

**MUNICIPALITY OF THE COUNTY OF KINGS
COMMITTEE OF THE WHOLE
BUDGET**

April 3, 2017

**Audio Recording Times Noted in Red
(minutes:seconds)**

1. Roll Call **00:00**
2. Approval of Agenda **01:48**
3. Financial Services
 - a. 2017/2018 Capital Budget Deliberations **04:17**
4. Comments from the Public **None**
5. Adjournment **186:38**

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THE MUNICIPALITY OF THE COUNTY OF KINGS

REPORT TO COMMITTEE OF THE WHOLE

CAPITAL BUDGET

Subject: 2017/18 Capital Budget Deliberations

From: Financial Services

Date: March 20, 2017

Capital Budget

The 2017/18 proposed Capital Budget is described in the *Proposed 2017/18 Operating and Capital Budgets* book, from page 87 to 108. The detail project justification sheets are included on pages 131 through 160. No changes have been made to the Capital Project Sheets, and staff have not received any requests for further information, since the presentations to Committee of the Whole on February 23 and March 13.

5 Year Capital Plan

Appendix #1 to this report is the 5 year Capital Plan by Spending Priority, by Project, and by Source of Funding. A 5 year Capital Plan for all capital spending is required to be prepared and approved for the *Gas Tax Program*. However Council does not actually approve future capital projects until the relevant future years' capital budgets.

Temporary Borrowing Resolution

The Department of Municipal Affairs requires that Council submit a Temporary Borrowing Resolution (TBR) requesting permission to borrow the amount of any loans that would be needed at any time in the future, in connection with our Capital Budget. A TBR does not commit the Municipality to participation in a future debenture. Staff must come back to Council for approval to actually borrow funds, once projects are completed and we know the final project debt requirements.

TBR's approved by the Minister of the Department of Municipal Affairs are only valid for one year and they must be renewed each year if we didn't finance a project during the year.

Appendix #2 is attached showing the details of the proposed \$550,000 TBR representing:

- the proposed \$100,000 borrowing for the Sidewalk Construction Project 08-1714; together with
- the proposed \$450,000 borrowing for the Regional Sewer Forcemain Project 14-4401.

As of March 31, 2018, the total Municipal debt outstanding will be \$3.67 million. Adding new borrowing of \$550,000 will bring the total debt outstanding to \$4.2 million. The principal repayments in 2018/19 are estimated at \$0.9 million, which will result in estimated total debt outstanding at March 31, 2019 of \$3.3 million, and estimated 2018/19 Debt Service of 3.3% of Own Source Revenue, which is well below the Provincial Municipal Indicator Threshold of 15%, and also below the 2015/16 Rural Municipality average of 4.6%.

The proposed motions are listed below:

Recommendations

1. Capital Budget:

That Committee of the Whole recommends to Council to approve the \$4,292,000 Capital Budget as detailed in the *Proposed 2017/18 Operating and Capital Budgets* book, from page 87 to 108 together with the project justification sheets on pages 131 through 160.

2. Five Year Capital Plan

That Committee of the Whole recommends to Council to approve the Five Year Capital Plan as attached in Appendix 1.

3. Temporary Borrowing Resolution

That Committee of the Whole recommend to Council to approve a Temporary Borrowing Resolution in the amount of \$550,000 as attached in Appendix 2.

2017/2018 - 5 YEAR CAPITAL PLAN BY SPENDING PRIORITY								
Priority	Project Name	Project Number	Total	2017/18	2018/19	2019/20	2020/21	2021/22
Provide efficient and effective service delivery to our residents and businesses								
	Network Upgrades	08-1101	126,000	26,000	25,000	25,000	25,000	25,000
	Hardware Evergreening	08-1102	421,000	91,000	75,000	80,000	85,000	90,000
	Records Management	16-1102	125,000	25,000	100,000	-	-	-
	Accounting Software	16-1103	100,000	100,000	-	-	-	-
	EMO Portable Server Rack & Equipment	17-1101	75,000	75,000	-	-	-	-
	Asset Management Software	17-1102	100,000	-	100,000	-	-	-
	Fibre Connectivity	17-1103	130,000	30,000	100,000	-	-	-
	Municipal Complex Upgrades	14-1302	150,000	-	-	50,000	50,000	50,000
	Park Facility Upgrades	15-1601	150,000	50,000	25,000	25,000	25,000	25,000
	Building & Development Services Vehicles	13-1501	50,000	-	25,000	-	25,000	-
	EPW Equipment & Occupational Safety Improvements	10-3409	100,000	20,000	20,000	20,000	20,000	20,000
	EPW Service Vehicles	11-3401	305,000	75,000	60,000	30,000	70,000	70,000
			1,832,000	492,000	530,000	230,000	300,000	280,000
Address infrastructure deficit and aging sewer and water infrastructure								
	Lift Station Replacements	08-3408	1,800,000	600,000	300,000	300,000	300,000	300,000
	Sewer Treatment Plant Infrastructure Renewal	08-3409	500,000	100,000	100,000	100,000	100,000	100,000
	Sewer Collection System Line Replacements	08-3410	4,700,000	700,000	1,000,000	1,000,000	1,000,000	1,000,000
	Regional Forcemain	14-4401	1,550,000	750,000	400,000	-	200,000	200,000
	Sewer Line Alignment	16-4401	25,000	25,000	-	-	-	-
	Regional Meters	16-4403	-	-	-	-	-	-
	Regional STP Aeration	17-4401	650,000	100,000	50,000	500,000	-	-
	Water Distribution System Improvements	10-2403	1,000,000	400,000	150,000	150,000	150,000	150,000
	Water System Equipment	11-2407	125,000	25,000	25,000	25,000	25,000	25,000
	Production Well	11-2408	1,000,000	250,000	250,000	500,000	-	-
	North Greenwood Water Phase II	11-1403	1,100,000	-	-	-	-	1,100,000
			12,450,000	2,950,000	2,275,000	2,575,000	1,775,000	2,875,000
Secure Kings County economic future, with focus on economic development, strategy & infrastructure								
	Cambridge Business Park	16-1401	-	-	-	-	-	-
	New Minas Trail Erosion	16-1601	125,000	125,000	-	-	-	-
	Royal Estates Storm Drainage	17-1401	75,000	75,000	-	-	-	-
			200,000	200,000	-	-	-	-
Utilize green technologies and maximize energy efficiencies to encourage energy conservation in municipal & village infrastructure								
	New Municipal Complex	16-1301	-	-	-	-	-	-
			-	-	-	-	-	-
Foster an environment which increases opportunities and investments in active transportation networks								
	Sidewalk Construction Program	08-1714	2,400,000	400,000	500,000	500,000	500,000	500,000
	Trails Development	14-1602	250,000	250,000	-	-	-	-
			2,650,000	650,000	500,000	500,000	500,000	500,000
Improve road network and infrastructure								
	Municipal Road Remediation	13-1702	400,000	-	200,000	100,000	100,000	-
			400,000	-	200,000	100,000	100,000	-
TOTAL			17,532,000	4,292,000	3,505,000	3,405,000	2,675,000	3,655,000

2017/2018 - 5 YEAR CAPITAL PLAN BY SOURCE OF FUNDING									
Priority	Project Name	Project Number	Total	Operating	Fed/Prov Grants	Capital Reserves	Operating Reserves	Debt	Other Revenue
Provide efficient and effective service delivery to our residents and businesses									
	Network Upgrades	08-1101	126,000	-	-	126,000	-	-	-
	Hardware Evergreening	08-1102	421,000	-	-	421,000	-	-	-
	Records Management	16-1102	125,000	-	-	125,000	-	-	-
	Accounting Software	16-1103	100,000	-	-	100,000	-	-	-
	EMO Portable Server Rack & Equipment	17-1101	75,000	-	-	75,000	-	-	-
	Asset Management Software	17-1102	100,000	-	-	100,000	-	-	-
	Fibre Connectivity	17-1103	130,000	-	-	130,000	-	-	-
	Municipal Complex Upgrades	14-1302	150,000	-	-	150,000	-	-	-
	Park Facility Upgrades	15-1601	150,000	-	-	150,000	-	-	-
	Building & Development Services Vehicles	13-1501	50,000	-	-	50,000	-	-	-
	EPW Equipment & Occupational Safety Improvements	10-3409	100,000	-	-	100,000	-	-	-
	EPW Service Vehicles	11-3401	305,000	-	-	305,000	-	-	-
			1,832,000	-	-	1,832,000	-	-	-
Address infrastructure deficit and aging sewer and water infrastructure									
	Lift Station Replacements	08-3408	1,800,000	-	1,800,000	-	-	-	-
	Sewer Treatment Plant Infrastructure Renewal	08-3409	500,000	-	500,000	-	-	-	-
	Sewer Collection System Line Replacements	08-3410	4,700,000	-	4,380,000	320,000	-	-	-
	Regional Forcemain	14-4401	1,550,000	-	-	1,000,000	-	550,000	-
	Sewer Line Alignment	16-4401	25,000	-	-	25,000	-	-	-
	Regional Meters	16-4403	-	-	-	-	-	-	-
	Regional STP Desludge & Aeration	17-4401	650,000	-	-	500,000	-	150,000	-
	Water Distribution System Improvements	10-2403	1,000,000	1,000,000	-	-	-	-	-
	Water System Equipment	11-2407	125,000	125,000	-	-	-	-	-
	Production Well	11-2408	1,000,000	500,000	-	500,000	-	-	-
	North Greenwood Water Phase II	11-1403	1,100,000	-	-	-	-	-	1,100,000
			12,450,000	1,625,000	6,680,000	2,345,000	-	700,000	1,100,000
Secure Kings County economic future, with focus on economic development, strategy & infrastructure									
	Cambridge Business Park	16-1401	-	-	-	-	-	-	-
	New Minas Trail Erosion	16-1601	125,000	-	-	-	125,000	-	-
	Royal Estates Storm Drainage	17-1401	75,000	-	-	75,000	-	-	-
			200,000	-	-	75,000	125,000	-	-
Utilize green technologies and maximize energy efficiencies to encourage energy conservation in municipal & village infrastructure									
	New Municipal Complex	16-1301	-	-	-	-	-	-	-
			-	-	-	-	-	-	-
Foster an environment which increases opportunities and investments in active transportation networks									
	Sidewalk Construction Program	08-1714	2,400,000	-	-	1,100,000	-	1,300,000	-
	Trail Development	14-1602	250,000	-	-	-	125,000	-	125,000
			2,650,000	-	-	1,100,000	125,000	1,300,000	125,000
Improve road network and infrastructure									
	Municipal Road Remediation	13-1702	400,000	-	-	400,000	-	-	-
			400,000	-	-	400,000	-	-	-
TOTAL			17,532,000	1,625,000	6,680,000	5,752,000	250,000	2,000,000	1,225,000

**APPENDIX 2
 TEMPORARY BORROWING RESOLUTION SPRING 2017 FOR SPRING 2018 DEBENTURE
 MUNICIPALITY OF THE COUNTY OF KINGS
 COMMITTEE OF THE WHOLE - MARCH 20, 2017**

PURPOSE	DESCRIPTION	ACTUAL COSTS	DEBENTURE AMOUNT	TERM	MAXIMUM RATE	STATUS AT 3/20/17	PREVIOUS TBR #
McKittrick Sidewalk Project	2017/18 Project Budget	400,000	\$100,000	10 years	5.5%	Capital Budget 2017/18	N/A
	Less: budgeted from Capital Reserves	300,000					
		<u>100,000</u>					
TOTAL MUNICIPAL INFRASTRUCTURE BORROWING			\$100,000				
Regional Sewer Forcemain	2017/18 Project Budget	750,000	\$450,000	10 years	5.5%	Capital Budget 2017/18	N/A
	Less: budgeted from Capital Reserves	300,000					
		<u>450,000</u>					
TOTAL REGIONAL SEWER BORROWING			\$450,000				
Total Temporary Borrowing Resolution - March 2017 for 2017/18 Capital Budget			\$550,000				