

Proposed 2026 Capital and Special Projects Budgets

Presentation to Budget Committee

October 6, 2025

Agenda

- Proposed 2026 Special Projects Budget
- Proposed 2026 Water-Wastewater Capital Budget
- Proposed 2026 Tax-Supported Capital Budget

What is a Special Project?

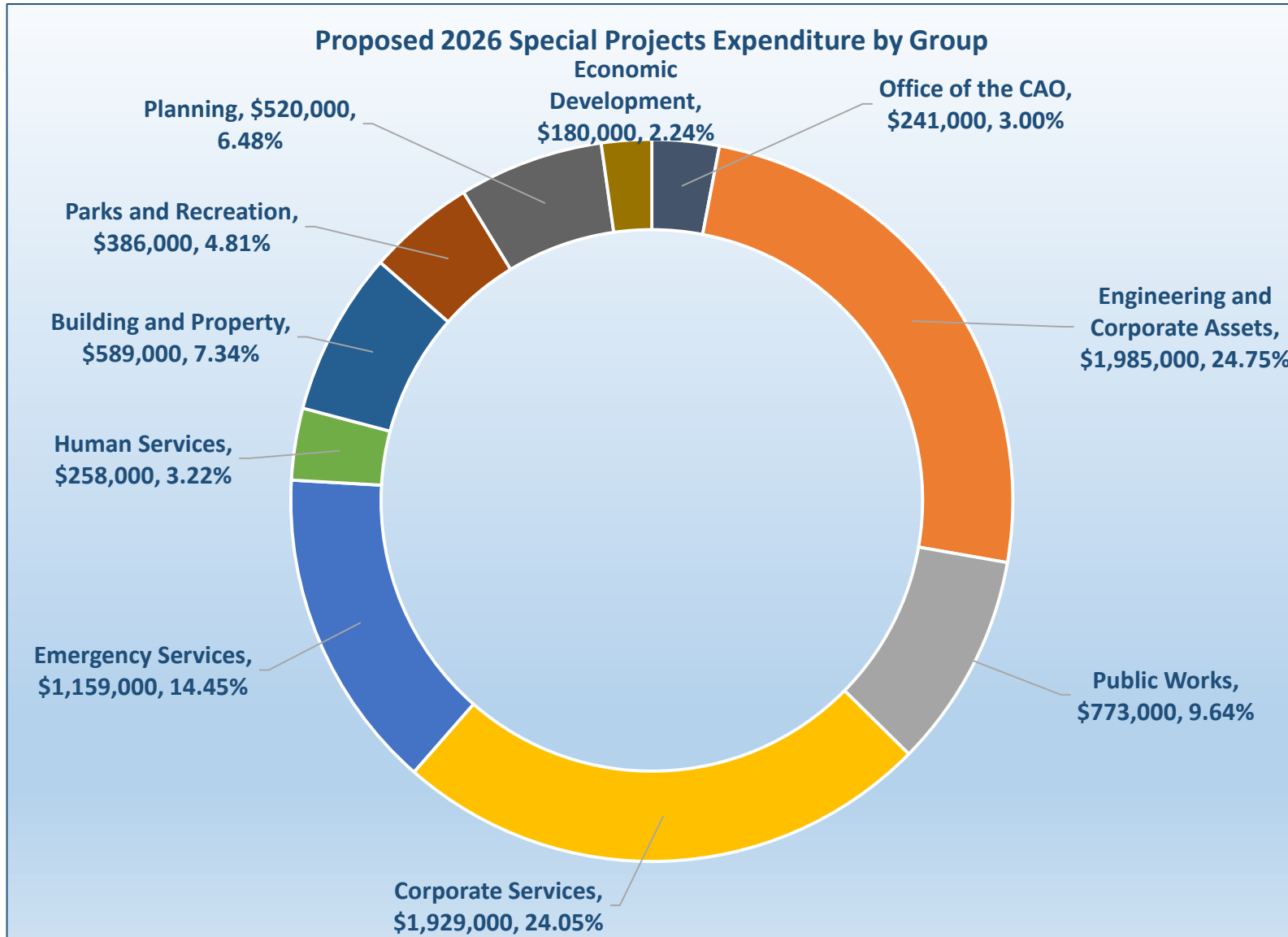
- A special project is a specific and distinct tax-supported operating initiative that is typically:
 - Not capitalizable into a tangible asset owned by the City;
 - More than one year in duration; and
 - Best budgeted and managed in a manner similar to the approach taken with capital projects.
- When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

Summary of Proposed Special Projects Budget



| Summary of Proposed 2026 Special Projects Budget | | | | | | |
|--|------------------|--------------------------|-----------------------------|-----------------------------|------------------------------|------------------|
| Group | Expense | Financing | | | | Total |
| | | Special Projects Reserve | Development Charges Reserve | Capital Contingency Reserve | Economic Development Reserve | |
| Office of the CAO | 241,000 | 163,750 | 77,250 | 0 | 0 | 241,000 |
| Engineering and Corporate Assets | 1,985,000 | 1,448,300 | 536,700 | 0 | 0 | 1,985,000 |
| Public Works | 773,000 | 599,000 | 174,000 | 0 | 0 | 773,000 |
| Corporate Services | 1,929,000 | 904,000 | 0 | 1,025,000 | 0 | 1,929,000 |
| Emergency Services | 1,159,000 | 414,000 | 745,000 | 0 | 0 | 1,159,000 |
| Human Services | 258,000 | 258,000 | 0 | 0 | 0 | 258,000 |
| Building and Property | 589,000 | 589,000 | 0 | 0 | 0 | 589,000 |
| Parks and Recreation | 386,000 | 192,500 | 193,500 | 0 | 0 | 386,000 |
| Planning | 520,000 | 263,500 | 256,500 | 0 | 0 | 520,000 |
| Economic Development | 180,000 | 80,000 | 0 | 0 | 100,000 | 180,000 |
| Total | 8,020,000 | 4,912,050 | 1,982,950 | 1,025,000 | 100,000 | 8,020,000 |

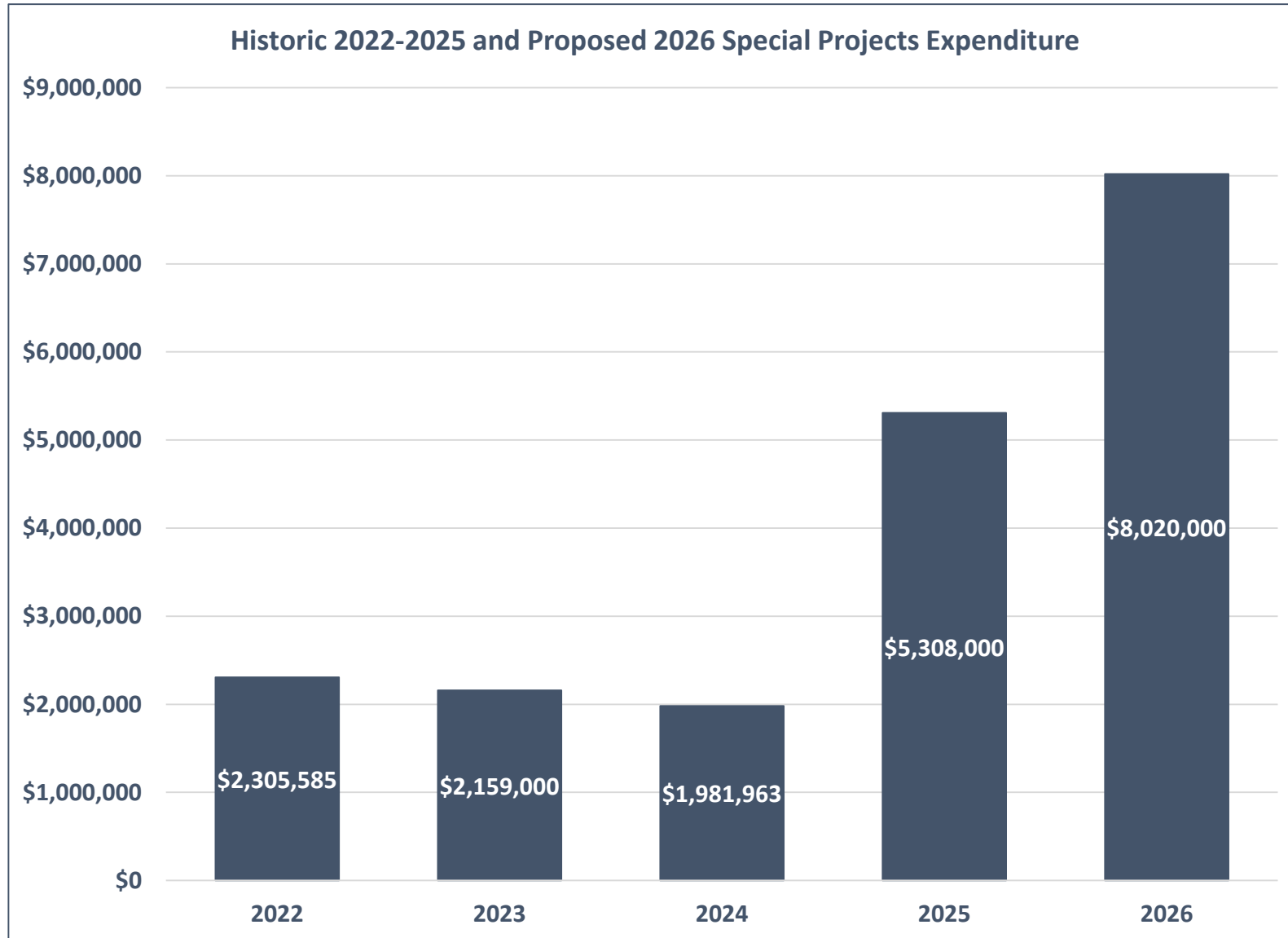
Proposed Special Projects Expenditure



Proposed Special Projects Financing



Historic vs. Proposed Special Projects Expenditure



Special Projects Budget Highlights

- Key strategic studies and master plans (\$2,546,000)
 - By-Law Enforcement and Licensing Master Plan (\$103,000)
 - Stormwater Master Plan (\$1,000,000 over 2025-2026)
 - Solid Waste Capital Needs Assessment (\$206,000)
 - Source-Separated Organics Plan (\$283,000)
 - Roads Operations Master Plan (\$232,000)
 - Kawartha Lakes Police Service Facility Expansion Study (\$88,000)
 - Kawartha Lakes Police Service Strategic Plan (\$206,000)
 - Fire Radio Gapping Study (\$103,000)
 - Fire Community Risk Assessment (\$206,000)
 - Fire Master Plan (\$361,000)
 - Recreation Facility Master Plan (\$258,000)

Special Projects Budget Highlights cont'd

- Previously unplanned / unknown special projects (\$3,144,000)
 - Integrated Waste Management Strategy Implementation Plan (\$82,000)
 - Projects Relating to Leased Interim Fleet and Transit Facility (\$620,000)
 - Various IT Projects (\$1,929,000)
 - Ultraviolet Light Water Treatment Systems for Various Fire Facilities (\$125,000)
 - Various Human Services Projects (\$258,000)
 - Downtown Revitalization Action Plan (Bobcaygeon) (\$80,000)
 - Manufacturing Asset Map and Action Plan (\$50,000)

Special Projects Budget Highlights – cont'd

- One-time use of surplus in Capital Contingency Reserve to support influx of IT special projects needs.
- Concerted effort to update master plans to align with 2025 Growth Management Strategy and inform planned 2027 DC study.
- Funding pause for multiyear Solid Waste EA to allow project to catch up to previously approved funding.
- Deferrals and other adjustments forthcoming to reduce draw on Special Projects Reserve and thus reduce 2026 tax increase.

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:
 - The type of capital project whose primary purpose is asset renewal (replacement, rehabilitation, restoration etc.).

Capital Project Fundamentals - continued

- Expansionary:
 - The type of 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 are the output of the following 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 expenditures with financing strategies.
 5. Capital budgets implement long-term financial plans on an annual basis.

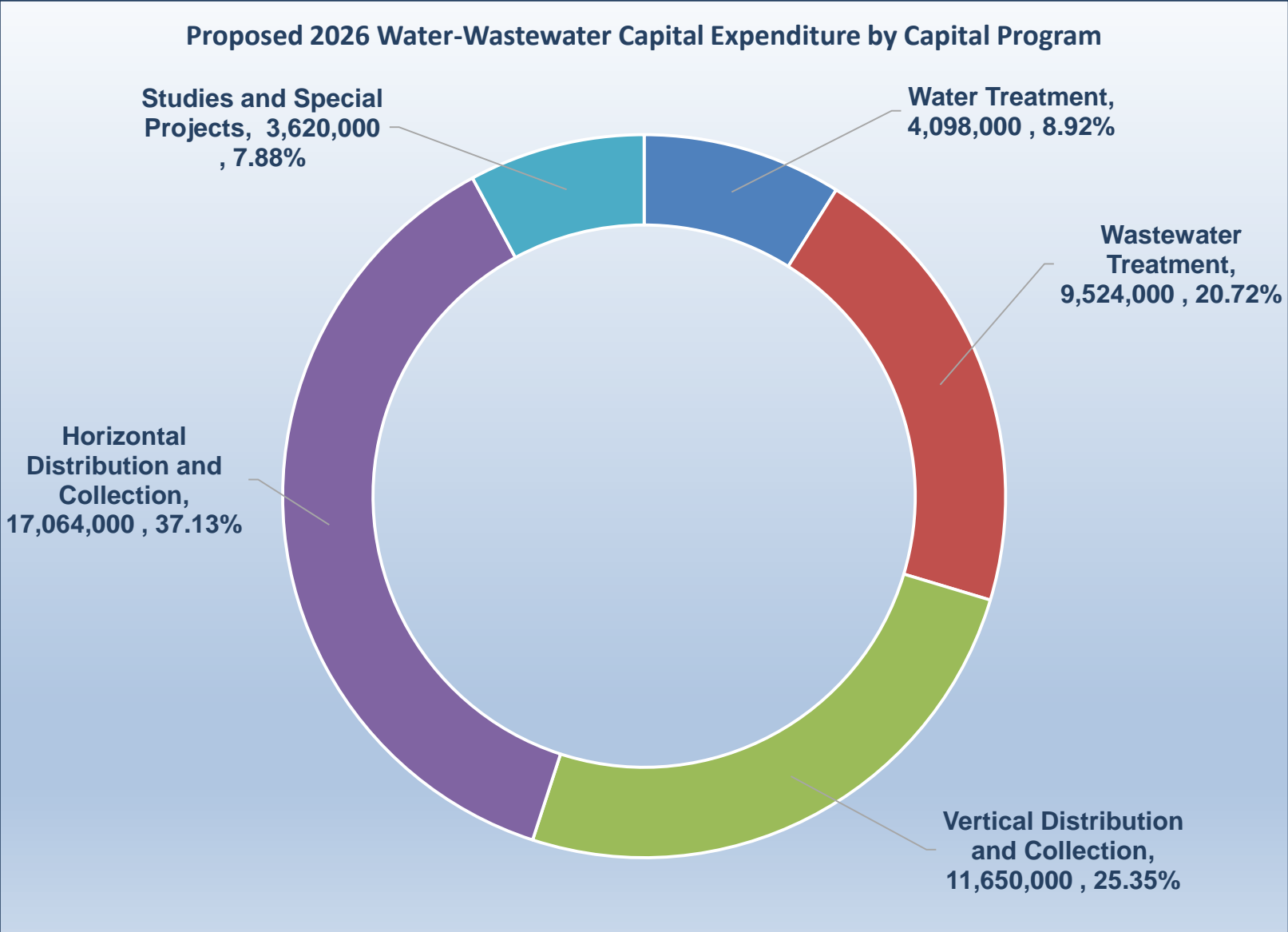
Summary of Proposed Water-Wastewater Capital Budget



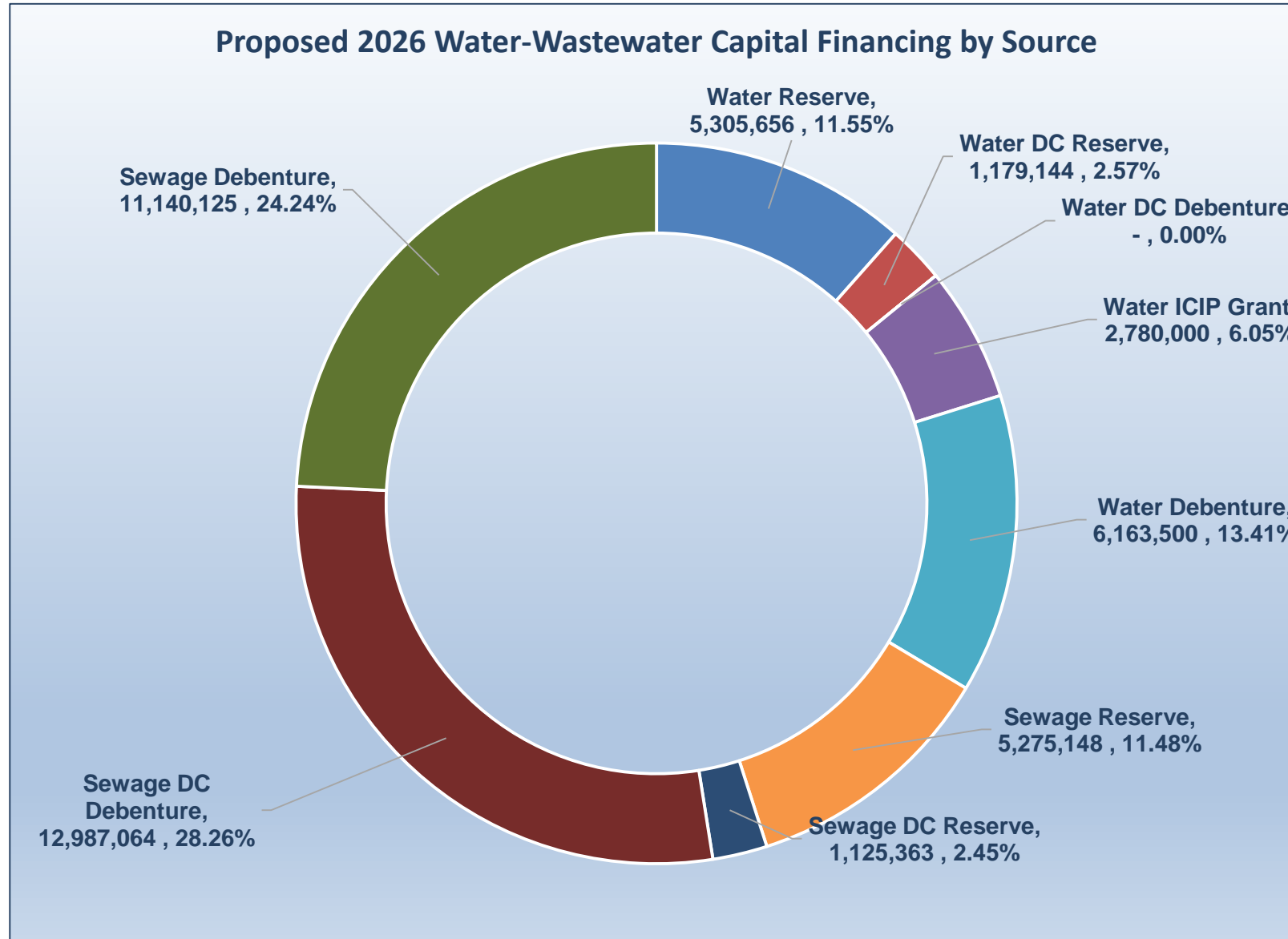
| Proposed 2026 Water-Wastewater Capital Expenditure Summary | | | |
|--|----------------------|-------------------|-------------------|
| Capital Program | State-of-Good-Repair | Expansionary | Total |
| Water Treatment | 3,583,000 | 515,000 | 4,098,000 |
| Wastewater Treatment | 2,690,000 | 6,834,000 | 9,524,000 |
| Vertical Distribution and Collection | 1,164,000 | 10,486,000 | 11,650,000 |
| Horizontal Distribution and Collection | 14,436,000 | 2,628,000 | 17,064,000 |
| Studies and Special Projects | 3,105,000 | 515,000 | 3,620,000 |
| Total | 24,978,000 | 20,978,000 | 45,956,000 |

| Proposed 2026 Water-Wastewater Capital Financing Summary | |
|--|-------------------|
| Source | Amount |
| Water Reserve | 5,305,656 |
| Water DC Reserve | 1,179,144 |
| Water DC Debenture | - |
| Water ICIP Grant | 2,780,000 |
| Water Debenture | 6,163,500 |
| Sewage Reserve | 5,275,148 |
| Sewage DC Reserve | 1,125,363 |
| Sewage DC Debenture | 12,987,064 |
| Sewage Debenture | 11,140,125 |
| Total | 45,956,000 |

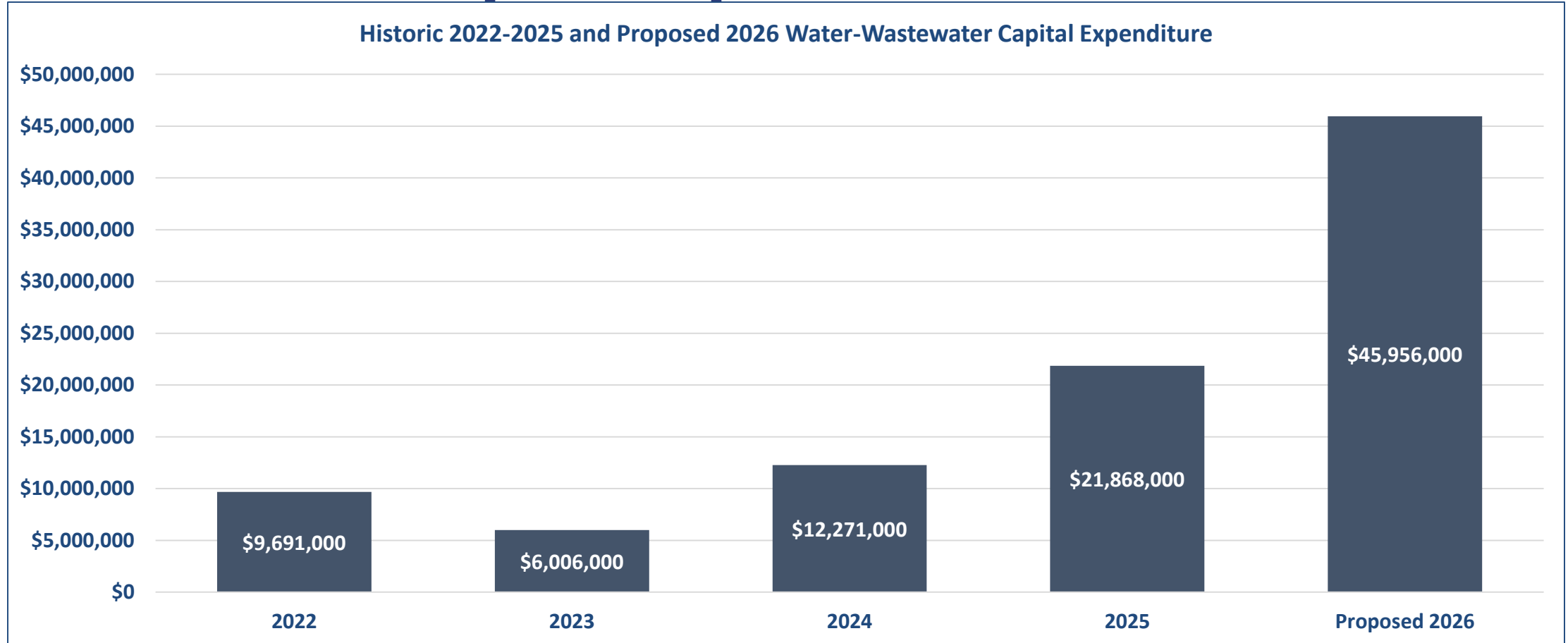
Proposed Water-Wastewater Capital Expenditure



Proposed Water-Wastewater Capital Financing



Historic vs. Proposed Water-Wastewater Capital Expenditure



Water-Wastewater Capital Budget Highlights

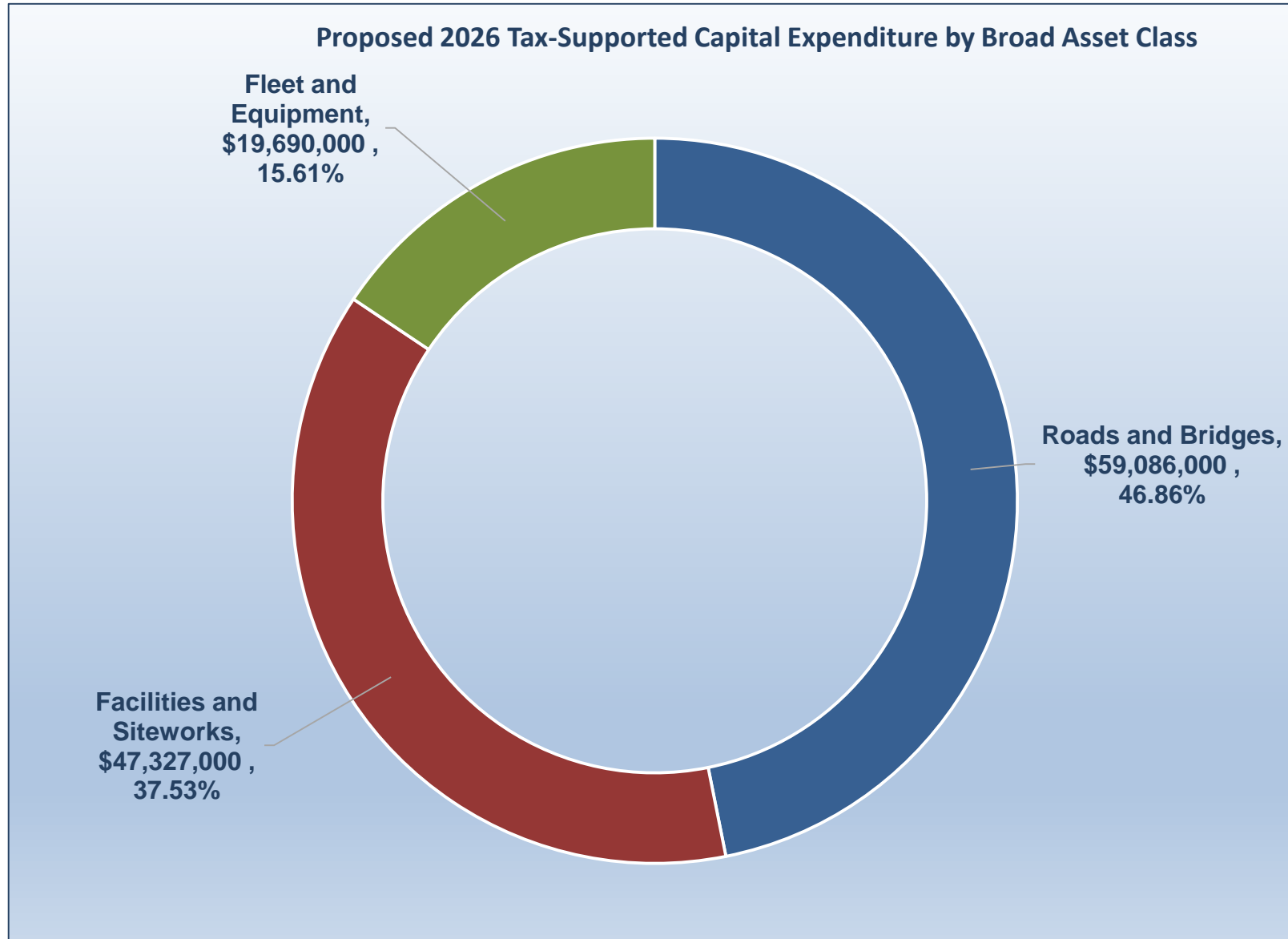
- Historic total investment of \$46.0 Million, reflective of:
 - Significant ongoing capital cost inflation.
 - Strategic usage of reserves, debt, ICIP grant, etc.
 - Continued aggressive elimination of cast iron watermains in Lindsay.
 - 3% user fee increase as per Water-Wastewater Rate Study.
- Remediation of Omemee WPCP to resolve provincial order and enable growth in Omemee.
- Substantial upgrades to Logie St. SPS and Ridout St. SPS to enable growth in Lindsay.

Proposed 2025 Tax-Supported Capital Budget

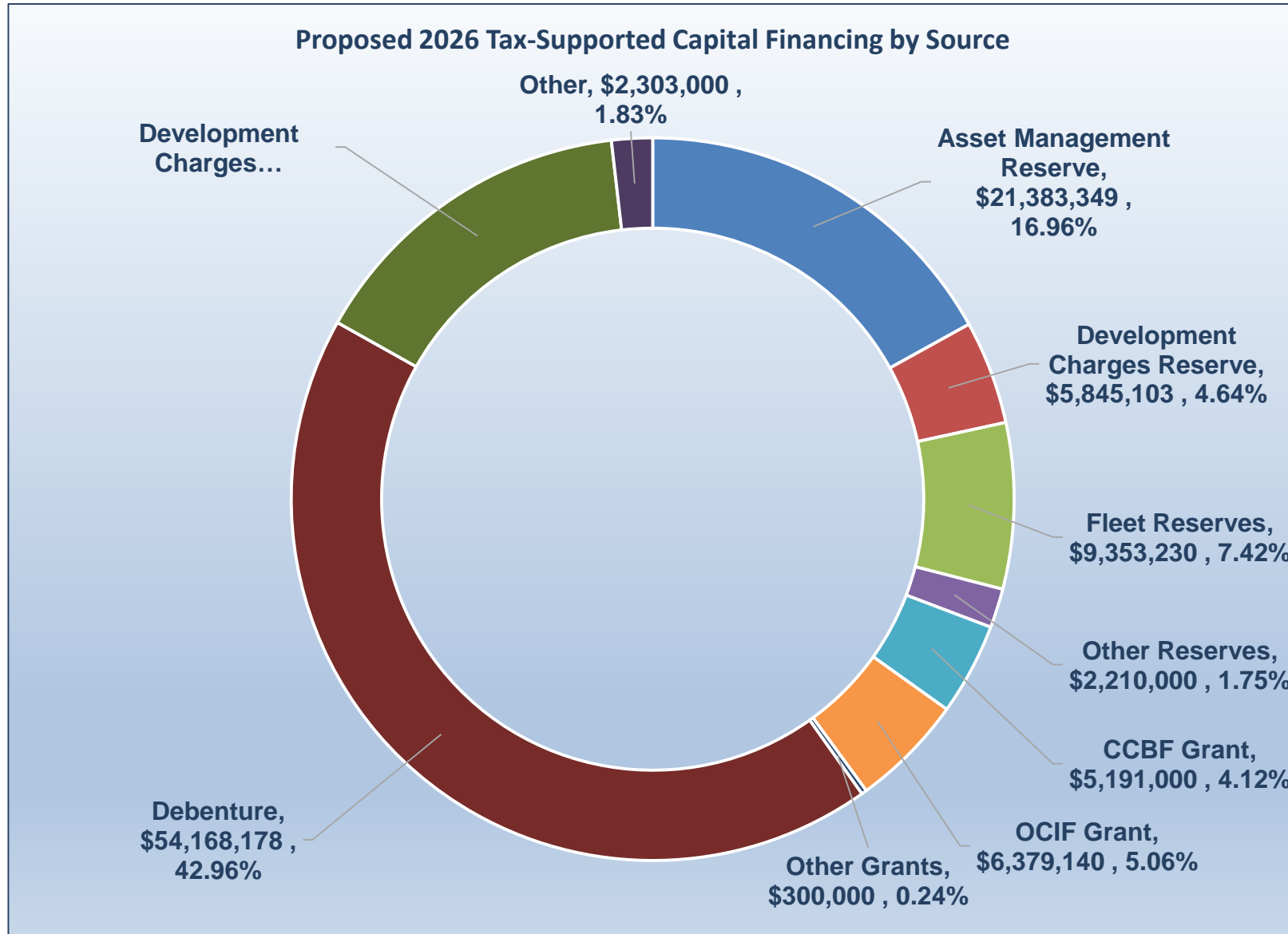


| Summary of Proposed 2026 Tax-Supported Capital Budget | | | | | | | | | | | | | |
|---|---|--------------------|--------------------------|-----------------------------|------------------|------------------|------------------|------------------|------------------|----------------|-------------------------------|-------------------|--------------------|
| JDE ID | Program | Expenditure | Financing | | | | | | | | | | |
| | | | Asset Management Reserve | Development Charges Reserve | Fleet Reserves | Other Reserves | CCBF Grant | OCIF Grant | Other Grants | Debenture | Development Charges Debenture | Other | Total |
| 9992601 | Multiyear Capital Projects | 3,165,000 | 1,619,000 | | | | | 846,000 | | | 700,000 | | 3,165,000 |
| 9832601 | Bridges and Culverts | 11,875,000 | 625,000 | | | | | | | | 6,330,000 | 4,920,000 | 11,875,000 |
| 9832602 | Urban/Rural Reconstruction | 24,635,000 | 1,992,500 | 2,216,000 | | | | | | | 13,216,000 | 7,210,500 | 24,635,000 |
| 9832603 | Urban/Arterial Resurfacing | 9,106,000 | 830,000 | 671,692 | | | 1,010,000 | 975,000 | | | 3,371,308 | 2,248,000 | 9,106,000 |
| 9832604 | Rural Resurfacing | 7,435,000 | 1,292,000 | | | | | | 4,808,140 | | 1,334,860 | | 7,435,000 |
| 9832605 | Gravel Resurfacing | 2,241,000 | 670,000 | | | | | | 1,571,000 | | | | 2,241,000 |
| 9832606 | Lifecycle Management | 2,362,000 | 2,362,000 | | | | | | | | | | 2,362,000 |
| 9832607 | Sidewalks | 305,000 | 305,000 | | | | | | | | | | 305,000 |
| 9832608 | Traffic Signals and Streetlights | 977,000 | 513,500 | 463,500 | | | | | | | | | 977,000 |
| 9832609 | Parking Lots | 150,000 | 150,000 | | | | | | | | | | 150,000 |
| 9872601 | Airport Siteworks and Facilities | 400,000 | 400,000 | | | | | | | | | | 400,000 |
| 9972601 | Landfill Siteworks and Facilities | 5,209,000 | 574,000 | | | | | | | | 4,635,000 | | 5,209,000 |
| 9912601 | Roads, Fleet and Transit Facilities | 1,626,000 | 596,000 | | | | | | | | 1,030,000 | | 1,626,000 |
| 9942601 | Transit Siteworks | 95,000 | 95,000 | | | | | | | | | | 95,000 |
| 9942602 | Public Works Fleet | 10,450,000 | | 842,870 | 7,353,230 | 57,000 | | | | | 2,196,900 | | 10,450,000 |
| 9282601 | Information Technology Systems | 2,008,000 | 2,008,000 | | | | | | | | | | 2,008,000 |
| 9322601 | Fire Facilities | 1,715,000 | 704,000 | 145,390 | | | | 341,000 | | | 524,610 | | 1,715,000 |
| 9322602 | Fire Fleet and Equipment | 6,054,000 | 2,281,384 | 361,616 | 2,000,000 | | | | | | 1,411,000 | | 6,054,000 |
| 9382601 | Paramedic Facilities | 10,970,000 | 220,000 | | | | | | | | 7,546,500 | 3,203,500 | 10,970,000 |
| 9382602 | Paramedic Fleet and Equipment | 677,000 | 278,645 | 98,355 | | | | | | 300,000 | | | 677,000 |
| 9422601 | Police Fleet and Equipment | 233,000 | 20,000 | 13,000 | | | 200,000 | | | | | | 233,000 |
| 9692601 | Victoria Manor | 142,000 | 142,000 | | | | | | | | | | 142,000 |
| 9102601 | Housing Facilities | | | | | | | | | | | | |
| 9102602 | Housing Fleet | 100,000 | 100,000 | | | | | | | | | | 100,000 |
| 9532601 | Administrative Facilities and Libraries | 1,830,000 | 580,000 | | | | | | | | 1,250,000 | | 1,830,000 |
| 9502601 | Parks Siteworks and Facilities | 12,616,000 | 1,601,320 | 1,032,680 | | | 943,000 | 1,512,000 | | | 3,836,000 | 3,636,000 | 12,616,000 |
| 9502602 | Recreation Facilities | 9,410,000 | 1,107,000 | | | | | 1,517,000 | | | 6,786,000 | | 9,410,000 |
| 9502603 | Parks and Recreation Equipment | 168,000 | 168,000 | | | | | | | | | | 168,000 |
| 9502604 | Cemetery Siteworks and Facilities | 149,000 | 149,000 | | | | | | | | | | 149,000 |
| | Total | 126,103,000 | 21,383,349 | 5,845,103 | 9,353,230 | 2,210,000 | 2,210,000 | 5,191,000 | 6,379,140 | 300,000 | 54,168,178 | 18,970,000 | 126,103,000 |

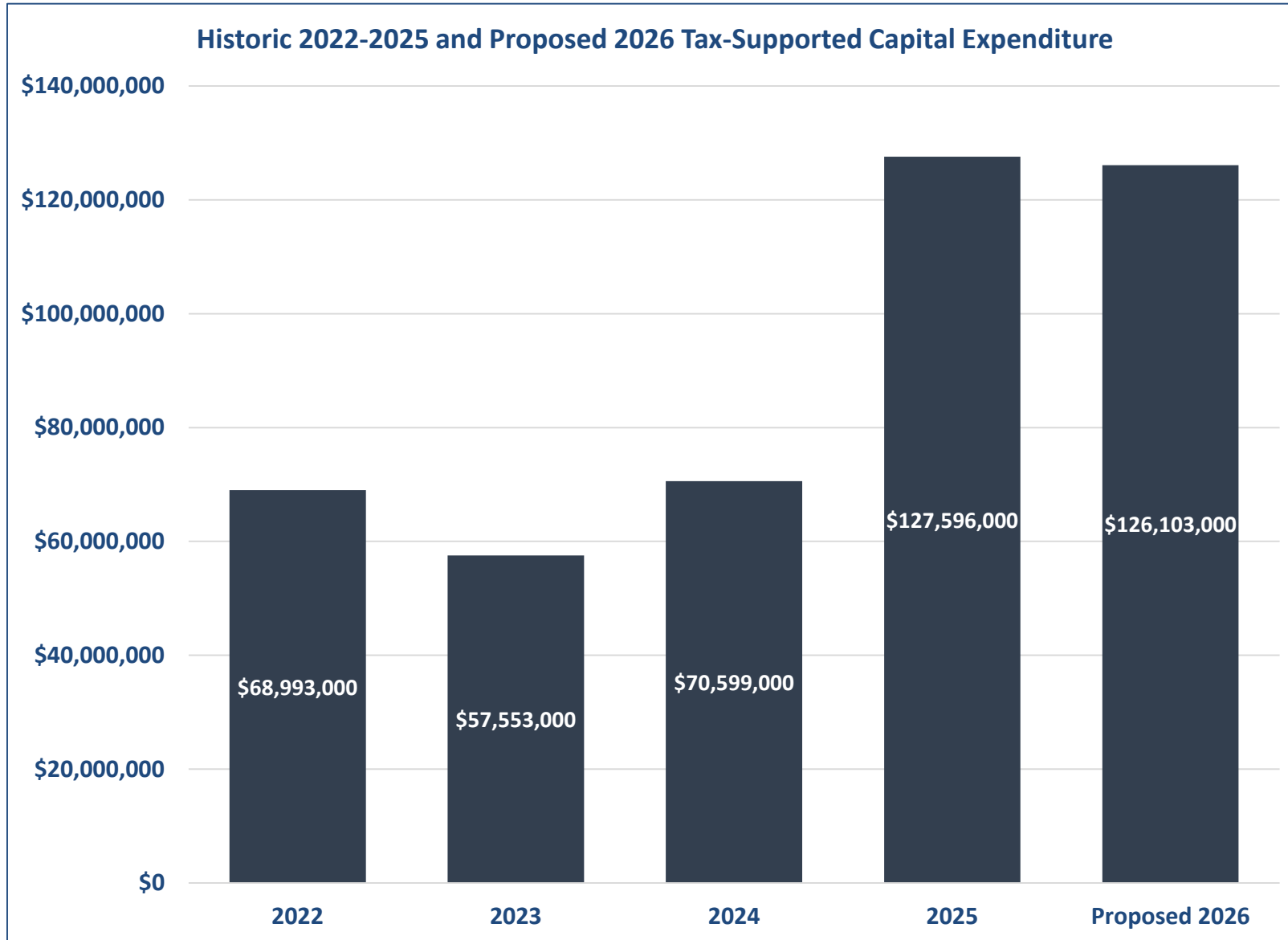
Proposed Tax-Supported Capital Expenditure



Proposed Tax-Supported Capital Financing



Historic vs. Proposed Tax-Supported Capital Expenditure



Continued Elimination of 2023 Deferred Tax-Supported Capital Needs



| Continued Elimination of 2023 Deferred Tax-Supported Capital Needs | | | |
|--|-------------------------|-------------------|---|
| Year | Expenditure (2025\$) | Share of Total | Status |
| 2024 | 22,934,000 | 19.59% | Included in Adopted 2024 Tax-Supported Capital Budget. |
| 2025 | 27,082,000 | 23.14% | Included in Adopted 2025 Tax-Supported Capital Budget. |
| 2026 | 32,605,000 | 27.86% | Included in Proposed 2026 Tax-Supported Capital Budget. |
| 2027 | 10,751,000 | 9.18% | Included in long-term capital forecast. |
| 2028 | 12,303,000 | 10.51% | Included in long-term capital forecast. |
| 2029 | 11,376,000 | 9.72% | Included in long-term capital forecast. |
| Total | 117,051,000 | 100.00% | |

Tax-Supported Capital Budget Highlights

- Right-sized total investment of \$126.1 Million, reflective of:
 - Significant ongoing capital cost inflation.
 - Strategic usage of reserves, debt, grants, etc.
 - Elimination of \$32.6 Million in capital deferrals.
 - Increased Dedicated Capital Levy annual escalation rate (from 1.5% to 2.0% of total tax levy) as per Asset Management Plan.
- Roads and bridges share of state-of-good-repair investment: 54.5%
- Significant expansions to roads, bridges, parks, facilities and fleet to enable growth throughout the City.

Critical Reliance Upon Planned Dedicated Capital Levy Escalation

