

# 2018 Capital Budget Introduction

Presented by:

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Oct. 30, 2017

# Agenda

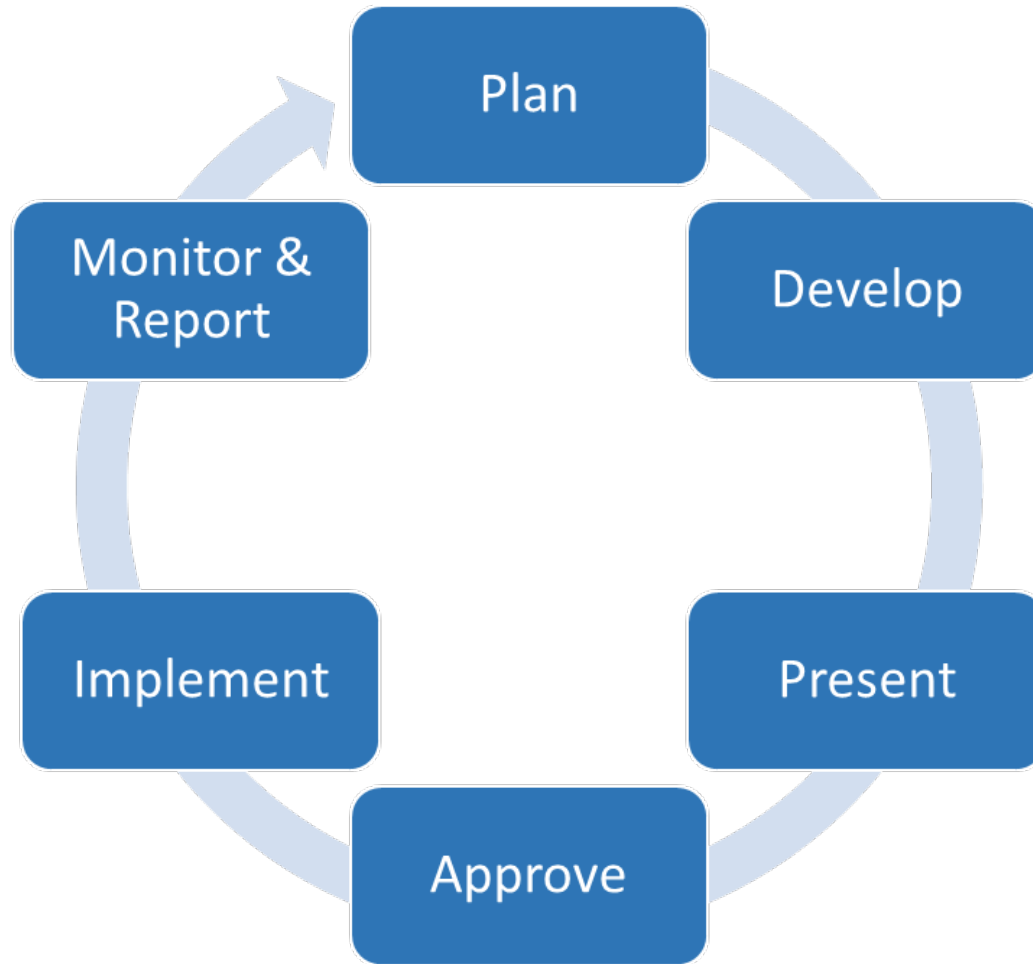
- Budget introduction
- Key business drivers
- Lincoln's story
- 10-year Capital Plan review
- 2018 Capital Budget overview
- Council inquiries
- Next steps

# Budget introduction

# 2018 Budget Introduction



# Budget Planning



# 2018 Budget Themes & Guiding Principles

- To guide budget development four themes have been developed:
  1. Accountability & Transparency
  2. Financial Sustainability
  3. Infrastructure Sustainability
  4. Service Delivery

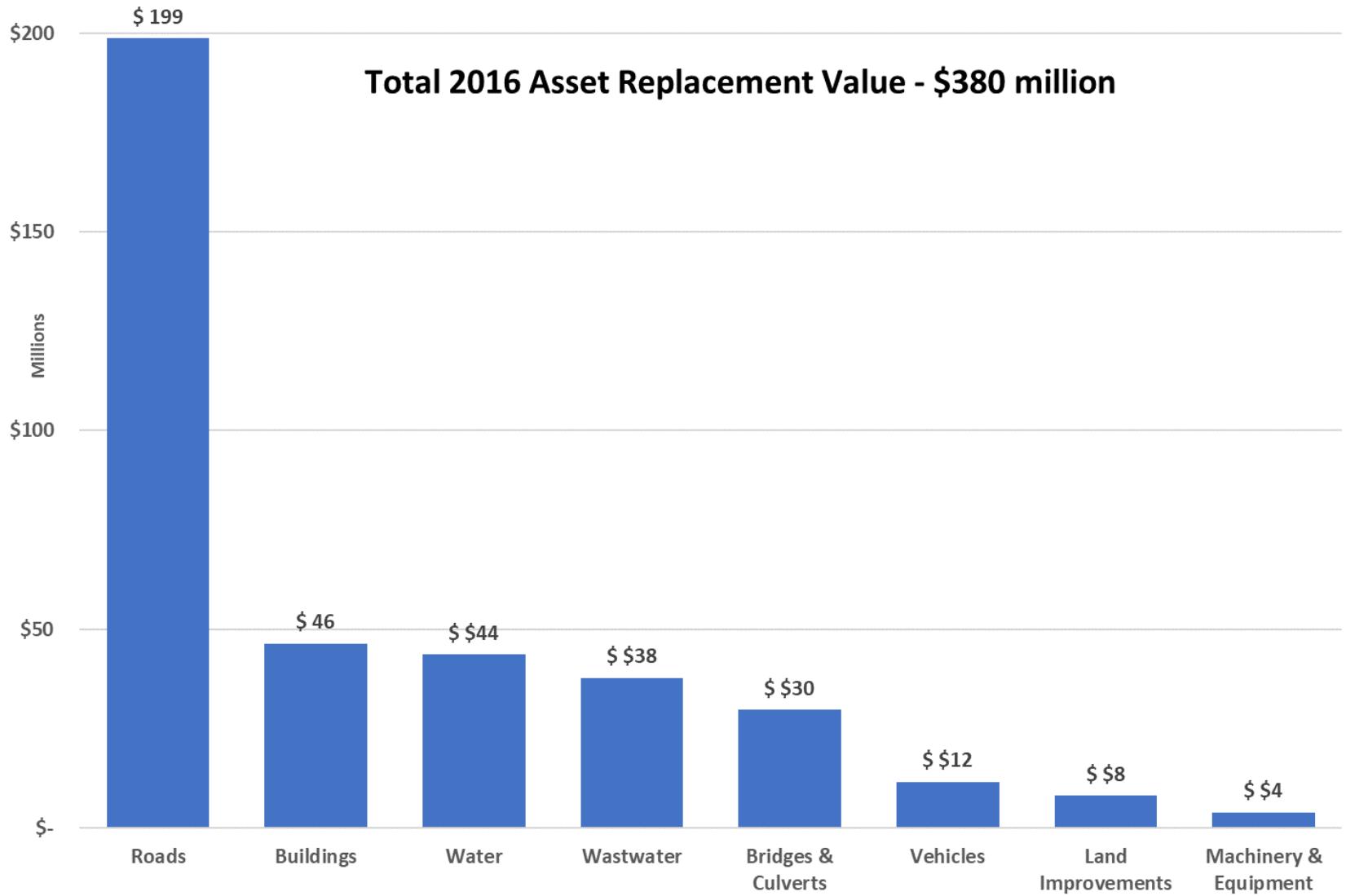
# Lincoln's Story

# Lincoln quick facts

- Population: **23, 787**
- Population growth (2011-16) - **5.8%**
- Projected to **grow by approximately 50%** to over 32,000 in the next 15 years
- **4<sup>th</sup>** fastest growing municipality in Niagara
- Age distribution:
  - 0-14 yrs (17%)
  - 15-29 (17%)
  - 30-64 (45%)
  - 65+ (21%)
- Average age: **42.9** years
- **One of the most affordable communities** to live in Niagara
  - Property Taxes & Water/WW as % of Income
  - #3 of 12 municipalities



# 2018 Budget Introduction



# Business Drivers

# Capital Business Drivers

- Fair process and equitable assessment, prioritization of all projects - new this year using weighted criteria
- Capital Business Drivers/Weighted Criteria
  - Council priorities
  - Regulatory compliance
  - Risk (health & safety)
  - Risk (legal)
  - Financial impact
  - Asset management
  - Strategic asset investment
  - Operational needs
  - Service level growth
  - Corporate business planning
  - New capital growth
  - Internal capacity

# Capital Business Drivers- Community Impact

- Responsibility to invest in our community
  - Climate change / significant weather events
  - Infrastructure gap across the province
  - With growth projections over next 15 years, responsibility to plan for future generations
  - Tax increases over past 10 years has allowed for sustained services, but no enhancements

# 2018 10 Year Capital Plan Review

# Recap -10-Year Capital Plan?

- Responsible for providing and maintaining capital assets & infrastructure to serve our residents and businesses
- Enables Council to make decisions in the shorter-term by understanding the impacts of those decisions on the Town's future capital investment requirements
- The Plan is a tool that provides guidance during the annual budget preparation process; not a calculator or intended to be set in proposed expenditures

# Re-cap – 10-Year Capital Plan?

- Reviewed annually & updated to provide:
  - A starting point for budget planning
  - Reflect any new sources of funding from senior levels of government, that may get introduced over 10-year period
  - Community needs change and we **MUST** be fluid

# Re-cap – 10-year Capital Plan?

- For example, revisions include:
  - Development driven work changes
    - In 2017, it was suggested that in 2018 Ontario St. and Prudhomme's would come in 2018 but those now are anticipated to begin in 2019
  - In other cases we have accelerated Prokich Phase 2, and deferred Jordan Lions Park due to review
  - Monitoring asset health –as per Council desire to maximize life expectancy and monitoring construction cost



# 2018 Capital Budget Overview

# What's new/changed this year?

- Closer, more detailed look at actual costing for 2018
- Prioritization / weighing of projects by SMT
- Categories vs. departmental
  - i.e., transportation, environment and safety, social infrastructure, corporate infrastructure
  - Within in each category, service component
- Rationale: many projects are cross-departmental, better alignment of planning & opportunities for external funding sources

DESCRIPTION OF INFRASTRUCTURE			
Portfolio	Group		Description
Transportation		Roads, Bridges & Culverts	Roads (arterials, collectors, local, and curb & gutter), sidewalks, auxillary structures (gates, streetscapes etc.) and bridges
		Traffic Control & Street Lighting	Signs, markings, street lighting and parking metres
Environment & Safety		Water & Wastewater	Sanitary, storm & combined sewers (incl. manholes, catchbasins), and service connections
		Fire Rescue	Specialized emergency equipment, communication equipment and dispatch system
Social Infrastructure		Community Facilities	All recreation equipment and cemeteries
		Parks	Horticulture, trails, hard surfaces, playgrounds, sportsfields, park infrastructure and parks
		Library	Library network, contents and materials
Corporate Infrastructure		Buildings	Civic offices, public works, operation facilities, rec facilities, libraries and emergency response buildings
		Fleet	Municipal city vehicles, transit fleet, and shop equipment
		Technology Equipment	Servers, network, all communication equipment

## Infrastructure Service Groups Re-cap

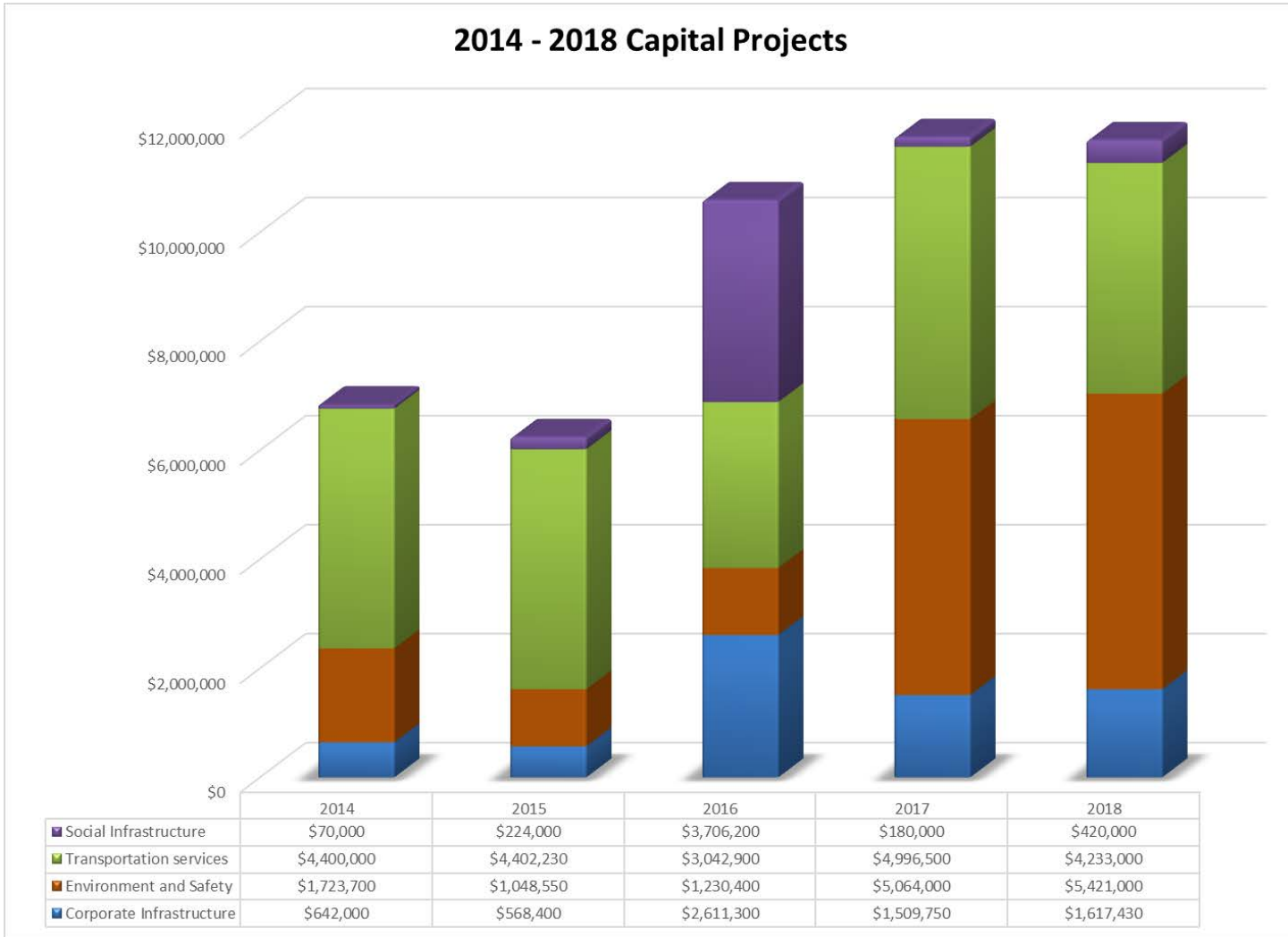
# Highlights of 2018 Capital Plan

- Just under \$11.7 million in capital projects for 2018
- Project impact to levy for capital expenditures
  - ~\$1.3 million of 2018 impacts levy
    - 2.6% increase OR \$36,705 from 2017
  - Compare this to our overall asset replacement value of \$380 million
- Major investment in projects supporting Transportation and Environment & Safety service groups
- 2017 budget Council approved 1% special infrastructure levy – this must continue
- Niagara Region approved 2% Special Levy for 2018 (1.5% Infrastructure and 0.5% Canada Summer Games)

# 2018 Capital Project Summary (35)

- Corporate Infrastructure
  - IT Upgrades
  - IT Upgrades (Library)
  - Redundant Dispatch System – Phase 5
  - Council Chambers Upgrade
  - Bennett Hall Washroom Updates
  - New Operations Yard Rationalization Review (BDSS)
  - Town Hall Roof Replacement
  - Vineland Fire Station #3 Design
  - Vineland Library Roof Replacement
  - 2018 Fleet/Equipment Replacement Needs
- Environment & Safety
  - Queen St. Sewer Upsizing Design
  - Water Meter Replacement and AMR Installation
  - Friesen Neighbourhood Watermain Design
  - Second Ave Watermain Replacement Design
  - Victoria Ave Watermain QEW Crossing
  - Fire Emergency Equipment
  - Pumper-Rescue Truck Replacement
  - Fire Prevention Vehicle Replacement
- Social Infrastructure
  - Mount Osborne Cemetery
  - Vineland Cemetery Compound
  - Ashby Park Enhancement Design
  - Jordan Lions Park Equipment Upgrades
  - Skateboard Park Construction
- Transportation
  - Road Resurfacing & Rehabilitation Program
  - Academy St Reconstruction Project
  - Go Bus Stop Sidewalk - SSR
  - 23rd St Phase 1 - Road Reconstruction
  - Frost Road Bridge Removal
  - Moyer Rd Culvert Replacement & Slope Stability
  - Elizabeth St Shovel Ready Preparation
  - Lincoln Ave South Reconstruction Design
  - Red Maple Ave Reconstruction Design
  - 13th St Re-opening Design
  - Heritage Village Street Light Pole Replacements
  - Charles St Storm Sewer System Diversion

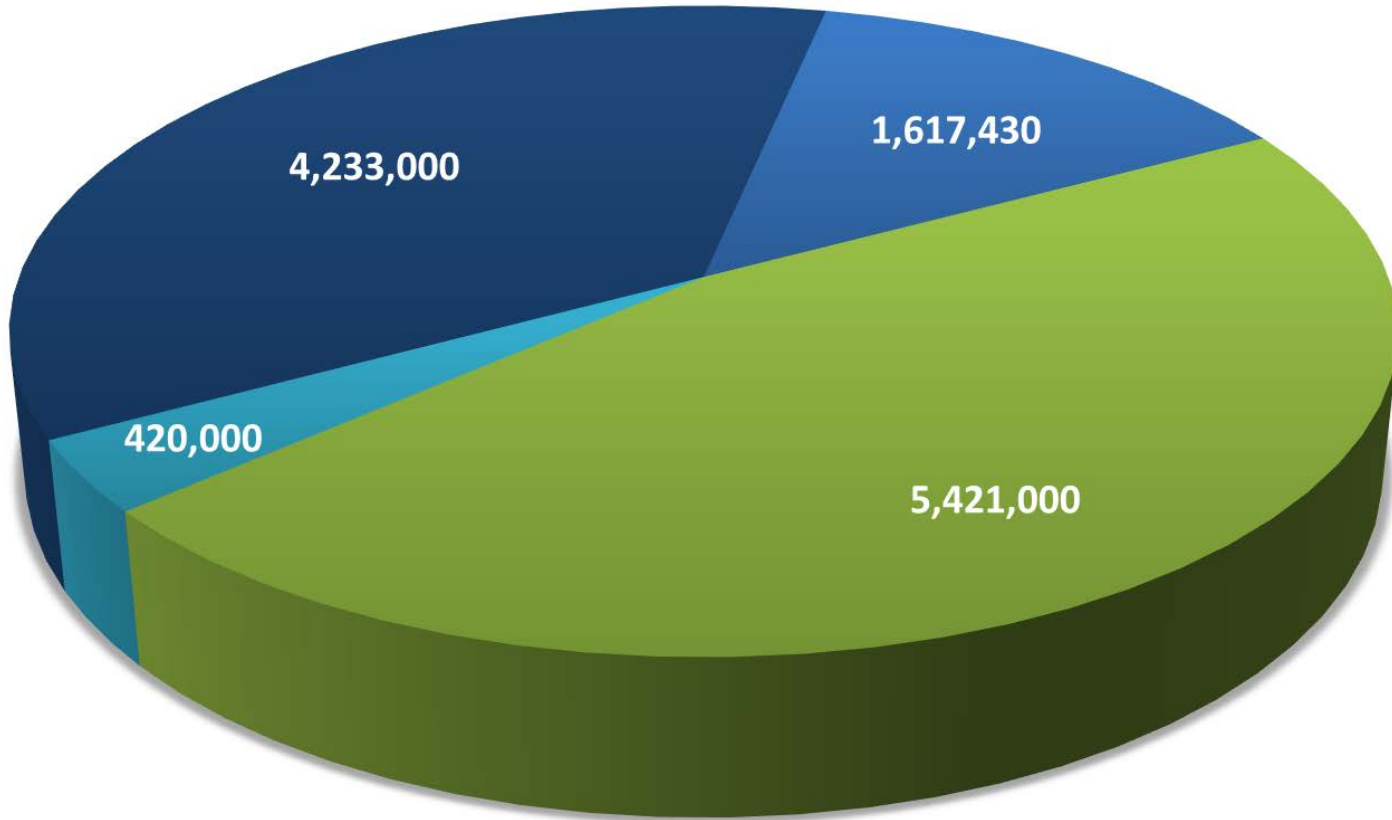
# 2014-18 Trending



# Considerations

- Focus on impact to levy/funding sources - those have the most impact
- Wholistic, continued investment in all assets of community (hard and soft infrastructure)
  - Accurate design and costing in a given year followed by build next year – seen in social infrastructure category
- Projects by category to demonstrate investment in service component
  - Resident and end user focus not departmental

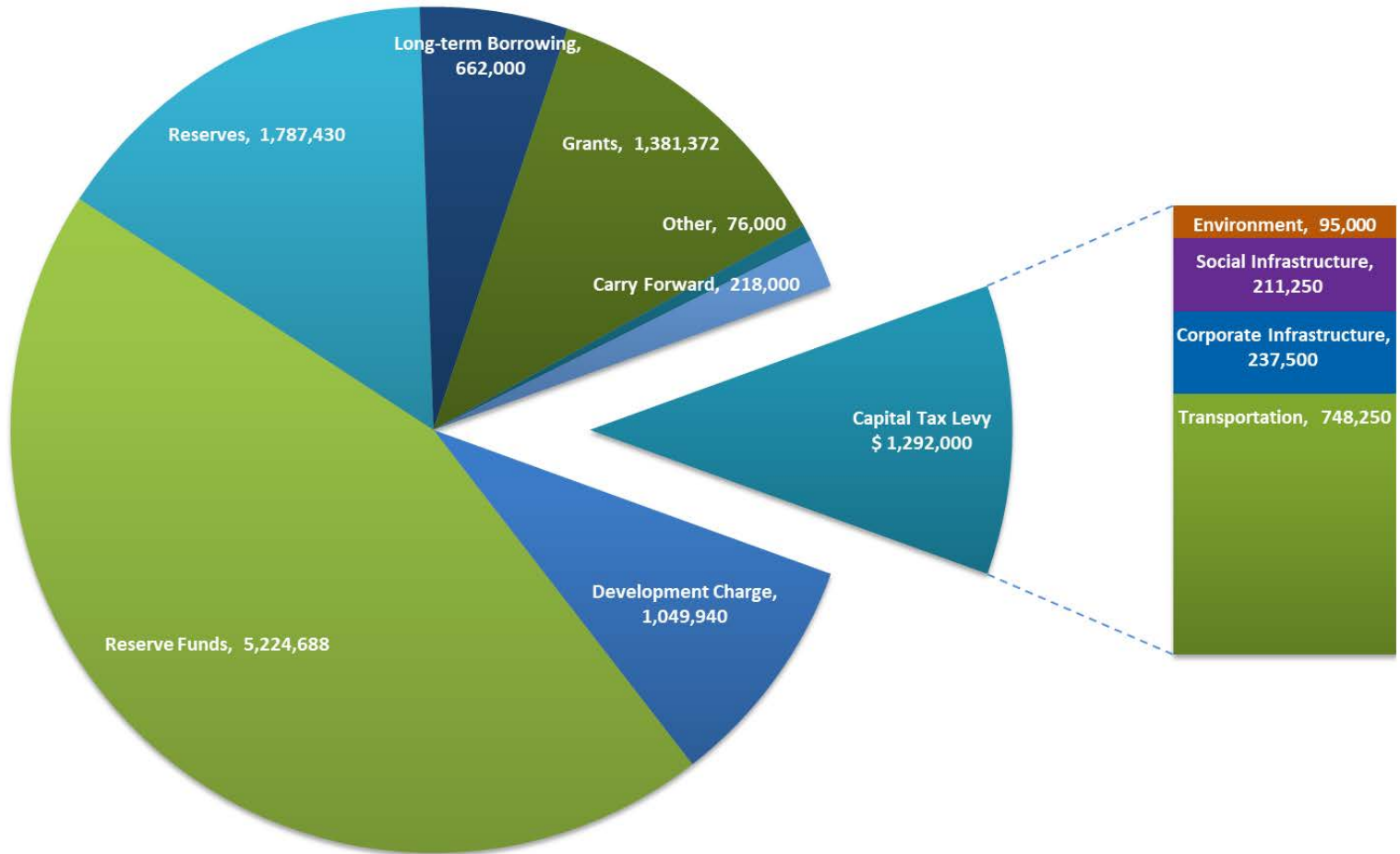
# 2018 Capital Budget Focus



- Corporate Infrastructure
- Environment and Safety Services
- Social Infrastructure
- Transportation Services



# 2018 Capital Budget Funding Sources



# Corporate Infrastructure

Proj #	Project Description	Expenditures	Financing						
			Levy	Dev. Charges	Res. Funds	Reserves	Debenture	Other	Unexp.
1	Information Technology Upgrade	128,000	33,000	0	0	95,000	0	0	0
2	Information Technology Upgrade - Library Services	27,430	0	0	0	27,430	0	0	0
3	Redundant Dispatch System - Phase 5	67,000	67,000	0	0	0	0	0	0
4	Council Chambers Upgrade	70,000	0	0	0	70,000	0	0	0
		<b>292,430</b>	<b>100,000</b>	<b>0</b>	<b>0</b>	<b>192,430</b>	<b>0</b>	<b>0</b>	<b>0</b>
5	Bennett Hall Washroom Updates	40,000	0	0	40,000	0	0	0	0
6	New Operations Yard Rationalization Review (BDSS)	75,000	75,000		0	0	0	0	0
7	Town Hall Roof Replacement	275,000	0	0	275,000	0	0	0	0
8	Vineland Fire Station #3 Design	200,000	100,000	100,000	0	0	0	0	0
9	Vineland Library Roof Replacement	60,000	0	0	60,000	0	0	0	0
		<b>650,000</b>	<b>175,000</b>	<b>100,000</b>	<b>375,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
10	2018 Fleet/Equipment Replacement Needs	675,000	0	0	0	620,000	0	55,000	0
		675,000	0	0	0	620,000	0	55,000	0
	<b>Subtotal - Corporate Infrastructure Services</b>	<b>1,617,430</b>	<b>275,000</b>	<b>100,000</b>	<b>375,000</b>	<b>812,430</b>	<b>0</b>	<b>55,000</b>	<b>0</b>

# Environment & Safety

Proj #	Project Description	Expenditures	Levy	Dev. Charges	Res. Funds	Reserves	Debenture	Other	Unexp.
11	Queen St Sewer Upsizing Design	50,000	0	25,000	25,000	0	0	0	0
		<b>50,000</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
12	Water Meter Replacement and AMR Installation	1,930,000	0	0	1,930,000	0	0	0	0
13	Friesen Neighborhood Watermain Design	75,000	0	0	75,000	0	0	0	0
14	Second Ave Watermain Replacement Design	35,000	0	0	35,000	0	0	0	0
15	Victoria Av Watermain QEW Crossing	2,240,000	0	0	1,258,828	0	0	981,172	0
		<b>4,280,000</b>	<b>0</b>	<b>0</b>	<b>3,298,828</b>	<b>0</b>	<b>0</b>	<b>981,172</b>	<b>0</b>
16	Fire Emergency Equipment	350,000	95,000	0	0	240,000	0	15,000	0
17	Pumper-Rescue Truck Replacement	690,000	0	0	0	685,000	0	5,000	0
18	Fire Prevention Vehicle Replacement	51,000	0	0	0	50,000	0	1,000	0
		<b>1,091,000</b>	<b>95,000</b>	<b>0</b>	<b>0</b>	<b>975,000</b>	<b>0</b>	<b>21,000</b>	<b>0</b>
	<b>Subtotal - Environment and Safety Services</b>	<b>5,421,000</b>	<b>95,000</b>	<b>25,000</b>	<b>3,323,828</b>	<b>975,000</b>	<b>0</b>	<b>1,002,172</b>	<b>0</b>

# Social Infrastructure

Proj #	Project Description	Expenditures	Levy	Dev. Charges	Res. Funds	Reserves	Debenture	Other	Unexp.
19	Mount Osborne Columbaria	75,000	37,500	37,500	0	0	0	0	0
20	Vineland Cemetery Compound	20,000	20,000	0	0	0	0	0	0
		<b>95,000</b>	<b>57,500</b>	<b>37,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
21	Ashby Park Enhancement Design	100,000	0	45,000	55,000	0	0	0	0
22	Jordan Lions Park Equipment Upgrades	75,000	75,000	0	0	0	0	0	0
23	Skateboard Park Construction	150,000	41,250	67,500	41,250	0	0	0	0
		<b>325,000</b>	<b>116,250</b>	<b>112,500</b>	<b>96,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Subtotal - Social Infrastructure</b>	<b>420,000</b>	<b>173,750</b>	<b>150,000</b>	<b>96,250</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Transportation

Proj #	Project Description	Expenditures	Levy	Dev. Charges	Res. Funds	Reserves	Debenture	Other	Unexp.
24	Road Resurfacing & Rehabilitation Program	1,700,000	0	170,000	1,129,800	0	0	400,200	0
25	Academy St Reconstruction Project	795,000	0	0	235,000	0	560,000	0	0
26	Go Bus Stop Sidewalk - SSR	75,000	0	75,000	0	0	0	0	0
27	23rd St Phase 1 - Road Reconstruction	337,000	62,250	209,940	64,810	0	0	0	0
28	Frost Road Bridge Removal	60,000	60,000	0	0	0	0	0	0
29	Moyer Rd Culvert Replacement & Slope Stability	415,000	415,000	0	0	0	0	0	0
30	Elizabeth St Shovel Ready Preparation	175,000	52,500	122,500	0	0	0	0	0
31	Lincoln Ave South Reconstruction Design	75,000	37,500	37,500	0	0	0	0	0
32	Red Maple Ave Reconstruction Design	160,000	0	160,000	0	0	0	0	0
33	13th St Re-opening Design	60,000	60,000	0	0	0	0	0	0
34	Heritage Village Street Light Pole Replacements	21,000	21,000	0	0	0	0	0	0
35	Charles St Storm Sewer System Diversion	360,000	40,000	0	0	0	102,000	0	218,000
		<b>4,233,000</b>	<b>748,250</b>	<b>774,940</b>	<b>1,429,610</b>	<b>0</b>	<b>662,000</b>	<b>400,200</b>	<b>218,000</b>
	<b>Subtotal - Transportation Services</b>	<b>4,233,000</b>	<b>748,250</b>	<b>774,940</b>	<b>1,429,610</b>	<b>0</b>	<b>662,000</b>	<b>400,200</b>	<b>218,000</b>

**Town of Lincoln**  
**2018 Capital Budget Summary**

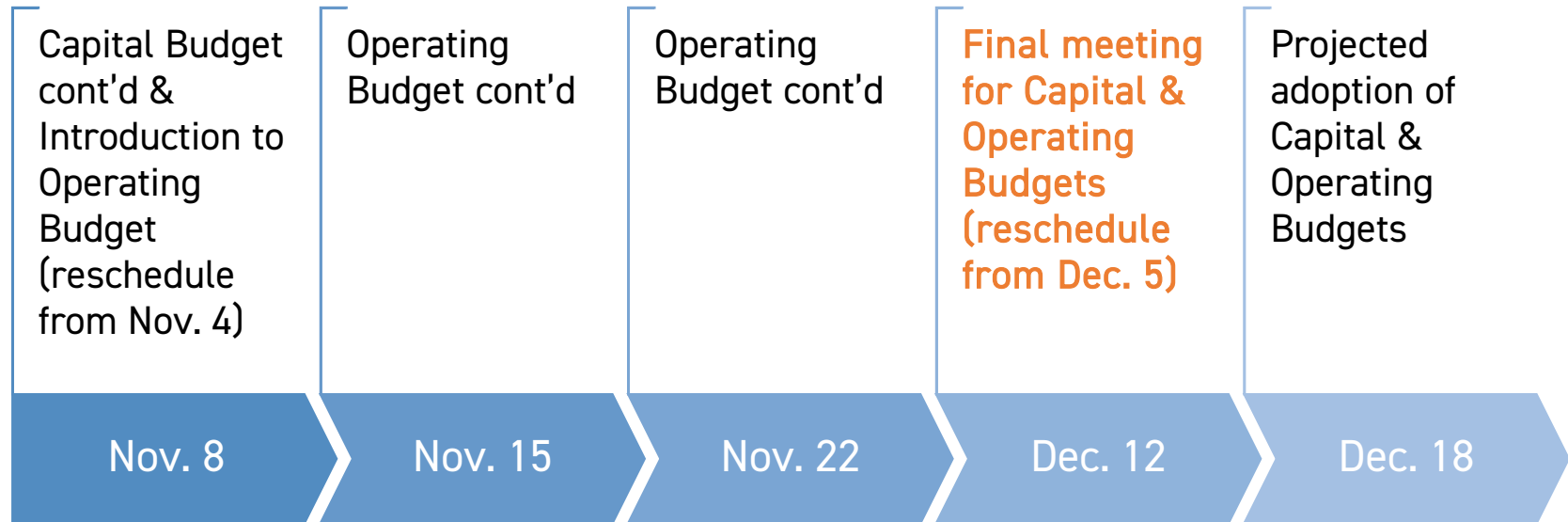
<b><i>Project Spending</i></b>	<b>\$</b>	<b>%</b>
Transportation Services	4,233,000	36%
Environment and Safety Services	5,421,000	46%
Social Infrastructure	420,000	4%
Corporate Infrastructure	1,617,430	14%
<b>Total Spending</b>	<b>11,691,430</b>	<b>100%</b>

<b><i>Funding Sources</i></b>		
<b>Capital Tax Levy</b>	<b>1,292,000</b>	11%
Transfers from DC Reserve Funds	1,049,940	9%
Transfers from Reserve Funds	5,224,688	45%
Transfers from Reserves	1,787,430	15%
Long-term Borrowing	662,000	6%
Grants	1,381,372	12%
Other	294,000	3%
<b>Total Funding Sources</b>	<b>11,691,430</b>	<b>100%</b>
<b><i>Funding Gap</i></b>	<b>-</b>	<b>-</b>

# Summary

- Within policy – capital tax levy (~\$1.3 million) increase within CPI (2.6%)
- Investment/projects aligns with budget engagement feedback & Council priorities
- Special infrastructure levy (1%) within 2018 proposed budget
- Using ~\$130,000 of the 2017 special infrastructure levy as a 2018 capital funding source
- Long-term borrowing for long-term infrastructure (\$662,000) – 2 roads project (Academy/Charles St.)
  - Still within our Town policy and target/guideline

# 2018 Budget Timeline





# Next steps

- SMT to answer questions on November 8
- What do you want us to prepare for and present back at next session, November 8?
  - Last year we provided supplemental information:
    - i.e. Road program reserve program continuity
- What else does Council want to see?