

Capital Budget Committee Meeting

October 31, 2017

Agenda

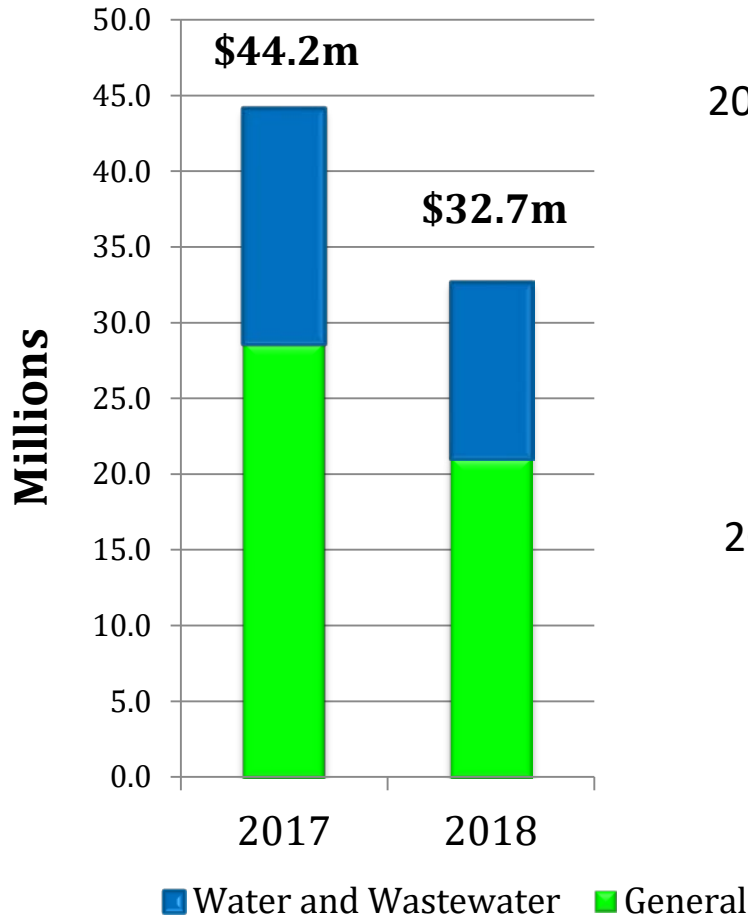
- * Capital Budget Process to Date
- * Highlights of the 2018 Capital Budget
- * 2018 Capital Projects >\$1m
- * Significant Projects in the next 2-3yrs
- * Outcome of the Special Committee Meetings:
 - * Base 10 Year Capital Forecast
 - * Transformation Projects
 - * Final Recommendation

Capital Budget – Process to Date

- * Preliminary Capital Budget tabled October 3rd, 2017
- * Special Committee Meetings held October 12th, 16th and 19th
 - In-depth discussion of transformational projects and funding options
 - Review of specific capital projects contained in the 10 year plan
- * Revised Capital Budgets and 10 Forecast included in Supplemental RTC this evening

Highlights of the 2018 Capital Budget and 10 Year Forecast

2018 Gross Capital Investment



2018 General Capital Budget

- \$21.1m Gross Investment (\$28.7m in 2017)
- \$2.0m in Reserve/Grant Funding Anticipated (\$8.7m in 2017)
- Gross Investment by Project Category:
 - 90% Asset Improvement and Maintenance
 - 5% Growth
 - 5% Strategic Investments

2018 Water and Wastewater Capital Budget

- \$11.6m Gross Investment (\$15.5m in 2017)
- \$0.8m in Reserve/Grant Funding Anticipated (\$4.4m in 2017)
- Gross Investment by Project Category:
 - 98% Asset Improvement and Maintenance
 - 2% Growth
 - 0% Strategic Investments

Notable Changes -2018

Capital Budget

General:

- * OCIF Funding has increased from \$1,180,761 in 2017 to \$1,672,672 with further increases expected in 2019.
- * Capital levy increased by 0.5% of the prior year Operating Levy or \$415,438.
- * Capital Levy was reduced by approximately \$1.5m due to fleet transition to full life cycle costing model.

Water and Wastewater:

- * Capital levy was reduced by \$675,000 due to fleet transition to full life cycle costing model.

2018 Capital Projects >\$1m

Project Name	General	Water and WW	Total
3619 – Cassells Street Phase 1	\$4.0m	\$1.0m	\$5.0m
6363 – Asphalt Resurfacing	\$3.5m	-	\$3.5m
3406 – Gertrude Road – Knox to LSD	\$0.6m	\$0.8m	\$1.4m
3818 – Premier Pumping Station Replacement	\$0.2m	\$1.6m	\$1.8m
3828 – West Ferris Trunk Watermain Relining	-	\$3.0m	\$3.0m
Total	\$8.3m	\$6.4m	\$14.7m

Significant Projects - 2019/2020

(*forecasted)

- * Lakeshore Drive – Trunk Watermain and Sewer Phase 1 – Judge to Gertrude **\$11.9m** (2019)
- * North Bay Jack Garland Airport Runway - **\$4.2m** (2019)
- * Cassells Street – Phase 2 – Olive to Highway 11/17 & King to Duke - **\$4.0m** (2019/20)
- * Asphalt Resurfacing - **\$3.1m** (2019); **\$3.6m** (2020)
- * King’s Landing Commercialization of the Waterfront - **\$10.4m** (2020/21)
- * Lakeshore Drive – Birchs to Premier - **\$3.5m** (2020)
- * Digester Replacement - **\$3.2m** (2020)
- * CFB Reservoir Replacement - **\$3.1m** (2020)
- * Pinewood Park & Lakeshore Drive Intersection Reconstruction - **\$1.1m** (19/2020)

**excluding transformational projects*

Outcome of the Special Committee Meetings

Base 10 Year General Plan

- * Revised 10 Year plan Objectives:
 - * Balancing first 5 years and funding aligned in the short-term
 - * Potential 3rd Party funding included to projects to demonstrate need for Provincial and Federal support for project to proceed and planned levels
 - * Some later year projects have been deferred past the 10 year horizon
 - * Revised Summary sheets in Supplemental Report

Transformational Projects

- * Analysis based on information currently on hand
- * Several factors may alter estimates therefore, presentation contains conservative calculations
- * Projects Include:
 - * West Ferris
 - * Casselholme
 - * Police
 - * Library

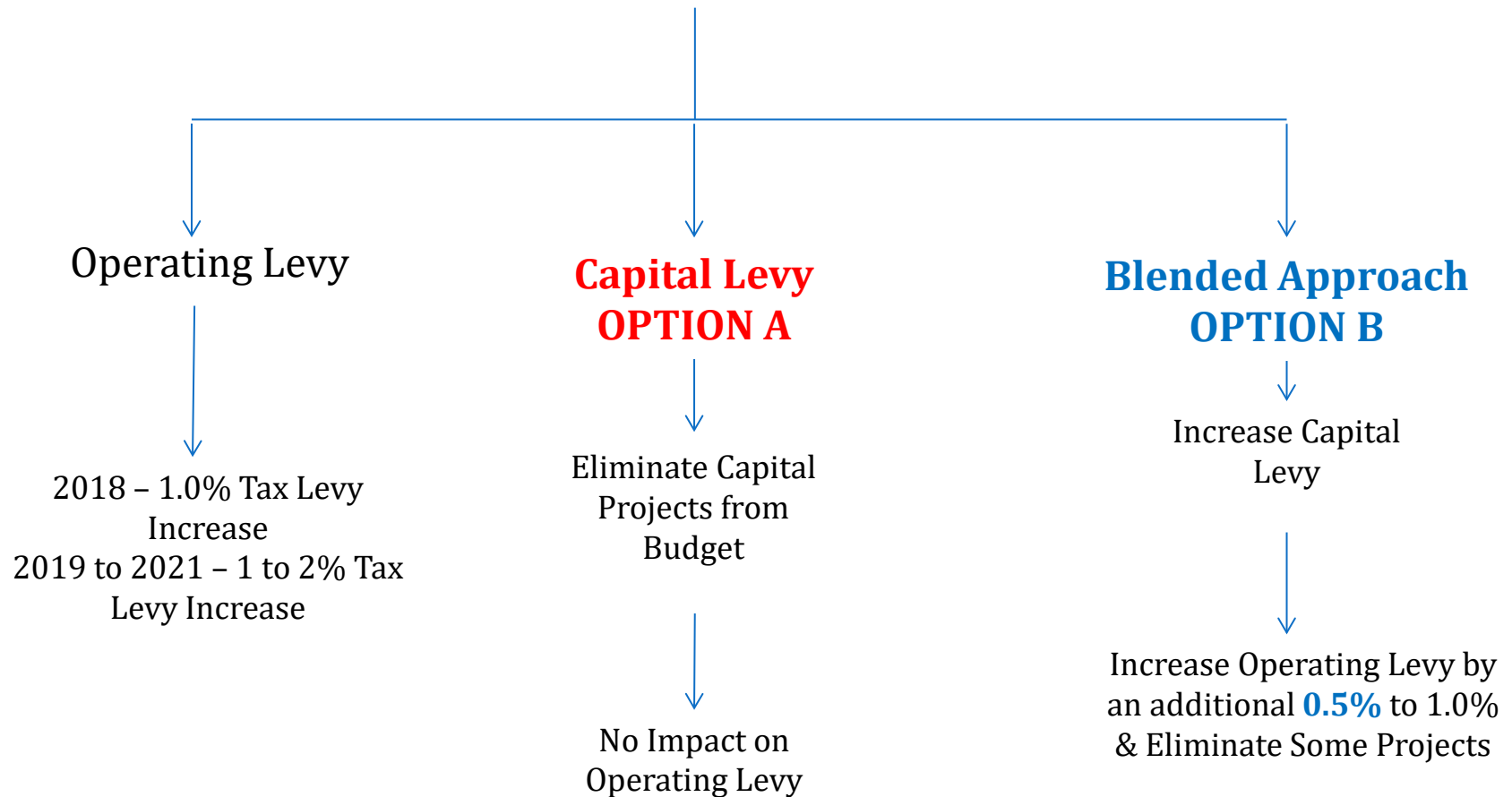
Cash Flow

- * Transformational projects will all require debt issuance
 - * Therefore cash flow and levy impacts represent principal and interest payments
 - * Forecasted levy impacts
 - * West Ferris Arena – 2%
 - * Casselholme – 1.5%
 - * Police – 1.1%
 - * Library
- Subject to change :
- Final project amount
 - Grant funding
 - Interest rates
 - Amortization period
 - New revenue sources
 - Special dividends

Funding Options

West Ferris / Cassellholme / Police Building

2018 / 2019 / Future Start Date?



Recommendation

- * Reduce capital projects in 2018 to allow for planning, design and potentially some site preparation costs of West Ferris Arena
- * Phase in approach of transformational projections recommended
- * Future years:
 - * Estimates and cash flows need to be updated as new information is obtained
 - * Confident acceptable options are available for future Council to work within

2018 Capital Budget Timeline

October 3rd:
Preliminary 2018
Capital Budget
provided to Council.

**October 12th, 16th
& 19th:** Special
Committee
Meetings

October 31st:
Supplemental Report
to Council

November 14th:
Capital Budget
approved by
Council.

November 28th:
By-Law
authorizing the
2018 Capital
Budget.

Questions?

