

STAFF REPORT

Report #CAO2008-05

To: His Worship the Mayor and Members of Council
From: Jeff Carswell, Chief Administrative Officer
Re: 2008 Budget – Capital Forecasts, MIII, Gravel Road Rating
Date: January 25, 2008

Background:

This report provides background on the budget documents being presented at the January 29, 2008 Council meeting.

Discussion:

Staff have prepared several documents for consideration at this meeting. The following section explains the different documents.

Gravel Road Rating

As directed by Council in 2007, staff have developed a gravel road rating system and have applied the criteria to the gravel road sections in the Township. The documents include an explanation of the criteria used, the road sections sorted by rating, the detailed rating calculations and a map illustrating the road sections with their rating. Staff believe these documents should be reviewed in detail with Council. From that discussion there may be the requirement to modify the rating system to better reflect Council's objectives. As well, depending on Council's direction with respect to the road ratings, there may be some changes to the draft capital forecast.

Preliminary Capital Forecast and Reserves

The Preliminary Capital Forecast illustrates the capital projects for each department over the next five years. These forecasts are used to plan significant expenditures. There are summaries which show the total costs for all departments which is useful to try and level out fluctuations in the amount required from Taxes, Grants and General Revenue (TGGR). The amount required from TGGR is what affects the amount of tax dollars that must be raised for a particular department or project.

The format of the reports is similar to past years. The first section shows a

high level summary of all departments. Following that, there are details for each department. There is one additional page called Other Projects. This page lists some projects that staff are aware of, but unsure how they will impact the budget or specifically at what time. This page also includes items that have been identified, but never included in the capital budget. This year there are some items on the list that are related to potential revenue. Due to the uncertainty and one-time nature of these items, it would be appropriate to flow the funds through reserves.

The Reserves document illustrates the balance of the various reserve accounts in conjunction with the capital forecast. This information is useful to ensure there are reserves available for projects that may take place in several years. As well, it is possible to monitor the overall Township reserve levels. The reserves are also illustrated on a chart so the reserve trends can be easily seen.

The Vehicle and Equipment Replacement Forecast illustrates the funds required for the Township to maintain it's current fleet of vehicles. Last year, significant Fire Department Equipment was also added to this document so items like Bunker Gear, SCBA, Pages, Firehall Capital Conservation, etc. could be properly captured and budgeted for. This will help to avoid significant fluctuations from year to year and/or use of contingency reserves as has happened in the past.

MIII Report

This report reviews the MIII Program, reviews several possibilities that could be submitted as projects and makes a recommendation for a specific project. This matter should be considered in conjunction with the Capital Forecast; however, due to the application deadline, direction to staff is required immediately.

Other Matters

Staff will have the 2008 Budget Binders available at the meeting on January 29th.

I anticipate having a first draft of the operating budget for the February 6th Council meeting. At that time there would be some indication of the overall impact on taxation for the 2008 operating and capital budgets.

With respect to the Township's insurance program, I have received preliminary information that the Township's insurance renewal will be very similar to the 2007 cost. Bryce Sibbick is scheduled to attend Council on

March 5th to present the 2008 Insurance Program.

Recommendation:

1. None to adopt. Request that Council provide feedback on the preliminary capital forecast information provided.

Report prepared
and submitted by:



Jeff Carswell, AMCT
Chief Administrative Officer