

Proposed 2025 Capital and Special Projects Budgets

Presentation to Budget Committee

September 25, 2024

Agenda

- Proposed 2025 Special Projects Budget
- Proposed 2025 Water-Wastewater Capital Budget
- Proposed 2025 Tax-Supported Capital Budget

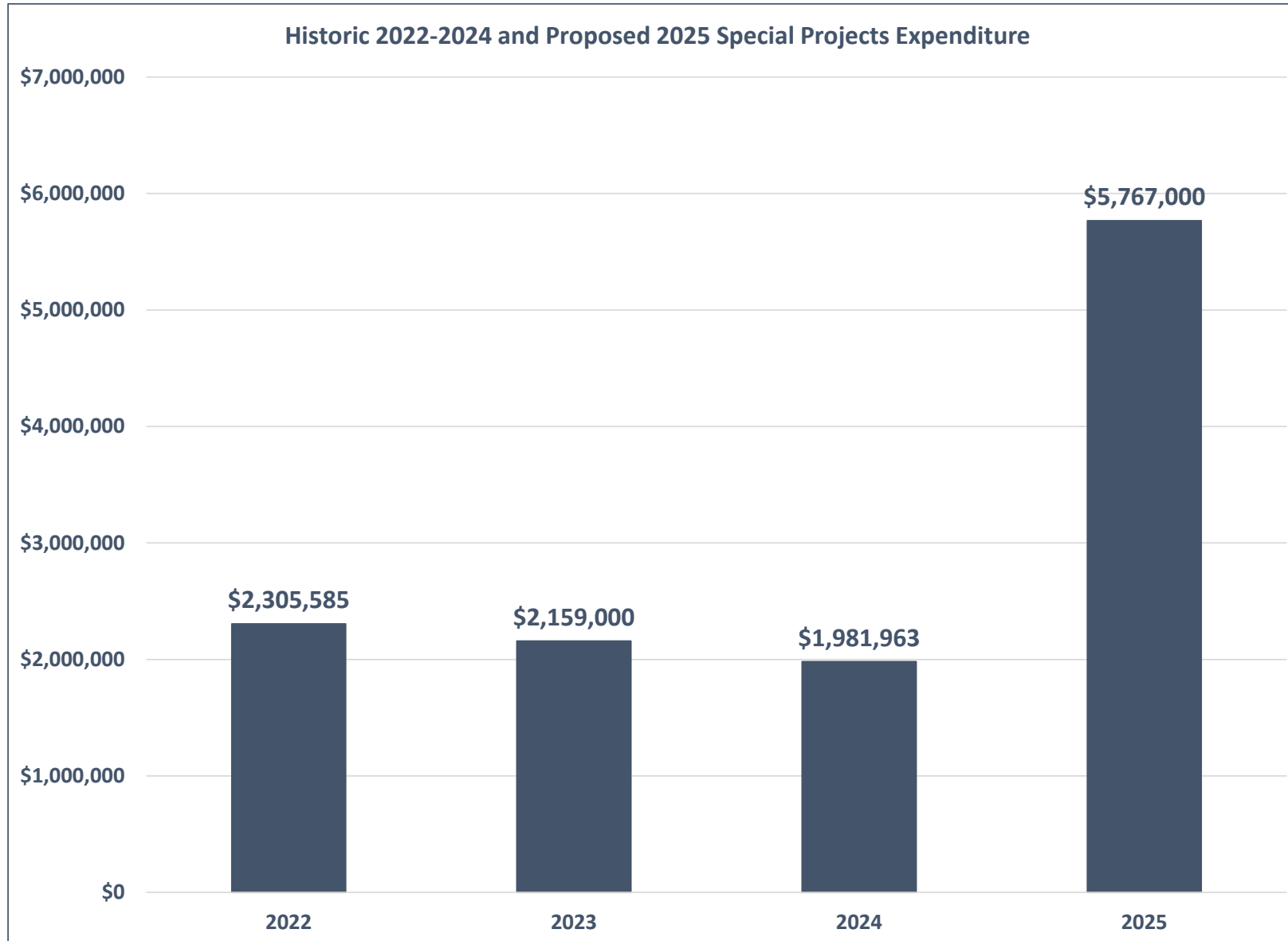
What is a Special Project?

- A special project is a specific and distinct tax-supported operating initiative that is typically:
 - Not capitalizable into a tangible asset owned by the City;
 - More than one year in duration; and
 - Best budgeted and managed in a manner similar to the approach taken with capital projects.
- When included in general operating budgets, special projects tend to cause year-over-year variances in those budgets
- City separates special projects from general tax-supported operating budget

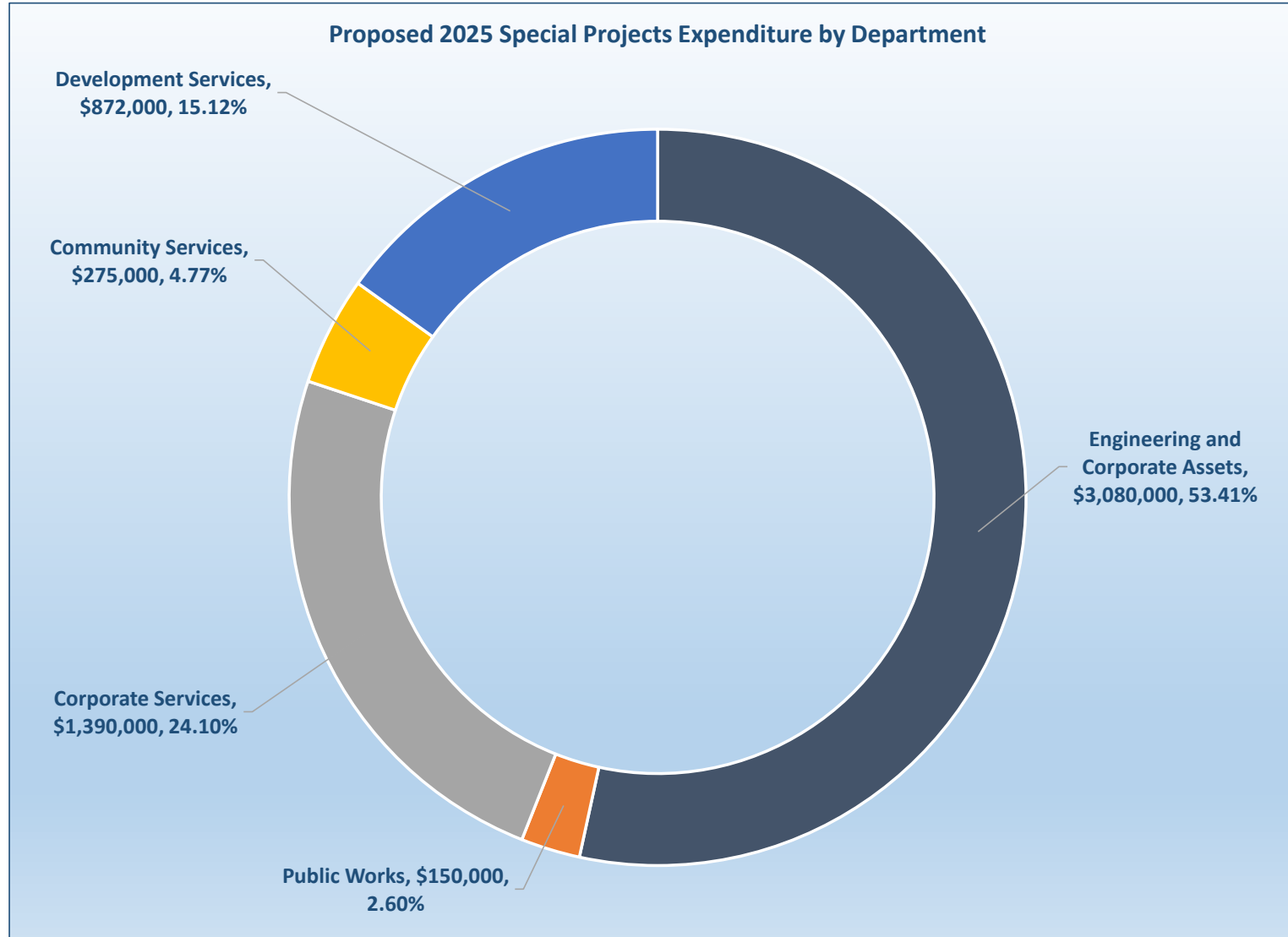
Creation of a Special Projects Reserve

- Special projects budgets supported directly by the tax levy, resulting in fluctuations in the need for tax levy support of special projects
- The Proposed 2025 Tax-Supported Operating Budget includes a transfer to the Special Projects Reserve
- Supported by annual transfers from the tax levy, this reserve will:
 - Stabilize tax levy impacts associated with special projects; and
 - Provide a mechanism by which to address surpluses and deficits in special projects.

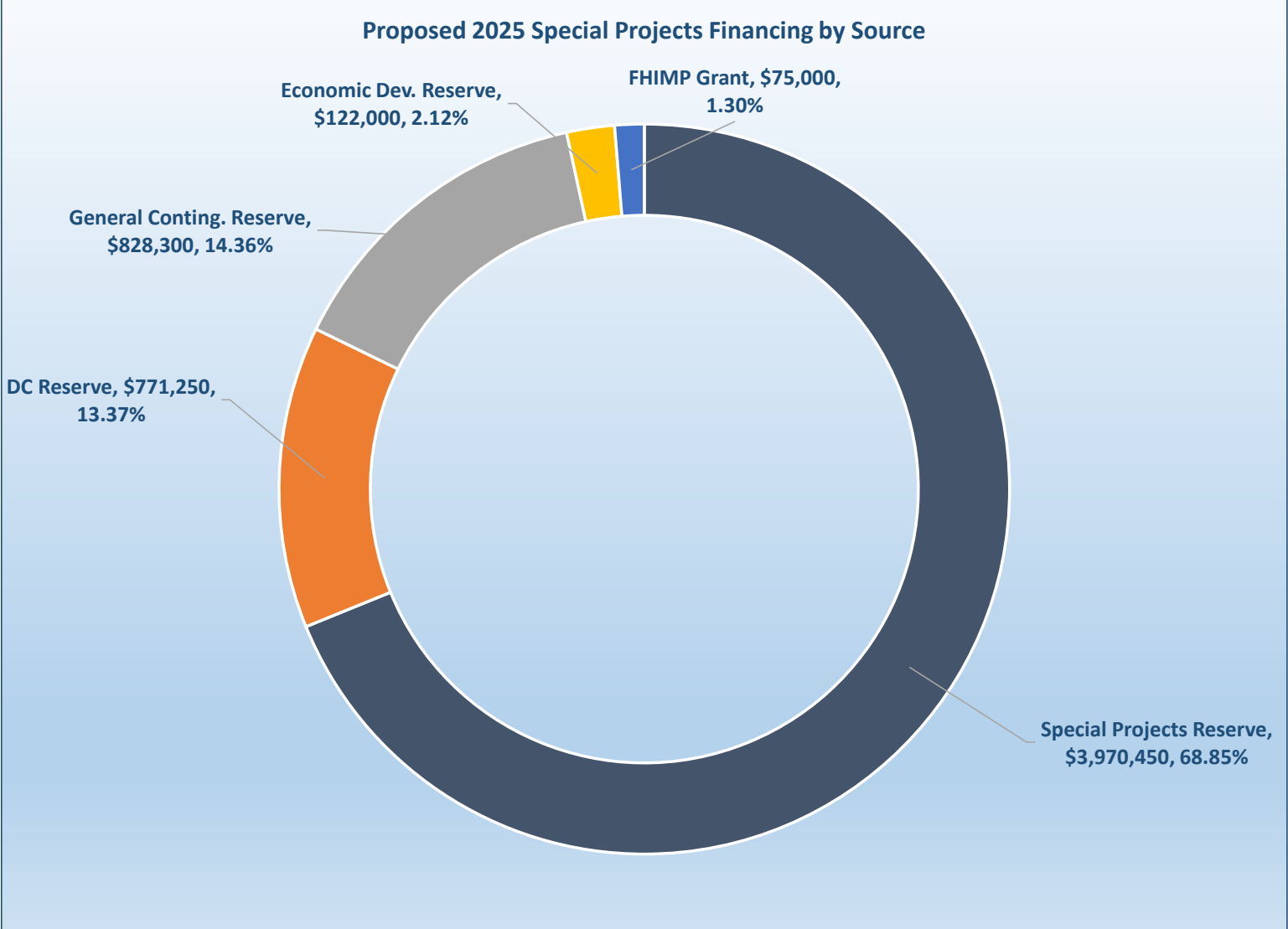
Historic vs. Proposed Special Projects Expenditure



Proposed 2025 Special Projects Expenditure



Proposed 2025 Special Projects Financing



Right-Sizing 2025 Special Projects Budget

- Stormwater Master Plan (\$500,000/year 2025-2026)
 - Storm Sewer Capacity Study completed in 2004
 - Renamed and increased budget to reflect master plan status and inclusion of stormwater ponds and comprehensive CCTV assessment of storm sewers
- Municipal Drains (\$80,000)
 - Previously included in capital budgets; being realigned to special projects as municipal drains are not City-owned assets
- Solid Waste EA (\$2,000,000/year over 2025-2029)
 - Individual (not municipal class) EA required to enable landfill expansion
 - Expenditures anticipated up to \$10 Million over 5-6 years
 - Essential to ensuring continuity of landfill service

Right-Sizing 2025 Special Projects Budget

- Thurstonia Drainage Study (\$500,000)
 - Previously unplanned need to address recurring liabilities relating to drainage
- IT Special Projects (\$990,000)
 - Comprises long-deferred special projects required to maintain and expand IT system capabilities
 - IT special project needs anticipated to be lower post-2025 catch up
- Planning Projects (\$620,000)
 - Several pre-2025 planning projects were closed and are being re-budgeted for 2025 with financing from the General Contingency Reserve
 - One-time resetting of project timing without tax levy impact

Capital Project Fundamentals

- Capital Need:
 - A generally defined investment in capital assets that is required in accordance with adopted municipal service levels
- Capital Project:
 - A specifically defined initiative or activity designed to meet a capital need, typically characterized by a scope of work and estimated expenditure
- State-of-Good-Repair Capital Project:
 - A capital project whose primary purpose is asset renewal (replacement, rehabilitation, restoration etc.)

Capital Project Fundamentals

- Expansionary Capital Project:
 - A capital project whose primary purpose is asset expansion or acquisition, often but not always driven by growth
- Capital Forecast:
 - A multiyear plan of capital needs or projects, inclusive of a financing strategy for meeting estimated capital expenditures
- Capital Budget:
 - A plan of capital projects, inclusive of a financing arrangement meeting estimated capital expenditures, the approval of which authorizes execution of such projects

Nature of Capital Budgets

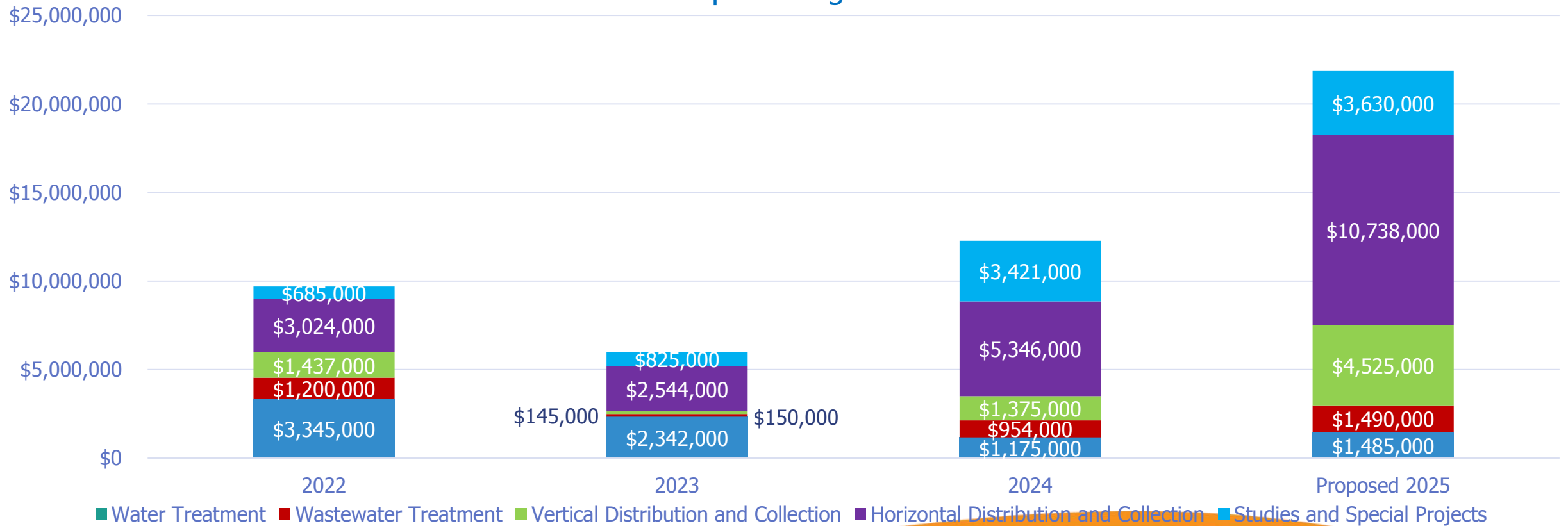
- Capital budgets investment in two manners:
 - Convert financial assets (e.g., reserve) or revenue (e.g., grant) into capital assets
 - Create financial liabilities (e.g., debt) to acquire or improve capital assets

Nature of Capital Budgets

- Capital budgets are the output of capital planning process:
 1. Council and legislation determine service levels
 2. Service strategies and asset management plans translate service levels into state-of-good-repair capital needs
 3. Service master plans and development charges studies translate service levels into growth-related capital needs
 4. Long-term financial plans match forecasted capital needs with financing strategies
 5. Capital budgets implement long-term financial plans on an annual basis

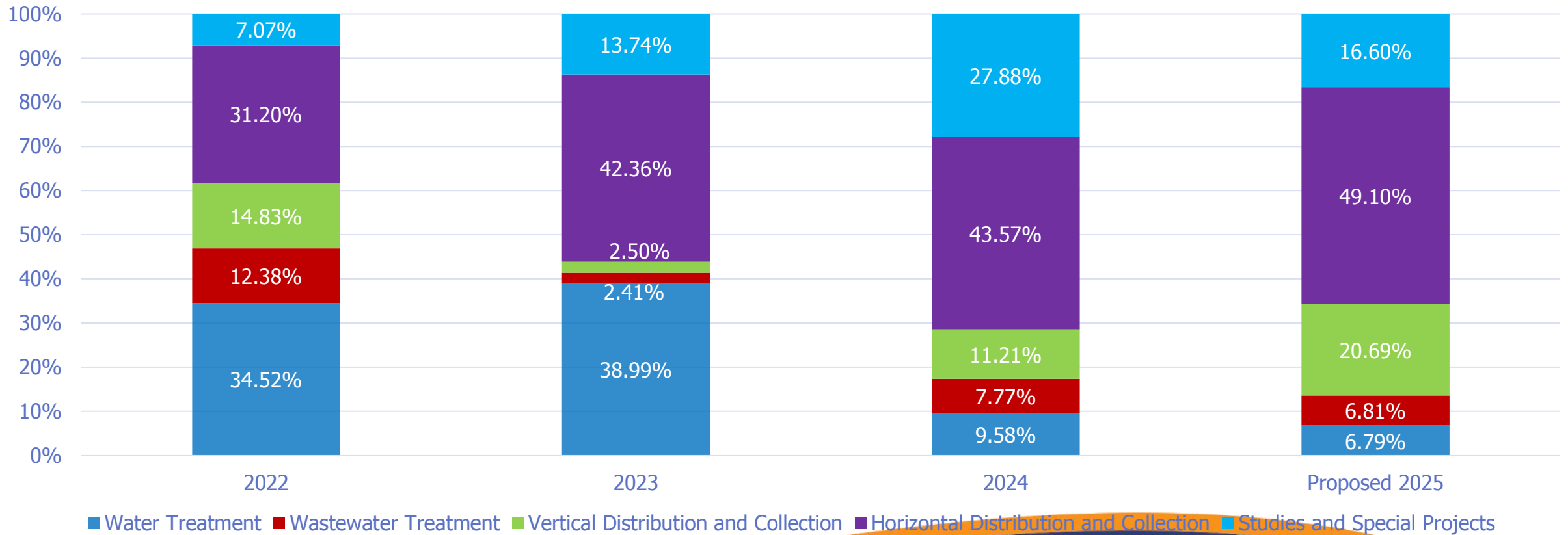
Proposed 2025 Water-Wastewater Capital Budget

Historic 2022-2024 and Proposed 2025 Water-Wastewater Capital Expenditure by Capital Program

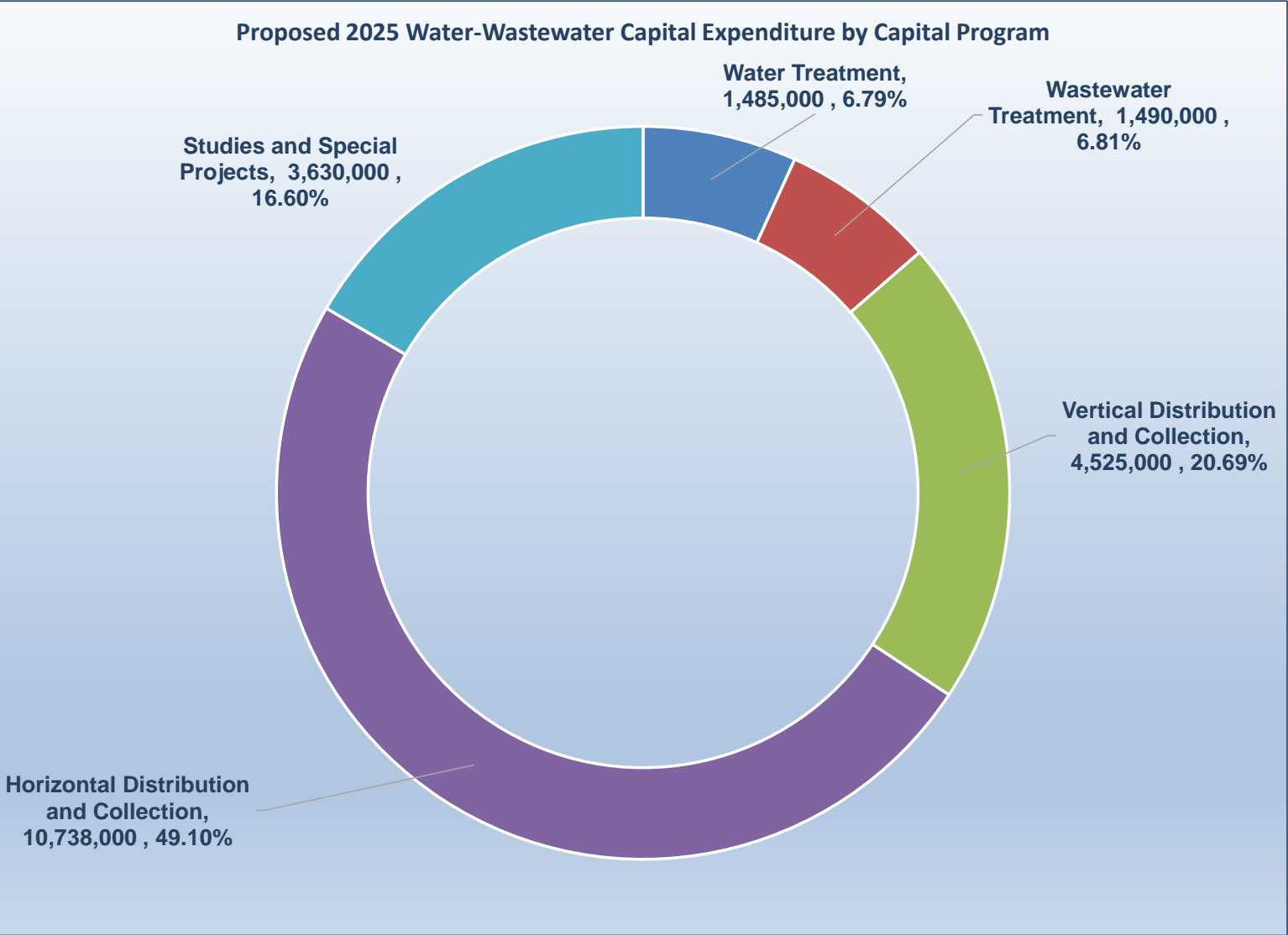


Proposed 2025 Water-Wastewater Capital Budget

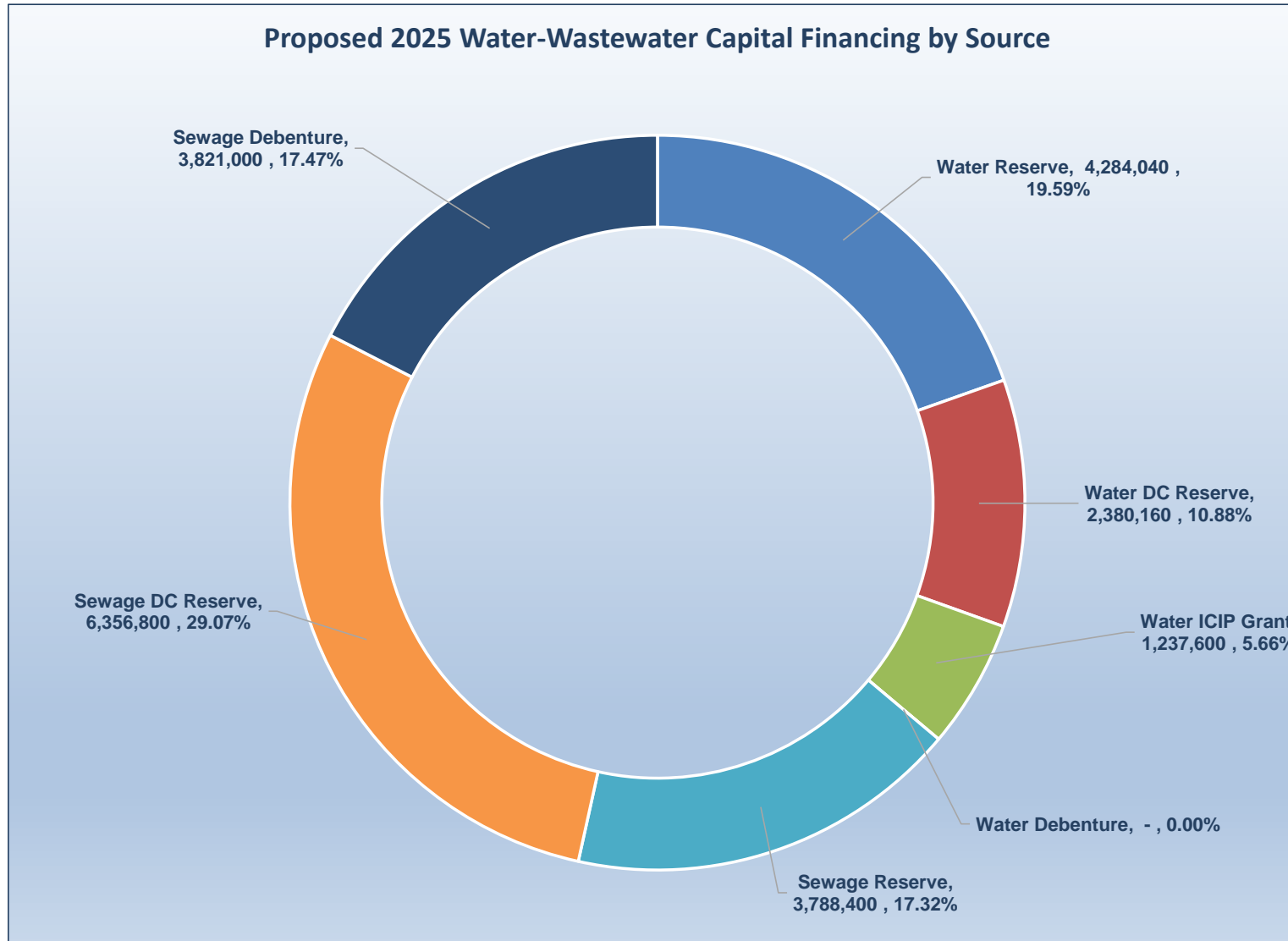
Historic 2022-2024 and Proposed 2025 Relative Shares of Water-Wastewater Capital Expenditure by Capital Program



Proposed 2025 Water-Wastewater Capital Budget



Proposed 2025 Water-Wastewater Capital Budget



Proposed 2025 Water-Wastewater Capital Budget



- State-of-Good-Repair vs. Expansionary:

Summary of Water-Wastewater Capital Budget - State-of-Good-Repair Capital Projects										
Program		Expenditure	Financing							
JDE ID	Title		Water Reserve	Water DC Reserve	Water ICIP Grant	Water Debenture	Sewage Reserve	Sewage DC Reserve	Sewage Debenture	Total
9982501	Water Treatment	1,485,000	1,485,000	-	-	-	-	-	-	1,485,000
9982502	Wastewater Treatment	1,490,000	-	-	-	-	1,490,000	-	-	1,490,000
9982503	Vertical Distribution and Collection	525,000	300,000	-	-	-	225,000	-	-	525,000
9982504	Horizontal Distribution and Collection	5,546,000	1,454,400	-	1,237,600	-	289,000	-	2,565,000	5,546,000
9982505	Studies and Special Projects	2,630,000	868,800	-	-	-	1,761,200	-	-	2,630,000
Total		11,676,000	4,108,200	-	1,237,600	-	3,765,200	-	2,565,000	11,676,000

Summary of Water-Wastewater Capital Budget - Expansionary Capital Projects										
Program		Expenditure	Financing							
JDE ID	Title		Water Reserve	Water DC Reserve	Water ICIP Grant	Water Debenture	Sewage Reserve	Sewage DC Reserve	Sewage Debenture	Total
9982501	Water Treatment	-	-	-	-	-	-	-	-	-
9982502	Wastewater Treatment	-	-	-	-	-	-	-	-	-
9982503	Vertical Distribution and Collection	4,000,000	-	-	-	-	-	4,000,000	-	4,000,000
9982504	Horizontal Distribution and Collection	5,192,000	175,840	2,380,160	-	-	23,200	1,356,800	1,256,000	5,192,000
9982505	Studies and Special Projects	1,000,000	-	-	-	-	-	1,000,000	-	1,000,000
Total		10,192,000	175,840	2,380,160	-	-	23,200	6,356,800	1,256,000	10,192,000

Proposed 2025 Water-Wastewater Capital Budget

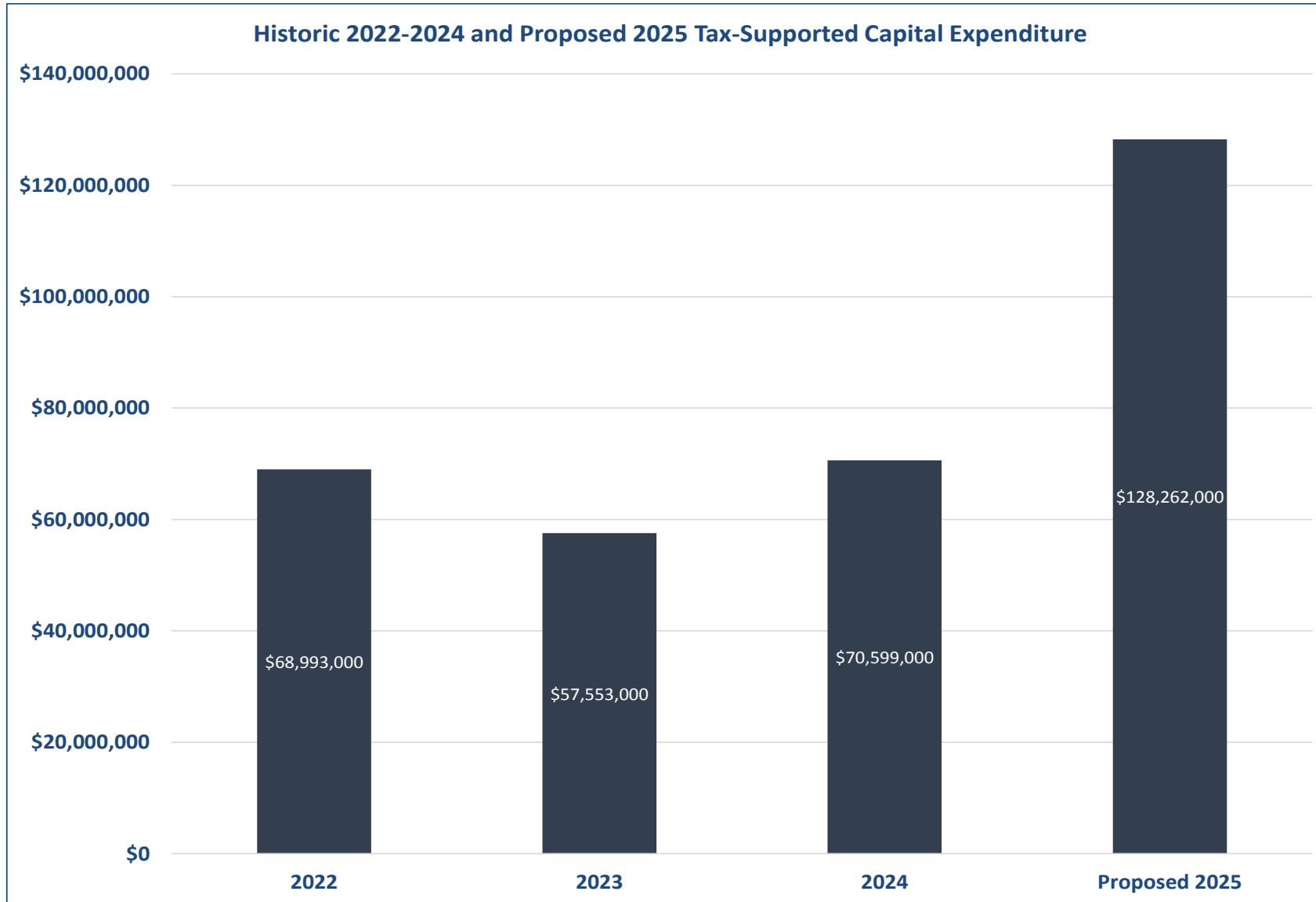


- Summary:
 - Total investment of \$21.9M with low reliance on debenture
 - State-of-good-repair investment aligns with expected need of approx. \$13M/year
 - Significant investment in expansionary capital works to ready the City for growth
 - Consistent with 3% user fee increase forecasted for 2025 by the Water-Wastewater Rate Study

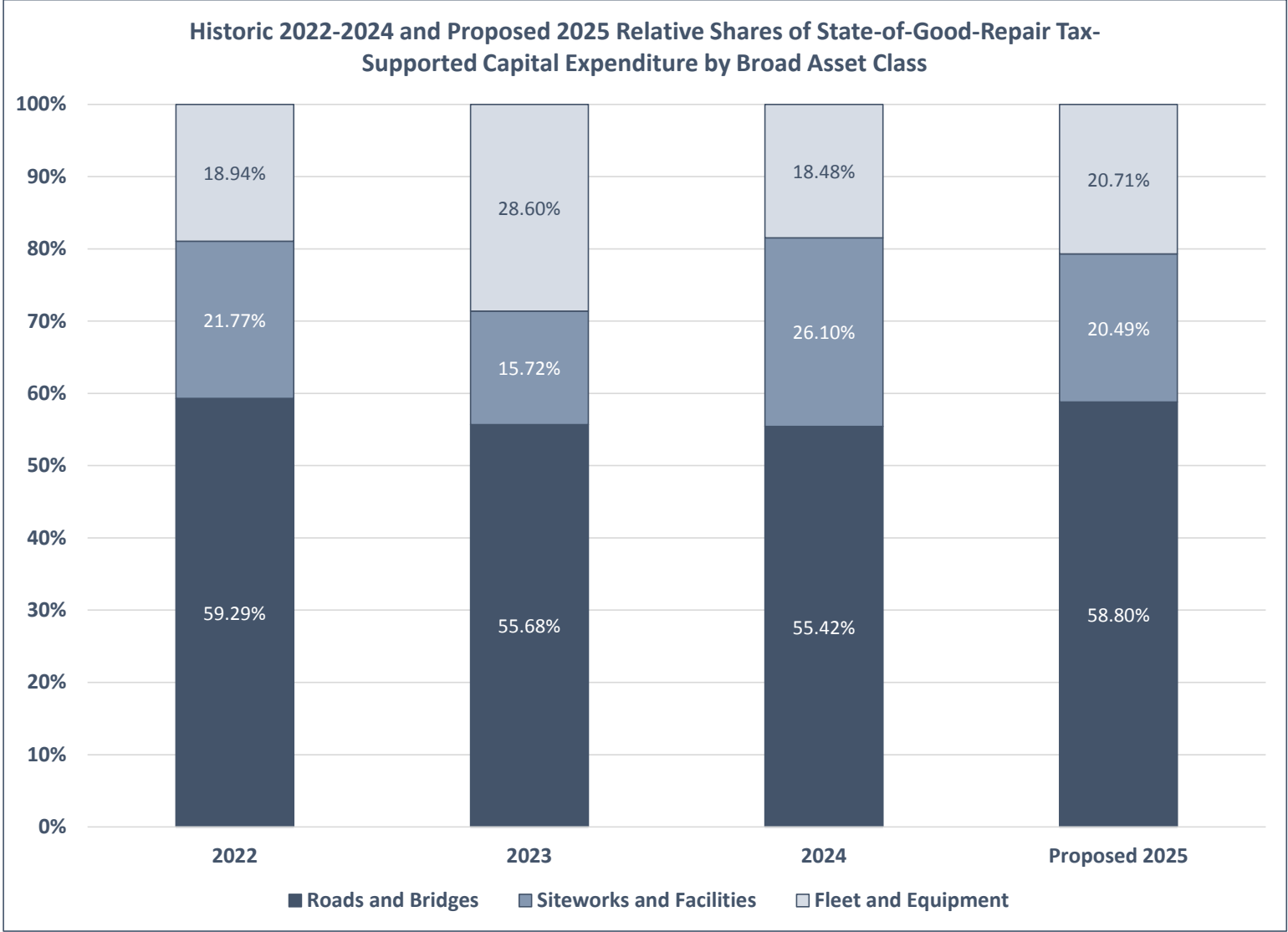
Summary of Water-Wastewater Capital Budget

Program		Expenditure	Financing							Total
JDE ID	Title		Water Reserve	Water DC Reserve	Water ICIP Grant	Water Debenture	Sewage Reserve	Sewage DC Reserve	Sewage Debenture	
9982501	Water Treatment	1,485,000	1,485,000	-	-	-	-	-	-	1,485,000
9982502	Wastewater Treatment	1,490,000	-	-	-	-	1,490,000	-	-	1,490,000
9982503	Vertical Distribution and Collection	4,525,000	300,000	-	-	-	225,000	4,000,000	-	4,525,000
9982504	Horizontal Distribution and Collection	10,738,000	1,630,240	2,380,160	1,237,600	-	312,200	1,356,800	3,821,000	10,738,000
9982505	Studies and Special Projects	3,630,000	868,800	-	-	-	1,761,200	1,000,000	-	3,630,000
Total		21,868,000	4,284,040	2,380,160	1,237,600	-	3,788,400	6,356,800	3,821,000	21,868,000

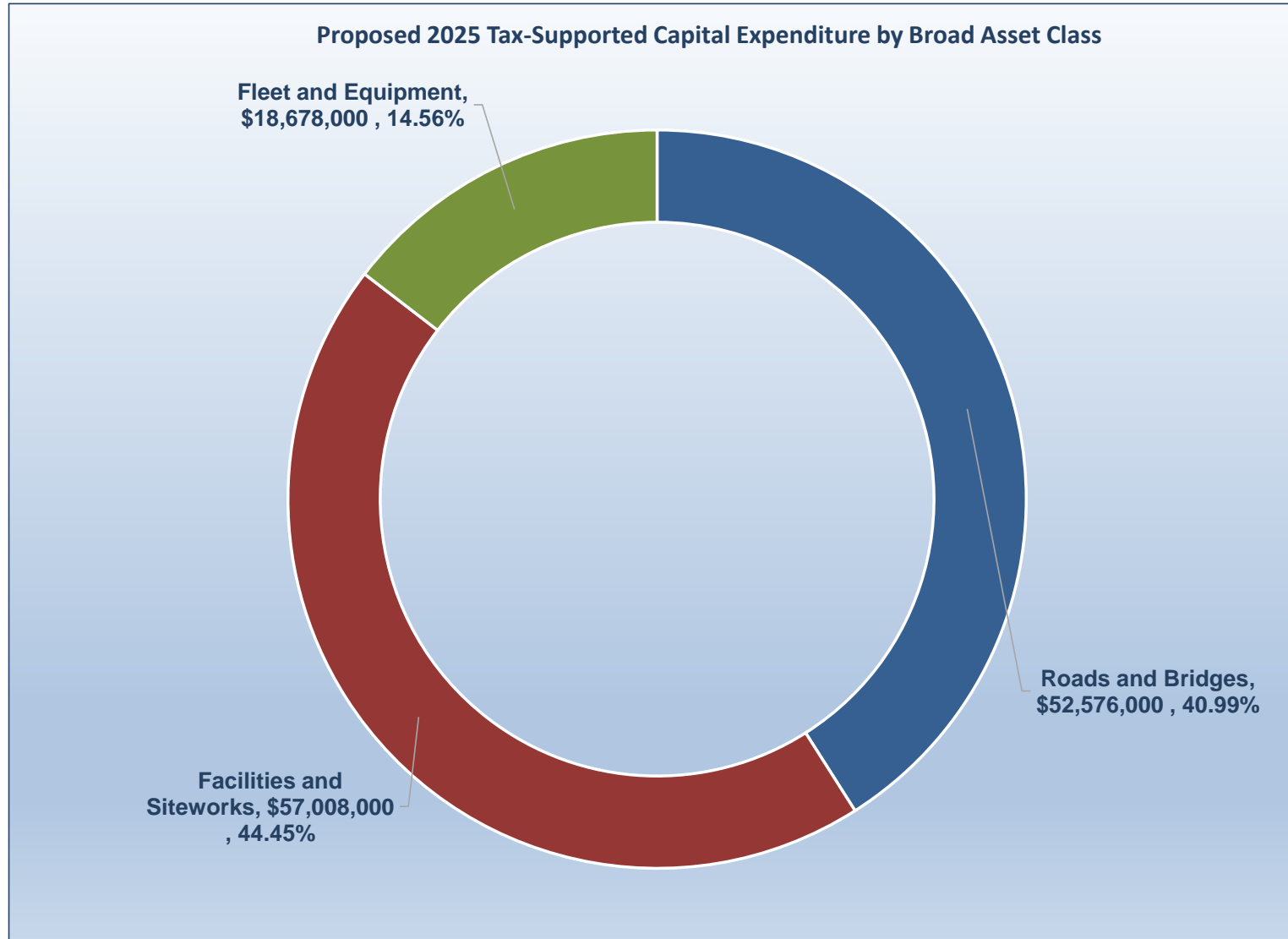
Proposed 2025 Tax-Supported Capital Budget



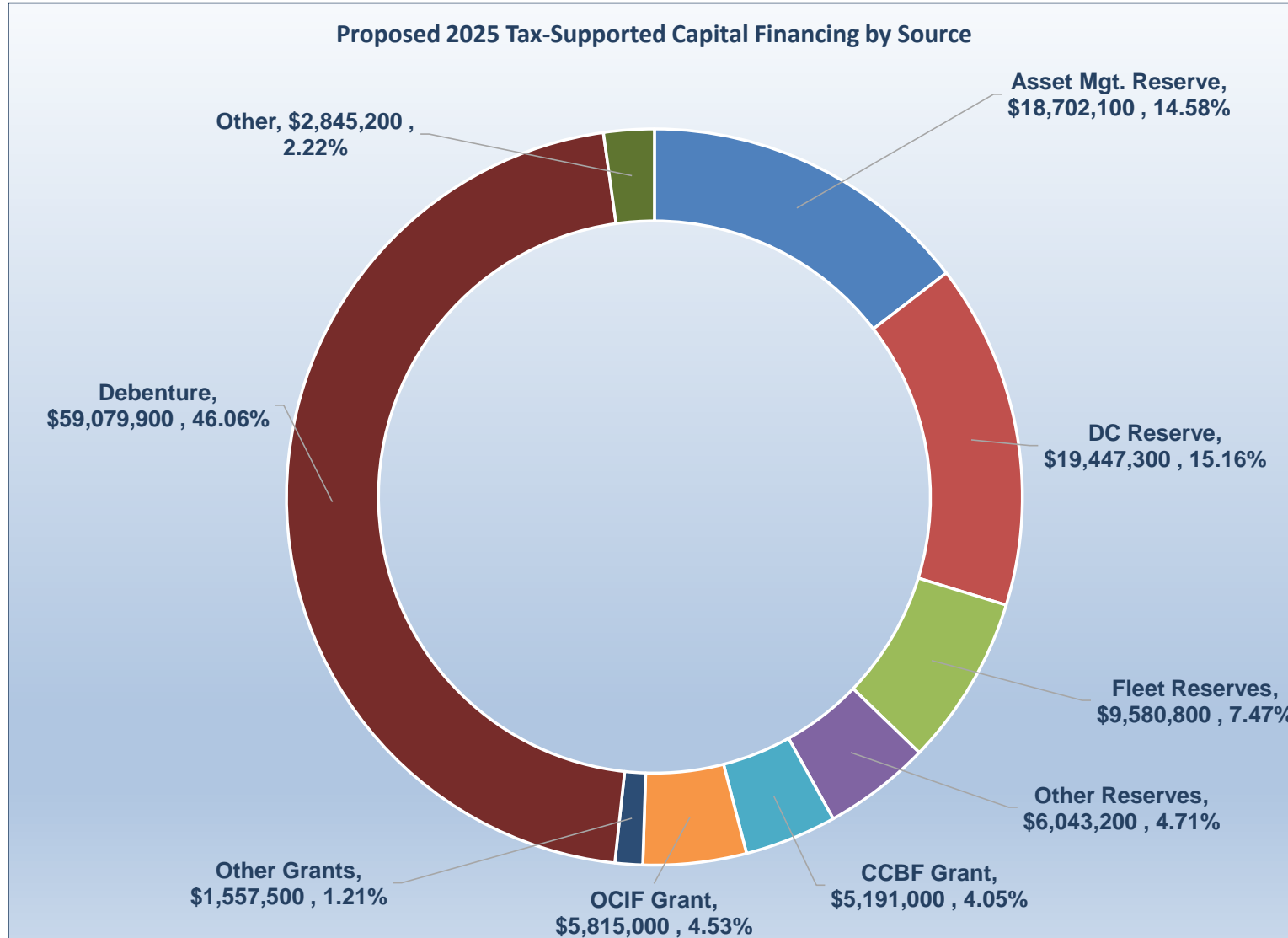
Proposed 2025 Tax-Supported Capital Budget



Proposed 2025 Tax-Supported Capital Budget



Proposed 2025 Tax-Supported Capital Budget



Proposed 2025 Tax-Supported Capital Budget



Summary of Tax-Supported Capital Budget - State-of-Good-Repair Capital Projects

Program		Expenditure	Financing									Total
JDE ID	Title		Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other	
9992501	Multiyear Capital Projects	2,165,000	1,145,000						1,020,000		2,165,000	
9832501	Bridges and Culverts	9,749,000	302,000			465,000			8,982,000		9,749,000	
9832502	Urban/Rural Reconstruction	9,444,000	502,200	936,400		746,000			7,259,400		9,444,000	
9832503	Urban/Arterial Resurfacing	8,140,000	1,312,000		1,100,000	3,150,000				2,578,000	8,140,000	
9832504	Rural Resurfacing	7,823,000	3,189,000				4,634,000				7,823,000	
9832505	Gravel Resurfacing	2,139,000	2,139,000								2,139,000	
9832506	Lifecycle Management	2,362,000	1,181,000				1,181,000				2,362,000	
9832507	Sidewalks	410,000	410,000								410,000	
9832508	Traffic Signals and Streetlights	75,000	75,000								75,000	
9832509	Parking Lots	140,000	31,900	108,100							140,000	
9872501	Airport Siteworks and Facilities	1,462,000	100,100	211,900		800,000			350,000		1,462,000	
9972501	Landfill Siteworks and Facilities	1,140,000	90,000						1,050,000		1,140,000	
9972502	Landfill Equipment											
9912501	Roads, Fleet and Transit Facilities	200,000	189,800			10,200					200,000	
9942501	Transit Siteworks											
9942502	Public Works Fleet	6,688,000			6,080,500			607,500			6,688,000	
9282501	Information Technology Systems	364,000	363,600			400					364,000	
9322501	Fire Facilities	1,588,000	1,588,000								1,588,000	
9322502	Fire Fleet and Equipment	5,976,000	587,700	20,300	1,891,000				3,477,000		5,976,000	
9382501	Paramedic Facilities											
9382502	Paramedic Fleet and Equipment	468,000	128,600		25,300	14,100		300,000			468,000	
9422501	Police Fleet and Equipment	532,000	58,000			474,000					532,000	
9692501	Victoria Manor	728,000		5,400		722,600					728,000	
9532501	Administrative Facilities and Libraries	2,540,000	1,416,000			60,000			1,064,000		2,540,000	
9502501	Parks Siteworks and Facilities	501,000	501,000								501,000	
9502502	Recreation Facilities	3,626,000	688,600			37,400			2,900,000		3,626,000	
9502503	Parks and Recreation Equipment	160,000	160,000								160,000	
9502504	Cemetery Siteworks and Facilities	84,000	57,000			27,000					84,000	
Total		68,504,000	16,215,500	1,282,100	7,996,800	3,245,700	4,361,000	5,815,000	907,500	26,102,400	2,578,000	68,504,000

Proposed 2025 Tax-Supported Capital Budget



Summary of Tax-Supported Capital Budget - Expansionary Capital Projects												
Program		Expenditure	Financing									
JDE ID	Title		Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other	Total
9992501	Multiyear Capital Projects	36,235,000		7,660,000		572,500				28,002,500		36,235,000
9832501	Bridges and Culverts	1,400,000		1,400,000								1,400,000
9832502	Urban/Rural Reconstruction	9,738,000	630,800	6,758,000		67,000	830,000			1,240,000	212,200	9,738,000
9832503	Urban/Arterial Resurfacing											
9832504	Rural Resurfacing											
9832505	Gravel Resurfacing											
9832506	Lifecycle Management											
9832507	Sidewalks	56,000	56,000									56,000
9832508	Traffic Signals and Streetlights	1,100,000	110,000	990,000								1,100,000
9832509	Parking Lots											
9872501	Airport Siteworks and Facilities	1,843,000				1,393,000			450,000			1,843,000
9972501	Landfill Siteworks and Facilities	1,880,000	80,000						1,800,000			1,880,000
9972502	Landfill Equipment											
9912501	Roads, Fleet and Transit Facilities	410,000	410,000									410,000
9942501	Transit Siteworks											
9942502	Public Works Fleet	1,745,000		365,000	1,282,000	98,000						1,745,000
9282501	Information Technology Systems	1,585,000	855,000			80,000		650,000				1,585,000
9322501	Fire Facilities											
9322502	Fire Fleet and Equipment	406,000	104,000		302,000							406,000
9382501	Paramedic Facilities											
9382502	Paramedic Fleet and Equipment	120,000		120,000								120,000
9422501	Police Fleet and Equipment	49,000		12,000		37,000						49,000
9692501	Victoria Manor											
9532501	Administrative Facilities and Libraries											
9502501	Parks Siteworks and Facilities	3,191,000	240,800	860,200		550,000			1,485,000	55,000		3,191,000
9502502	Recreation Facilities											
9502503	Parks and Recreation Equipment											
9502504	Cemetery Siteworks and Facilities											
Total		59,758,000	2,486,600	18,165,200	1,584,000	2,797,500	830,000	-	650,000	32,977,500	267,200	59,758,000

Proposed 2025 Tax-Supported Capital Budget



Summary of Tax-Supported Capital Budget												
Program		Expenditure	Financing									Total
JDE ID	Title		Asset Mgt. Reserve	DC Reserve	Fleet Reserves	Other Reserves	CCBF Grant	OCIF Grant	Other Grants	Debenture	Other	
9992501	Multiyear Capital Projects	38,400,000	1,145,000	7,660,000		572,500				29,022,500		38,400,000
9832501	Bridges and Culverts	11,149,000	302,000	1,400,000			465,000			8,982,000		11,149,000
9832502	Urban/Rural Reconstruction	19,182,000	1,133,000	7,694,400		67,000	1,576,000			8,499,400	212,200	19,182,000
9832503	Urban/Arterial Resurfacing	8,140,000	1,312,000			1,100,000	3,150,000				2,578,000	8,140,000
9832504	Rural Resurfacing	7,823,000	3,189,000					4,634,000				7,823,000
9832505	Gravel Resurfacing	2,139,000	2,139,000									2,139,000
9832506	Lifecycle Management	2,362,000	1,181,000					1,181,000				2,362,000
9832507	Sidewalks	466,000	466,000									466,000
9832508	Traffic Signals and Streetlights	1,175,000	185,000	990,000								1,175,000
9832509	Parking Lots	140,000	31,900	108,100								140,000
9872501	Airport Siteworks and Facilities	3,305,000	100,100	211,900		2,193,000				800,000		3,305,000
9972501	Landfill Siteworks and Facilities	3,020,000	170,000							2,850,000		3,020,000
9972502	Landfill Equipment											
9912501	Roads, Fleet and Transit Facilities	610,000	599,800			10,200						610,000
9942501	Transit Siteworks											
9942502	Public Works Fleet	8,433,000		365,000	7,362,500	98,000			607,500			8,433,000
9282501	Information Technology Systems	1,949,000	1,218,600			80,400			650,000			1,949,000
9322501	Fire Facilities	1,588,000	1,588,000									1,588,000
9322502	Fire Fleet and Equipment	6,382,000	691,700	20,300	2,193,000					3,477,000		6,382,000
9382501	Paramedic Facilities											
9382502	Paramedic Fleet and Equipment	588,000	128,600	120,000	25,300	14,100			300,000			588,000
9422501	Police Fleet and Equipment	581,000	58,000	12,000		511,000						581,000
9692501	Victoria Manor	728,000		5,400		722,600						728,000
9532501	Administrative Facilities and Libraries	2,540,000	1,416,000			60,000				1,064,000		2,540,000
9502501	Parks Siteworks and Facilities	3,692,000	741,800	860,200		550,000				1,485,000	55,000	3,692,000
9502502	Recreation Facilities	3,626,000	688,600			37,400				2,900,000		3,626,000
9502503	Parks and Recreation Equipment	160,000	160,000									160,000
9502504	Cemetery Siteworks and Facilities	84,000	57,000			27,000						84,000
Total		128,262,000	18,702,100	19,447,300	9,580,800	6,043,200	5,191,000	5,815,000	1,557,500	59,079,900	2,845,200	128,262,000

Proposed 2025 Tax-Supported Capital Budget Summary

- Historic total investment of \$128.3 Million with strategic usage of reserves, debenture etc.
- Deferrals addressed: \$27.2 Million
- Roads and bridges share of state-of-good-repair investment: 59%
- State-of-good-repair housing excluded as approved by Council fall 2023: \$16.5 Million
- Installment 2 of 3 for Paramedic Headquarters and Fleet Centre: \$21.5M
- Significant expansions to roads, bridges, facilities, and fleet to prepare City for growth

Strategic Usage of Tax-Supported Debenture: \$59.1M

- \$13.4M for Paramedic Headquarters and Fleet Centre. Analysis forthcoming re borrowing from Lindsay Legacy CHEST Fund
- \$14.6M for Murray St. and Highway 35 Housing projects is anticipated to have partial recovery by new housing rental income
- Appropriate usage of \$24M in debenture for long-lived assets such as roads, bridges, runways, landfills, and ice pads.
- \$7.1M for fire trucks, parks siteworks and minor facility improvements as interim financing strategy until target Asset Management Reserve achieved

Key 2025 Tax-Supported Capital Budget Pressures

- Significant capital cost inflation
- Projects deferred to 2025 from previous years
- Projects advanced to 2025 from future years
- Unplanned and unexpected projects

Examples of Significant Tax-Supported Capital Cost Inflation

- Paramedic Headquarters and Fleet Centre: From \$14.7M in 2022 to \$50M in 2025
- Lake Dalrymple Bridge: From \$2.3M in 2023 to \$4.8M in 2025
- Colborne St. - Highway 35 to Charles St.: From \$5.0M in 2023 to \$6.2M in 2025
- Pickup Truck: From \$47,000 in 2022 to \$73,000 in 2025

Tax-Supported Capital Projects Deferred to 2025 from Previous Years (\$27.2M)

- Lake Dalrymple Bridge (2023): \$4.76M
- Canal St. - Sherwood St. to CKL Rd. 36 (2021): \$3.28M
- Elliot St. - Lindsay St. to Murray St. (2019): \$300,000M
- Colborne St. - Highway 35 to Charles St. (2021): \$6.2M
- Colborne St./Angeline St. Intersection (2022): \$1.34M
- Glenelg St. - Lindsay St. to Victoria Ave. (2019): \$2.04M
- Pottinger St. - Victoria Ave. to West End (2021): \$2.75M
- Kent St. - 75m West of Angeline St. to Highway 35 (2021): \$1.4M
- CKL Rd. 38 - Highway 7 to Highway 7A (2022): \$5.15M

Tax-Supported Capital Projects Advanced to 2025 from Future Years

- **Pottinger St. - Victoria Ave. to West End: \$2,751,000**
 - Formerly rescheduled for 2026 in deferrals list
 - Targeted for 2025 to ensure exhaustion of ICIP cast iron watermain grant
- **East St./Cedartree Lane/Duke St. Signalization: \$400,000**
 - Formerly scheduled for 2026 in Long-Term Financial Plan
 - Targeted for 2025 to address pressures of growth in Bobcaygeon
- **Somerville 3rd Concession Bridge and Road EA and Design: \$1,700,000**
 - Formerly scheduled for 2027 in Long-Term Financial Plan.
 - Targeted for 2025 as per Mayor's Memo #01-24

Unplanned and Unexpected 2025 Tax-Supported Capital Projects

- **Unplanned projects**
 - Construction of Defaulted Subdivision Roads: Westlake Ct. (\$770,000) and Birch Cres. (\$828,000)
 - Installation of Fuel Tanks at Various Roads Operations Depots (\$410,000)
 - Public Works Fleet Acquisitions (\$1,750,000)
 - Growth-Unrelated Expansionary Parks Projects (\$1,025,000)
- **Unexpected projects arising from premature asset failures**
 - Elm Tree Rd. Bridge (\$1,800,000)
 - King St. Bridge Expansion Joints (\$650,000)
 - CKL Rd. 41 Resurfacing (\$1,400,000)

Timeline of End-to-End Renewal of Kent St. W. in Lindsay

- 2020-2021: Reconstruction from Lindsay St. to William St.
- 2021-2022: Reconstruction from William St. to Victoria Ave.
- 2025: Resurfacing from 75m west of Angeline St. to Highway 35
- 2026-2027: Reconstruction from Victoria Ave. to Jane St.
- 2027-2028: Reconstruction from Jane St. to 75m West of Angeline St. as part of intersection improvement.