



Council Report

Report Number CA2020-004

Meeting Date: November 12, 2020

Title: Proposed 2021 Tax-Supported Capital Budget

Description: This report presents Council with the proposed 2021 Tax-Supported Capital Budget

Author and Title: Adam Found, Manager of Corporate Assets

Recommendation(s):

That Report CA2020-004, **Proposed 2021 Tax-Supported Capital Budget**, be received; and

That the proposed 2021 Tax-Supported Capital Budget, attached as Appendix A to Report CA2020-004, be received.

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 2021 Tax-Supported Capital Budget, attached hereto as Appendix A and released to Council and the public on November 6, 2020. This report presents Council with that budget for deliberation and approval at the Council meeting scheduled for December 1, 2020. Proposed budgets for water-wastewater, tax-supported operations and tax-supported special projects are planned to be deliberated by Council in Q1 of 2021.

Rationale:

Staff continues to work within the framework set out by the LTFP, and aims to substantially update the plan in 2021 given new information, changing financial circumstances and the impact of the COVID-19 pandemic. Staff has worked extensively over the past several months to develop a 2021 tax-supported capital budget that aligns with the LTFP as much as practicable under present circumstances, addresses the City's needs within resource constraints and accounts for changing conditions and work delays arising from the COVID-19 pandemic.

The proposed 2021 Tax-Supported Capital Budget has been prepared to particularly reflect limitations on staff resources, given the substantial carryover to 2021 of prior approved and funded capital projects (see section entitled "Funded Capital Projects - Delayed Starts" in Appendix A), and on financial resources, given the self-imposed debt limit and the depleted state of the capital reserve. Accordingly, the proposed 2021 Tax-Supported Capital Budget represents a 40% reduction from the expected level of capital investment. Worth noting are the following other highlights respecting the proposed 2021 Tax-Supported Capital Budget (all financial figures that follow are rounded):

- A total capital investment of \$27.3M, of which \$16.8M is directed toward roads and related infrastructure.
- Continuation of downtown Lindsay reconstruction and revitalization with a \$6.8M investment in road and streetscape assets for Cambridge Street (from Russell Street to Peel Street) and Kent Street (from William Street to Victoria Avenue), which received early-start approval by Council on September 15, 2020.
- An investment of \$1.5M to replace the Mill Pond Bridge in Omeme.

- A final investment of \$0.5M to relocate the Bobcaygeon Library to the Bobcaygeon Service Centre for enhancement and growth-related expansion of the library service.
- Capital reserve funding based on a freeze to the 2020 contribution of \$9.1M from the tax levy to the capital reserve as compared to the \$17.9M contribution forecasted for 2021 as per the LTFP.
- A forecasted 2021 year-end uncommitted balance of \$0.5M in the capital reserve as compared to the \$4.5M balance forecasted for 2021 as per the LTFP.
- An anticipated 2021 tax levy increase of 3% as compared to the 4% tax levy increase forecasted for 2021 as per the LTFP.

To work within staff and financial resource constraints, and in order to accommodate the considerable carryover of capital projects deferred or delayed from 2020, staff scaled down the proposed 2021 Tax-Supported Capital Budget to 60% of the normal amount of capital investment. This was accomplished by the deferral of approximately \$17.9M of capital projects originally considered for inclusion in the 2021 Tax-Supported Capital Budget. These capital projects are identified in the section entitled “Forecasted 2021 Capital Projects Deferred to 2022 Budget Consideration” in Appendix A, and staff recommends that they be considered among the highest priorities for the purpose of informing the 2022 budget process.

Other Alternatives Considered:

As the proposed 2021 Tax-Supported Capital Budget is planned to be deliberated on December 1, 2020, no alternatives to this report’s recommendations have been identified. With that said, Table 1 below indicates the status of various capital projects that staff understand to have been forwarded to date as potential decision units or considerations for the 2021 Tax-Supported Budget. Council could refer any of these items to the budget deliberation meeting scheduled for December 1, 2020 by adopting a resolution of the following form:

That [insert project name] be considered as a decision unit for the 2021 Tax-Supported Capital Budget.

Table 1				
Source	Capital Project	Primary Treatment	Estimated Cost (2021\$)	Status
Councillor Yeo	Coboconk Service Centre Washrooms	Renovation	317,000	Deferred to 2022 budget process.
Council	Angeline St. Sidewalk - Alcorn St. to Springdale Rd. (Lindsay)	Emplacement; Expansion	80,000	Included in proposed 2021 Tax-Supported Capital Budget; other planned sidewalk projects deferred.
Councillor Elmslie	Prince's St. Sidewalk - 22 Prince's St. to Albert St. on the North Side	Emplacement; Expansion	Not estimated	Deferred to 2022 budget process.
Economic Recovery Task Force	Colborne St. - Water St. to Bond St. (Fenelon Falls)	Reconstruction	2,733,000	Deferred to 2022 budget process.
Economic Recovery Task Force	Waste Receptacles for Downtown Areas and Parks	Replacement; Expansion	Not estimated	Deferred to 2022 budget process.
Economic Recovery Task Force	Boat Launch Network	Replacement; Upgrade	Not estimated	Deferred to 2022 budget process.

Alignment to Strategic Priorities

The recommendations of this report align with the priority of Good Government identified in the 2020-2023 Kawartha Lakes Strategic Plan by supporting (i) asset management and (ii) efficiency and effectiveness of service delivery.

Financial/Operation Impacts:

The proposed 2021 Tax-Supported Capital Budget indicates its financial implications.

Consultations:

Senior Management Team
City Treasurer

Attachments:

Appendix A: Proposed 2021 Tax-Supported Capital Budget



Proposed 2021
Tax-Supported Capita

Department Head E-Mail: jrojas@kawarthalakes.ca

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