

2023 Budget

2023 Capital Budget and Ten-Year Forecast (2023 – 2032)

Committee of the Whole
January 16, 2023

Agenda

Budget Process

2023 Capital Budget Priorities

2022 Capital Projects Status Report

Ten-Year Capital Forecast

2023 Capital Infrastructure Levy

Asset Management Regulations

2023 Capital Budget

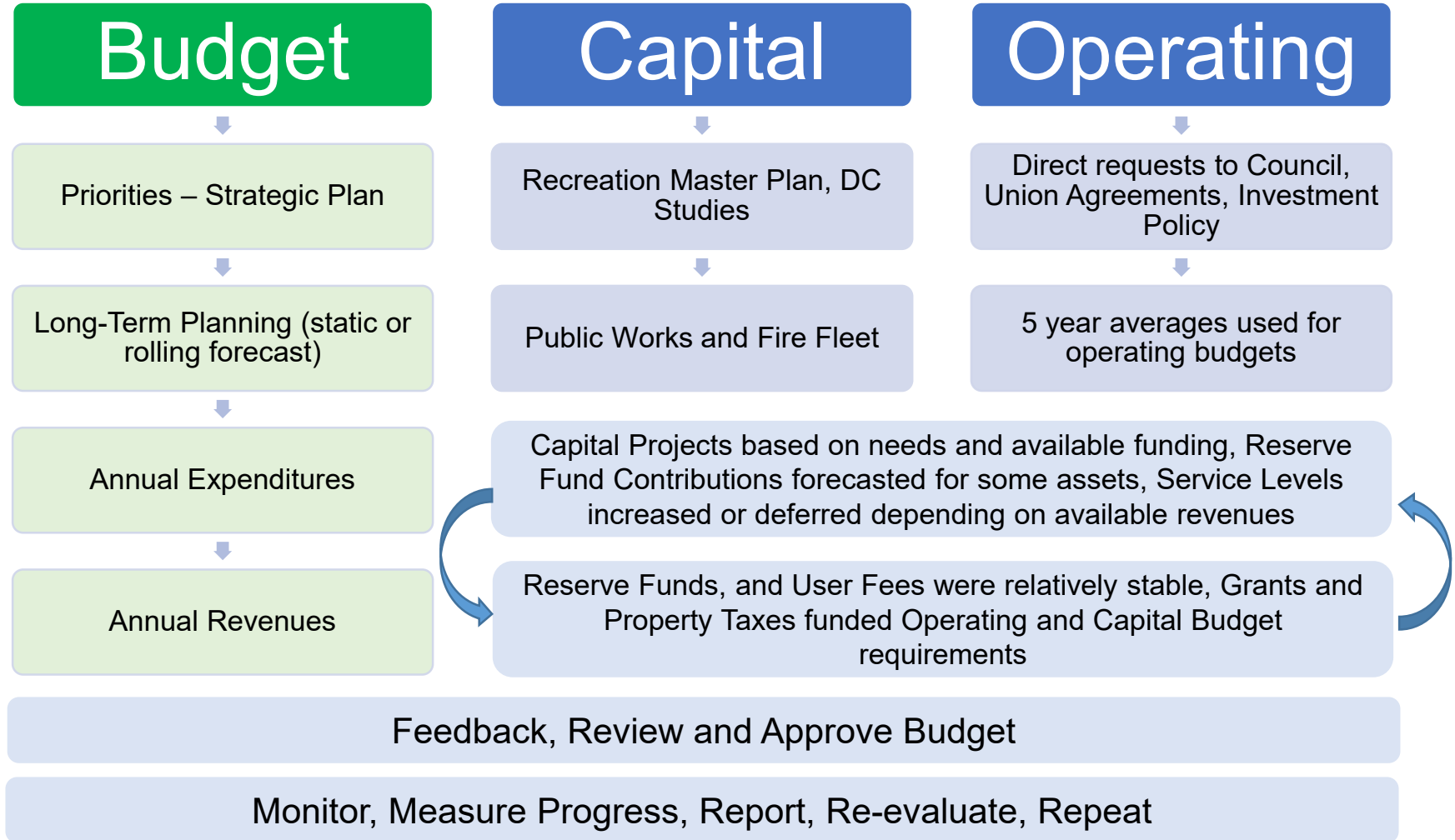
Budget Engagement

Next Steps and Discussion



Budget Process

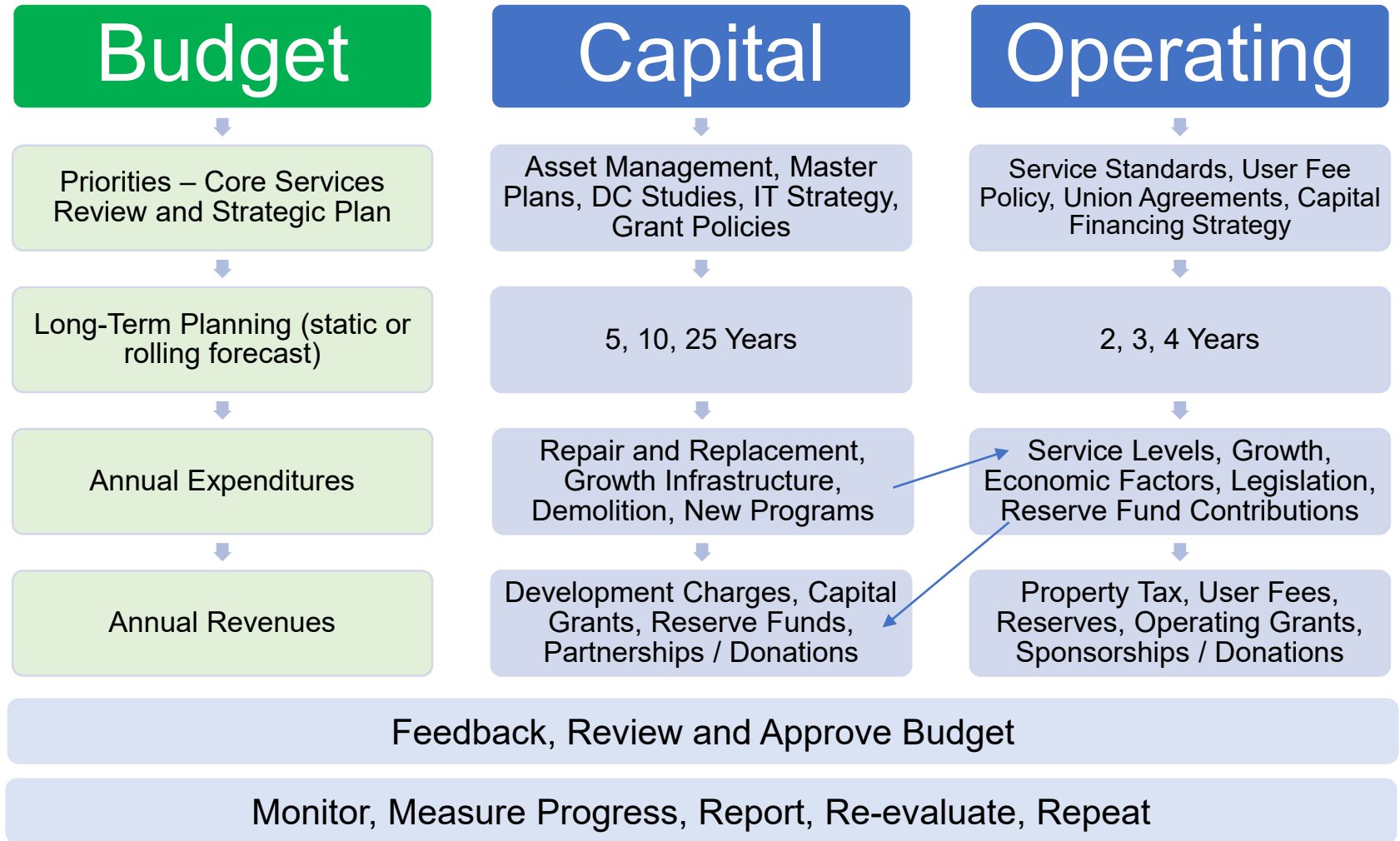
2021 / Prior - Pay as You Go and Reserve Funds





Budget Process

Path Forward - Capital Reserve Fund



Budget Process

Pay as You Go vs. Reserve Funds

Pay as You Go	2018	2019	2020	2021	2022
Tax Levy Budget					
Operating Expenditures	5,455,008	5,816,830	6,300,762	7,044,432	7,396,591
Contributions to RF	1,833,722	1,634,174	1,580,174	1,653,228	2,326,600
Capital funded from Levy	839,776	921,232	815,927	586,000	-
Total Operating Budget	8,128,506	8,372,236	8,696,863	9,283,660	9,723,191
Capital from RF	6,024,479	4,744,592	10,756,636	5,129,000	2,908,500
Total Capital Budget	6,864,255	5,665,824	11,572,563	5,715,000	2,908,500
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Reserve Fund Contributor	2018	2019	2020	2021	2022
Tax Levy Budget					
Contributions to RF	2,673,498	2,555,406	2,396,101	2,239,228	2,326,600
Operating Expenditures	5,455,008	5,816,830	6,300,762	7,044,432	7,396,591
Total Operating Budget	8,128,506	8,372,236	8,696,863	9,283,660	9,723,191
Capital from RF	6,864,255	5,665,824	11,572,563	5,715,000	2,908,500
Total Capital Budget	6,864,255	5,665,824	11,572,563	5,715,000	2,908,500

2023 Capital Budget Priorities

Define Township Priorities

- ◆ Core Services Review
 - ◆ Asset Management Plan
 - ◆ Continue with repair and rehabilitation programs
 - ◆ Establish capital budget policies and grant funding allocation policy to support capital funding strategy
 - ◆ Funding is still a challenge – funding strategy to consider Capital Levy in the Operating Budget an/or debt financing
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- ◆ **2023 Capital Budget Approval Process**
 - ◆ Council feedback on Capital Forecast and Capital Budget
 - ◆ Compare to funding source availability, prioritize projects
 - ◆ Refer all projects except those that require further information for January 30, 2023 Council approval (better pricing, lead times)
 - ◆ Approve remainder together with Operating Budget on February 27, 2023, or earlier.

2023 Capital Budget Priorities



Projects can be approved mid-year

- ◆ Projects have been deferred from the proposed 2023 Capital Budget for the following reasons:
- ◆ Non-routine projects dependent on upcoming study outcome
- ◆ Projects that are pending additional information
- ◆ Capacity limits
- ◆ Clarification on Bill 23 impacts
- ◆ Sunderland Arena Expansion – two reports

Revisit 2024 Budget Process

- ◆ Mid-year review

2022 Capital Projects Status Report



Description	Amount
2022 Approved Capital Budget	\$ 2,858,500.00
2021 and Prior Projects	4,958,112.23
Sunderland Arena Expansion	7,750,000.00
Thorah Public Works Depot - Garage Additions	2,682,529.90
Total Capital Program	\$ 18,249,142.13
Expenditures incurred in 2021 or Prior	5,491,328.46
Available Capital Budget Carried Forward to 2022	12,757,813.67
Expenditures incurred in 2022	2,539,549.86
Net surplus budget returned to source	430,563.38
Available Capital Budget Carried Forward to 2023	\$ 9,787,700.43

Ten-Year Capital Forecast (2023 – 2032)



2021 and Prior Capital Forecasts

- ◆ Staff prepared ten-year forecasts of some replacements assets (public works and fire equipment)
- ◆ 2019 AMP consolidated all assets

2023

- ◆ 2019 AMP – unattainable
- ◆ Staff's best estimate, referring to studies if available
- ◆ Adjustments in outer years to reach AMP forecasts
- ◆ Placeholders

2024

- ◆ AMP Update will refresh the Ten-Year Forecast
- ◆ Incorporate Growth, Core Services Review and Strategic Plan projects

Ten-Year Capital Forecast (2023 – 2032) Expenditures



	2023 Budget	2024	2025	2026	2027	2028 - 2032	Total
IT Strategy	\$ 150,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	375,000	\$ 825,000
Asset Management	75,000	50,000	50,000	50,000	50,000	250,000	525,000
Accessibility Initiatives	-	25,000	25,000	25,000	25,000	125,000	225,000
Green Initiatives	50,000	25,000	25,000	25,000	25,000	125,000	275,000
Studies	180,000	50,000	50,000	50,000	50,000	250,000	630,000
						-	
Parks	80,000	215,000	215,000	215,000	215,000	1,075,000	2,015,000
						-	
Road and Streets	1,665,000	1,457,000	1,734,000	1,956,000	1,956,000	7,110,000	15,878,000
Structures	731,500	633,400	670,200	954,600	245,000	2,925,000	6,159,700
Public Works Fleet	1,045,000	345,000	990,000	330,000	416,500	2,643,600	5,770,100
						-	-
Fire Services	639,000	60,000	1,260,000	-	100,000	700,000	2,759,000
Buildings	775,000	600,000	900,000	1,200,000	1,500,000	12,000,000	16,975,000
Total Forecast	\$ 5,390,500	\$ 3,535,400	\$ 5,994,200	\$ 4,880,600	\$ 4,657,500	\$ 27,578,600	\$ 52,036,800

Amended from original agenda package:

1. 2023 column now reflects 2023 Capital Budget
2. Public Works Fleet – Sunderland Ice Re-surfacer added to 2024
3. Fire Services – Boat added to 2023 Capital Budget

Ten-Year Capital Forecast (2023 – 2032)



Forecast Fluctuations

- ◆ Economic factors
- ◆ Timing
 - ◆ Updated information as replacement year approaches
 - ◆ Deferrals due to funding shortages
- ◆ Legislation
- ◆ Scope changes

Ten-Year Capital Forecast Perspectives

- ◆ Expenditures
- ◆ Funding

Ten-Year Capital Forecast (2023 – 2032)

Capital Forecast Complexity Increases

- ◆ Equipment
- ◆ Roads
- ◆ Storm water management ponds, bridges, culverts
- ◆ Parks, Harbour Front and Trails
- ◆ Buildings – multiple components, different lifespans, different sizes and uses, costly to perform accurate assessment
- ◆ Information Technology, Climate Change, Accessibility driven by all other assets
- ◆ July 1, 2025 – AMPS regulated – 10 Year Forecast, **Financial Strategy**, Service Levels, updated every 5 years

Ten-Year Capital Forecast (2023 – 2032) Funding

- ◆ Reserves
- ◆ Reserve Funds
 - ◆ Discretionary – internally restricted
 - ◆ Obligatory – externally restricted
 - ◆ Development Charges
 - ◆ Conditional Grants
 - ◆ Legislated Reserve Funds
 - ◆ Endowments
- ◆ Grants
- ◆ Third Parties
 - ◆ Developer contributions
 - ◆ Partnerships / Donations
- ◆ User Fees, Tax Levy and Debt

Ten-Year Capital Forecast (2023 – 2032) Funding



	2022 Ending Balance	From Committed Projects	Outflows	Inflows	2023 Ending Balance
Reserves					
Tax Rate Stabilization Reserve	1,866,301		(73,000)	(800,000)	993,301
Working Capital Reserve	500,000				500,000
	2,366,301	-	(73,000)	(800,000)	1,493,301
Reserve Funds - Externally Restricted					
Modernization Funds	273,000		(150,000)		123,000
Canada Community Building Fund	1,241,700		(521,000)	385,000	1,105,700
DC - General Government	64,961			4,187	69,149
DC - Fire	104,240		(8,500)	28,865	124,606
DC - Fleet	570,817		(520,000)	32,132	82,949
DC - Roads	1,906,308		(350,000)	97,456	1,653,764
DC - Recreation and Library	3,132,495		(75,000)	124,618	3,182,114
	7,293,522	-	(1,624,500)	672,258	6,341,280
Reserve Funds - Internally Restricted					
Committed Projects Reserve	726,066		(30,000)		696,066
Brock Hydro R/F - Sund	600,991	21,000	(100,000)	100,000	621,991
Brock Hydro R/F - Cann	913,243	13,500	(8,000)	100,000	1,018,743
Brock Hydro R/F - Beav	1,374,494	35,783	(33,000)	100,000	1,477,277
Beaverton Harbour RF	60,000	63,363		90,000	213,363

Ten-Year Capital Forecast (2023 – 2032) Funding



2022 Ending Balance	From Committed Projects	Outflows	Inflows	2023 Ending Balance
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Reserve Funds - Internally Restricted (continued)

Capital R/F - Parks (new)	-	64,185			64,185
Capital R/F - Roads Dept./OCIF	2,350,582	173,465	(2,356,500)	1,212,600	1,380,147
Capital R/F - Snow/Dust	246,773			-	246,773
Capital R/F - Sidewalks	13,263		(150,000)	140,000	3,263
Main St Drainage Res Fund	28,847				28,847
Capital R/F - Public Building	1,247,630	62,360	(370,000)	165,000	1,104,990
Capital R/F - Admin Equip Replac	397,007			19,000	416,007
Capital R/F - CTH	258			-	258
Capital R/F - Fire Dept.	358,430		(430,500)	320,000	247,930
Capital R/F - Building	33,723		(15,000)	-	18,723
Capital R/F - Canine Ctrl	26,888			-	26,888
Capital R/F - Arenas	1,796,487			-	1,796,487
Capital R/F - St Lights	52,557			50,000	102,557
Capital R/F - Harbour	352,406			-	352,406
Capital R/F- Parking Lots	(31,908)	51,500		-	19,592
Wilfrid Hall Reserve Fund	4,226			-	4,226
Manilla Hall Reserve Fund	41,918			-	41,918

10,593,882	485,156	(3,493,000)	2,296,600	9,882,638
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\$ 20,253,705	\$ 485,156	\$ (5,190,500)	\$ 2,168,858	\$ 17,717,219
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Ten-Year Capital Forecast

2022 Asset Repair / Replacement Value



Asset Category	Brock	Uxbridge	Scugog
Roads	\$ 285,260,000	\$ 361,624,000	\$ 389,200,000
Buildings	78,984,000	63,510,000	81,900,000
Bridges & Culverts	57,654,000	49,261,158	35,300,000
Vehicles & Machinery	11,492,000	23,360,000	17,000,000
Land Improvements	9,195,000	12,848,000	17,200,000
Stormwater Infrastructure	4,790,000	40,500,000	19,600,000
Equipment & Furnishings	3,095,000	648,240	1,500,000
Sidewalks & Pathways	604,000	4,022,661	12,500,000
2022 Asset Replacement Value	\$ 451,074,000	\$ 555,774,059	\$ 574,200,000

Capital / Infrastructure Levy

- ◆ Cumulative Tax Levy increases to build up reserve fund balances - common

- ◆ 2022 Budget
 - ◆ Scugog approved 6.31% tax rate increase
 - ◆ 3% road works, 1% vehicles and buildings (\$587,900 increase)
 - ◆ 10th year
 - ◆ 2023 Scugog Budget Survey – 57% asked to continue 3% capital levy for road works, 23% asked to increase, 16% asked to decreased, 4% asked to be removed
 - ◆ 2% Uxbridge – Asset Preservation Reserve (\$300,000 increase)

Asset Management Regulations

Regulations come into affect July 1, 2024

Capital Budget focuses on Asset Management Plan

- ◆ Study
- ◆ System Applications
- ◆ Configure AMPs reports for annual updates
- ◆ Energy Demand Conservation
- ◆ Recreation Master Plan

Development Charges – Bill 23 impacts

- ◆ 2024 By-Law Study – mid-year capital request pending further clarification on Bill 23
- ◆ Official Plan Update
- ◆ Allocate 60% of Roads Development Charges

2023 Capital Budget

Corporate	Project Description	2023 Draft Budget
Studies	Core Services Review (pre-approved)	\$50,000
	Recreation Master Plan	75,000
	Energy Conservation Demand Management (CDM) Plan	50,000
	Strategic Plan	10,000
	Asset Management Plan Strategy and Update	75,000
		260,000
IT and Finance	Asset Management and Work Order Management System	100,000
	Payroll / HRIS System Electronic Time Clocks	50,000
		150,000
Total Corporate		\$410,000

2023 Capital Budget



Development Services	Project Description	2023 Draft Budget
Planning	Update Downtown CIP	\$30,000
Building	Building By-Law and Fee Review	15,000
	Total Development Services	\$45,000

2023 Capital Budget

Fire Services	Project Description	2023 Draft Budget
Equipment	Self-Contained Breathing Apparatus Replacement (pre-approved)	\$345,500
	Fit Testing Machine	25,000
	Portable Radios (replacement program)	60,000
	Boat (amendment)	200,000
	Pagers (for new recruits)	8,500
		639,000
Sunderland Fire Station 81	Building Upgrades	60,000
Beaverton Fire Station 83	Building Upgrades	36,000
	Total Fire Services	\$735,000

2023 Capital Budget



Parks and Recreation	Project Description	2023 Draft Budget
Parks	Playground Equipment Replacement	\$80,000
Recreation	Foster Hewitt Memorial Community Centre	133,000
	Rick MacLeish Memorial Community Centre	23,000
	Sunderland Memorial Arena	110,000
	Manilla Community Hall	10,000
	Gamebridge Hall	3,000
	Total Parks and Recreation	

2023 Capital Budget

Public Buildings	Project Description	2023 Draft Budget
Municipal Office	Roof Replacement, LED Lighting Upgrades, Fire Alarm Panel and Device Replacement	\$220,000
Beaverton Town Hall	Fire Alarm Panel Replacement and Accessible Upgrades	40,000
Cannington Town Hall	Fire Alarm Panel Replacement	15,000
Sunderland Town Hall	Fire Alarm panel replacement	25,000
Sunderland Historical Society Building	Replacement of Air Conditioning unit	5,000
Dench Animal Shelter	Roof Replacement	45,000
Various	Building Assessments and Cost Studies	25,000
Total Public Buildings		\$375,000
Health Services	Project Description	2023 Draft Budget
Beaverton-Thorah Health Centre	Flat Roof Replacement	\$25,000

2023 Capital Budget

Public Works	Project Description	2023 Draft Budget
Roads, Streets and Sidewalks	HL2 Ultra Thin Resurfacing	\$250,000
	Slurry Seal	200,000
	Gravel Placement	375,000
	Road Rehabilitation and Repair Program	450,000
	Uxbridge Town Line / Kydd Lane (Brock share)	50,000
	Roads Needs Assessment	40,000
	Sidewalks - Replacement	200,000
	Sidewalks - New	100,000
	Total Public Works - Roads, Streets and Sidewalks	

2023 Capital Budget

Public Works	Project Description	2023 Draft Budget
Structures	Bridges and Culverts Design and Management	\$64,000
	Bridges and Culverts Needs Assessment	25,000
	Culvert 319 - Brock Road south of Conc. 13 (B) Replacement	262,500
	Blackwater Bridge 01 Conc 4 (B)	380,000
	Total Public Works - Structures	\$731,500

2023 Capital Budget

Public Works	Project Description	2023 Draft Budget
Fleet	Three Quarter Ton - 4wd/Extended Cab Replacement	\$65,000
	One Ton Dump with Plow/Sander Replacement	120,000
	Tandem with Plow Replacement	300,000
	Wheel Excavator - New	520,000
	Poly Water Tank Replacement	40,000
	Total Public Works - Fleet	\$1,045,000

2023 Capital Budget

Fire Services - Amendment



Department:	Fire Services	
Project name:	Boat and Fire Services Equipment	
Capital Cost:		<u>\$ 200,000</u>
Funding Source:	Capital Reserve Fund - Fire Equipment	\$ 200,000
		<u>\$ 200,000</u>
Description:	Fire Rescue Boat with a length range of 22 to 26 feet, aluminum hull landing craft to replace existing 1980 Boston Whaler and \$50,000 for Fire Services equipment.	
Expected In-Service Date:		May-24

2023 Capital Budget

Other 2023 Initiatives Related to the Capital Budget

- ◆ Complete Cores Services Review to identify future budget priorities
- ◆ Focus on Asset Management regulation activities
- ◆ Grant allocation policy for CCBF and OCIF
- ◆ Policy for reserve fund contribution allocations from the operating budget
- ◆ Capital Infrastructure Levy
- ◆ Capital Budget Policy
- ◆ Post 2023 Budget review and preparation for 2024 Budget

2023 Capital Budget

- ◆ Recommendations to refer to Council
- ◆ Further information required
- ◆ Items to bring forward to next budget meeting on February 2, 2023.

Budget Engagement

- ◆ Discussion and direction
- ◆ With Core Services Review underway, prioritize repair and rehabilitation programs
- ◆ Input versus Inform
- ◆ Recommend inform until Core Services Review underway
- ◆ Virtual Open House
- ◆ Email / online forms / surveys
- ◆ Ongoing update of webpage – 2023 Budget details after Council receives

Next Steps and Discussion

- ◆ Recommendations for January 30, 2023
- ◆ Budget Engagement
- ◆ Next Budget Meeting is February 2, 2023
 - ◆ Capital Infrastructure Levy considerations
 - ◆ Continuation of Capital (if required)
 - ◆ Operating Budget