

The Corporation of the City of Kawartha Lakes

Council Report

Report Number EA2019-017

Meeting Date: November 26, 2019

Title: Proposed 2020 Tax-Supported Capital Budget

Description: This report presents Council with the proposed 2020 tax-supported capital budget.

Ward Number: All Wards

Author and Title: Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report EA2019-017, **Proposed 2020 Tax-Supported Capital Budget**, be received;

That the 2020 Tax-Supported Capital Budget, attached as Appendix A to Report EA2019-017, be adopted.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

On July 11, 2017, Council adopted the City's first Long-Term Financial Plan (LTFP) based on the Corporate Strategic Plan, Asset Management Plan and Development Charges Background Study. This plan guided preparation of the proposed 2020 Tax-Supported Capital Budget, attached hereto as Appendix A and released to Council, staff and the public on November 1, 2019. This report presents Council with this budget for deliberation and approval.

Rationale:

Staff continues to work within the framework set out by LTFP, and aims to update the plan in 2020 given new information and changing financial circumstances. Staff has worked extensively over the past several months to develop proposed 2020 budgets that align with the LTFP as much as practicable, address the City's needs within resource constraints and account for new financial circumstances such as provincial funding reductions. The following tax-supported capital budget highlights are worth noting (all financial figures below are rounded):

- A total capital investment of \$44.9M, of which \$20.7M is directed toward roads and related infrastructure.
- Continuation of downtown Lindsay reconstruction and revitalization with a \$4.5M investment in road and streetscape assets for Lindsay Street (from Russell Street to Bridge) and Kent Street (from Lindsay Street to William Street).
- Phase 1 of 3 of the reconstruction of Colborne Street West (Phase 1 is from William Street to Adelaide Street) in Lindsay in accordance with the Colborne Street Corridor Study to increase corridor capacity, facilitate growth and development and prepare for the Colborne Street Bridge.
- Finalization of the 2018-2020 program to rehabilitate gravel roads with a \$0.65M investment in base restoration and enhanced gravel application.
- An investment of \$1.5M over 2020-2021 to relocate the Bobcaygeon Library to the Bobcaygeon Service Centre for enhancement and growth-related expansion of the library service.
- A grant-conditional investment of \$14.5M over 2020-2021 to replace and expand the Ops Arena and Community Centre.
- Finalization of the redevelopment of Bobcaygeon Beach Park with a \$4.0M investment.

- Reliance on the entire \$4.6M in one-time Federal Gas Tax funding the City received earlier this year.
- Based on a \$9.1M contribution from the 2020 tax levy to the capital reserve as compared to the \$14.6M forecasted as per the LTFP.
- Results in a 2020 year-end uncommitted balance of \$1.4M in the capital reserve as compared to the \$6.6M forecasted as per the LTFP.
- Based on a 3.93% tax levy increase as compared to the 4.0% forecasted for 2020 as per the LTFP.

Capital budgets (tax-supported and water-wastewater) continue to be organized on the principle of program-based budgeting whereby similar capital projects are logically grouped into programs. Program level pooling of capital projects streamlines budget presentation, enhances project management flexibility, mitigates the risk of project cost overruns and provides for greater administrative efficiency.

Other Alternatives Considered:

As the proposed 2020 Tax-Supported Capital Budget best meets the City's needs within resource constraints, staff is recommending Council adopt this budget. Council may, however, consider modifications to the budget during deliberations. Moreover, the budget book circulated to Council on November 1, 2019 contains a number of capital-related decision units identified by Council or staff. Council may consider the decision units as part of its deliberation of the 2020 Tax-Supported Capital Budget.

Financial/Operation Impacts:

The proposed 2020 budgets indicate their financial implications. All 2020 budgets (tax-supported and water-wastewater), as revised and approved, will be consolidated into a single document made available on the City's website.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

The recommendations of this report align with the following goals of the Corporate Strategic Plan:

- Goal 1 – A Vibrant and Growing Economy: Effective budgets help support municipal services essential for a prosperous and growing economy.
- Goal 2 – An Exceptional Quality of Life: Effective budgets help support municipal services essential for the quality of life of residents.

- Goal 3 – A Healthy Environment: Effective budgets help support municipal services essential for a healthy environment.

Consultations:

Senior Management Team
City Treasurer

Attachments:

Appendix A: Proposed 2020 Tax-Supported Capital Budget



Proposed 2020
Tax-Supported Capital Budget

Department Head E-Mail: jrojas@kawarthalakes.ca

Department Head: Juan Rojas, Director of Engineering and Corporate Assets