

2008 to 2010 Capital Planning and 2008 Capital Budget

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Finance Committee Meeting

October 15, 2007



Capital Budget

Agenda

- Capital Budget Planning Process
- Long Term Financial Plan
- Forecasted Capital Financing Gap
- Proposed 2008 Capital Budget
- Capital Levy Options

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Capital Budget

Capital Budget Planning Process



- July to October 2007 - Preparation of 2008 to 2010 forecasted needs and funding
- October 15, 2007 - 2008 Capital Budget review and approval
- Accept for information only 2009 and 2010 Capital Budgets
- December 2007 - Council voting on Capital Levy
- Community support envelope
- ODB upload

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Capital Budget

Council Priorities

- Infrastructure Investment
 - Building and Renewing Infrastructure
 - Multi-Recreational Facility
 - Performing Arts Centre
- Fiscal Sustainability

Consistent with key themes from the Public Input Session:

- Infrastructure renewal (roads, parks and playgrounds)
- Quality of life new initiatives



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Capital Budget

Long Term Financial Plan



- Ensure long-term financial sustainability
- Manage the City's capital assets to maximize long-term community benefit
 - Maintain "state of good repair"
 - Asset management
 - Capital Levy
- Recognize that funding from senior governments is a crucial element of financial sustainability
- Ensure revenues are sustainable and consider community wide and individual charges
- Use debt financing where appropriate
- Maintain reserves and reserve funds at appropriate levels



Capital Budget

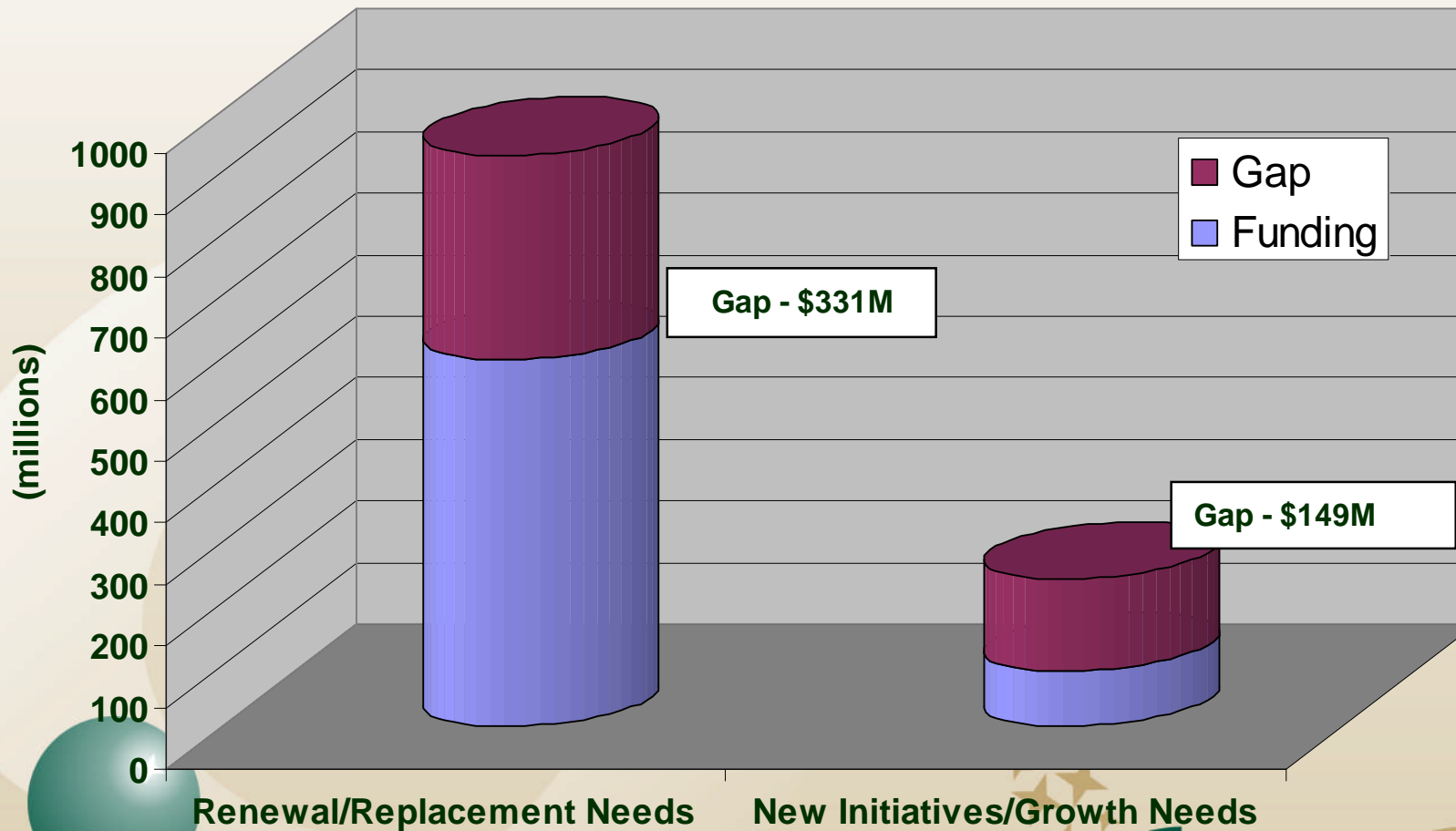
National Infrastructure Deficit

- Excess of \$60 billion nationally and growing by \$2 billion per year

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Needs by Renewal/Replacement & New Initiatives/Growth 2007-2016



Capital Budget

2008 to 2010 Capital Forecasts



	Capital Needs	Forecasted Budget	Unfunded Projects
2008	\$144M	\$76M	\$68M
2009	\$102M	\$67M	\$35M
2010	\$148M	\$76M	\$72M
Roads Growth	\$ 79M	--	\$79M



Capital Budget

Narrowing the Gap

Financing Sources

- Continued applications to senior levels of governments
- Continued implementation of the capital levy
- Use of debt financing where appropriate

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Capital Budget

Continued Implementation of the Capital Levy



- Long Term Financial Plan Recommendation
 - 2.3% of previous year's tax levy added annually
 - \$3.2 million (2005) and \$3.3 million (2006) dedicated to roads
 - \$800,000 (2007) allocated to repairing municipal facilities
- October 15/07 – Allocation to be determined by Council
 - December 2007 – Voting on Capital Levy



Capital Budget

Use of Debt Financing Where Appropriate



Debt financing (LTFP) should only be considered for:

- New, non-recurring infrastructure
- Programs and facilities which are self supporting
- Projects where the costs of deferring expenditures exceeds debt servicing costs

- Development of affordable debt plan for Council's consideration to close key capital gaps or for new initiatives (e.g. external or internal financing)



Capital Budget

2008 Capital Budget Highlights



2008 Capital Budget = \$ 76 M

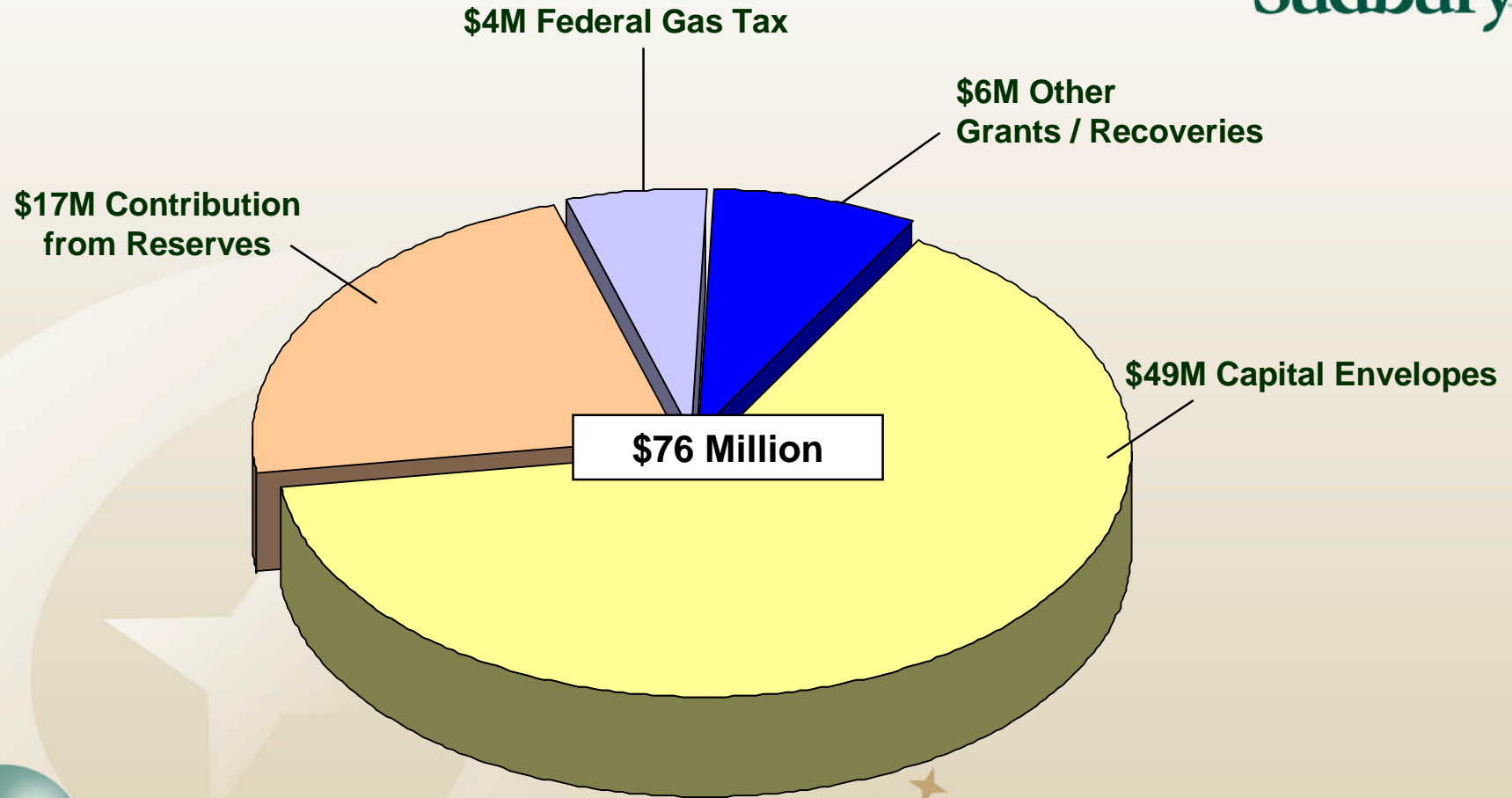
Highlights of Expenditures:

- Roads \$ 28 M
- Water/Wastewater \$ 27 M
- Replace Fleet and Equipment \$ 3.0 M
- Transit \$ 2.5 M
- Police Equipment and Vehicles \$ 1.7 M
- Leisure and Recreation \$ 2.2 M
- LEL – Phase II \$ 2.3 M



Capital Budget

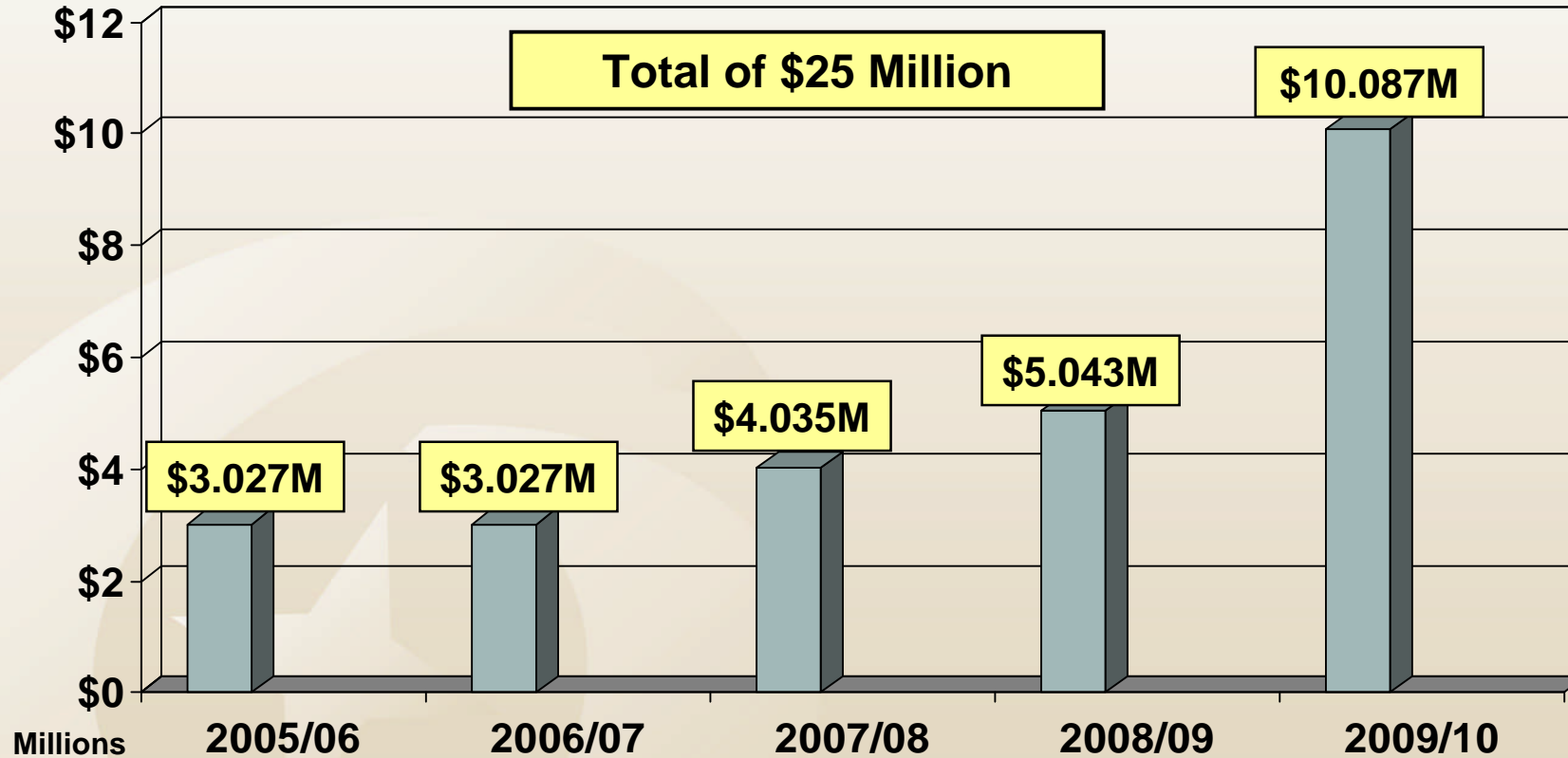
2008 Funding Sources



Capital Budget

Federal Gas Taxes

Allocated On a Per Capita Basis



Capital Budget

Proposed Capital Levy Allocations for 2008



- Roads
- Leisure Services
- Facilities
- Fire



Capital Budget

Proposed Allocation of the 2008 Capital Levy



2008 Capital Levy Options

Department	Option 1 0.5%	Option 2 1%	Option 3 1.5%	Option 4 2.27%
Roads	\$151,793	\$553,585	\$1,005,378	\$1,530,939
Leisure	140,000	450,000	600,000	1,000,000
Facilities - I. & E.S.	150,000	200,000	300,000	450,000
Facilities - C.D.	180,000	240,000	360,000	550,000
Fire	200,000	200,000	200,000	200,000
Totals	\$821,793	\$1,643,585	\$2,465,378	\$3,730,939

Capital Budget

Resolutions

- 2008 Capital Budget approval
- Pre-spending of \$4M from the 2009 and 2010 Roads Capital Envelope
- 2009 and 2010 Capital Budgets be accepted for information only
- Approval of Capital Levy allocation

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Capital Budget

Questions?

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