

# Special Committee of the Whole Capital & Rate-Supported Operating Budgets Presentation



# Rate-Supported Operating Budgets Water & Wastewater

- Increase by 3.8% as per the Council-approved Water & Wastewater Financial Plans
- Accounts for:
  - Region's increase of 3.3%
  - Requirements to support day-to-day operations
  - Contribution to ARF for future asset replacements totaling \$6,300,000
- Financial Plans to be updated to include inflationary pressures (to be tabled to Committee of the Whole in Q2 2023)



# Rate-Supported Operating Budgets

## Water & Wastewater

Components	Water (\$)	Wastewater (\$)	Total (\$)
<b>Revenues</b>	<b>21,319,674</b>	<b>24,914,938</b>	<b>46,234,612</b>
Expenditures			
Regional Costs	11,137,056	16,978,111	28,115,167
Operating Costs	5,300,418	1,604,618	6,905,036
Support Costs	1,303,517	1,198,000	2,501,517
Contribution to Asset Replacement Fund (ARF)	3,400,000	2,900,000	6,300,000
Transfer to Reserve	178,683	2,234,209	2,412,892
<b>Total Expenditures</b>	<b>21,319,674</b>	<b>24,914,938</b>	<b>46,234,612</b>
<b>Net</b>	<b>0</b>	<b>0</b>	<b>0</b>

Based on an annual consumption of 200m<sup>3</sup>, the 2023 annual increase is \$50.00



# Rate-Supported Operating Budgets Stormwater

- Increase by 9.0% as per the Council-approved Stormwater Financial Plan
- Accounts for:
  - wages and benefits
  - CCTV program
  - catch basin cleaning
  - maintenance on stormwater ponds
- Financial Plan to be updated to include inflationary pressures (to be tabled to the Committee of the Whole in Q2 2023)



# Rate-Supported Operating Budgets

## Stormwater

Components	Total (\$)
Revenues	3,036,520
Expenditures	
Operating Costs	1,428,572
Support Costs	220,461
Contribution to Asset Replacement Fund (ARF)	800,000
Transfer to Reserve	587,487
<b>Total Expenditures</b>	<b>3,036,520</b>
<b>Net</b>	<b>0</b>

Based on a 465 square meter lot, the 2023 annual increase is \$4.58



# Rate-Supported Operating Budgets

## Building Services

Components	Total (\$)
Revenues	1,980,191
Expenditures	
Operating Costs	2,217,747
Support Costs	625,293
Transfer to Reserve	(862,849)
<b>Total Expenditures</b>	<b>1,980,191</b>
<b>Net</b>	<b>0</b>



# Capital Budget - Definitions

- Capital Budget - approved funding for annual capital expenditures for the purchase and financing of tangible capital assets. There are two capacity tests:
  - Operational – that the projects can be delivered
  - Financial – that funding is limited to availability of each individual source
- Capital Program - list of projects contained within the Capital Budget
- Capital Spending Authority - total of all approved capital expenditures for current and future years



# Capital Budget - Components

- Capital Program is broken down into the two components
  - A. Standard Program
    - set at \$26 million to consider operational capacity (previously at \$20 million, increased by 30% to account for inflation)
    - unallocated provision
  - B. Major Projects
    - minimal effort from dedicated capital project staff
    - major projects do not have a capacity restriction



# Capital - Changes since January 30 meeting

	Standard Component (\$)	Major Projects (\$)	Unallocated Provision (\$)	Total (\$)
As at January 30	26,010,700	12,550,000	3,000,000	41,560,700
Bridges & Culverts Program (new DP)	200,000		(200,000)	0
Mulock Park		3,000,000		3,000,000
Mulock Off-Site Parking		1,600,000		1,600,000
Mulock House Adaptive Re-Use		2,000,000		2,000,000
<b>Total</b>	<b>26,210,700</b>	<b>19,150,000</b>	<b>2,800,000</b>	<b>48,160,700</b>

- For details of the capital program, refer to the individual capital decision packages.
- The 2023 proposed capital program will have an incremental operating impact of \$235,700



# Capital – by Funding

Category	Asset Replacement Fund (\$)	Development Charges (\$)	Other Reserve & Reserve Funds (\$)	Grants (\$)	Unallocated Provision (\$)	Total (\$)
Replacement	10,597,350	-	-	4,388,000	-	14,985,350
Growth	-	25,540,350	-	-	-	25,540,350
Other	-	-	3,535,000	1,300,000	-	4,835,000
Unallocated Provision	-	-	-	-	2,800,000	2,800,000
<b>Total</b>	<b>10,597,350</b>	<b>25,540,350</b>	<b>3,535,000</b>	<b>5,688,000</b>	<b>2,800,000</b>	<b>48,160,700</b>



# Capital – by Department

Department	Standard Component (\$)	Major Projects (\$)	Unallocated Provision (\$)	Total (\$)
Building	450,000	-	-	450,000
CYFS	585,000	-	-	585,000
Engineering	16,645,700	18,500,000	-	35,145,700
IT	1,050,000	-	-	1,050,000
Legislative Services	450,000	-	-	450,000
Library	50,000	-	-	50,000
Parks & Facilities	5,020,000	-	-	5,020,000
Fleet	1,670,000	650,000	-	2,320,000
Recreation and Culture	65,000	-	-	65,000
Water & Wastewater	225,000	-	-	225,000
Unallocated Provision	-	-	2,800,000	2,800,000
<b>Total</b>	<b>26,210,700</b>	<b>19,150,000</b>	<b>2,800,000</b>	<b>48,160,700</b>



# Capital Spending Authority

Year	\$
2023	48,160,700
2024	61,479,000
2025 & Beyond	26,880,000
<b>Total</b>	<b>136,519,700</b>

- For further details, refer to the 2023 Recommended Capital Program Summary



# Capital Spending Authority Changes

	2023 (\$)	2024 (\$)	2025 (\$)	Total (\$)
Pre-approved as part of the 2022 Budget	33,039,000	12,400,000	11,500,000	56,939,000
2022 In-year approval – Designs for Mulock Parking Lot and Mulock Adaptive Re-Use, Facilities Asset Replacement	850,000	-	-	850,000
2022 In-year adjustment (acceleration of work) – Municipal Infrastructure Project, Bridges & Culverts Program, Trails & MUP	(2,634,300)	-	-	(2,634,300)
Recreation Playbook (RJT Outdoor Rink)	(5,000,000)	5,000,000	-	-
Mulock Drive Multi-Use Path Feasibility and Design Study	(1,500,000)	1,500,000	-	-
Bridges and Culverts Program	(2,500,000)	2,500,000	-	-
Active Transportation	(175,000)	175,000	-	-
<b>Subtotal</b>	<b>22,079,700</b>	<b>21,575,000</b>	<b>11,500,000</b>	<b>55,154,700</b>



# Capital Spending Authority Changes

	2023 (\$)	2024 (\$)	2025 (\$)	Total (\$)
<b>Subtotal</b>	<b>22,079,700</b>	<b>21,575,000</b>	<b>11,500,000</b>	<b>55,154,700</b>
Harry Walker Parkway East Sidewalk	(99,000)	99,000	-	-
Roof Replacement at Various Facilities	(1,410,000)	1,110,000	300,000	-
2023 Decision Packages	18,190,000	29,095,000	8,280,000	55,565,000
Mulock Park - inflation	3,000,000	3,000,000	2,000,000	8,000,000
Mulock Off-Site Parking - construction	1,600,000	1,400,000	-	3,000,000
Mulock House Adaptive Re-Use - construction	2,000,000	5,200,000	4,800,000	12,000,000
2023 Unallocated Provision	2,800,000	-	-	2,800,000
<b>Total</b>	<b>48,160,700</b>	<b>61,479,000</b>	<b>26,880,000</b>	<b>136,519,700</b>



# FAQ: would reducing the capital budget help the operating budget?

Short answer – No

Longer answer, the proposed capital program includes:

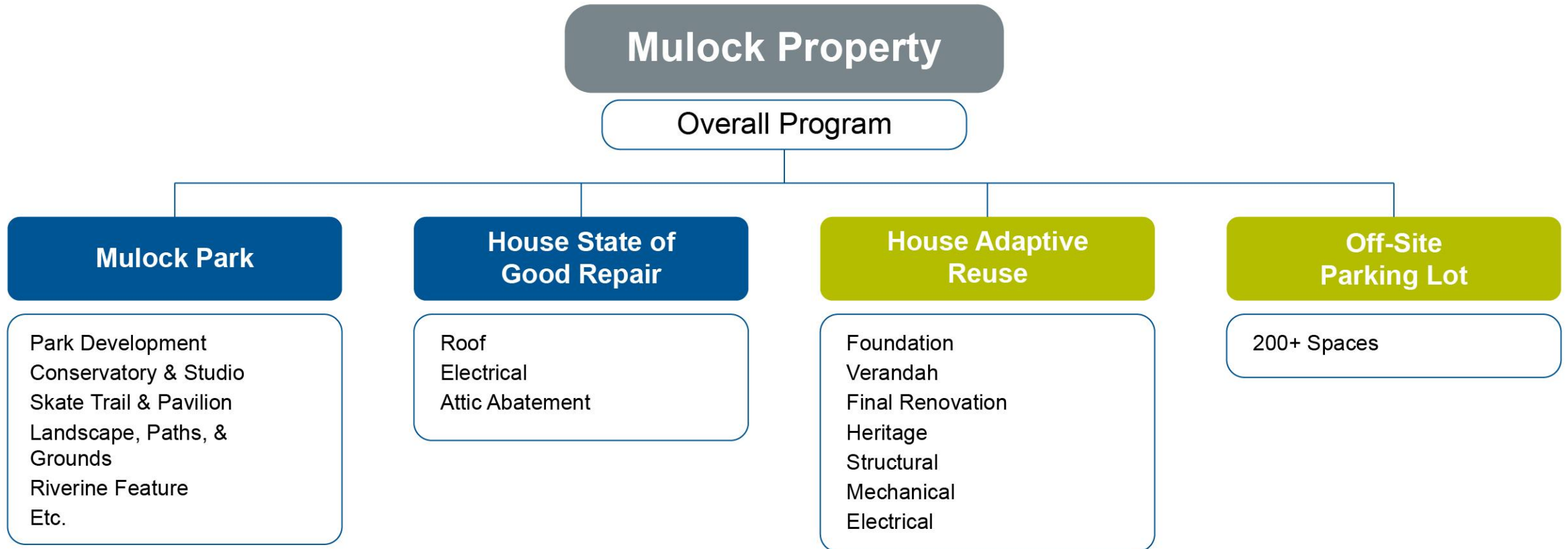
- 39% replacement of capital assets at the end of their useful life – to not replace them would result in an increase in maintenance costs, a negative impact on the operating budget
- 55% maintaining service levels for a growing population
  - Capital is funded from dedicated, non-transferable sources
  - Operating expenses funded from tax and utility revenue generated by these new residents



# Mulock Project Capital Budget Update



# Mulock Work Packages



- Approved Capital Spending Authority
- Previously Planned – estimate is now available for budgeting

# Summary of 2023-2025 Requested Adjustments

**Previously planned and authorized work  
where a budget was not yet set**



**\$11.0M**

Mulock House Adaptive  
Re-Use Construction



**\$3M**

Off-site Parking  
Construction

**Market driven increase**



**\$8M**

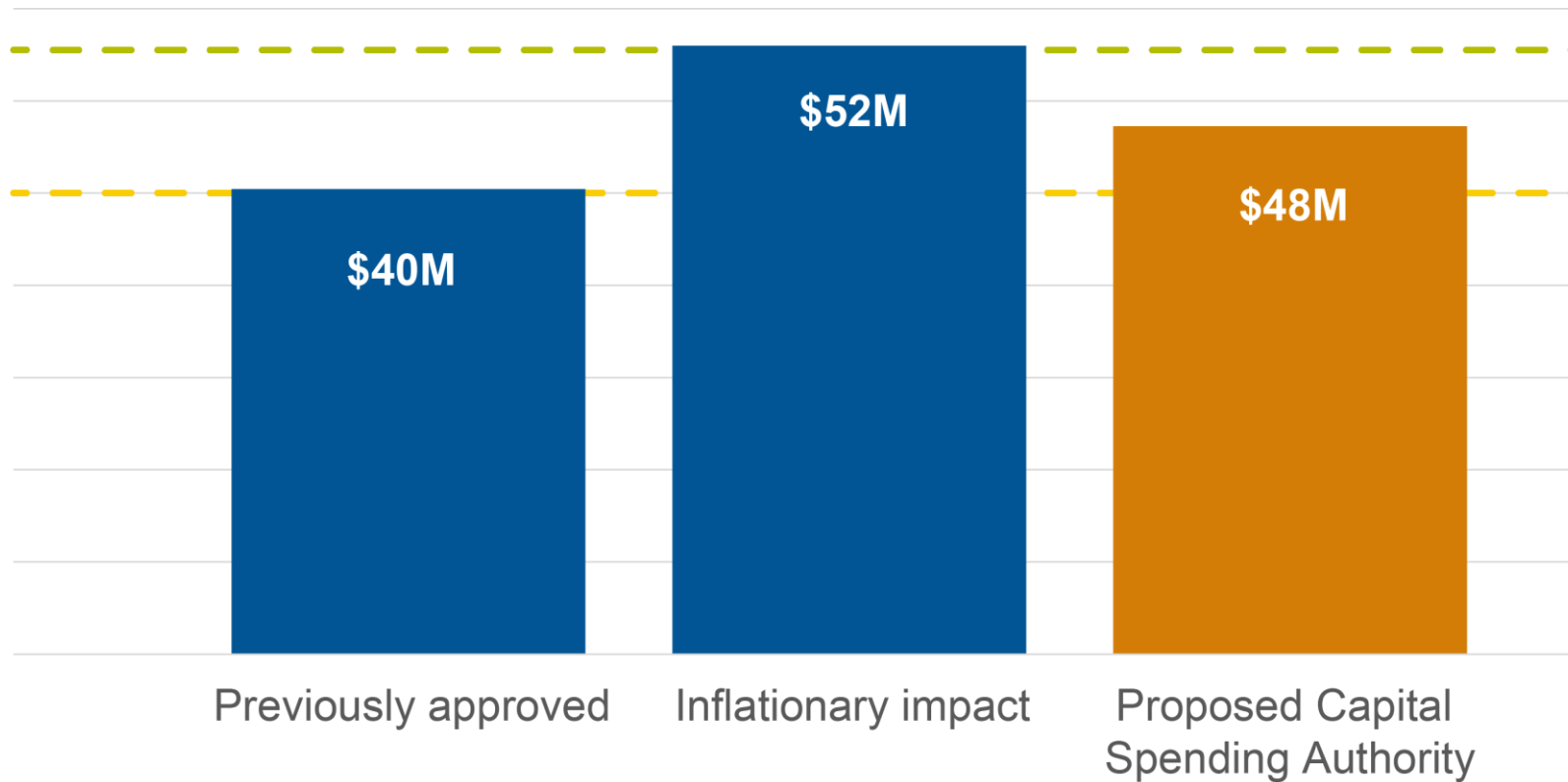
Mulock Park  
inflation costs



- Planned spending represents market cost to complete master plan
- Design work is proceeding
- Non-Tax Funding is available for all increases
- Park construction will start in summer 2023
- Targeting construction complete in 2025



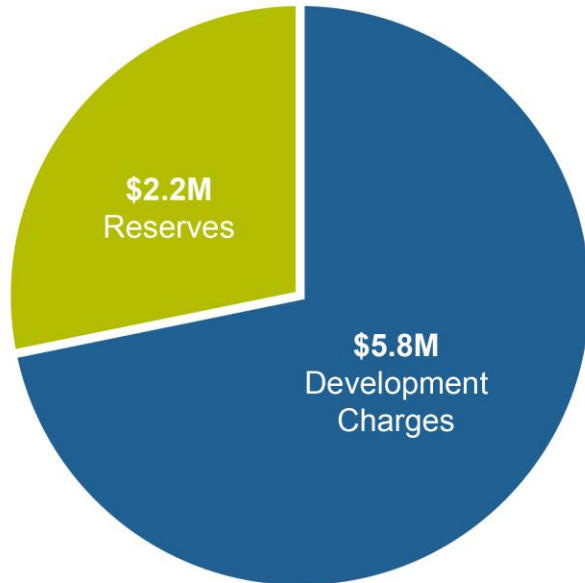
# Mullock Park: requested increase is below inflation



# How we're funding this request with NO TAX IMPACT

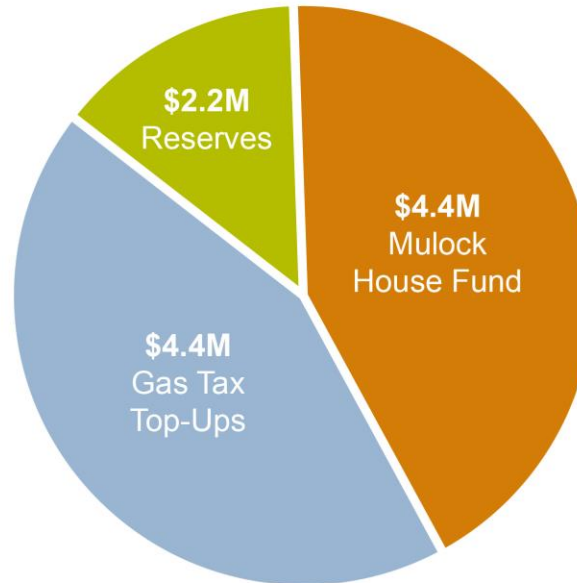
## Mulock Park Request: \$8M

Funding Sources as follows:



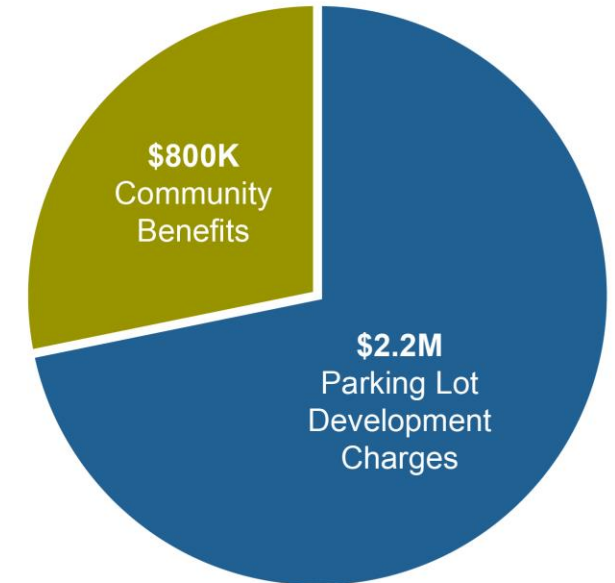
## Mulock House Adaptive Re-use Request: \$11M

Funding Sources as follows:



## Off-Site Parking Request: \$3M

Funding Sources as follows:



**We'll continue to maximize the budget by:**

- Seeking Grants to reduce Town spending
- Value Engineering Savings to reduce cost

# A park for today and the future



## **\$48 million – Mulock Park**

Today's request = \$8M



## **\$14.3 million – Mulock House**

*Combines state-of-good repair + Adaptive Re-use projects*

Today's request = \$11M



## **\$3.2 million – Off-Site Parking at the Hydro Corridor**

Today's request = \$3M

**\$43.5M** park previously approved

**\$8M** inflation

**\$14M** planned construction

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**\$65.5M TOTAL**

- **Two years** of public consultation
- Input from **thousands** of community members
- A plan that brings the **community's vision** to life:
  - *A destination*
  - *Rooted in history & forward looking*
  - *Natural*
  - *Connected*
  - *Inclusive and accessible*
- **16 acres** of urban oasis for the community to enjoy
- Building a **legacy** to enjoy for generations to come
- All developed and constructed with no **impact to taxes**

# Next Steps: Upcoming Meeting Dates

Meeting	Date
Special Committee of the Whole – 10-year Recreation related Capital Plan	March 6
Special Committee of the Whole – Tax-supported Operating budget	March 20
Committee of the Whole – Draft budget	March 27
Council – Budget approval	April 3
Reserve and Reserve Fund Review workshop	Q2/Q3
Asset Management Workshop	Q2/Q3

