

# Village of Cornwallis Square Guarantee Resolution \$650,000

Karen Kluska, CPA, CA - Finance  
July 17, 2018 Committee of the Whole



# Village of Cornwallis Square Borrowing

- The Village of Cornwallis Square is replacing a 2001 Pumper Truck which is being sold.
- The new Pumper Truck will cost \$650,000.
- The Village has the approval of the electors and the Village Commission to borrow up to \$650,000
- They expect to pay the loan over four to five years from the Village General Tax Rate, the Waterville Fire Department Area Rate, plus the proceeds of sale from the existing truck.
- The Village has repaid in full the other two loans that the Municipality previously guaranteed and has no loans outstanding.



# Financial Implications

- The Province requires the Municipality to guarantee any borrowing by Villages before they will approve the loan
- The guarantee has no financial impact on the Municipality and does not affect our Municipal Indicators, or our ability to borrow.
- If a Village did default on a loan, the MGA provides the Municipality with the authority to assess an area rate to recover the amount.



Questions?



# Capital Investment Plan 2018/19 & Allocation of Gas Tax to Villages

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# Gas Tax Agreement

- The current Gas Tax Agreement expires March 31, 2024.
- The Municipality will receive \$2.2 million in Gas Tax funds in 2018/19
- The Agreement requires the Municipality to submit an Annual 5-Year Capital Investment Plan (CIP) by September 1 each year as one of the conditions of receiving the funds
- The Agreement also requires us to:
  - follow a Communications Protocol,
  - display approved signage,
  - Complete & File an Annual Expenditure Report that includes details of all Gas Tax funds spent by the Municipality and our 7 Villages over the preceding Fiscal Year.



# Capital Investment Plan (CIP)

- The CIP must include the Capital Budgets of both the Municipality and our 7 Villages
- The CIP must also include the 5 year Capital Plans of both the Municipality and our 7 Villages
- The CIP requires us to identify the source of funding for each project for each of the 5 years
- Any projects that plan to use Gas Tax as part of the funding must be Eligible Projects under the terms of the Gas Tax Agreement, and used for Eligible Expenditures



# The 2018/19 Capital Investment Plan (CIP)

- The 2018/19 CIP includes details of 87 projects planned by the Municipality or our 7 Villages over the coming 5 years.
- The CIP was prepared from
  - the Municipality's Approved Capital Budget & 5 year Plan
  - Village Capital Budgets & Plans approved by Village Commissions and provided by the Village Clerks
- All projects that propose to use Gas Tax appear to be Eligible Projects under the terms of the Gas Tax Agreement



# Gas Tax Allocations

- In March 2009, Council approved the model for allocating Federal Gas Tax dollars to the Villages and to individual projects
- In September 2012, Council approved a revision to the model to permit eligible Sewer & Water projects to use Gas Tax to fund up to 100% of the project cost. Other projects continued to require Village or Municipal contributions of one-third, allowing Gas Tax to provide only two-thirds of the cost.



# Gas Tax Allocations to Villages

- The model provides that the four Villages that own their own Sewer or Water infrastructure share the Municipality's Gas Tax allocation in proportion to the value of the sewer or water.
- The sewer and/or water infrastructure in the other three Villages is owned and maintained by the Municipality using, in part, the Municipality's proportionate share of the Gas Tax allocation. Accordingly, those Villages do not receive an automatic allocation. They must apply to the Municipality for support for their projects from the Gas Tax Fund
- Council must evaluate the requests from those Villages in light of the other Municipal priorities for Gas Tax spending



# 2018/19 Gas Tax Allocation

<b>Village</b>	<b>Total Sewer /Water Infrastructure Value</b>	<b>%</b>	<b>Annual Gas Tax Allocation</b>
Canning	7,868,743	5.08%	112,311
Kingston	13,004,513	8.39%	185,614
New Minas	26,278,629	16.96%	375,076
Port Williams	12,469,146	8.05%	177,973
Municipality	95,364,308	61.53%	1,361,137
<b>Total</b>	<b>154,985,339</b>	<b>100.00%</b>	<b>2,212,111</b>



# Gas Tax Projects – Four Villages

- Canning is planning the design phase for the 1.25km Chapel Road Water & Sidewalk project to be constructed in the following year.
- Kingston is planning to replace a lift station at their RCMP offices, renew the clarifier at their Sewage treatment plant and do some sidewalk upgrades on Main Street.
- Port Williams is engaging consultants to evaluate their sewer lagoon and design a solution, and then will proceed with construction later in the year.
- New Minas is drilling a test well on Jones Rd to find an alternate source for water for the Village. They continue to install household meter reader boxes (remote reading). They will be installing two generators, one at the Forsythe reservoir to ensure chlorine disinfection continues during a power outage and one at the Lockhart Ryan Well to ensure water continues to flow.



# Village Gas Tax Balances

- Villages that receive an allocation do not have to spend it in the year, but may carry it forward to “save up” to enable them to afford a larger project.
- For example, the Village of New Minas is planning to build a \$1m water reservoir in 4 years as well as completing other projects.
- The Village of Canning is planning to replace the water mains and install a sidewalk on Chapel Road next year. The Water project is expected to cost \$495k and the sidewalk is expected to cost \$895k. The Municipality is also planning to replace the sewer lines at the same time. The Village has saved up their Gas Tax funds for the past two years to help pay for part of their project.
- The Village of Kingston is saving up for a \$900,000 sidewalk project in Year 5 or 6.



# Appendix 1 Part 2

Unit	Project	Current Year Gas Tax	Open Projects from Last Year	Total Gas Tax	Total Gas Tax Approved
<b>Village of Canning</b>					
	<b>Gas Tax Carryforward Account Balance Beginning of Year</b>				<b>370,525</b>
	<b>Annual Allocation 2018/19</b>				<b>112,311</b>
	<b>Gas Tax Available</b>				<b>482,836</b>
	Design for Chapel Rd Water & Sidewalk project	15,000		15,000	(15,000)
	Total Gas Tax Projects	<b>15,000</b>	<b>-</b>	<b>15,000</b>	<b>(15,000)</b>
	<b>Gas Tax Account Balance</b>	<b>Village of Canning</b>			<b>467,836</b>
<b>Village of Kingston</b>					
	<b>Gas Tax Carryforward Account Balance Beginning of Year</b>				<b>172,502</b>
	<b>Annual Allocation 2018/19</b>				<b>185,614</b>
	<b>Gas Tax Available</b>				<b>358,116</b>
	Sidewalk & curb replacements Main St	30,000		30,000	
	Lift station upgrade at RCMP offices	150,000		150,000	
	Clarifier renewal at STP	75,000		75,000	
	Total Gas Tax Projects	<b>255,000</b>	<b>-</b>	<b>255,000</b>	<b>(255,000)</b>
	<b>Gas Tax Account Balance</b>	<b>Village of Kingston</b>			<b>103,116</b>
<b>Village of Port Williams</b>					
	<b>Gas Tax Carryforward Account Balance Beginning of Year</b>				<b>316,000</b>
	<b>Annual Allocation 2018/19</b>				<b>177,973</b>
	<b>Gas Tax Available</b>			<b>-</b>	<b>493,973</b>
	Sewer lagoon rehabilitation	400,000		400,000	
	Total Gas Tax Projects	<b>400,000</b>	<b>-</b>	<b>400,000</b>	<b>(400,000)</b>
	<b>Gas Tax Account Balance</b>	<b>Village of Port Williams</b>			<b>93,973</b>
<b>Village of New Minas</b>					
	<b>Gas Tax Carryforward Account Balance Beginning of Year</b>				<b>620,076</b>
	<b>Annual Allocation 2018/19</b>				<b>375,076</b>
	<b>Gas Tax Available</b>				<b>995,152</b>
	Test Well - Jones Rd	13,000		13,000	
	Household meter reader boxes	54,000		54,000	
	Stationary generator - Forsythe Reservoir	16,000		16,000	
	Stationary generator - Lockhart Ryan Well	40,000		40,000	
	Total Gas Tax Projects	<b>123,000</b>	<b>-</b>	<b>123,000</b>	<b>(123,000)</b>
	<b>Gas Tax Account Balance</b>	<b>Village of New Minas</b>			<b>872,152</b>



# Villages with no allocation

- The three Villages with no automatic allocation of Gas Tax are all requesting a portion of the Municipality's share of Gas Tax this year



# Village of Aylesford

- The Village of Aylesford is planning to widen and upgrade 500m of sidewalk running from Hwy 1, along Victoria Road, past the elementary school, then west along Park Street as far as the fire station. The budget is \$158,000 and they are asking for two-thirds Gas Tax funding of \$105,860. Aylesford has not received any Gas Tax funding for nearly 10 years.



# Village of Cornwallis Square

- The Village of Cornwallis Square is planning to install three bus shelters to support and encourage the use of public transit. One shelter will be located near Michelin, one between the Credit Union and Roscoe Construction, and one near Camro Place (multi-unit residential complex). The budget is \$39,000 and they are asking for two-thirds Gas Tax funding of \$26,000. Cornwallis Square has not received any Gas Tax funding since 2015/16.



# Village of Greenwood

- The Village of Greenwood has begun construction of the 1.5km of sidewalk along Tremont Mountain Road, running from the River Ridge subdivision to Central Ave. This project was originally budgeted at \$600k. The tender came in at \$429k. The Municipality approved \$133k of Gas Tax towards the project last year. The Village was advised to apply again this year for further contributions to the project. The Village is asking for two-thirds Gas Tax funding for a total of \$286k. After deducting the \$133k carried forward from last year, the balance from the current year would be \$153k.
- The Village is also planning to construct 170m of sidewalk & curb along Whittington Ave in advance of the J-Class road paving project planned there for the fall. The cost of the project is \$63K and they are asking for two-thirds Gas Tax funding for a total of \$42k.



# Impact of Requests from the Three Villages

- The requests for Gas Tax funding from the Villages of Aylesford, Cornwallis Square, and Greenwood total \$459k. After deducting the Greenwood carryforward of \$133k, that leaves \$326k to come from the Municipality's allocation this year.
- The Municipality has \$126k of uncommitted Gas Tax funds, plus the \$500k set aside last year for future, unidentified projects, for a total of \$626k.
- The Municipality could:
  - Refuse to approve some or all of the requests, or
  - Change the budgets for the Municipal projects, or
  - Use \$126k of uncommitted Gas Tax funds, plus \$200k of the \$500k set aside last year, leaving a balance of \$300k for future, unidentified projects.



Project	Current Year Gas Tax	Gas Tax on Open Projects from Last Year	Total Gas Tax	Total Gas Tax Approved
<b>Gas Tax Carry-forward Account Balance Beginning of Year</b>				<b>882,182</b>
<b>Annual Allocation 2018/19</b>				<b>1,361,138</b>
<b>Gas Tax Available</b>				<b>2,243,320</b>
Lift Station Replacements	300,000	204,437	504,437	(504,437)
Sewer Treatment Plant Infrastructure Renewal	400,000		400,000	(400,000)
Sewer Collection System Line Replacements	380,000		380,000	(380,000)
Sidewalk Construction	200,000		200,000	(200,000)
Total Gas Tax Projects	1,280,000	204,437	1,484,437	(1,484,437)
<b>Village of Aylesford</b>				
Sidewalk - Victoria Rd from Hwy 1 to Park St firehall	105,860		105,860	(105,860)
<b>Village of Greenwood</b>				
Tremont Mountain Carry-forward Balance Yr 1		133,279	133,279	
Tremont Mountain Sidewalk Yr 2	152,512		152,512	
Whittington Drive Sidewalk	41,813		41,813	
Total Gas Tax Projects	194,325	133,279	327,604	(327,604)
<b>Village of Cornwallis Square</b>				
3 Bus Shelters	26,000		26,000	(26,000)
<b>Gas Tax Account Balance</b>				<b>299,419</b>

Municipality of Kings



- Discussion of Alternatives



# Capital Investment Plan

The CIP has two main types of schedules:

- Schedule 1 Project Details - one for each of the 5 years
- Schedule 2 Gas Tax Project Details (only for 2018/19 fiscal year)



# CIP Schedule 1, Budget Year 1

This schedule lists

- ALL projects that are expected to have spending in 2018/19
- How much we and the Villages are planning to spend this year,
- Where the money is coming from, and
- How much money has been spent since the 2014/15 Gas Tax Agreement was signed



Project #	Project Name	Estimated Total Project Cost	Expenditure Code	Current Year Project Cost	Municipal Source		Provincial Grant		Federal Grant		Other Sources		Long-Term Borrowing	Cumulative Project Cost to Date
14-4401	Regional Sewerlines	2,229,048	419 - Wastewater Lift Stations and Force Mains	150,000	150,000	10								679,048
17-4401	Regional STP Aeration	1,165,721	420 - Wastewater Treatment	50,000	50,000	10								115,721
NM-16	*V - New Minas Household Meter Reader Boxes	150,808	417 - Water Distribution Systems	54,000					54,000	21				96,808
K-14	*V - Kingston Vehicle Replacements	106,000	312 - Garage/Workshops/Yards for Equipment/Vehicles/Construction	65,000							66,000	37		-
K-8	*V - Kingston Sidewalk/Curb Replacements	405,978	315 - Sidewalks / Curbs / Gutters	50,000	3,440	01			30,000	21	16,560	37		170,978
K-20	*V - Kingston Rec Hut & Ballfield Replacements	67,000	719 - Sport Infrastructure	22,000							22,000	37		-
K-22	*V - Kingston Clarifier Renewal	75,000	420 - Wastewater Treatment	75,000					75,000	21				-
C-3	*V - Canning Chapel Rd Sidewalk	890,000	315 - Sidewalks / Curbs / Gutters	15,000			7,500	11	7,500	21				-
GW-1	*V - Greenwood Tremont Mountain Rd Sidewalk	451,718	315 - Sidewalks / Curbs / Gutters	428,687	29,520	01			285,791	21	113,376	37		23,031
GW-2	*V - Greenwood Bridge St Sidewalk	92,734	315 - Sidewalks / Curbs / Gutters	45,655	3,140	01					42,515	37		47,079
16-1103	Accounting software	161,000	123 - Computer Systems for Municipal Office	36,000	36,000	10								-
17-1101	EMO Portable Server Rack	75,000	123 - Computer Systems for Municipal Office	30,391	30,391	10								44,609
18-1101	Council chambers sound system	90,000	122 - Office Equipment	90,000	90,000	10								-
16-1301	New Municipal complex	9,174,447	121 - Municipal Administrative Building	6,191,393	6,191,393	10								1,983,054
14-1602	Trails development	704,865	313 - Walking Trails and Pathways	97,000	25,000	04	72,000	17						507,865
16-1401	Cambridge Business Park	517,729	615 - Industrial Park / Commission	226,094	226,094	10								291,635
18-4401	Regional STP Headworks	395,655	420 - Wastewater Treatment	350,000	350,000	10								45,655
18-3401	Broadband	7,704,549	126 - Broadband Connectivity	140,000	77,000	01			50,000	25	13,000	36		-
18-3402	Solar	182,500	811 - Electrical Generating Equipment/Facilities	182,500	59,000	01	25,000	17			98,500	37		-
18-3404	Light Manufacturing Park Development	200,000	615 - Industrial Park / Commission	200,000	50,000	01	100,000	17			50,000	37		-
18-3405	Port Williams Dyke	8,604	427 - Disaster Mitigation Projects	8,604	8,604	01								-
18-3406	J Class Road Study	30,000	314 - Roads / Streets	30,000	15,000	01	15,000	17						-

# CIP Schedule 1, Budget Year 1

- The columns across the top indicate the main source of funds – Municipal, Provincial, Federal, Other Sources, and Long-Term Debt
- The codes on the right hand side of each column tell the specific source of funds. If you look at the last page of the CIP, you will see what each code number means.
- If there is no specific code for a source of funds, then we choose “other” and provide a note with additional information. For example, DTIR (NS Transportation & Infrastructure) has no code, so we use \*\*17 and provide a note. Likewise, the Village portion of projects are all shown as \*\*37



# CIP Schedule 1, Budget Years 2 through 5

- These schedules are similar in format to Budget Year 1
- They present the Municipality's 5 year capital plan, together with the capital plans for the 7 Villages



## CIP Schedule 2

- This schedule only shows those projects planned for 2018/19 that are budgeted to use Gas Tax for part of the cost.
- The primary purpose of this schedule is to provide a detailed description of each project and its measurable benefits. This is one of the ways that the Municipality communicates to the Federal and Provincial governments that Gas Tax is being used for its intended purpose.



Project #	Project Name	Total Project Cost	Project Category	Current Year Planned Gas Tax Expenditure	Gas Tax Project Status	Date Approved by Council	Proposed Construction Project Start Date	Proposed Construction Project End Date	Was This Project Undertaken by a Non-Municipal Entity?	Detailed Project Description <i>(describe location, scope/size, measurable outcomes, rationale, benefits (# users, dwelling units, volumes, etc.)</i>	Prior Funding From Gas Tax
08-3408	Lift Station Upgrades	2,905,878	Wastewater	504,437	Pre-Construction	5/14/18	1/04/18	3/31/19	No	Replace CB1 (Cambridge - 1979) & CG5 (Canning-1973) end of life lift stations. Complete replacement of lift stations at CK1, CK2, CK3 in Coldbrook and AT3 (Aldershot) and WE2 (Waterville) project begun 2017-18.	Yes
08-3409	Sewage Treatment Plant Infrastructure Renewal	1,367,608	Wastewater	400,000	Not Started	5/14/18	1/04/18	3/31/19	No	Desludge Waterville septage facility used by companies pumping privately owned septic tanks. The facility is filling up, leading to impaired biologic function and reduced capacity to receive waste	Yes
08-3410	Sewer Collection System Line Replacements	5,884,955	Wastewater	380,000	Pre-Construction	5/14/18	1/04/18	3/31/19	No	Installing 700 m sewer in Coldbrook in connection with sidewalk project for potential residential development, replacing 100m sewer Mary Dr Centreville due to failure	Yes
NM-16	*V - New Minas Household Meter Reader Boxes	150,808	Drinking Water	54,000	Pre-Construction	7/17/18	1/04/18	3/31/19	No	continue previous years' project to install a total of 350 reader boxes to improve water consumption information	Yes
C-3	*V - Canning Chapel Rd Sidewalk	890,000	Local Roads & Bridges	7,500	Not Started	7/17/18	1/04/18	3/31/19	No	Design Phase 2018, Construction Phase 2019 - construct 1.275 km sidewalk on Chapel Rd from Main St to Summer St and North Ave to improve pedestrian safety for children walking from Village to 2 schools, daycare, arena, and ball fields	No
GW-1	*V - Greenwood Tremont Mountain Rd Sidewalk	451,718	Local Roads & Bridges	285,791	Not Started	7/17/18	1/04/18	3/31/19	No	1.5km sidewalk along Tremont Mountain Rd from River Ridge Subdivision to Central Ave -benefit over 110 homes in subdivision and provide safe route for students walking to 2 elementary schools on Bedford Rd since the school board discontinued bus service.	Yes



- Questions?



# Village Sidewalk Funding 2018-19

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July 17, 2018 Committee of the Whole



# Village Sidewalk Funding

- In 1999, the Municipality agreed to continue to contribute up to 10% of the capital cost of Village sidewalk construction or improvement, within the limits of the annual budget, in connection with the transfer of responsibility for sidewalks within Village boundaries.
- In May 2007 Council increased the contribution to up to 15%, as reflected in EPW Policy EPW-04-005
- Each year, when Villages are providing their Capital Investment Plans, they also submit requests for up to 15% funding for sidewalk projects.



# Village Sidewalk Improvement Budget

<b>Village</b>	<b>Project</b>	<b>Total Project Cost</b>	<b>Max - 15%</b>	<b>Prorated Total</b>
Aylesford	Victoria Rd & Park St	158,000	23,700	10,879
Canning	n/a	-	-	-
Cornwallis Square	n/a	-	-	-
Greenwood	Tremont Mountain Rd	428,687	64,303	29,517
	Whittington Dr	62,720	9,408	4,318
	Bridge St Phase 3&4	45,655	6,848	3,143
		<b>537,062</b>	<b>80,559</b>	<b>36,978</b>
Kingston	687-805 Main St	50,000	7,500	3,443
New Minas	n/a	-	-	-
Port Williams	n/a	-	-	-
	<b>Total</b>	<b>745,062</b>	<b>111,759</b>	<b>51,300</b>



# Village Sidewalk Forecast 2019/20 to 2022/23

(for information purposes)

Village	2019/20				2020/21				2021/22				2022/23		
	Project	Total Project Cost	Max - 15%	Prorated Total	Project	Total Project Cost	Max - 15%	Prorated Total	Project	Total Project Cost	Max - 15%	Prorated Total	Project	Total Project Cost	Max - 15%
Aylesford	n/a	-	-	-	n/a	-	-	-	n/a	-	-	-	n/a	-	-
Canning	Chapel	875,000	131,250	37,007	n/a	-	-	-	n/a	-	-	-	Summer	396,000	59,400
Cornwallis Square	n/a	-	-	-	n/a	-	-	-	n/a	-	-	-	n/a	-	-
Greenwood	n/a	-	-	-	n/a	-	-	-	n/a	-	-	-	n/a	-	-
Kingston	n/a	-	-	-	n/a	-	-	-	Main & Maple	135,000	20,250	5,710	Pine Ridge & Balsler	950,000	142,500
New Minas	various	350,000	52,500	14,803	various	350,000	52,500	14,803	various	350,000	52,500	14,803	various	350,000	52,500
Port Williams	n/a	-	-	-	Belcher	300,000	45,000	12,688	n/a	-	-	-		-	-
	<b>Total</b>	<b>1,225,000</b>	<b>183,750</b>	<b>51,810</b>	<b>Total</b>	<b>650,000</b>	<b>97,500</b>	<b>52,330</b>	<b>Total</b>	<b>485,000</b>	<b>72,750</b>	<b>52,850</b>	<b>Total</b>	<b>1,696,000</b>	<b>254,400</b>



Questions?

