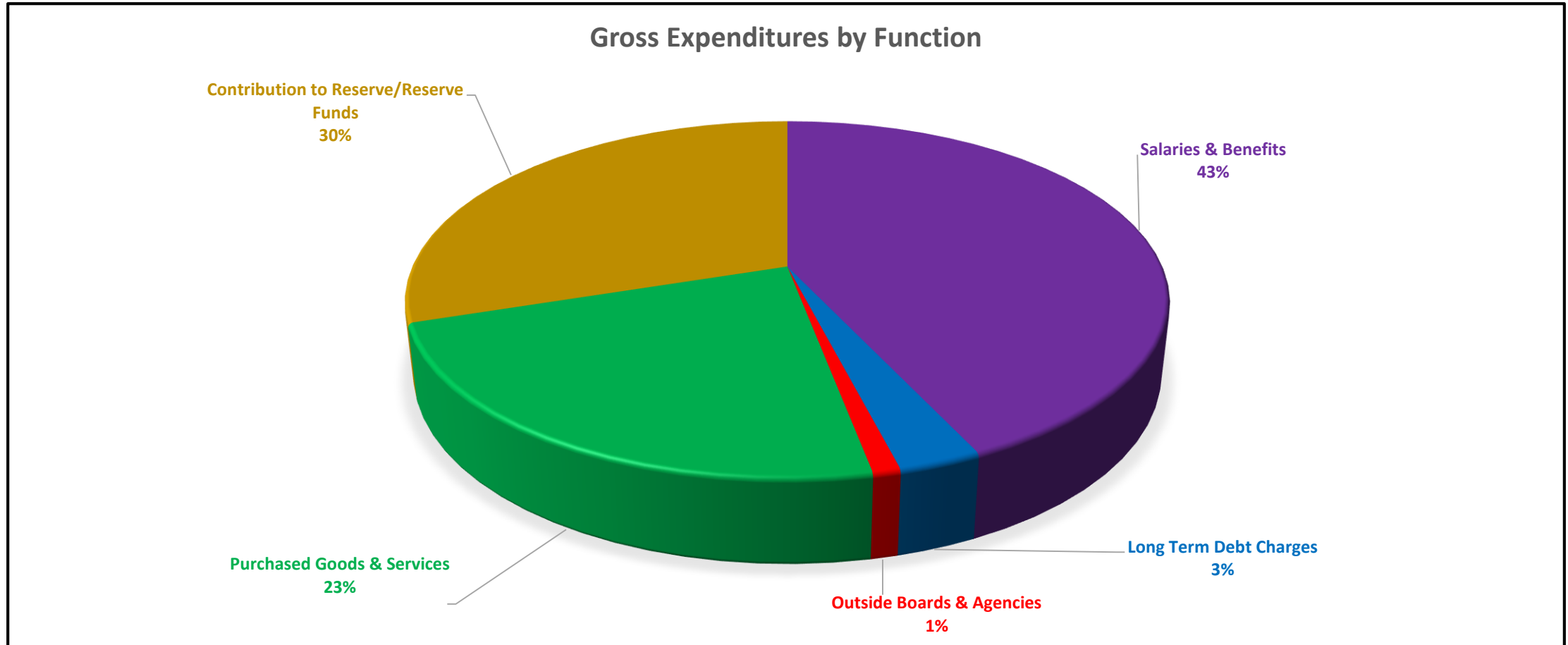
# 2019 Tax Supported Operating Budget



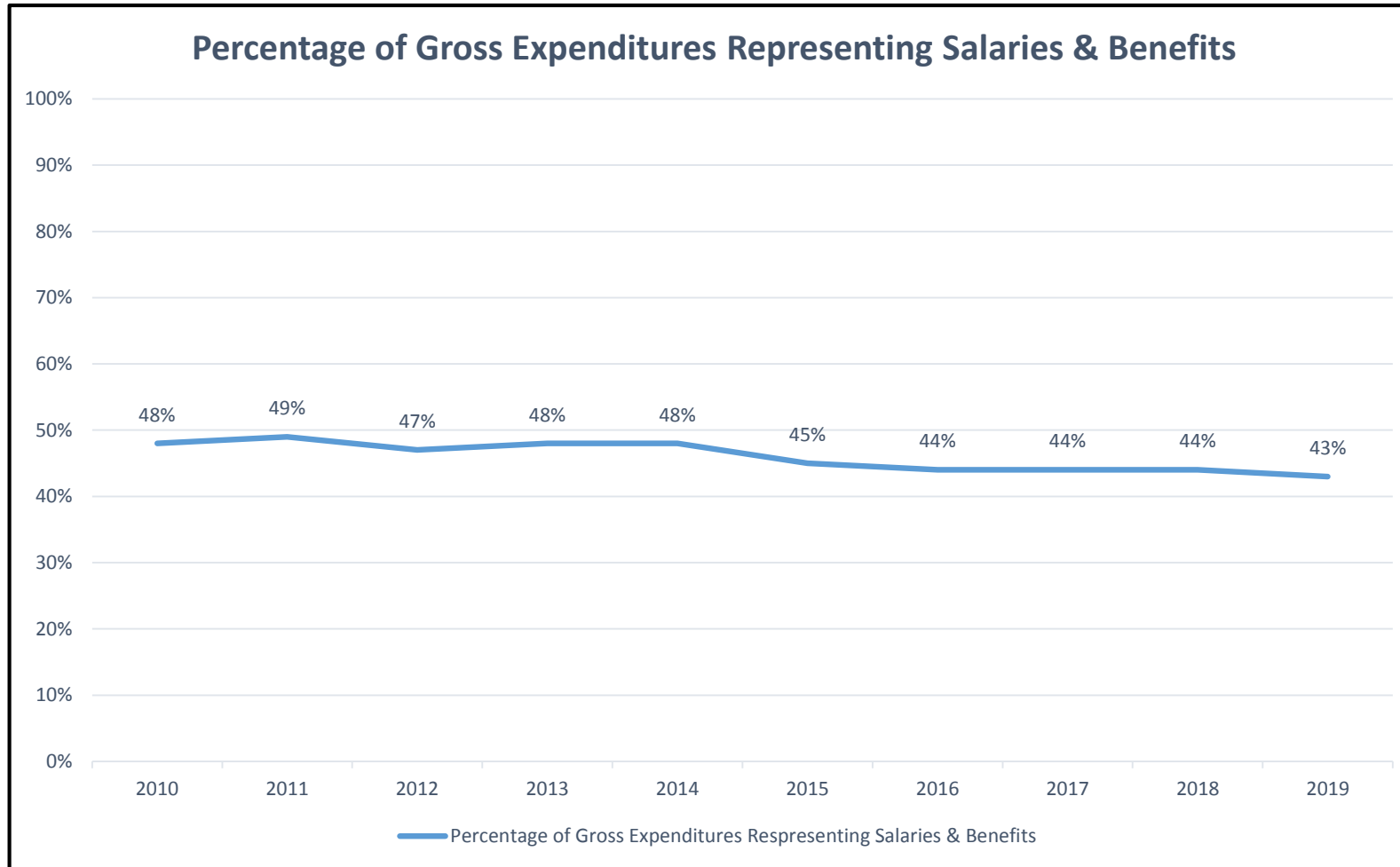
# 2019 Tax Supported Operating Budget



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# 2019 Tax Supported Operating Budget



# Funding Challenges

- Reduced government funding
- Revenue generation
- Funding legislated requirements
- Maintaining existing services
- Funding commitments
- Economic environment

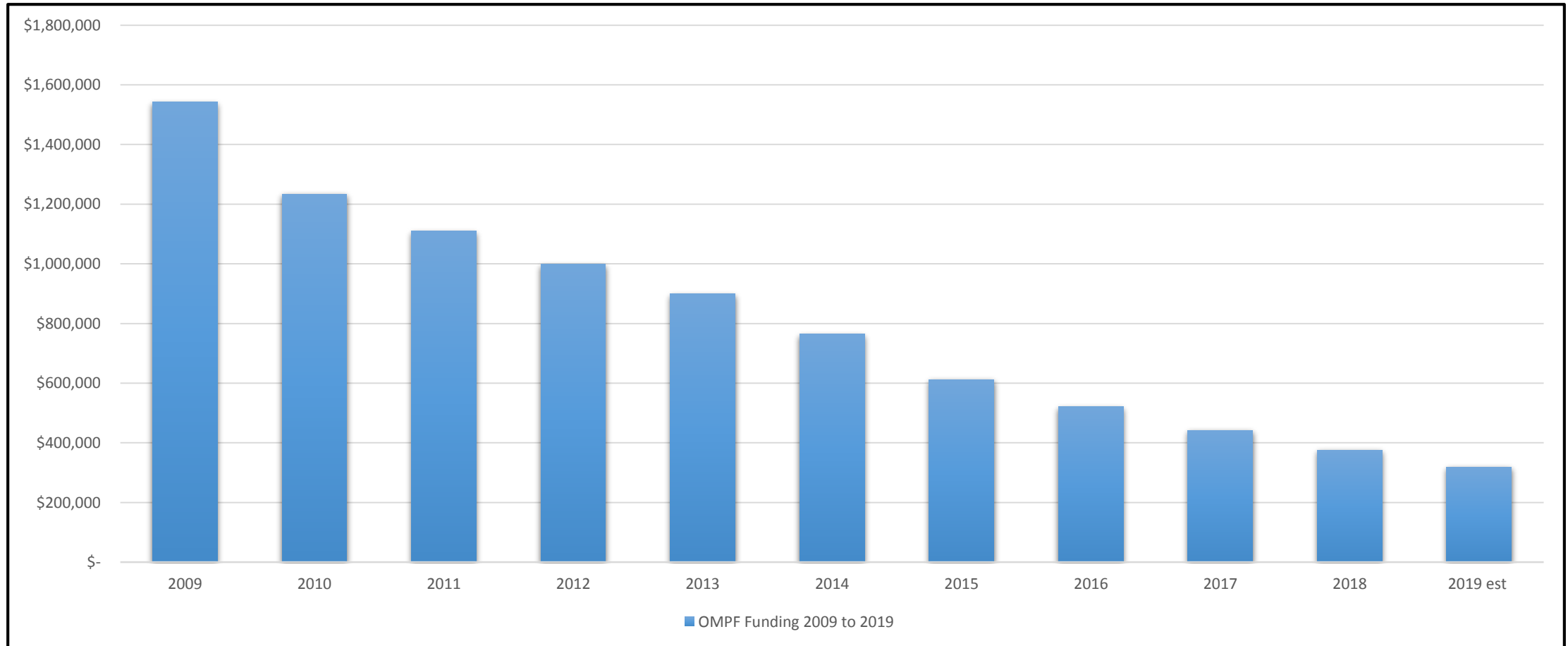
# OMPF Funding Reduction

- Province is currently reviewing the program – 2019 funding notifications have not been issued yet
- Estimated a reduction of \$56,385 to \$319,515 in 2019
- Represents a 15% decrease in funding
- OMPF funding was \$1,542,600 in 2009
- Funding reduced by approximately \$1,223,100 since 2009 (79.3%)

# OMPF Funding Reduction 2009-2019



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# OMPF Reduction Historical Tax Impact

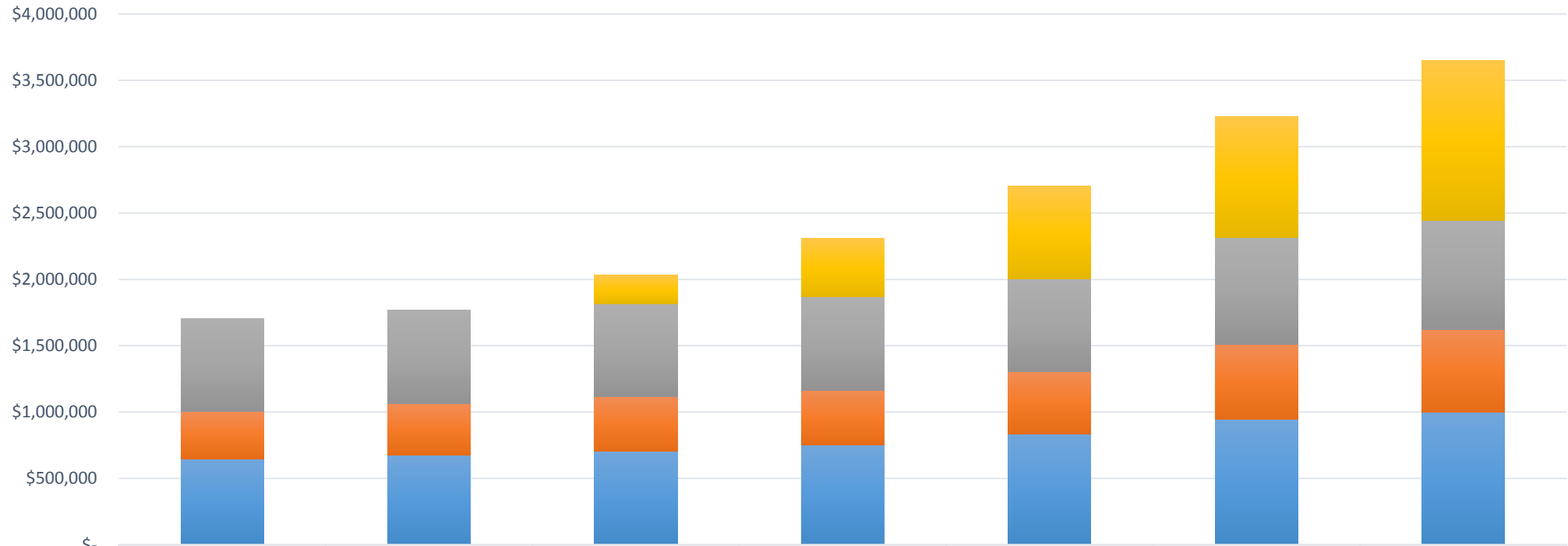


Year	Tax Rate Increase	OMPF Tax Rate Impact	Tax Rate Change Excluding OMPF Impact
2010	2.30%	3.68%	(1.38)%
2011	2.75%	1.40%	1.35%
2012	6.42%	1.21%	5.21% (Note 1)
2013	2.11%	1.02%	1.09%
2014	1.90%	1.31%	0.59%
2015	2.51%	1.43%	1.08%
2016	1.89%	0.83%	1.06%
2017	1.89%	0.67%	1.22%
2018	1.80%	0.53%	1.27%
2019 (Draft)	2.20%	0.43%	1.77%

Note 1 – Includes a \$450,000 (4.92%) increase in contributions to the capital budget.



# Tax Supported Contributions to Capital (Internal) from the Operating Budget



	2013	2014	2015	2016	2017	2018	2019
■ Dedicated Capital Levy	\$-	\$-	\$213,728	\$444,850	\$695,900	\$915,300	\$1,208,200
■ Contribution to Capital	\$700,500	\$700,500	\$700,500	\$700,500	\$700,500	\$800,500	\$825,000
■ Equipment Replacement	\$357,000	\$387,000	\$408,000	\$416,000	\$466,000	\$563,000	\$618,000
■ Vehicle Replacement	\$648,000	\$678,000	\$708,000	\$750,000	\$838,000	\$949,000	\$1,001,000

# Tax Supported Contributions to Capital (External) from the Operating Budget



Description	2018 Budget	2019 Budget	Increase
OCIF Funding	\$793,380	\$1,216,174	\$422,794
OLG Funds	\$2,125,000	\$2,165,000	\$40,000
Gas Tax Funds	\$850,200	\$855,200	\$5,000
<b>Total</b>	<b>\$3,768,580</b>	<b>\$4,236,374</b>	<b>\$467,794</b>

# Impact Areas



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Area	\$ Impact	% Impact on Tax Rate
Wages and Benefits Increase	644,600	4.90%
Increase in IT&S Corporate Support	65,200	0.50%
Decrease in OMPF Grant	56,400	0.43%
Transfer to Equipment Replacement Reserve	55,000	0.42%
Transfer to Vehicle Replacement Reserve	52,000	0.39%
Increase in Insurance Premiums	44,300	0.34%
Decrease in P&R Event Administration Revenue	34,000	0.26%
Decrease in Sponsorship Revenue for P&R Facilities	25,000	0.19%
Increase in Gravel Resurfacing Materials	25,000	0.19%
Increase in the Contribution to General Capital Reserve	24,500	0.19%
Increase in Repair & Maintenance Costs at Sportsplex and ECC	22,500	0.17%
Increase in P&R Vehicle Expenditures	15,500	0.12%
Increase in Winter Control Materials	15,000	0.11%
Increase in Stray Animal Control Costs	14,800	0.11%
Decrease in Hydro and Water Expenses	(16,100)	-0.12%
Increase in Supplementary Taxation Revenue	(30,000)	-0.23%
Increase in General Administration Costs Allocated to the Environmental Budget	(76,000)	-0.58%
Increase in P&R Facilities and Parks Revenue	(80,600)	-0.61%
Increase in Investment Revenue	(183,800)	-1.40%
Net Increase in Other Minor Items	46,255	0.35%
<b>Net Increase in Tax Rate Before Assessment Growth</b>	<b>753,555</b>	<b>5.72%</b>
<b>Less: Assessment Growth</b>	<b>(463,559)</b>	<b>-3.65%</b>
<b>Net Increase in Tax Levy/Rate Due to Items Listed Above</b>	<b>289,996</b>	<b>2.20%</b>

# Paying for Growth



<b>2019 Growth Related Impact Areas</b>	<b>Amount</b>
Staffing Strategy Implementations	\$254,500
Fire Master Plan Implementation (excluding new VFF wages)	76,300
Increase in Contribution to General Capital Reserve	24,500
Increase in Contributions to Vehicle/Equipment Replacement	107,000
<b>Total per Above</b>	<b>\$462,300</b>
<b>Total 2019 Assessment Growth</b>	<b>\$463,600</b>

# 2019 Staffing Strategy



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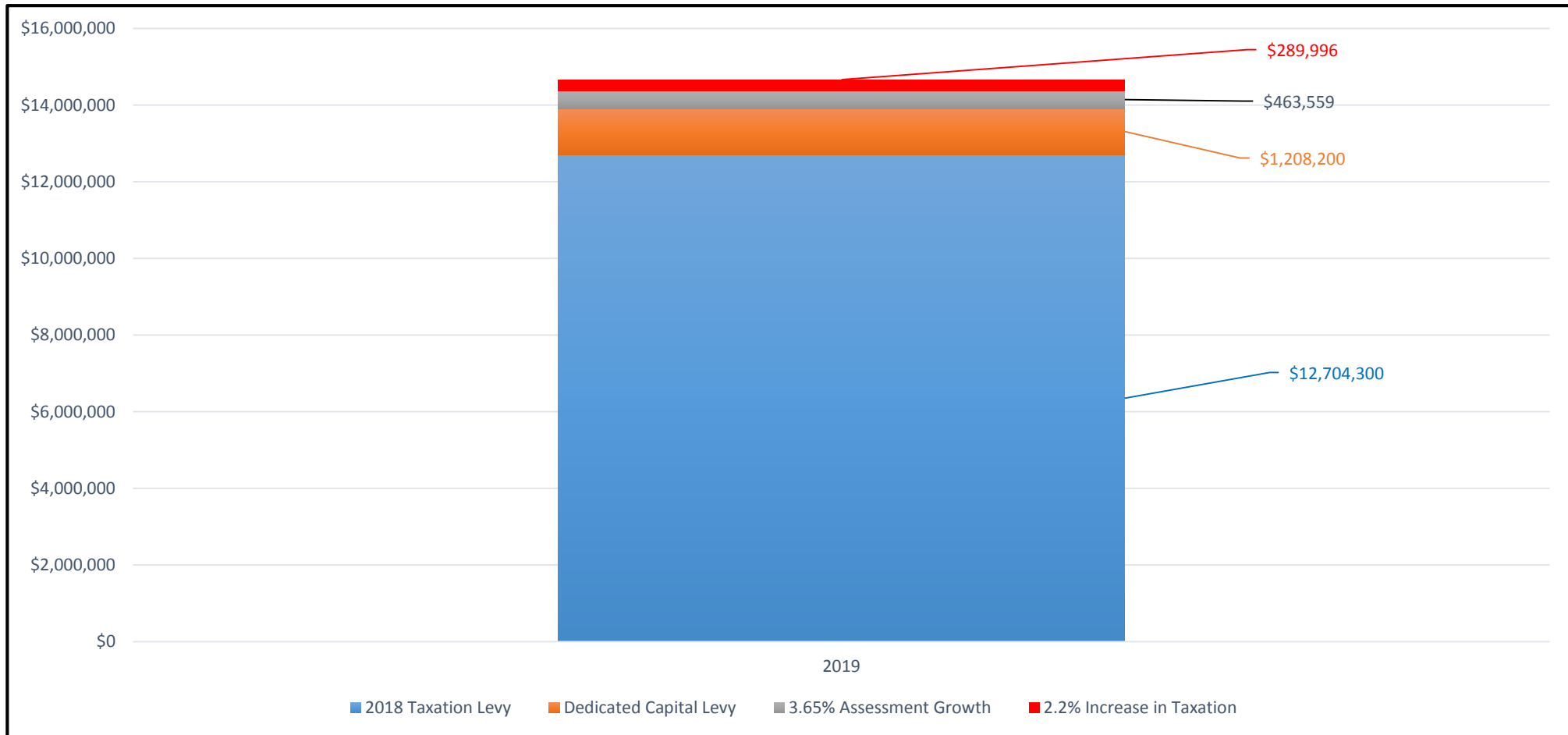
2019 Budget			
Department	Position	Position Status	
Administration	Digital Media Associate	Temporary	Part time
Community Services	Volunteer Firefighters (6)	Permanent	On-Call
Community Services	Customer Service Representative - Theatre	Temporary	Part time
Community Services	Co-op Student - Forestry	Temporary	Full time
Community Services	Summer Student - Horticulture	Temporary	Full time
Community Services	Summer Students - Parks (2)	Temporary	Full time
Community Services	Tourism Downtown Student Ambassadors (4)	Temporary	Part time
Corporate Services	Legislative Services Coordinator	Permanent	Full time
Infrastructure Services	Crossing Guard	Temporary	Part time

2020 Proposed for Approval with 2019 Budget			
Department	Position	Position Status	
Community Services	Landscape Technician/Urban Forestry Project Manager	Permanent	Full time
Infrastructure Services	Asset Management and Capital Project Manager	Permanent	Full time

# Analysis of 2019 Taxation Levy




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# Analysis of 2019 Taxation Levy

Tax Analysis: Average (Typical) Assessed Residential Property for 2019:

 <p><b>2019 Average Assessed Residential Property:</b> <b>\$372,746</b></p>		<u>\$</u>	<u>%</u>
	2018 Township Taxation Levy	\$ 1,038	
	Add: Levy Change (2019 Budget)	\$ 23	2.20%
	2019 Township Taxation Levy	\$ 1,061	
	2018 Township Dedicated Capital Levy	\$ 74	
	Add: Levy Change (2019 Budget)	\$ 21	2.00%
	2019 Dedicated Capital Levy	\$ 95	
	2019 Total Township Taxation Levy	\$ 1,156	
	2019 County Taxation Levy <sup>1</sup>	\$ 2,274	2.80%
	2019 Education Taxation Levy	\$ 599	0.00%
<b>2019 Total Taxation Levy</b>	<b>\$ 4,029</b>	<b>2.69%</b>	

1 - County Levy: 2.8% increase, based on draft 2019 budget.

# 3-Year Operating Forecast



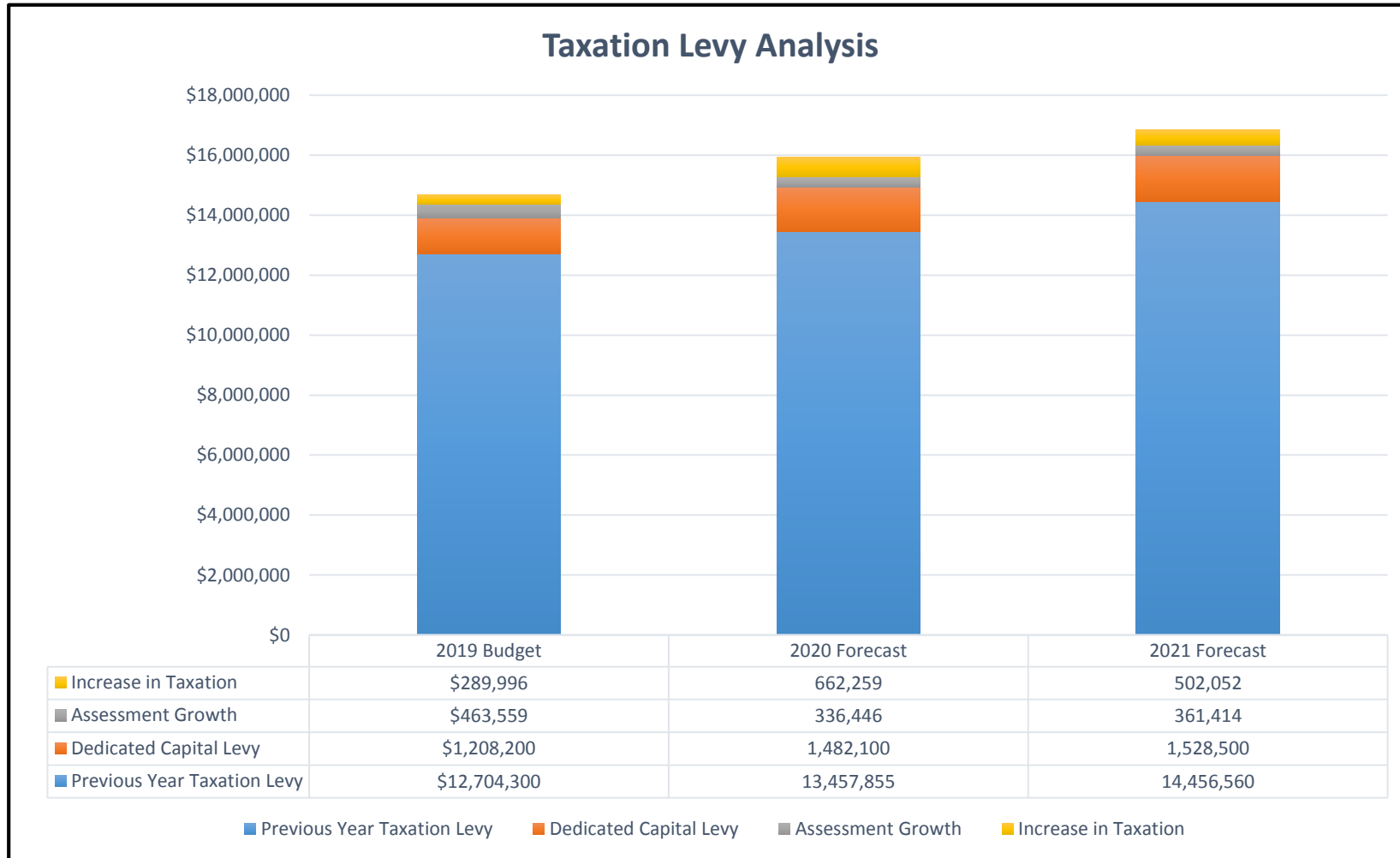
	<u>2019</u>	<u>2020</u>	<u>2021</u>
Prior Year's Taxation Levy	12,704,300	13,457,855	14,456,560
Add: Assessment Growth	463,559	336,446	361,414
<b>Total Taxation Levy with Growth</b>	<b>13,167,859</b>	<b>13,794,301</b>	<b>14,817,974</b>
Total Taxation Requirements (above)	13,457,855	14,456,560	15,320,026
<b>\$ Increase</b>	<b>289,996</b>	<b>662,259</b>	<b>502,052</b>
<b>% Increase</b>	<b>2.2%</b>	<b>4.8%</b>	<b>3.4%</b>
<b>Dedicated Capital Levy % Increase</b>	<b>2.0%</b>	<b>2.0%</b>	<b>0.3%</b>
<b>Total % Increase</b>	<b>4.2%</b>	<b>6.8%</b>	<b>3.7%</b>



# 3-Year Operating Forecast



Centre Wellington





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# 2019 DRAFT CAPITAL BUDGET



# 2019 Capital Budget Process

## Capital Budget and Forecast

- Utilized Council's Priorities and Initiatives 2015-18 plan
- Incorporates study results:
  - Asset Management Plan
  - DC Background Study
  - roads and bridges condition assessments
- Incorporates various master plans:
  - Fire Master Plan
  - Parks, Recreation, & Culture Master Plan
  - Trails Master Plan
  - Culture Action Plan
  - Transportation Master Plan (draft)
  - Long-term Water Supply Master Plan (in progress)

# 2019 Capital Budget Process



- Projects further prioritized based on specific criteria:
  - Mandatory
  - Critical for safety or potential service disruption reasons
  - Efficiencies/cost savings
  - Lifecycle
- Financial restrictions:
  - \$1.5M of Development Charges available
  - \$4M of Gas Tax, OLG and Taxation funds available
  - \$2.4M of Dedicated Capital Levy and OCIF funds for structures
  - Water and Sewer Reserves for water and sewer capital projects
  - Vehicle and Equipment Replacement Reserves fund the lifecycle schedules

# 2019 Draft Capital Budget Facts



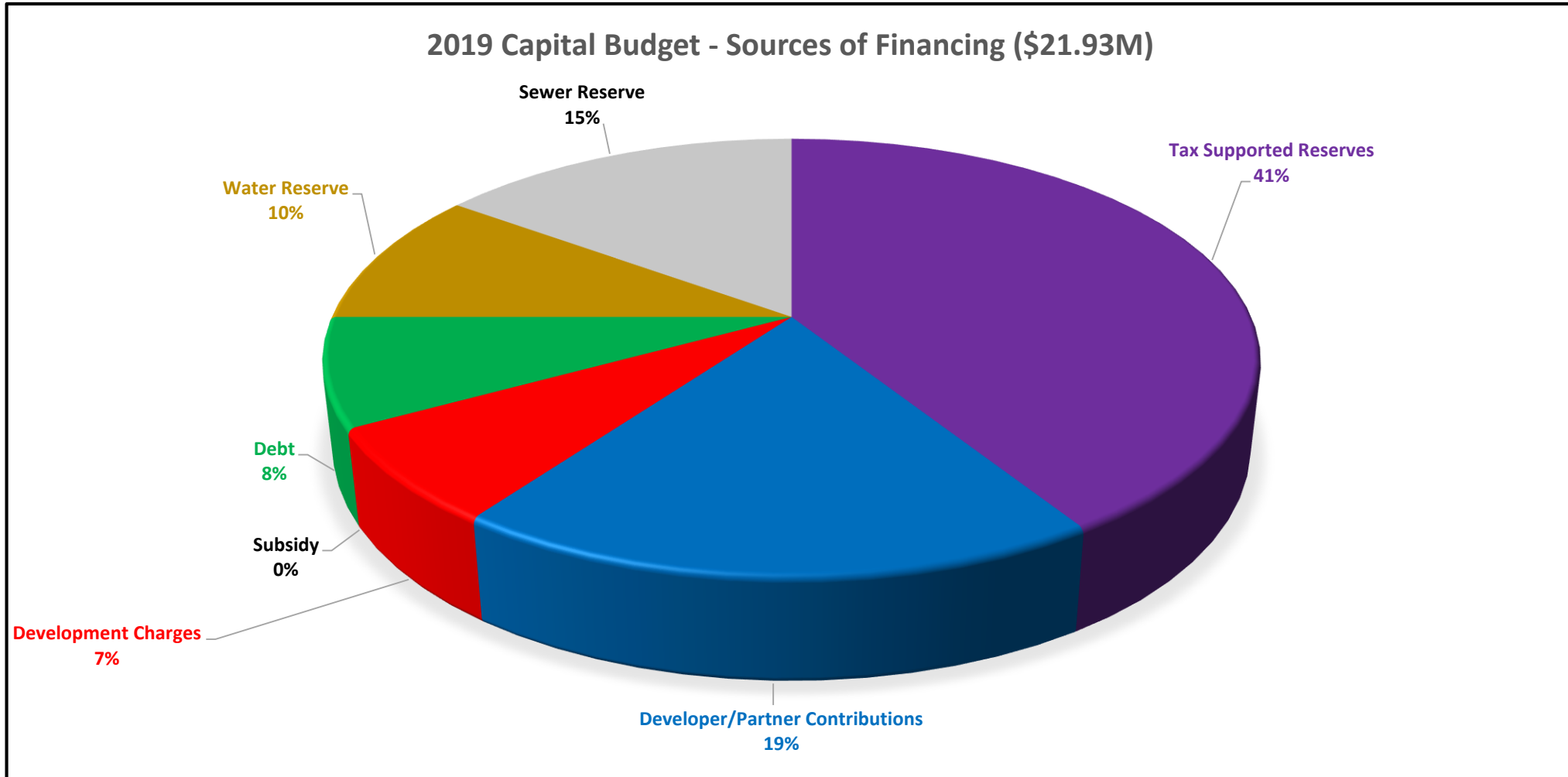
Total Capital Budget of \$21.93M funded as follows:

- Tax Supported = \$13.76M
- User Pay (Water/Sanitary Sewer) = \$8.17M

# 2019 Capital Budget



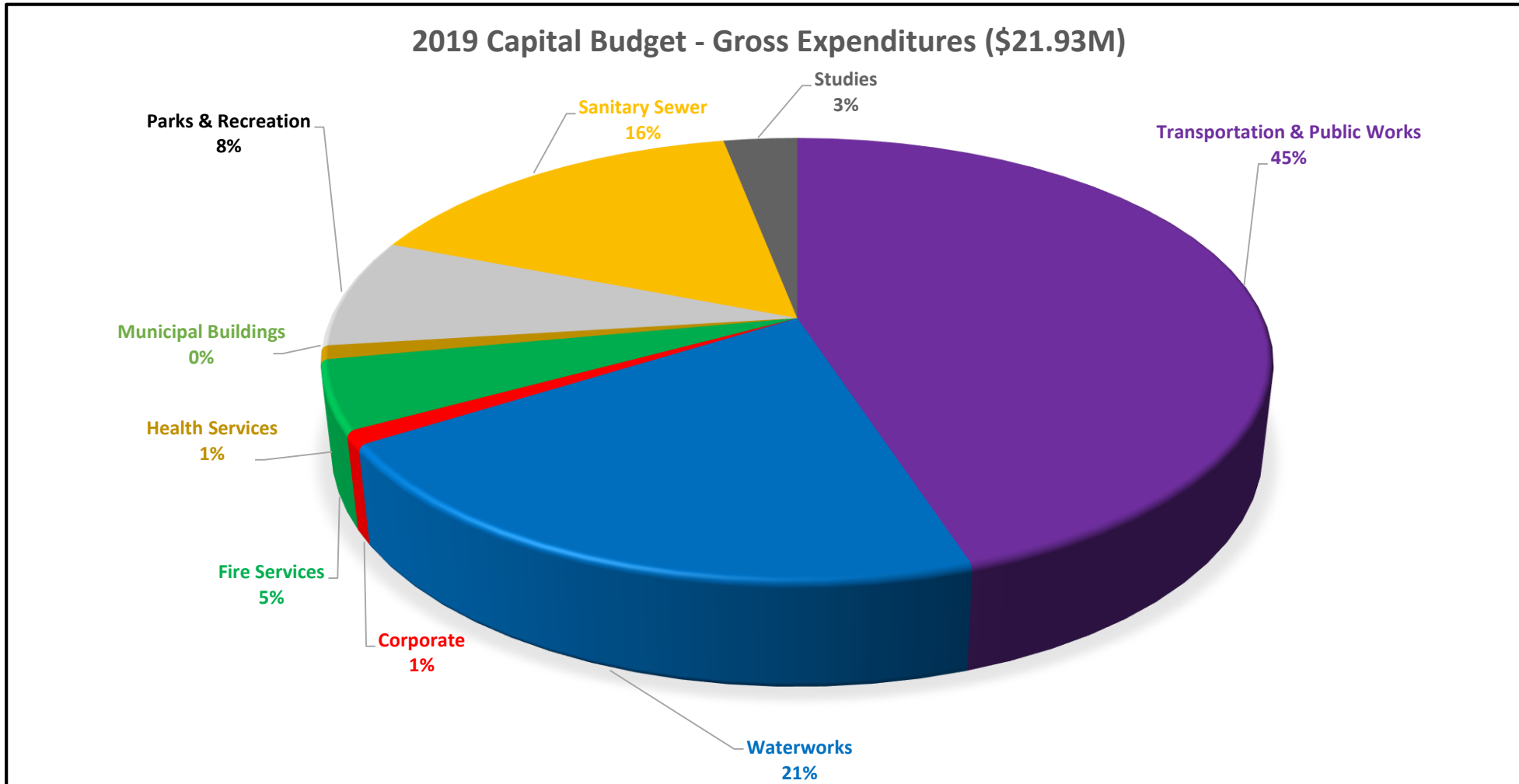
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# 2019 Capital Budget



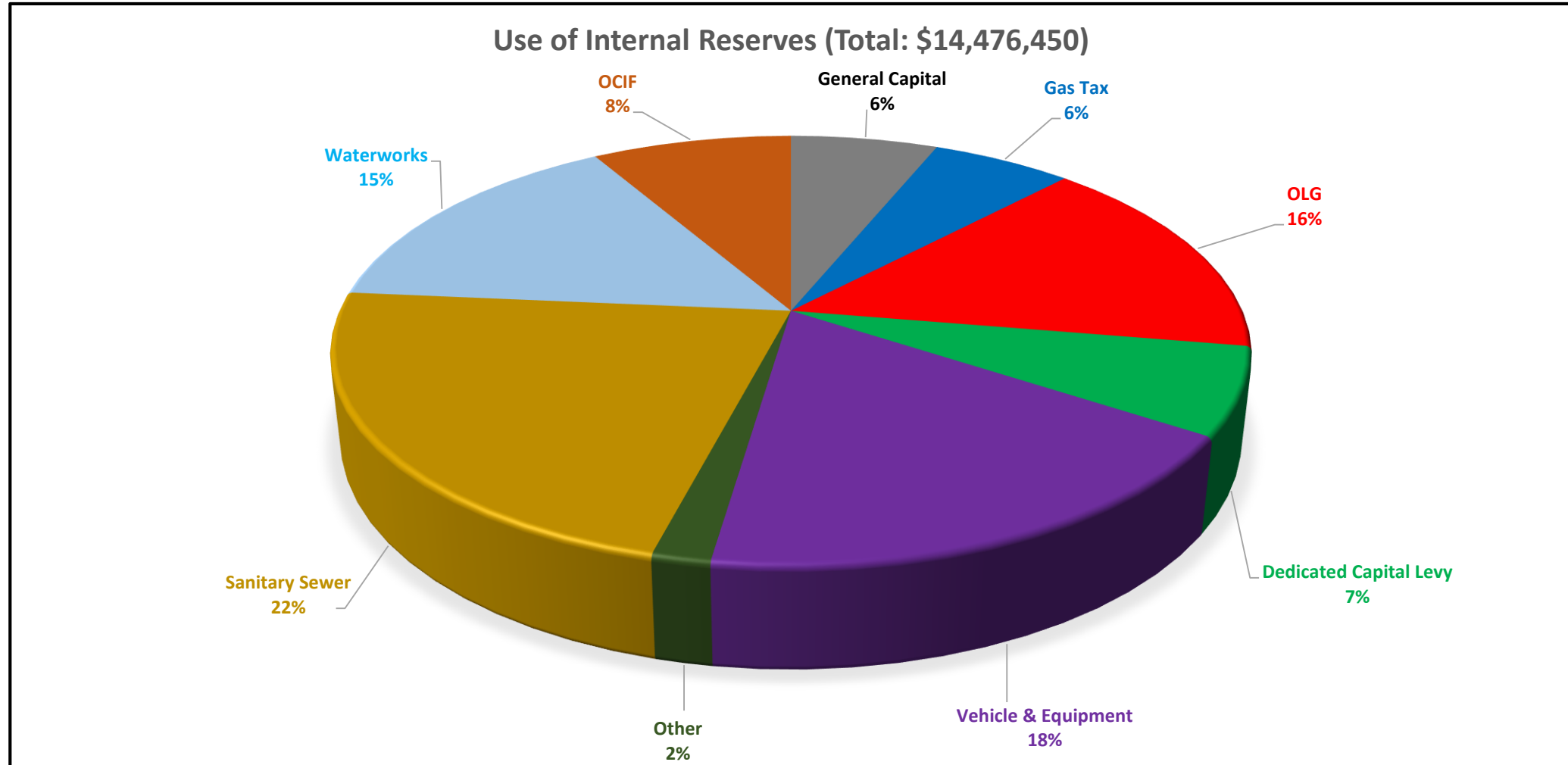
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# 2019 Capital Budget



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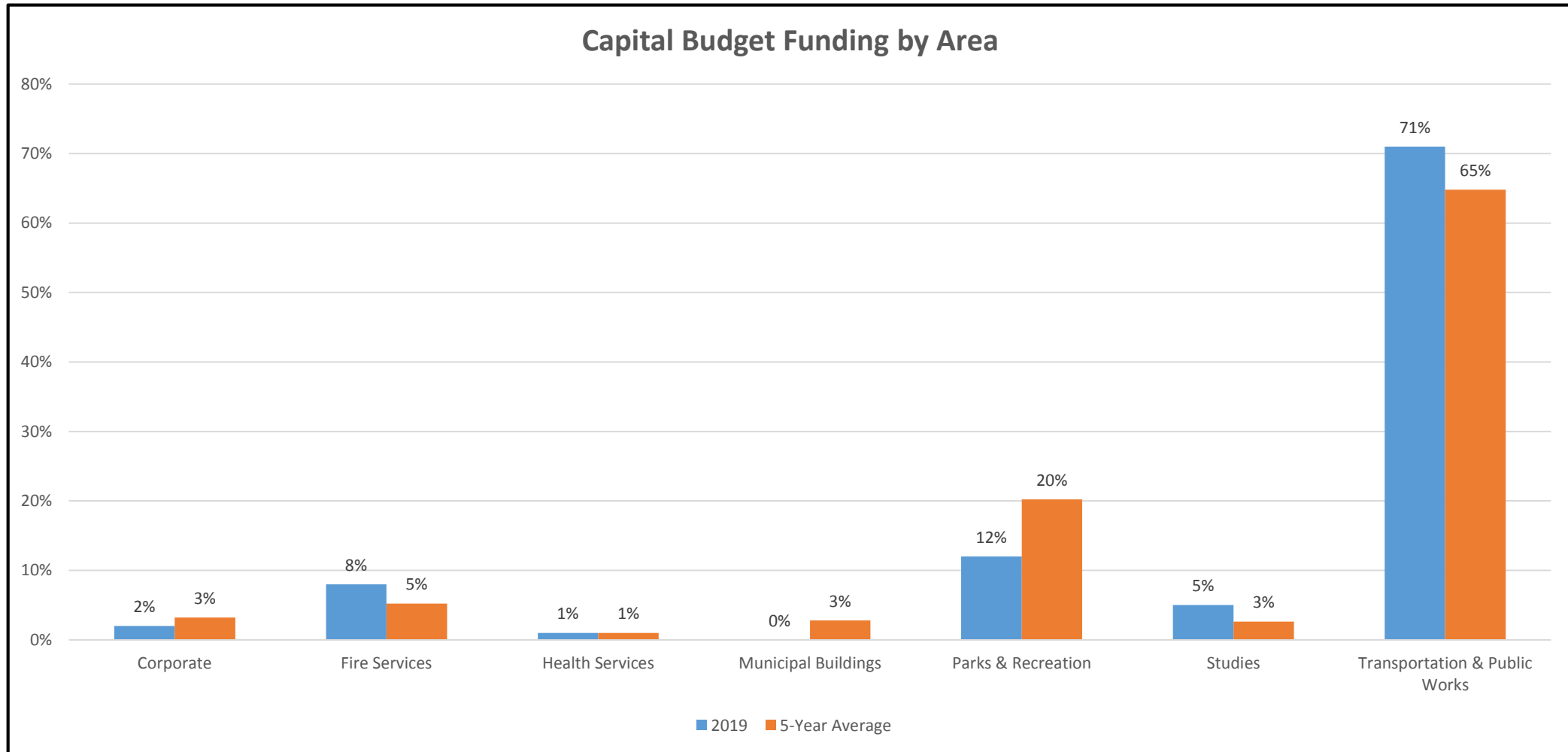




# Tax Supported Capital Budget



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# 2019 Capital Project Highlights



1. Long-term water supply strategy implementation – Phase I well optimization
2. Long-term water supply strategy implementation – Phase II groundwater exploration
3. Elora fire station renovation/expansion
4. Rehabilitation of Fifth Line Bridge (structure 4E)
5. Pier Repointing and Lighting at the Victoria St. Pedestrian Bridge (structure 1-EL)
6. Replacement of Fourth Line bridge (structure 10-P)
7. Paving Eramosa/WG Townline from WR 29 to Third Line WG
8. Reconstruction of various roads and underground services external to the Granwood development on the South-West side of Elora
9. Continuation of a multi-year pavement management program to replace small sections of pavement

# 2019 Capital Project Highlights



10. Reconstruction of Princess St (Elora) from Church St to the Grand River
11. Replacement of the Fergus WWTP digester roof
12. Reengineering and construction of the roof (original building) at the Victoria Park Seniors Centre
13. Parking Lot and landscaping in the Sorbara Storybrook Development
14. Installation of playground equipment in Revell Park
15. Replacement of splash pad and play structure at O'Brien Park and construction of washroom facility.
16. Wellington Drive on-street parking, sidewalk, and storm sewer

# Allocation of OLG Funds in the 2019 Capital Budget



Centre Wellington

Project	Amount
York St - Waterloo St to Victoria St	\$460,000
Eramosa/WG Townline - WR 29 to Third Line WG - Paving	50,000
Pavement Management - 2019	275,000
High St - McNab to York	255,000
Wellington Dr On-Street Parking, Sidewalk, and Storm Sewer	380,000
O'Brien Park Washrooms	60,000
Sidewalk and Storm Sewer from Woodhill Dr to 875 St David St	52,500
Elora Fire Station Renovation/Expansion	57,500
Gregson Court Storm Water Management	120,000

# Allocation of OLG Funds in the 2019 Capital Budget (Continued)



Project	Amount
Tower St. S. – Right Hand Turn Lane Improvements at Bridge St	100,000
Rural Road Rebuild	160,000
Urban Forestry	130,000
VPSC - Roof Reengineering and Construction (Original Building)	150,000
<b>Total</b>	<b>\$2,250,000</b>

# 10 Year Capital Forecast



- Managing Directors, TCW Staff and engineering consultants worked cooperatively to update the forecast
- Utilized Council's Priorities and Initiatives 2015-18 plan
- Discussion concerning prioritization of projects typically centered around the following – mandatory, critical, efficiencies/cost savings, lifecycle
- Influenced by information from various studies – Asset Management Plan
- Significant effort spent on 2020 and 2021 forecast years – priorities are within projected financial constraints
- First 9 years are within projected financial constraints
- 10<sup>th</sup> year (2028) is a holding year so projects are not lost – insufficient funding available

# 10 Year Capital Forecast



- As in prior year, objective is to have Council pass the 2019 capital budget and give preliminary approval for 2020 and 2021
- Allows for design, approvals and tender preparation to be in place when project receives final approval
- Results in favourable tender pricing and communicates direction to the community and staff
- Provided the foundation for the 3 year operating budget

# 10 Year Capital Forecast



- Living document that changes due to many uncontrollable and diverse factors
  - New information (i.e. recent studies)
  - Grant opportunities
  - New legislation/regulations
  - Economic conditions
  - Development/Growth
  - Environmental factors (i.e. climate change)
  - Political support



# 10 Year Capital Forecast



- One significant assumption in the capital forecast:
  - Development specific capital projects - 100% front-end funded through a service financing agreement by the developer – identified by “{SFA}”
- Connecting Link Program funding of 90% has been assumed for 3 projects in the capital forecast:
  - St David Street N – St Andrew St to Garafraxa St
  - St David Street N – Garafraxa St to Edinburgh Ave
  - Bridge St - Tower St S to St David St S

# 2020 Capital Project Highlights



1. Continuation of the long-term water supply strategy implementation – Phase I well optimization
2. Continuation of the long-term water supply strategy implementation – Phase II groundwater exploration
3. Rehabilitation of Sideroad 4 bridge (structure 14-P)
4. Rehabilitation of First Line bridge (structure 23-WG)
5. Replacement of Third Line bridge (structure 24-P)
6. Design and approvals for a new corporate operations facility
7. Repave Middlebrook Rd from Third Line to WR 7
8. Reconstruction of Elora St from Tower St to Perth St
9. Reconstruction of Price St from Church St to James St
10. Reconstruction of St George St E from Herrick St to Gartshore St
11. Construction of irrigated soccer fields in the Sorbara Storybrook development
12. Installation of play equipment, and landscaping and trail development in Forfar Park

# 2021 Capital Project Highlights



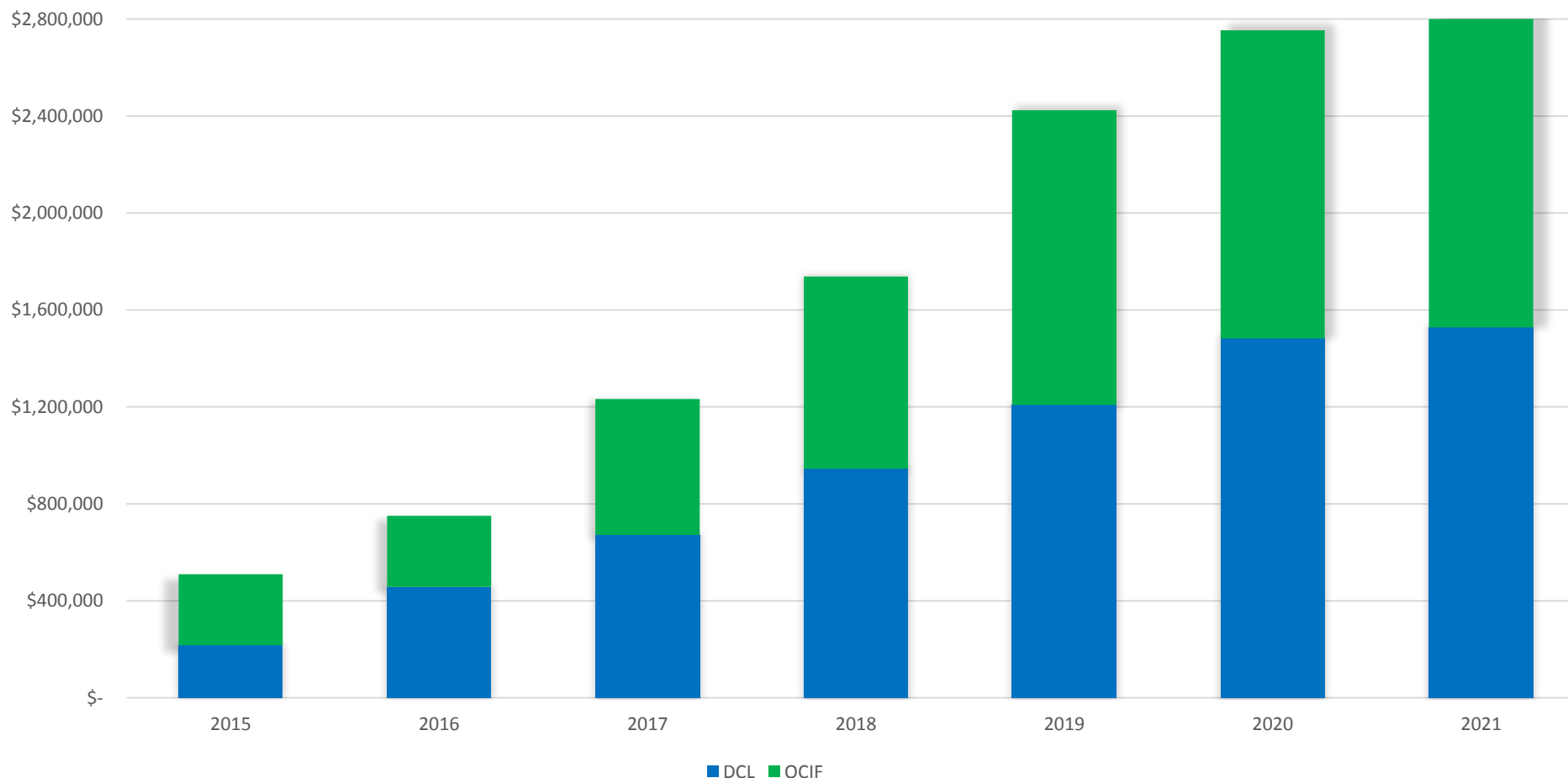
1. Rehabilitation of Sideroad 25 bridge (structure 11-WG)
2. Replacement of Fifth Line culvert (structure 4-WG)
3. Replacement of First Line bridge (structure 24-WG)
4. Construction of a new corporate operations facility
5. Reconstruction of Irvine St from East Mill St to Church St
6. Reconstruction and upgrades to Carlton Place from Metcalfe St to Victoria St
7. Ice pad replacement at the Elora Community Centre
8. Replacement of the hall roof at the Elora Community Centre
9. Redesign of soccer field, and parking lot development at Strathallan Park
10. Installation of play equipment and landscaping at Granwood Gate Park
11. Paving First Line from WR 19 to Sideroad 10

# Capital Levy/OCIF 10 Year Capital Plan



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### Dedicated Capital Levy and OCIF Funding Summary

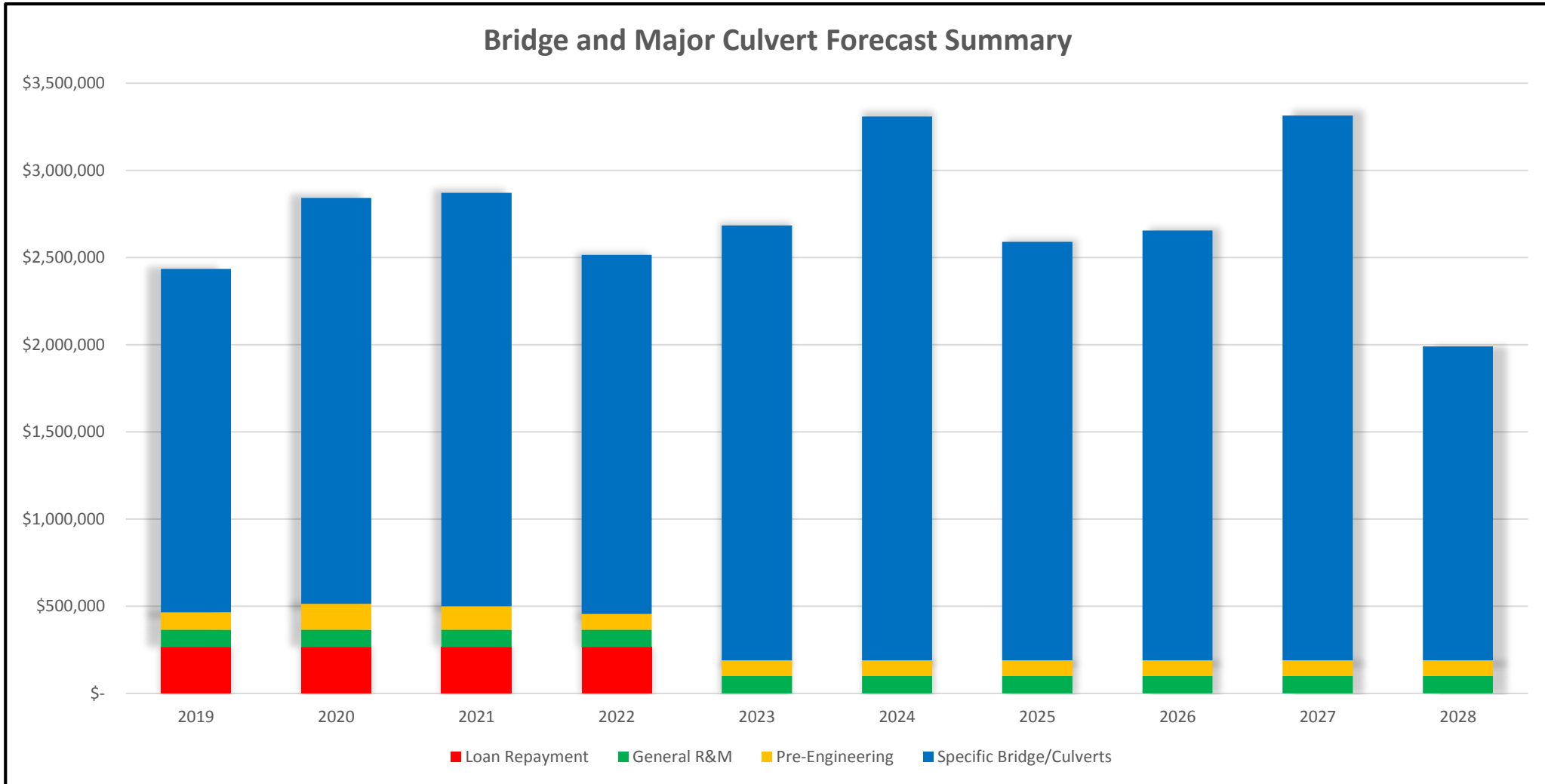


# Capital Levy/OCIF 10 Year Capital Plan

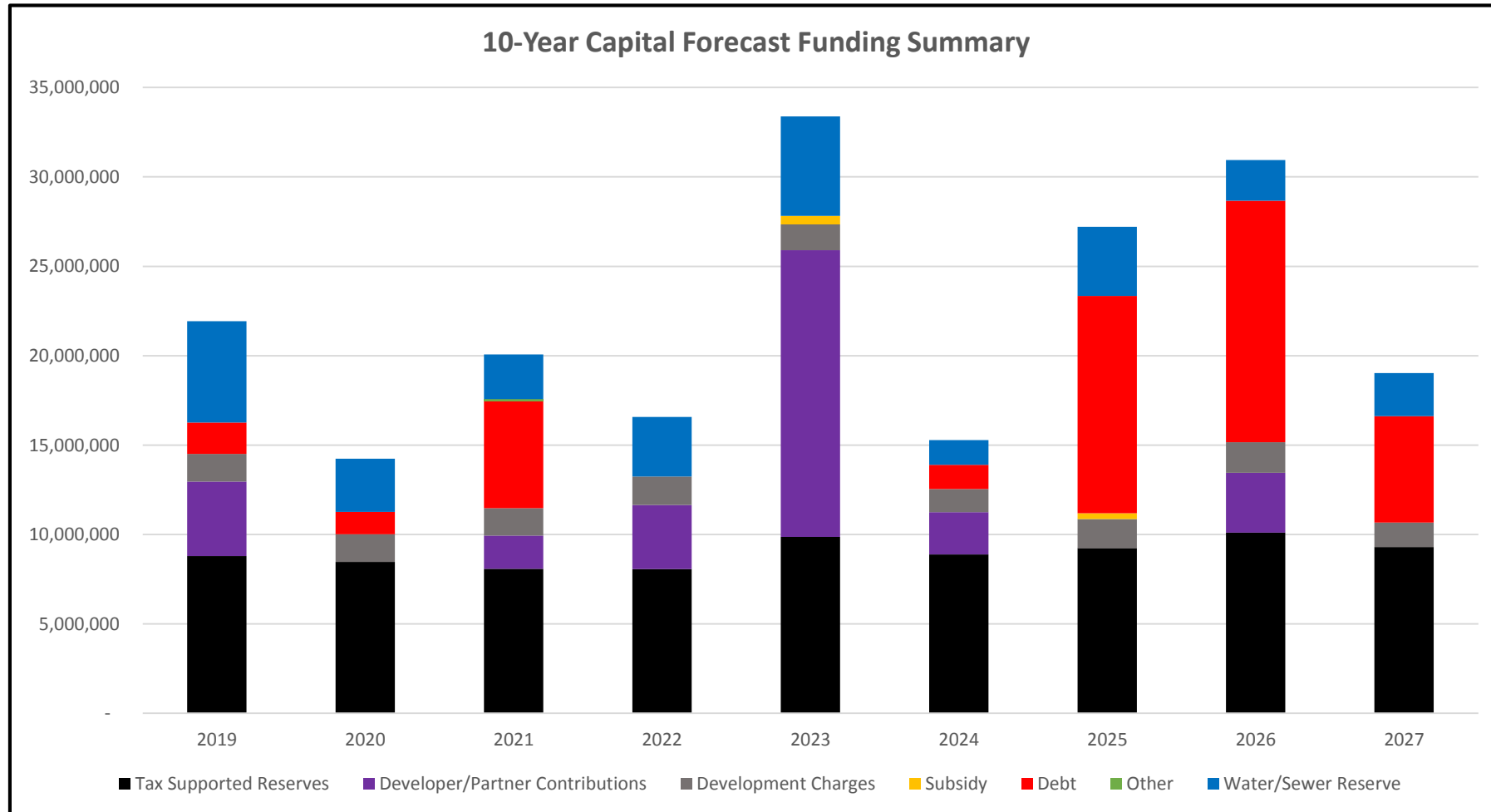


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Bridge and Major Culvert Forecast Summary



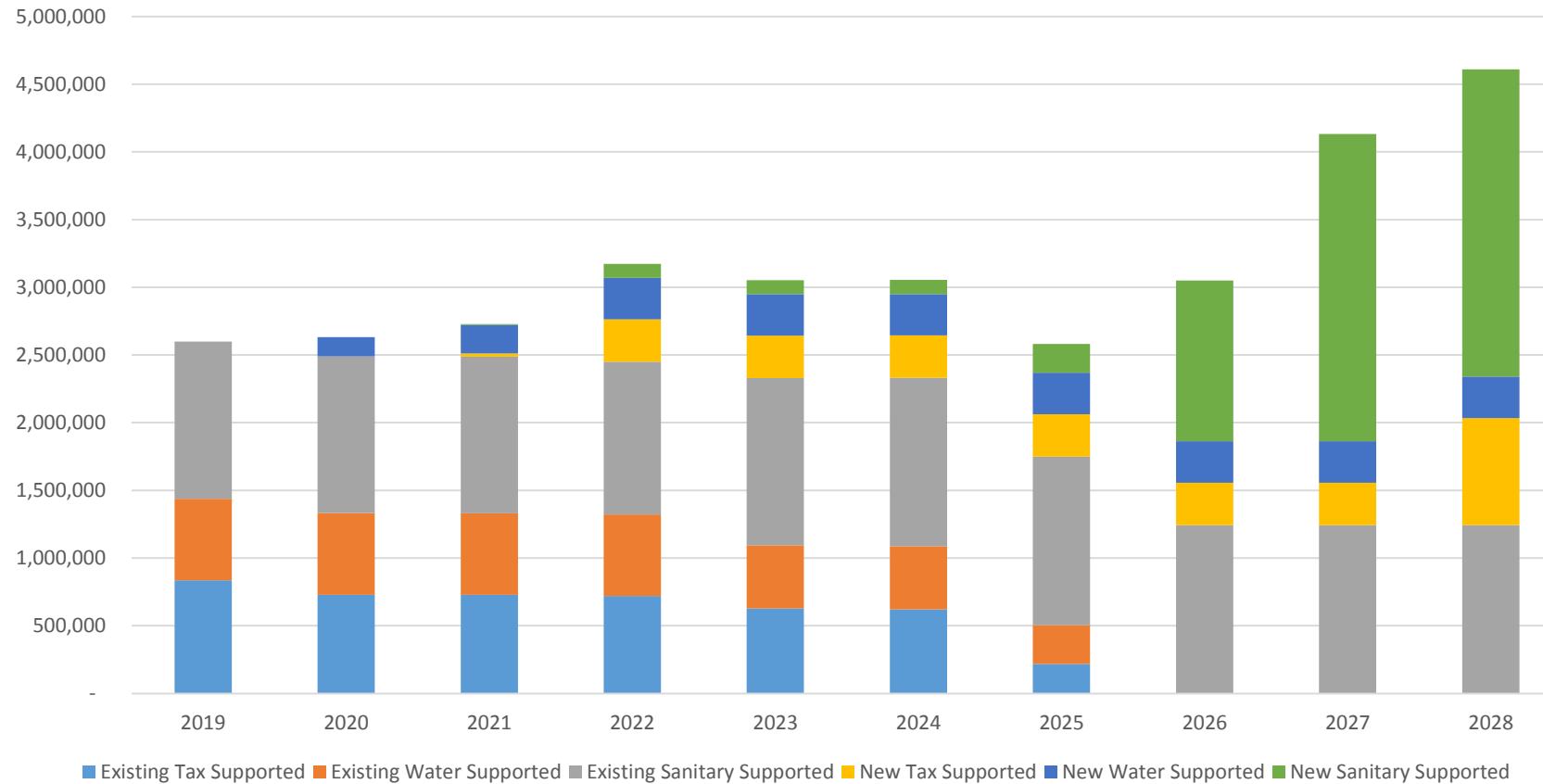
# Debt Analysis



# Debt Analysis



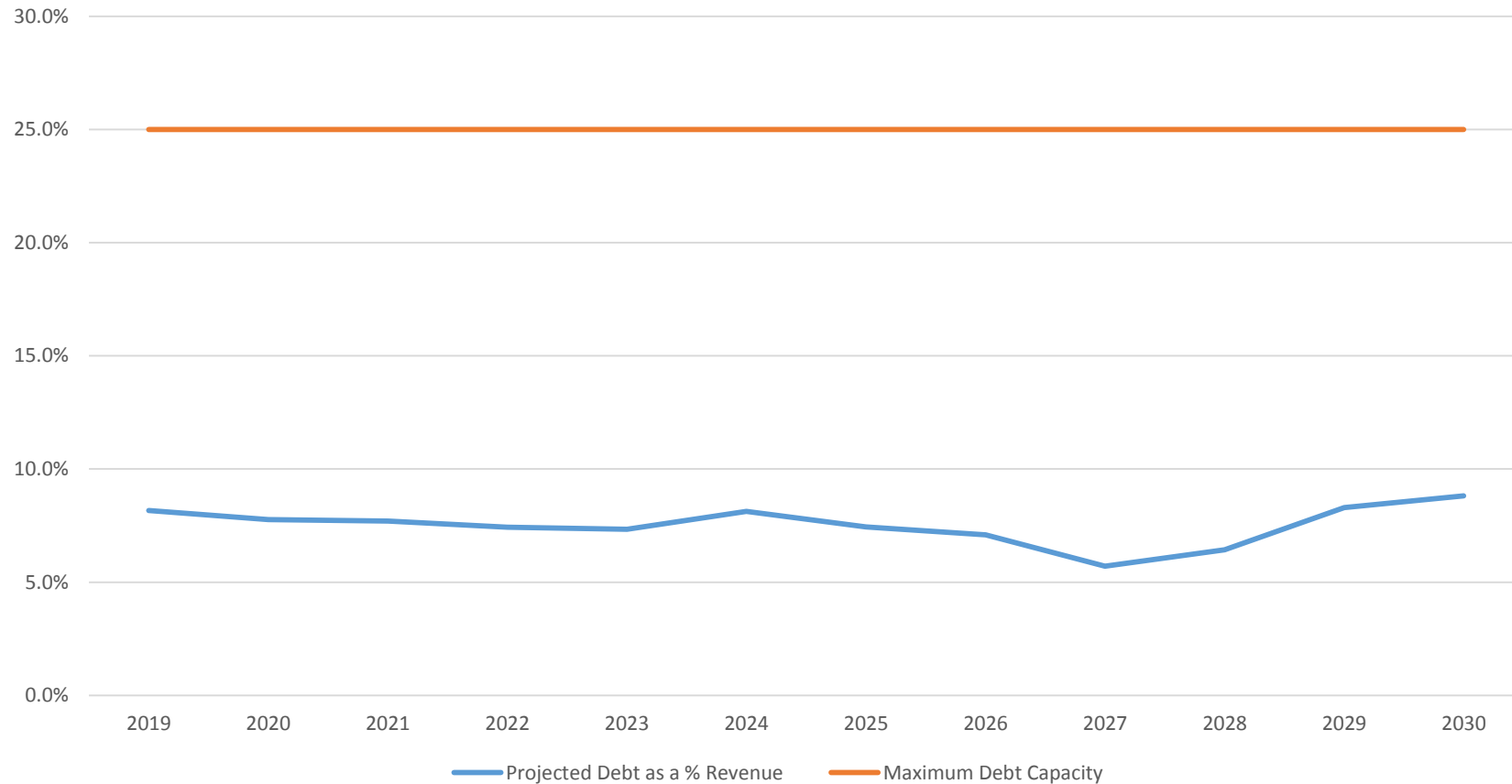
**Debt Payments by Type  
2019 Budget & Capital Forecast**



# Debt Analysis



**Projected Debt as a % Revenue  
2019 Budget & Capital Forecast**







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# 2019 DRAFT BUDGET PRESENTATION

