

Capital Budget & Asset Management Summary

Budget 2016



2016 Capital Budget

Significant Items:

- Tax funded levies by Division remain the same
- Includes Council Strategic Priorities
- Recommends further 1% Infrastructure Levy
- Includes Long Term Borrowing



Strategic Priorities

The Council Strategic Priorities allocation of funding for 2016 includes:

- | | |
|---------------------|-----------|
| ✓ SCBA | \$100,000 |
| ✓ Housing Capital | \$ 50,000 |
| ✓ Building Reserves | \$ 50,000 |



Infrastructure Levy

- In 2015, Council approved a 1% Infrastructure Levy to assist with financing the City's Asset Management Plan.
- In 2016, it is recommended to increase the levy by another **\$500,000** or 1%, for a total levy of **\$1,000,000**

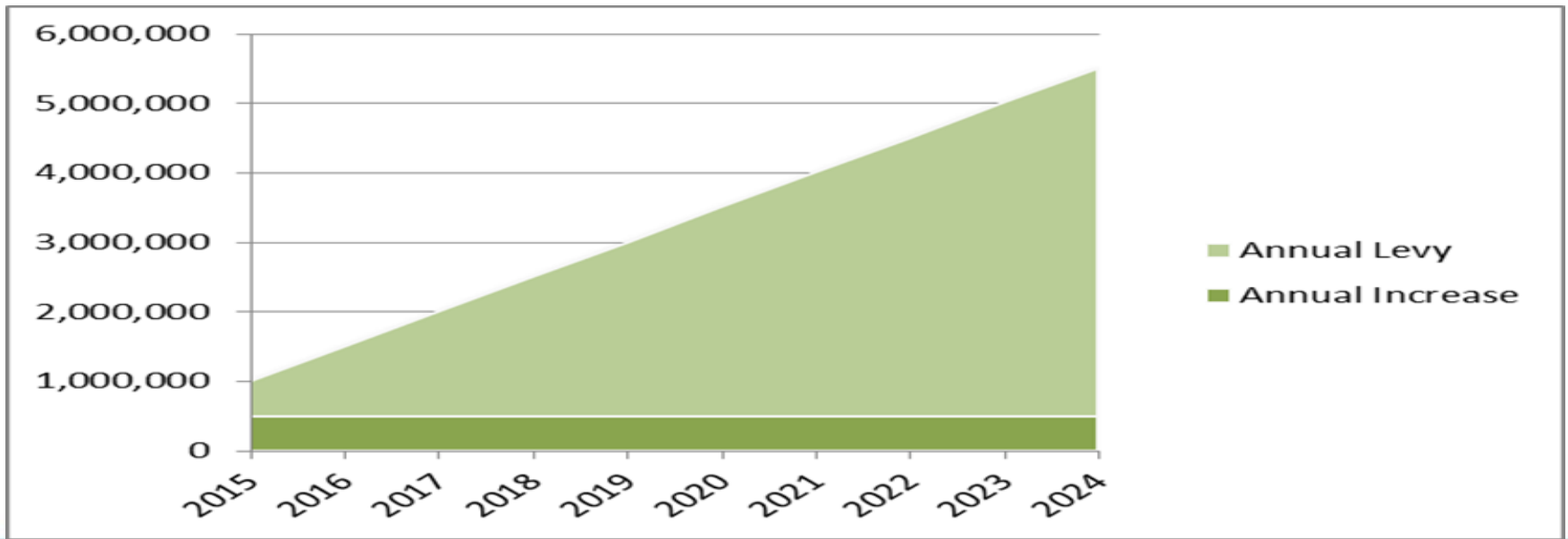


Infrastructure Levy

In 2016, two divisions require more than their annual base budgets:

- Fire
- Recreation

Year	Levy	Cum. Total
2015	500,000	500,000
2016	1,000,000	1,500,000



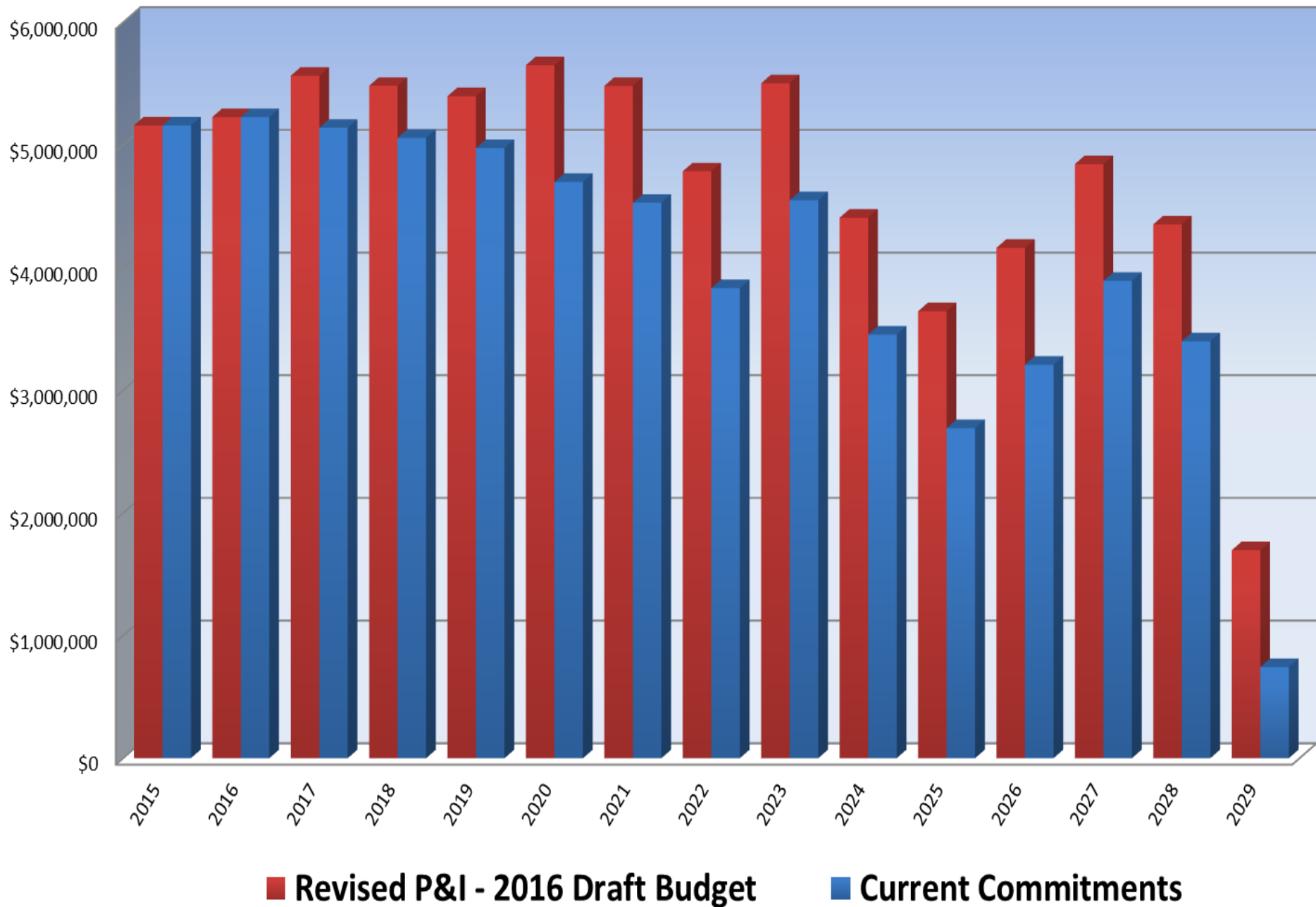
Long Term Borrowing

The 2016 and Future Budgets anticipate the following necessary Debt Borrowing:

- 2016 - \$5.0M – Cooper Site
- 2016 - \$2.8M – WPCP Clarifiers (Rate Supported)
- 2018 - \$1.0M – North Shore Project
- 2018 – 2020 - \$5.25M – Queen Street Project
- 2018 – 2020 – Various Water/Sanitary (Rate Supported)



Estimated Future Debt Payments - TAX SUPPORTED ONLY





What the AMP Says:

- **\$7,767,000** Annual Deficit –
Approx. **\$6.0M** Tax Supported
- Does not include Community
Facilities or Housing Deficit

Funding Requirements:

- 12% Tax Increase
- 12.9% Water Rate Increase
- 21.8% Sanitary Rate Increase



Asset Management – How to Fund

✓ Three basic ways to reduce Infrastructure Deficit

- Increase Funding
- Eliminate Assets (Service Levels)
- Proper AMP Maintenance Program

REQUIRES
CAPACITY BUILDING



Capacity Building - Recap

Three Main Philosophies to Implement the AMP:

- 1) *Philosophy #1* - Annual Report from Consultant – **goal:** to meet legislative requirements
- 2) *Philosophy #2* – Continually enter all Department asset data into one Corporate System – **goal:** better information for Decision Makers

COUNCIL DIRECTION

- 3) *Philosophy #3* – Full Data Integration model – **goal:** AMP becomes part of day-to-day processes and decisions



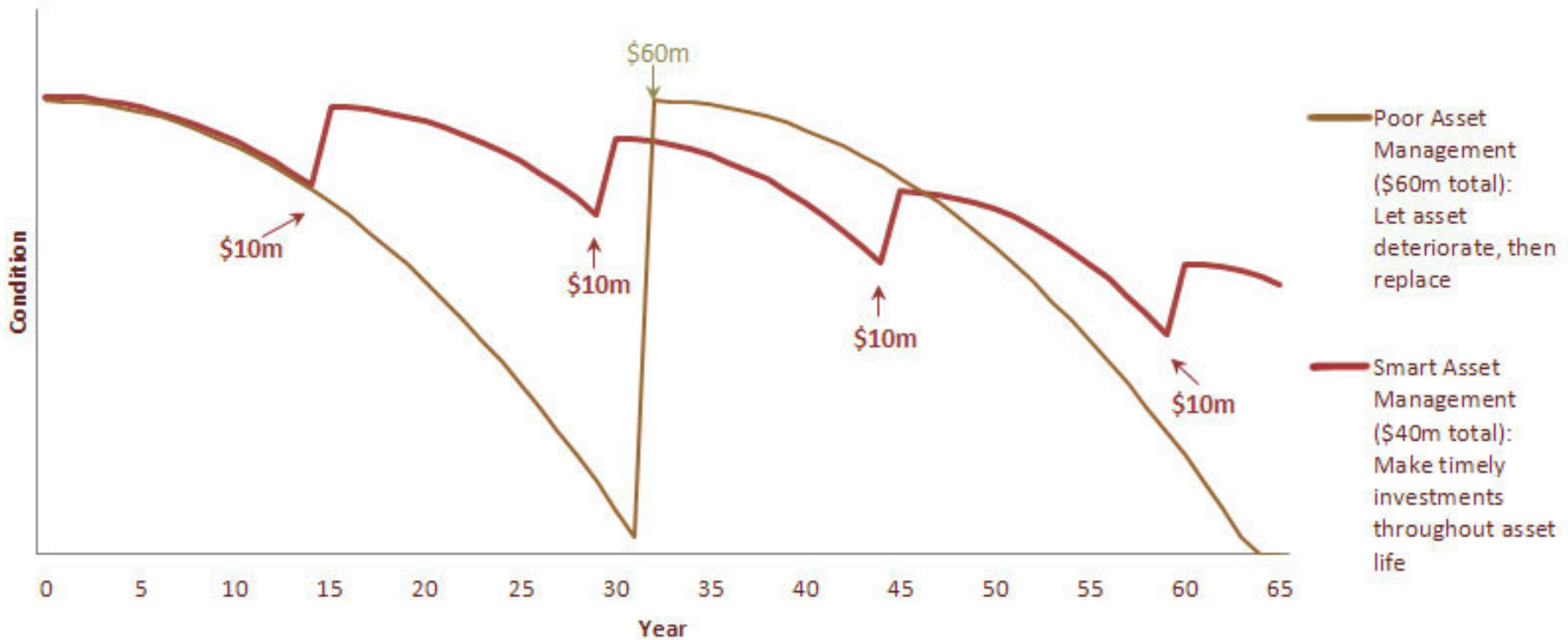
AMP Next Steps

- Hire Temporary Resource – underway
- Update AMP with Housing, Facilities, and Fleet data
- Create Long Term Financial Plan
- Create/Review Asset Level of Service Indicators
- Draft Asset Risk Assessment
- Identify/Implement AMP Best Practices



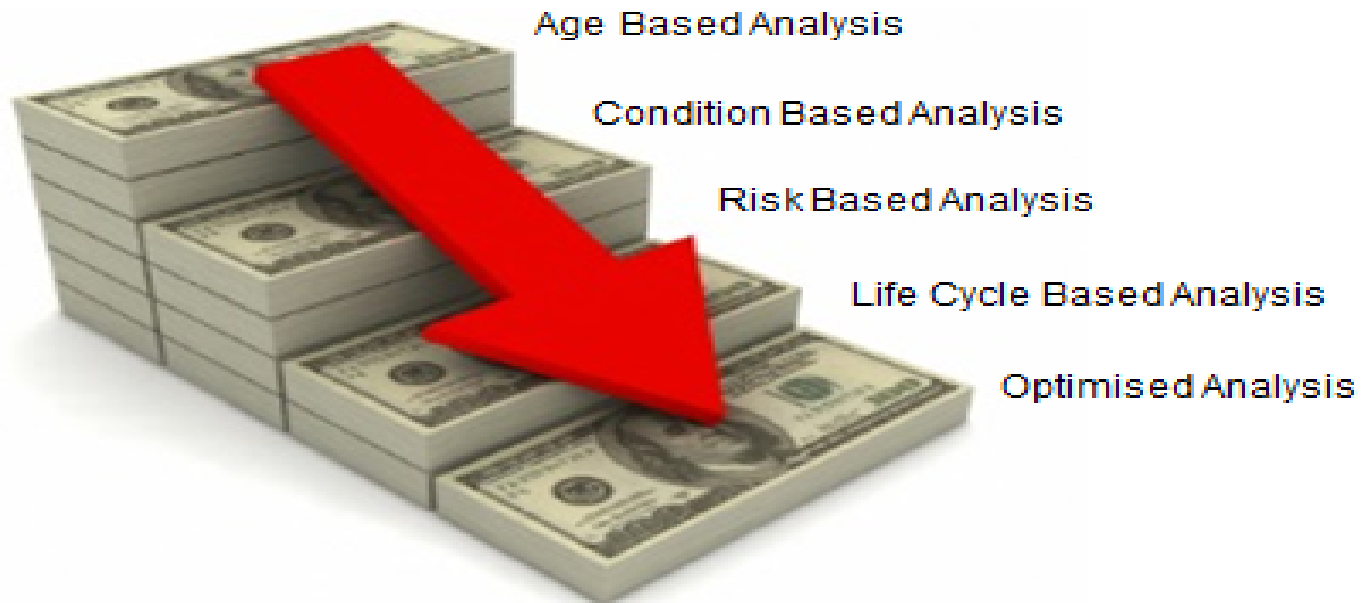
Excerpt from Ontario Guide for Municipal Asset Management Plans

Small but timely renewal investments save money



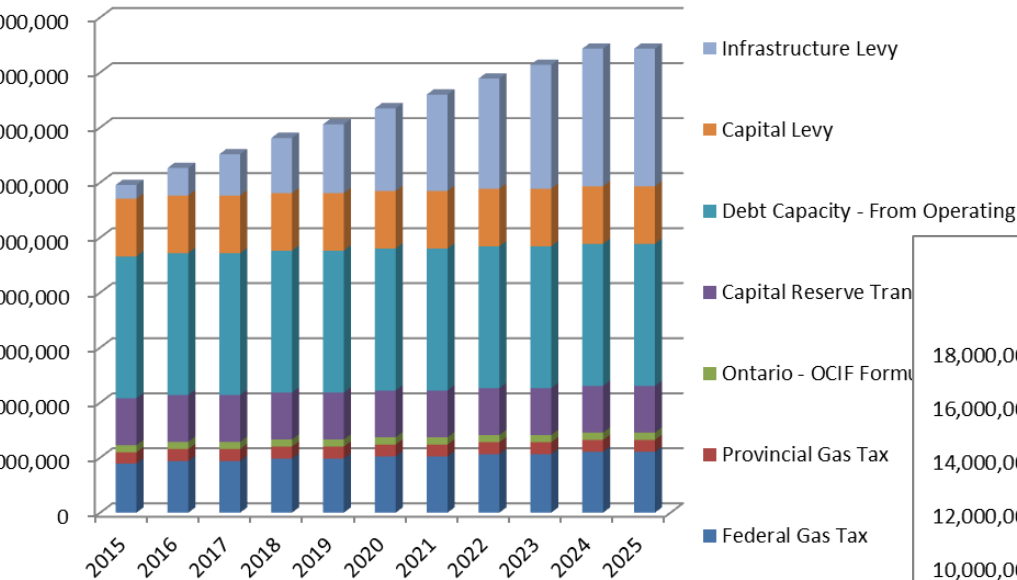
Analysis by Public Sector Digest

How Much Money Is Really Needed?

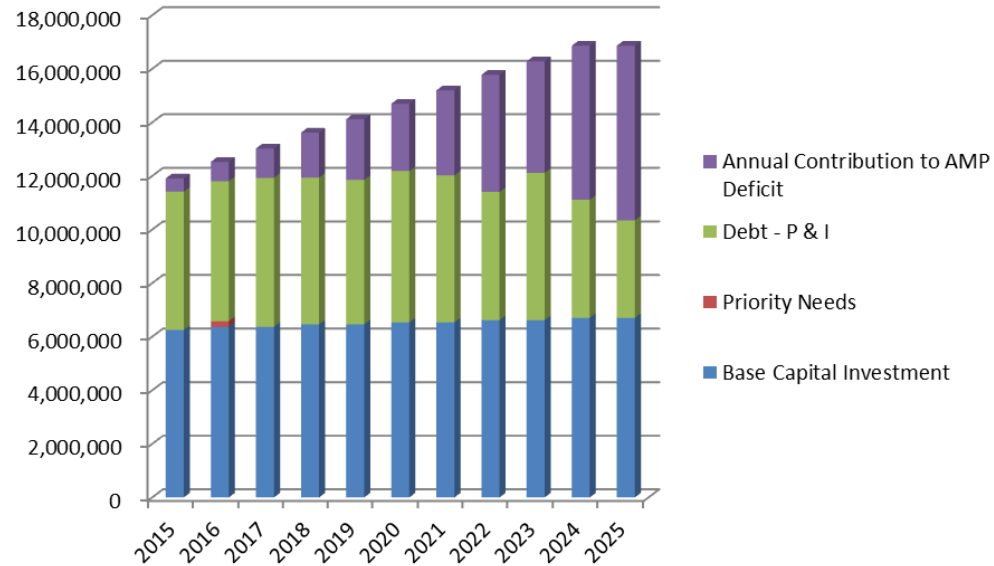


Current Capital Funding Model

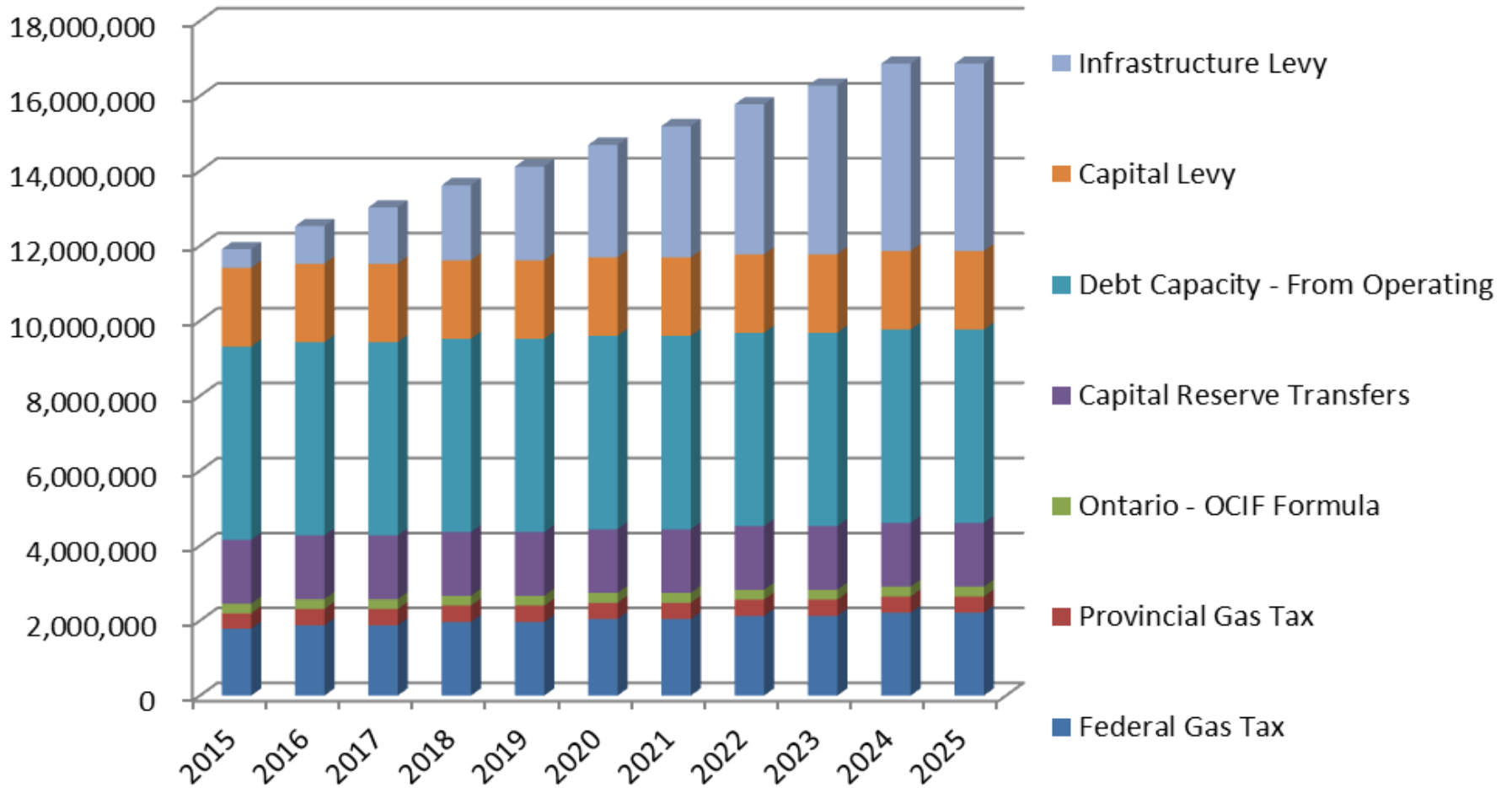
Capital Funding



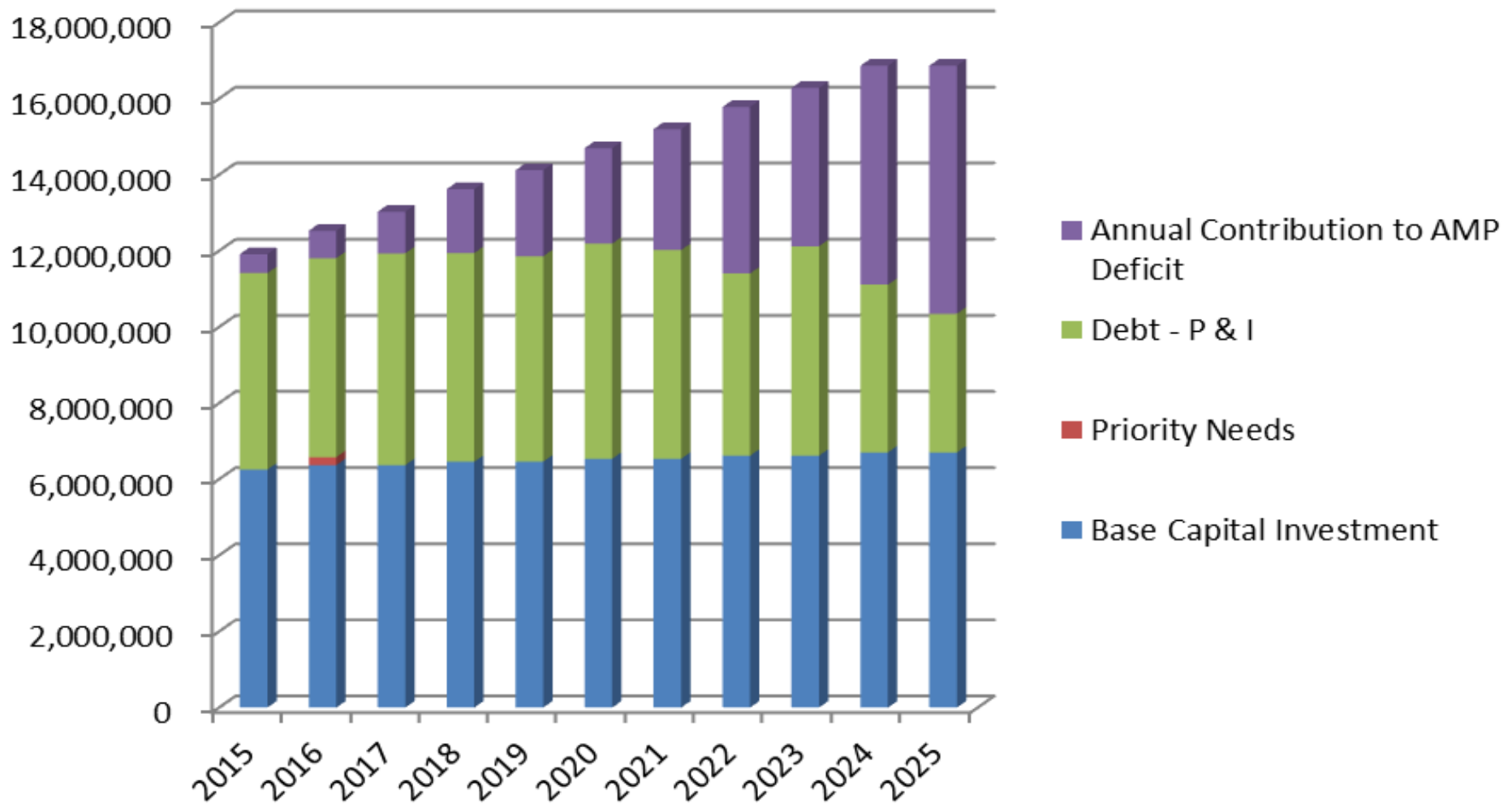
Capital Requirements



Capital Funding



Capital Requirements



2016 Capital Budget Overview

Project	Gross Cost	Recoverable From Utilities	Recoverable From Reserves	Recoverable From External Sources	Long Term Financing	Net Tax Levy
GRAND TOTAL 2016 CAPITAL BUDGET FUNDED	25,222,135	-1,920,000	-6,214,879	-6,191,000	-7,800,000	3,096,256



Unfunded Capital Overview





Andre Morin, CPA, CGA
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