

# STAFF REPORT

Report #CAO2017-07

**To:** His Worship the Mayor and Members of Council

**From:** Jeff Carswell, Chief Administrative Officer

**Subject:** 2017 Budget – Public Meeting

**Date:** February 24, 2017

## **Background:**

Based on Council direction over the last 3 months with respect to the 2017-2026 Capital Forecast, 2017 Capital Budget and 2017 Operating Budget, the following and attached summarizes the proposed overall Budget for 2017.

## **Discussion:**

Council approved, in principle, the 2017 Capital and 2017-2026 Capital Forecast at the January 18, 2017 meeting. The 2017 Capital Budget is \$3,668,429 with a Tax Levy Requirement of \$1,418,512. This is a tax levy requirement increase of \$141,000.

At the February 15, 2017 meeting Council provided the following direction on the 2017 Operating Budget.

- Remove \$48,000 contribution to the Innerkip Drop-in Centre
- Apply \$44,000 from the Tax Stabilization Reserve to the 2017 Operating

In addition to the above items, Staff indicated they would further review the budget to determine if there could be any further reductions. Based on this review, an additional savings of \$23,370 was incorporated into the proposed 2017 Operating Budget. The Operating Budget Levy requirement is now \$3,496,130 versus the first draft of \$3,611,500. This is a reduction of \$115,370.

Based on the above information, the highlights of the 2017 Budget can be summarized as follows:

- 2017 Levy \$4,914,642 (2016 \$4,646,719)
- Levy Increase \$267,923 5.77% Increase
- Based on a typical residential assessment of \$275,000 (2016 \$270,000)
  - \$30.94 annual increase or 2.39% or 2.58 / month

To date, staff has not received any written or verbal comments on the draft budget. Information has been widely distributed and a significant amount of space in the last EaZy Talk newsletter was devoted to the Budget.

The Budget Public meeting has been advertised and is another opportunity for people to address Council directly on the budget. The Public meeting is scheduled for 9:30 a.m. at the March 1, 2017 Council Meeting. As noted previously, the requirements for a Public Meeting are no longer part of the Municipal Act, but the Township has maintained this as part of being open and transparent.

While there have been some reductions in the 2017 Operating Budget from the 1<sup>st</sup> draft, staff believes the proposed budget is appropriate and will allow staff to continue with existing programs and services. While there are not any significant increases in service, there is some flexibility and capacity in areas such as dust control that have been a concern. Tree removal has also increased to accommodate the ongoing need to address the issues with dead ash trees. Staff believes the increase in the Capital funding is required based on the demonstrated infrastructure deficit. As illustrated in previous reports the Township is not fully funding all anticipated future infrastructure needs, but is at least trying to make progress in that direction.

Based on this budget and what staff have seen from neighbouring municipalities, it is expected that Township tax rates will continue to at the low end of the spectrum for Oxford County (2<sup>nd</sup> lowest – anticipated Blandford-Blenheim will continue with the lowest rates). While a low tax rate is nice, we need to ensure that residents continue to get the services and programs that they need and want.

**Recommendation:**

1. That, subject to input and comments received at the Public Budget Meeting, that Council approve the 2017 Budget and instruct Staff to prepare the necessary by-law once the Tax Policy has been set by both the Province and County of Oxford.

Report prepared  
and submitted by:

A handwritten signature in black ink that reads "Jeff Carswell". The signature is written in a cursive, flowing style. Below the signature is a solid horizontal line.

Jeff Carswell, AMCT  
Chief Administrative Officer

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
<b>Operating</b>						
<b>Non-Departmental Activities</b>						
<b>Taxation Levy</b>						
11-000-001	Taxation	(\$4,573,279)	(\$4,573,838)	\$0	\$0	\$4,573,838
		<u>(4,573,279)</u>	<u>(4,573,838)</u>	<u>0</u>	<u>0</u>	<u>4,573,838</u>
<b>General Government</b>						
11-000-000	Surplus/Deficit	(119,729)	(100,000)	0	0	100,000
11-000-002	Supplementary Taxation	(62,656)	(50,000)	(70,000)	(70,000)	(20,000)
11-000-003	Tax Rebates & Write-offs	28,909	30,000	40,000	40,000	10,000
11-000-005	Payments in Lieu of Taxes	(59,553)	(60,600)	(60,600)	(60,600)	0
11-000-006	Ontario Grants	(818,900)	(821,800)	(704,500)	(704,500)	117,300
11-000-007	Canada Grants	(323,607)	(323,607)	(323,607)	(323,607)	0
11-000-021	Departmental Revenue	(228,550)	(167,600)	(187,600)	(231,600)	(64,000)
11-000-121	Departmental Expenditures	358,243	341,636	290,036	241,536	(100,100)
	<b>Total General</b>	<u>(1,225,844)</u>	<u>(1,151,971)</u>	<u>(1,016,271)</u>	<u>(1,108,771)</u>	<u>43,200</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
<b>Corporate Services</b>						
<b>Council</b>						
11-111-111	Council	113,589	111,500	113,500	113,500	2,000
11-111-112	Conferences & Seminars	8,038	21,000	18,620	13,000	(8,000)
	<b>Total Council</b>	<u>121,627</u>	<u>132,500</u>	<u>132,120</u>	<u>126,500</u>	<u>(6,000)</u>
<b>Administration Staff</b>						
11-123-121	Departmental Expenditures	545,589	529,500	583,780	580,000	50,500
	<b>Total Administration</b>	<u>545,589</u>	<u>529,500</u>	<u>583,780</u>	<u>580,000</u>	<u>50,500</u>
<b>Township Office Hickson</b>						
11-181-021	Departmental Revenue	0	0	0	0	0
11-181-121	Departmental Expenditures	23,850	22,900	22,900	25,400	2,500
	<b>Total Township Office Hickson</b>	<u>23,850</u>	<u>22,900</u>	<u>22,900</u>	<u>25,400</u>	<u>2,500</u>
<b>89 Loveys St - Hickson</b>						
11-182-021	Departmental Revenue	0	0	0	0	0
11-182-121	Departmental Expenditures	1,315	3,500	3,500	3,500	0
	<b>Total Township Office Tavistock</b>	<u>1,315</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
<b>Former PUC Office</b>						
11-183-021	Departmental Revenue	(6,035)	(7,000)	(3,500)	(3,500)	3,500
11-183-121	Departmental Expenditures	9,667	6,175	6,700	6,700	525
	<b>Total Department 183 - Former PUC Office</b>	<u>3,632</u>	<u>(825)</u>	<u>3,200</u>	<u>3,200</u>	<u>4,025</u>
<b>General Administration</b>						
11-191-021	Departmental Revenue	(16,779)	(15,600)	(10,600)	(10,600)	5,000
11-191-121	Departmental Expenditure	174,172	194,500	202,500	202,500	8,000
11-191-126	Municipal Election	5,252	5,000	5,000	5,000	0
	<b>Total General Administration</b>	<u>162,646</u>	<u>183,900</u>	<u>196,900</u>	<u>196,900</u>	<u>13,000</u>
<b>Parks and Recreation</b>						
<b>Parks &amp; Recreation Admin</b>						
11-758-021	Departmental Revenue	(57,000)	0	0	0	0
11-758-121	Departmental Expenditures	64,011	30,100	36,150	36,150	6,050
	<b>Total Parks &amp; Recreation Admin</b>	<u>7,011</u>	<u>30,100</u>	<u>36,150</u>	<u>36,150</u>	<u>6,050</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

	<u>2016</u> <u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Budget</u> <u>1st Draft</u>	<u>2017</u> <u>Budget</u> <u>2nd Draft</u>	<u>YOY Budget</u> <u>Variance</u>
<b>Hickson Area</b>					
<b>Hickson Park</b>					
11-751-021	(1,485)	0	0	0	0
11-751-121	16,640	21,250	20,850	21,850	600
	<u>15,155</u>	<u>21,250</u>	<u>20,850</u>	<u>21,850</u>	<u>600</u>
<b>Innerkip Area</b>					
<b>Innerkip Park</b>					
11-752-021	0	0	0	0	0
11-752-121 + 11-752-851	37,463	39,400	35,900	41,550	2,150
	<u>37,463</u>	<u>39,400</u>	<u>35,900</u>	<u>41,550</u>	<u>2,150</u>
<b>Stonegate Park</b>					
11-754-021	0	0	0	0	0
11-754-121	6,383	3,500	3,500	3,500	0
	<u>6,383</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>0</u>
<b>Innerkip Community Centre</b>					
11-761-021	(17,551)	(20,000)	(20,000)	(20,000)	0
11-761-121	42,036	41,200	36,900	36,900	(4,300)
	<u>24,485</u>	<u>21,200</u>	<u>16,900</u>	<u>16,900</u>	<u>(4,300)</u>
<b>Recreation Programs (HRC, IRC, Hickson Trail)</b>					
<b>Hickson Trail</b>					
11-766-021	(1,160)	0	0	0	0
11-766-121 + 11-766-945	0	0	0	0	0
	<u>(1,160)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Hickson Recreation Committee</b>					
11-762-000	4,723	0	0	0	0
11-762-711	(5,538)	0	0	0	0
11-762-712	176	0	0	0	0
11-762-713	(1,052)	0	0	0	0
11-762-716	364	0	0	0	0
11-762-720	0	0	0	0	0
11-762-721	39	0	0	0	0
11-762-731	0	0	0	0	0
11-762-734	0	0	0	0	0

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		2016	2016	2017	2017	YOY Budget
		Actual	Budget	Budget	Budget	Variance
				1st Draft	2nd Draft	
11-762-945	Equity	0	0	0	0	0
	Total Hickson Recreation Committee	(1,288)	0	0	0	0
<b>Innerkip Recreation Committee</b>						
11-763-000	Surplus/Deficit	0	0	0	0	0
11-763-121	Departmental Expenditures	0	0	0	0	0
11-763-711	Administration	(2,004)	0	0	0	0
11-763-712	Concession	5,876	0	0	0	0
11-763-713	Minor Ball Program	(17,076)	0	0	0	0
11-763-714	Other Ball Programs	2,150	0	0	0	0
11-763-715	Grounds	8,127	0	0	0	0
11-763-716	Park Tractors	2,015	0	0	0	0
11-763-717	Diamond Maintenance/Setup	11,535	0	0	0	0
11-763-720	Tournaments	(16,402)	0	0	0	0
11-763-721	Fireworks	2,529	0	0	0	0
11-763-731	Banquet	0	0	0	0	0
11-763-734	Fundraising - Non Licensed	0	0	0	0	0
11-763-735	Activity 735	(600)	0	0	0	0
11-763-430	Capital	2,886	0	0	0	0
11-763-945	Equity	0	0	0	0	0
	Total Innerkip Recreation Committee	(964)	0	0	0	0
<b>Police</b>						
<b>Police Services Board</b>						
11-252-112	Conferences & Seminars	5,841	6,025	6,200	6,200	175
11-252-121	Departmental Expenses	6,427	7,225	7,225	7,225	0
	Total Police Services Board	12,268	13,250	13,425	13,425	175
<b>Township Policing</b>						
11-253-006	Ontario Grants	(36,676)	(35,000)	(35,000)	(35,000)	0
11-253-021	Departmental Revenue	0	0	0	0	0
11-253-121	Departmental Expenitures	979,704	990,562	964,601	964,601	(25,961)
	Total Township Policing	943,028	955,562	929,601	929,601	(25,961)
	Total All Policing	955,296	968,812	943,026	943,026	(25,786)
<b>Miscellaneous</b>						
<b>By-Law Enforcement</b>						

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
11-261-021	Departmental Revenue	(600)	(1,500)	(1,500)	(1,500)	0
11-261-121	Departmental Expenditures	20,405	25,550	27,620	26,900	1,350
	Total By-Law Enforcement	<u>19,805</u>	<u>24,050</u>	<u>26,120</u>	<u>25,400</u>	<u>1,350</u>
<b>Animal Control</b>						
11-281-021	Departmental Revenue	0	(250)	0	0	250
11-281-121	Departmental Expenditures	8,624	12,000	12,000	12,000	0
	Total Animal Control	<u>8,624</u>	<u>11,750</u>	<u>12,000</u>	<u>12,000</u>	<u>250</u>
<b>Livestock Claims</b>						
11-282-021	Departmental Revenue	0	(500)	(500)	(500)	0
11-282-121	Departmental Expenditures	0	1,500	1,500	1,500	0
	Total Livestock Claims	<u>0</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>0</u>
<b>Fence Viewers</b>						
11-283-121	Departmental Expenditures	0	0	0	0	0
	Total Fence Viewers	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Crossing Guards</b>						
11-381-121	Departmental Expenditures	31,183	29,850	30,450	30,450	600
	Total Crossing Guards	<u>31,183</u>	<u>29,850</u>	<u>30,450</u>	<u>30,450</u>	<u>600</u>
<b>Cemeteries</b>						
11-581-121	12th Line Baptist Cemetery	625	650	650	650	0
11-582-121	Vandecar Cemetery	475	500	500	500	0
11-583-121	17th Line Evangelical Cemetery	500	525	525	525	0
11-584-121	Brickyard Cemetery	500	500	500	500	0
	Total Cemeteries	<u>2,100</u>	<u>2,175</u>	<u>2,175</u>	<u>2,175</u>	<u>0</u>
<b>Seniors Picnic</b>						
11-631-121	Departmental Expenditures	1,309	1,500	1,500	1,500	0
	Total Seniors Picnic	<u>1,309</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
<b>Planning &amp; Zoning Admin</b>						
11-811-021	Departmental Revenue	(5,500)	(5,500)	(5,500)	(5,500)	0
11-811-121	Departmental Expenditures	468	5,100	5,100	3,600	(1,500)
	Total Planning & Zoning Admin	<u>(5,032)</u>	<u>(400)</u>	<u>(400)</u>	<u>(1,900)</u>	<u>(1,500)</u>
<b>Economic Development</b>						

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
11-812-121	Departmental Expenditures	27,000	30,000	30,000	30,000	0
	Total Economic Development	<u>27,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
	<b>Total Corporate Services</b>	<u>1,986,030</u>	<u>2,055,662</u>	<u>2,101,571</u>	<u>2,099,101</u>	<u>43,439</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
<b>Tavistock Area</b>						
<b>Tavistock Park</b>						
11-753-021	Departmental Revenue	(11,464)	(9,300)	(9,300)	(9,300)	0
11-753-121	Departmental Expenditures	55,156	55,800	61,100	61,100	5,300
	Total Tavistock Park	<u>43,692</u>	<u>46,500</u>	<u>51,800</u>	<u>51,800</u>	<u>5,300</u>
<b>Bender Subdivision Parkette</b>						
11-756-021	Departmental Revenue	0	0	0	0	0
11-756-121	Departmental Expenditures	1,234	1,675	1,700	1,700	25
	Total Bender Subd Passive Park	<u>1,234</u>	<u>1,675</u>	<u>1,700</u>	<u>1,700</u>	<u>25</u>
<b>Tavistock Memorial Hall</b>						
11-755-021	Departmental Revenue	(22,062)	(24,500)	(23,000)	(23,000)	1,500
11-755-121	Departmental Expenditures	50,023	56,200	55,650	55,650	(550)
	Total Tavistock Memorial Hall	<u>27,961</u>	<u>31,700</u>	<u>32,650</u>	<u>32,650</u>	<u>950</u>
<b>TDRC - Arena</b>						
11-781-021	Departmental Revenue	(365,384)	(369,950)	(373,250)	(373,250)	(3,300)
11-781-121	Departmental Expenditures	423,945	422,250	440,700	440,700	18,450
	Total TDRC - Arena	<u>58,561</u>	<u>52,300</u>	<u>67,450</u>	<u>67,450</u>	<u>15,150</u>
<b>TDRC - Concession Booth</b>						
11-782-021	Departmental Revenue	(32,606)	(36,500)	(34,000)	(34,000)	2,500
11-782-121	Departmental Expenditures	25,911	29,500	27,300	27,300	(2,200)
	Total TDRC - Concession Booth	<u>(6,695)</u>	<u>(7,000)</u>	<u>(6,700)</u>	<u>(6,700)</u>	<u>300</u>
<b>TDRC - Vending Machines</b>						
11-783-021	Departmental Revenue	(3,120)	(4,800)	(3,600)	(3,600)	1,200
11-783-121	Departmental Expenditures	1,478	2,200	1,600	1,600	(600)
	Total TDRC - Vending Machines	<u>(1,642)</u>	<u>(2,600)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>600</u>
<b>TDRC Pro Shop/Skate Sharpening</b>						
11-784-021	Departmental Revenue	0	(50)	(50)	(50)	0
11-784-121	Departmental Expenditures	0	0	0	0	0
	Total TDRC Pro Shop/Skate Sharpening	<u>0</u>	<u>(50)</u>	<u>(50)</u>	<u>(50)</u>	<u>0</u>
<b>TDRC - Liquor</b>						
11-785-021	Departmental Revenue	0	0	0	0	0

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
11-785-121	Departmental Expenditures	0	0	0	0	0
	Total TDRC - Liquor	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TDRC - Ice Resurfacers</b>						
11-786-021	Departmental Revenue	(3,477)	(3,650)	(3,300)	(3,300)	350
11-786-121	Departmental Expenditures	1,477	2,560	2,560	2,560	0
	Total TDRC - Ice Resurfacers	<u>(2,000)</u>	<u>(1,090)</u>	<u>(740)</u>	<u>(740)</u>	<u>350</u>
	Total TDRC Operating	<u>48,223</u>	<u>41,560</u>	<u>57,960</u>	<u>57,960</u>	<u>16,400</u>
	Total Tavistock Area	<u>121,110</u>	<u>121,435</u>	<u>144,110</u>	<u>144,110</u>	<u>22,675</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

	<u>2016</u> <u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Budget</u> <u>1st Draft</u>	<u>2017</u> <u>Budget</u> <u>2nd Draft</u>	<u>YOY Budget</u> <u>Variance</u>
<b>Building, Locates &amp; Drainage</b>					
<b>Building and Structural Inspection</b>					
11-271-021	(174,492)	(90,000)	(113,500)	(113,500)	(23,500)
11-271-121 + 11-271-140	235,953	171,750	190,260	190,260	18,510
11-271-812	2,734	4,600	4,100	4,100	(500)
	<u>64,195</u>	<u>86,350</u>	<u>80,860</u>	<u>80,860</u>	<u>(5,490)</u>
<b>Locates</b>					
11-313-372	6,125	8,000	8,150	8,150	150
	<u>6,125</u>	<u>8,000</u>	<u>8,150</u>	<u>8,150</u>	<u>150</u>
<b>Agriculture &amp; Reforestation</b>					
11-871-021	(86,061)	(93,500)	(93,500)	(93,500)	0
11-871-121	104,927	105,275	127,325	127,325	22,050
11-871-122	9,342	19,000	0	0	(19,000)
11-871-128	0	0	1,500	1,500	1,500
	<u>28,209</u>	<u>30,775</u>	<u>35,325</u>	<u>35,325</u>	<u>4,550</u>
<b>Tile Drainage</b>					
11-881-021	(26,684)	(50,250)	(50,000)	(50,000)	250
11-881-121	43,149	50,650	50,650	50,650	0
	<u>16,465</u>	<u>400</u>	<u>650</u>	<u>650</u>	<u>250</u>
<b>Building, Locates &amp; Drainage</b>					
	(287,237)	(233,750)	(257,000)	(257,000)	(23,250)
	402,230	359,275	381,985	381,985	22,710
	<u>114,993</u>	<u>125,525</u>	<u>124,985</u>	<u>124,985</u>	<u>(540)</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

	<u>2016</u> <u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Budget</u> <u>1st Draft</u>	<u>2017</u> <u>Budget</u> <u>2nd Draft</u>	<u>YOY Budget</u> <u>Variance</u>
<b>Emergency Services</b>					
<b>Hickson Fire Department</b>					
11-211-021	(14,335)	(2,500)	(2,500)	(2,500)	0
11-211-121	68,879	64,500	67,750	67,750	3,250
11-211-123	81,879	66,100	77,500	77,500	11,400
11-211-124	46,587	40,750	41,750	41,750	1,000
11-211-131	437	1,700	1,700	1,700	0
11-211-132	145	2,200	2,200	2,200	0
11-211-801	4,890	5,700	5,700	5,700	0
11-211-802	5,542	6,400	6,400	6,400	0
11-211-803	1,589	4,300	4,300	4,300	0
Total Hickson Fire Department	<u>195,612</u>	<u>189,150</u>	<u>204,800</u>	<u>204,800</u>	<u>15,650</u>
<b>Innerkip Fire Department</b>					
11-222-021	(29,639)	(26,000)	(26,000)	(26,000)	0
11-222-121	61,415	66,100	66,750	66,750	650
11-222-123	26,520	40,100	40,100	40,100	0
11-222-124	26,157	40,250	38,250	38,250	(2,000)
11-222-131	437	1,700	1,700	1,700	0
11-222-132	145	2,200	2,200	2,200	0
11-222-804	8,173	6,100	7,600	7,600	1,500
11-222-805	3,780	6,900	6,900	6,900	0
11-222-806	3,203	4,450	4,450	4,450	0
Total Innerkip Fire Department	<u>100,191</u>	<u>141,800</u>	<u>141,950</u>	<u>141,950</u>	<u>150</u>
<b>Tavistock Fire Department</b>					
11-233-021	(13,075)	(7,500)	(10,000)	(10,000)	(2,500)
11-233-121	82,991	70,550	70,800	70,800	250
11-233-123	56,111	60,000	65,000	65,000	5,000
11-233-124	38,412	40,250	40,250	40,250	0
11-233-131	437	1,700	1,700	1,700	0
11-233-132	420	2,300	2,300	2,300	0
11-233-807	3,983	4,200	4,200	4,200	0
11-233-808	2,803	4,100	4,100	4,100	0
11-233-809	2,240	3,300	3,300	3,300	0
Total Tavistock Fire Department	<u>174,321</u>	<u>178,900</u>	<u>181,650</u>	<u>181,650</u>	<u>2,750</u>
<b>Township Fire Department</b>					
11-244-021	(750)	(1,500)	(1,500)	(1,500)	0
11-244-121	114,221	123,900	120,000	120,000	(3,900)

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

	<u>2016</u> <u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Budget</u> <u>1st Draft</u>	<u>2017</u> <u>Budget</u> <u>2nd Draft</u>	<u>YOY Budget</u> <u>Variance</u>
11-244-131	9,503	7,600	7,600	7,600	0
11-244-132	5,363	700	700	4,700	4,000
11-244-834	2,893	4,250	4,250	4,250	0
Total Township Fire Department	<u>131,229</u>	<u>134,950</u>	<u>131,050</u>	<u>135,050</u>	<u>100</u>
<b>Community Emergency Management</b>					
11-246-021	0	0	0	0	0
11-246-121	10,684	28,675	28,775	28,775	100
Total Community Emergency Management	<u>10,684</u>	<u>28,675</u>	<u>28,775</u>	<u>28,775</u>	<u>100</u>
<b>Emergency Services</b>					
Total Revenue	(57,799)	(37,500)	(40,000)	(40,000)	(2,500)
Total Expenditures	554,238	635,975	648,225	652,225	16,250
Total Emergency Services	<u>612,037</u>	<u>673,475</u>	<u>688,225</u>	<u>692,225</u>	<u>18,750</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
<b>Public Works</b>						
<b>Roads &amp; PW - Overhead</b>						
11-311-021	Departmental Revenue	(4,351)	(15,000)	(10,000)	(10,000)	5,000
11-311-121	Departmental Expenditures	557,919	497,350	514,000	514,000	16,650
		<u>553,568</u>	<u>482,350</u>	<u>504,000</u>	<u>504,000</u>	<u>21,650</u>
<b>Equipment</b>						
11-311-821	1999 Champion Grader 740A	(35,518)	(29,400)	(29,340)	(29,340)	60
11-311-823	2004 Volvo 730B Grader	(3,763)	(31,400)	(23,340)	(23,340)	8,060
11-311-824	2005 John Deere Tractor	(14,022)	(12,450)	(12,725)	(12,725)	(275)
11-311-825	2010 Caterpillar Loader	(20,132)	(19,225)	(19,175)	(19,175)	50
11-311-826	2014 Case Backhoe	(11,069)	0	(10,600)	(10,600)	(10,600)
11-311-827	Chainsaws and other small eqp.	9,323	7,500	7,500	7,500	0
11-311-828	Snowplows, Wings, etc	14,126	24,525	24,655	24,655	130
11-311-829	2006 Vermeer Brush Chipper	(2,301)	(4,200)	(4,200)	(4,200)	0
11-311-830	2008 Sterling Dump Truck	(63,415)	(31,700)	(31,635)	(31,635)	65
11-311-831	2006 Volvo Dump Truck	(39,075)	(29,450)	(29,390)	(29,390)	60
11-311-832	2006 Sterling 1375	(9,391)	(10,375)	(10,300)	(10,300)	75
11-311-833	2012 TerraStar Flatbed (Roads)	(24,482)	(10,750)	(10,730)	(10,730)	20
11-311-834	2007 GMC Sierra X-Cab (Scott)	0	0	0	0	0
11-311-835	2010 Silverado LT (PW Foreman)	2,665	7,300	9,620	9,620	2,320
11-311-836	2009 GMC Sierra (Dennis)	4,951	10,450	10,470	10,470	20
11-311-837	2007 GMC Pickup (Roads)	3,606	4,175	4,190	4,190	15
11-311-838	Public Works Water Tanker	2,397	0	0	0	0
<b>Total Equipment</b>		<u>(186,100)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>0</u>
<b>Roads &amp; PW Facilities</b>						
11-312-121	Departmental Expenditures	40,380	53,500	53,750	53,750	250
<b>Total Roads &amp; PW Facilities</b>		<u>40,380</u>	<u>53,500</u>	<u>53,750</u>	<u>53,750</u>	<u>250</u>
<b>Roads &amp; PW - Road Maintenance</b>						
11-313-021	Departmental Revenue	(6,534)	(10,000)	(10,000)	(10,000)	0
11-313-315	HM-Patching/Base Repair	13,974	37,000	37,080	37,080	80
11-313-317	HM-Sweeping	6,038	9,525	9,540	9,540	15
11-313-318	HM-Shoulder Maintenance	54,788	29,250	32,590	32,590	3,340
11-313-319	HM-Other Maintenance	12,079	15,600	16,615	16,615	1,015
11-313-331	LM-Patch Gravel Service	3,938	15,000	15,060	15,060	60
11-313-334	LM-Grading	62,849	58,500	61,850	61,850	3,350
11-313-335	LM-Dust Control	104,501	114,450	124,575	124,575	10,125
11-313-337	LM-Gravel Resurfacing	158,052	165,000	170,075	160,075	(4,925)
11-313-341	RM-Grass Cutting/Seed/Sod	23,773	25,000	25,250	25,250	250

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

		<u>2016</u>	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>YOY Budget</u>
		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
				<u>1st Draft</u>	<u>2nd Draft</u>	
11-313-342	RM-Tree Planting & Removal	157,505	142,500	153,100	153,100	10,600
11-313-343	RM-Tree Trimming/Brush Removal	0	0	0	0	0
11-313-344	RM-Spraying	0	0	0	0	0
11-313-345	RM-Debris Pick up	9,668	8,750	8,810	8,810	60
11-313-346	RM-Ditching Grader	10,606	36,000	36,075	36,075	75
11-313-347	RM-Other Roadside Maintenance	1,522	6,750	6,810	6,810	60
11-313-348	RM-Sewers & Drains	1,761	9,500	9,560	9,560	60
11-313-349	RM-Catchbasin Repairs/Cleaning	1,294	12,000	34,570	24,570	12,570
11-313-361	Bridge Maintenance	5,814	7,750	7,860	7,860	110
11-313-364	Culvert Installation & Repair	21,527	30,775	30,925	30,925	150
11-313-371	Signs/Barricades/Guide Rails	24,862	18,500	18,650	18,650	150
11-313-381	Hydrant Repair & Replacement	0	0	0	0	0
	<b>Total Roads &amp; PW - Road Maintenance</b>	<u>668,017</u>	<u>731,850</u>	<u>788,995</u>	<u>768,995</u>	<u>37,145</u>
 <b>Roads &amp; PW - Winter Maintenance</b>						
11-314-021	Departmental Revenue	(9,430)	(5,000)	(5,000)	(5,000)	0
11-314-411	Truck-Plowing/Salting/Sanding	153,870	157,500	163,200	158,200	700
11-314-412	Grader-Plowing/Iceblading	42,729	51,250	51,500	51,500	250
11-314-413	Hauling Sand & Salt	0	0	0	0	0
11-314-414	Snowfence Erection & Removal	10,086	12,500	12,650	12,650	150
11-314-415	Other Winter Activities	2,819	4,400	4,460	4,460	60
11-314-416	Snow Removal from Streets	10,893	18,750	18,810	18,810	60
11-314-417	Snow Removal- Parking Lots, etc	949	2,600	2,615	2,615	15
11-314-418	Snow Removal- Sidewalks	15,579	10,000	10,000	10,000	0
	<b>Total Roads &amp; PW - Winter Maintenance</b>	<u>227,495</u>	<u>252,000</u>	<u>258,235</u>	<u>253,235</u>	<u>1,235</u>
 <b>Roads &amp; PW - Sidewalks</b>						
11-322-531	Sidewalk Repair & Maintenance	7,693	27,500	27,500	27,500	0
	<b>Total Roads &amp; PW - Sidewalks</b>	<u>7,693</u>	<u>27,500</u>	<u>27,500</u>	<u>27,500</u>	<u>0</u>
 <b>Leaf &amp; Yard Waste Program</b>						
11-351-021	Departmental Revenue	(79,507)	(50,100)	(50,100)	(50,100)	0
11-351-121	Departmental Expenditures	79,784	50,100	54,500	50,100	0
	<b>Total Leaf &amp; Yard Waste Program</b>	<u>277</u>	<u>0</u>	<u>4,400</u>	<u>0</u>	<u>0</u>
 <b>Streetlighting</b>						
11-371-021	Departmental Revenue	(3,970)	0	0	0	0
11-371-121	Departmental Expenditures	70,629	50,000	57,000	62,000	12,000
	<b>Total Streetlighting</b>	<u>66,659</u>	<u>50,000</u>	<u>57,000</u>	<u>62,000</u>	<u>12,000</u>

**TOWNSHIP OF EAST ZORRA-TAVISTOCK**  
**For the Twelve Months Ending Saturday, December 31, 2016**

	<u>2016</u> <u>Actual</u>	<u>2016</u> <u>Budget</u>	<u>2017</u> <u>Budget</u> <u>1st Draft</u>	<u>2017</u> <u>Budget</u> <u>2nd Draft</u>	<u>YOY Budget</u> <u>Variance</u>
<b>Total Public Works</b>	<b>1,377,989</b>	<b>1,472,200</b>	<b>1,568,880</b>	<b>1,544,480</b>	<b>72,280</b>
<b>Total Operating - All Departments</b>	<b>(1,586,963)</b>	<b>(1,277,512)</b>	<b>3,611,500</b>	<b>3,496,130</b>	<b>4,773,642</b>

# STAFF REPORT

Report #TR2017-04

**To:** His Worship the Mayor and Members of Council

**From:** Nandini Syed, Finance Manager/Treasurer

**Subject:** 2017 Capital Budget and 10 Year Capital Planning (Draft 2)

**Date:** January 13, 2017

## **Background:**

The quality of municipal services manifest itself through the availability and quality of Capital Infrastructure. The critical community connectivity infrastructure of roads, sidewalks, streetlights, sanitary and storm sewers; the service delivery capacity associated with fleet, emergency vehicles, safety and security facilities (fire-halls), operating space and information technology systems are all integral part of service delivery and overall asset management plan.

Complementing the Township's Asset Management Plan is its annual Ten Year Capital Planning representing a consolidation of the anticipated needs of the Corporate Services, Recreational Facilities, Fire and Public Works. This plan is intended to assist careful planning of the long term sustainability of the Township assets, and ensure appropriate and timely budgeting for the replacement of assets at the optimal time, balancing available funding, with the need and condition of the asset and its service. The Ten Year Capital Investment Plan presented contain the detailed plans for assets from 2017 to 2026.

## **Discussion:**

On December 7<sup>th</sup> Council meeting, Staff presented 1<sup>st</sup> draft of 2017 Capital Budget and comprehensive 10 year Capital plan. Some of the highlights of the draft 1 presentation included:

1. Capital Budget planning extended from 5 to 10 years in conjunction with the Township Asset Management Plan and Provincial Requirements under Infrastructure for Jobs and Prosperity Act. <https://www.ontario.ca/laws/statute/15i15>. Draft 1 of the capital budget was presented at department level highlighting the follow:

- a. Project highlights
  - b. Funding Sources
  - c. Funding Gaps
  - d. Allocation of budget towards renewal and replacement of assets versus acquisition of new of new assets
  - e. Tax impact over 10 years.
2. Total estimated Capital Budget for 2017 is 3.6 Million and 10 year Capital Plan is \$32 Million.
  3. 58% of the 32 Million is funded by taxation; 34% by Reserves and only 8 % through other sources such as grants, development charges, gas tax and debentures.
  4. More than 90% of Capital Budget and 10 year planning relates to asset replacement. Current level of funding is only reasonable to look after what we currently own. Room for growth is substantially limited in the current plan.
  5. Overall tax requirement for 2017 Budget is \$1.4 million which is a \$141,000 or 3.20% levy increase from the 2016 tax requirement of \$1.2 million.
  6. Even with our current level of funding we will see funding gaps or infrastructure deficit of **700,000** by 2021 and **2.2 million** by 2026. A fully funded budget would require more equitable appropriation to reserve level over the 10 year plan.

### **Funding Gap/Infrastructure Deficit**

It is worthwhile to note that funding gap or infrastructure deficit is not unique to our Township. Municipalities build, own and maintain the majority of Canada's infrastructure. During the past 20 years, Canadian municipalities have been squeezed by increasing responsibilities and reduced transfer payments from other orders of government. This has had direct and negative consequences for Canada's infrastructure. Unlike provincial or federal governments, municipalities are not allowed to run deficits on their budgets. This, in turn, has put tremendous downward pressure on municipal capital budgets, which do not face the same immediate pressures as operating expenditures, making capital investments easier to delay. This has fuelled the growth of a substantial national municipal infrastructure deficit.

Simply put, the funding gap or infrastructure deficit for capital budget is an estimate of the total additional investment needed to support and balance capital budget that is not funded through taxation, debenture and grant. More specifically, the Township is currently mitigating this funding gap through Capital Reserves and Reserve Funds such as Gas Tax and Development Charges. However, over 5 to 10 years period our reserves will not have enough capacity to fund crucial projects and therefore we will see

negative balances.

A fully funded budget and 10 year capital plan will require equitable appropriation to reserve level over the next 10 years. This in turn, will require gradual levy increase starting from 2017 Capital budget.

**Financial Implication:**

**2017 Capital Budget Summary (Funding Gap)**

Budget Requirement:	\$3,668,429
Tax Supported:	\$1,418,512
Increase in Levy:	\$141,000 (Base Year 2016)
Increase in Levy%	3.20%

As presented in Draft 1, capital budget for 2017 is \$3,668,429 of which \$1,418,512 is supported through taxation. This is a \$141,000 increase from 2016 tax requirement of \$1,277,512 which translate into a 3.20% levy increase.

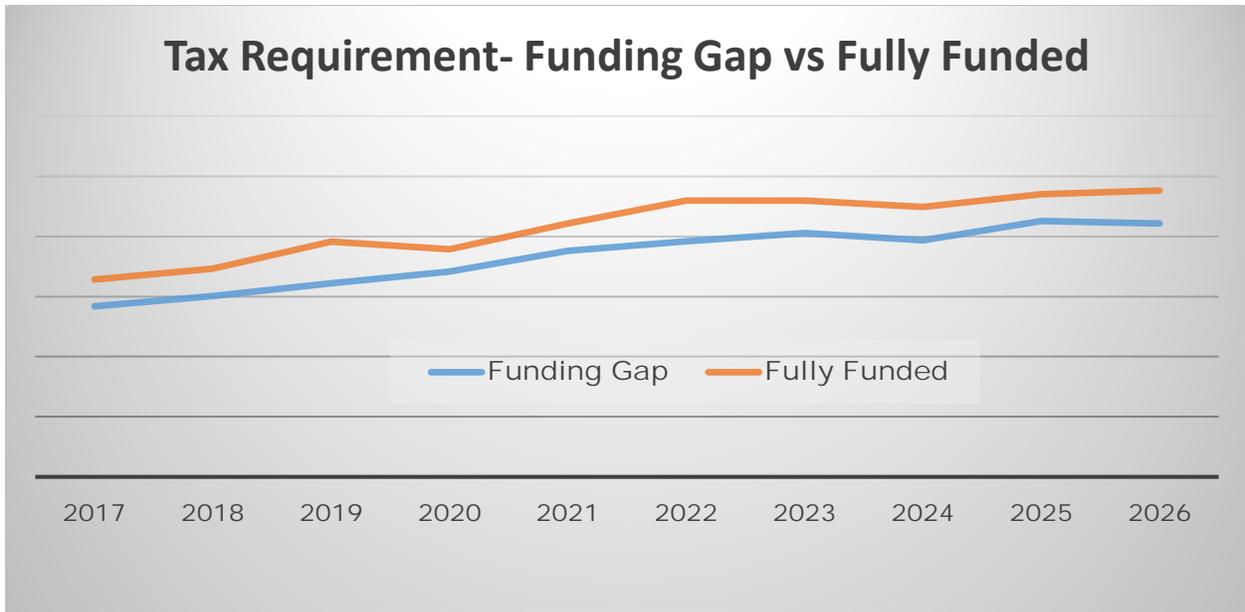
As indicated during the December 7<sup>th</sup> budget presentation that the Township’s 10 year (2017-2026) capital plan is not fully funded. Even with our current level of funding we will realize funding gaps of \$700,000 by 2021 and 2.2 million by 2026.

To achieve a fully funded budget; meaning, reserves not running negative balances; would require more annual contributions to capital reserves. These annual contributions are funded through additional tax levy. For the 2017, this additional tax requirement is \$233,000. Following is a summary of a fully funded 2017 capital budget:

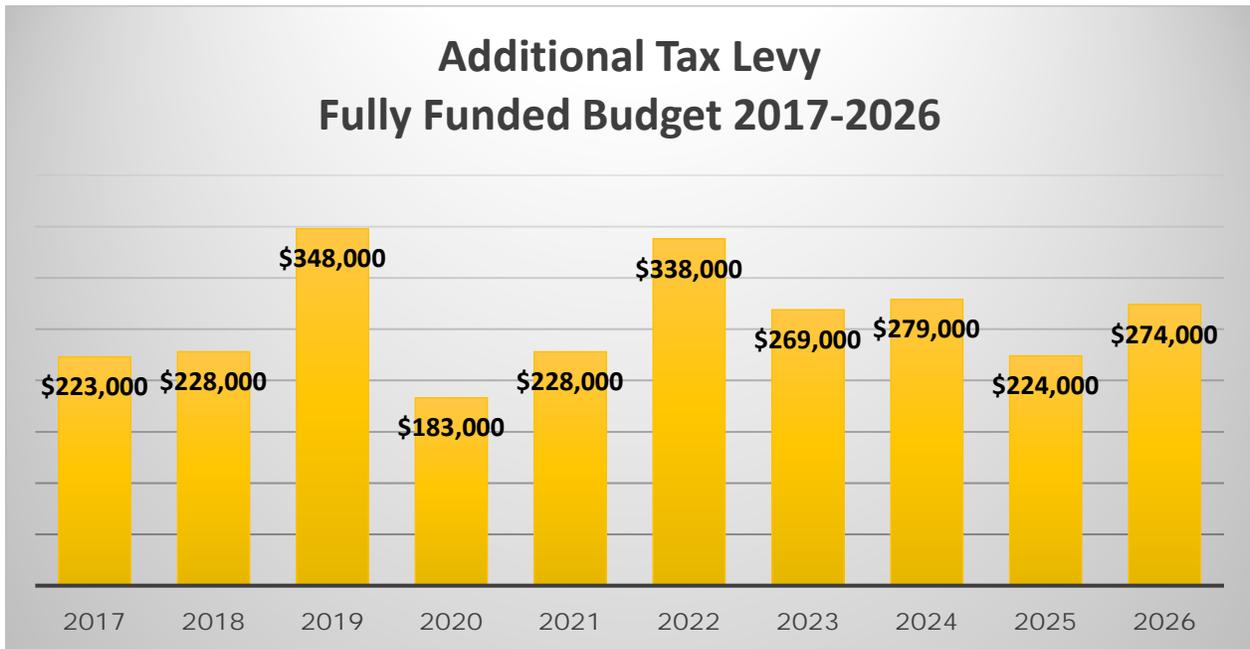
**2017 Capital Budget Summary (Fully Funded)**

Budget Requirement:	\$3,896,429
Tax Supported:	\$1,641,512
Increase in Levy:	\$364,000 (Base Year 2016)
Increase in Levy%	8.27%

The following graph compares 10 year Capital Plan (2017-2026) by using both scenarios (funding Gap and fully funded). Graphically, it clearly demonstrates that additional tax revenues will be required to fully mitigate the existing funding gap.



The following chart shows additional dollar amount required for each year over the course of the 10 year capital plan to fully replenish the identified funding deficit in capital reserves.



Based on these comparisons and illustrations, a 3.2% increase in 2017 capital levy is an adequate compromise in meeting current capital needs and future funding gap. Council could clearly see that a fully funded capital budget would require additional 5.5% levy increase in 2017.

While 2017 is just starting, several of the Capital Projects need significant lead time for planning, engineering, tendering, etc. if the project is to be completed as planned. As such, staff require direction on the Capital Forecast, and 2017 in particular.

**Attachments:**

1. Consolidated Capital Budget Summary- Funding Gap version
2. Consolidated Capital Budget Summary- Fully Funded Version
3. Capital Budget 2017 and Capital Plan 2017-2026 (Draft 1)

**Recommendations:**

1. That Council approve 2017 Capital budget of \$3,668,429.
2. That Council approve the 10 Year Capital Plan (2017-2026) in principle.

CAO Comments:

Report prepared and submitted by:

I agree. While increases to the levy are not desired, the Township must fund its core infrastructure at an appropriate level. Cutting capital funding will only make the infrastructure deficit problem bigger in future years. The proposed budget, while not getting to a fully funded scenario, is a step in the right direction.

As noted in the budget documents and presentations, the budget is very focussed on renewal and rehabilitation of existing assets. There is very little in the way of new assets. While this isn't a problem in the short-term, when looking out 20+ years this could result in a service level reduction and resident desires for more modern facilities.



---

Jeff Carswell, AMCT  
Chief Administrative Officer

---

Nandini Syed, CPA, CMA  
Finance Manager/Treasurer

## Capital Summary - All Departments

\*TGGR - Taxes, Grants, General Revenue

Summary	Total Cost	From TGGR	From Reserves	From Others	PY TGGR Change
2004	1,733,000	520,000	528,000	685,000	
2005	1,782,000	605,000	433,000	759,000	85,000
2006	2,660,623	898,000	1,586,055	191,568	293,000
2007	2,633,366	984,500	669,163	997,203	86,500
2008	3,140,581	1,126,000	1,390,712	623,869	141,500
2009	3,308,913	1,160,500	1,233,413	915,000	34,500
2010	7,185,163	1,167,092	2,294,329	3,723,742	6,592
2011	2,893,663	1,218,000	1,553,663	122,000	50,908
2012	5,797,461	1,244,500	2,188,466	2,364,495	26,500
2013	5,076,263	1,268,950	1,177,615	2,629,698	24,450
2014	2,029,138	1,266,762	625,376	137,000	-2,188
2015	3,466,688	1,175,012	1,411,176	880,500	-91,750
2016	3,656,929	1,277,512	1,989,917	389,500	102,500
<b>2017</b>	<b>3,668,429</b>	<b>1,418,512</b>	<b>1,615,917</b>	<b>634,000</b>	<b>141,000</b>
2018	4,218,417	1,504,000	1,830,417	884,000	85,488
2019	2,482,237	1,609,000	739,237	134,000	105,000
2020	2,352,417	1,709,000	508,417	135,000	100,000
2021	2,937,617	1,879,000	918,617	140,000	170,000
2022	2,934,417	1,959,000	840,417	135,000	80,000
2023	2,765,417	2,028,000	602,417	135,000	69,000
2024	3,253,917	1,966,000	1,152,917	135,000	-62,000
2025	4,019,417	2,128,000	1,526,417	365,000	162,000
2026	3,420,417	2,108,000	1,177,417	135,000	-20,000
	32,052,702	18,308,512	10,912,190	2,832,000	

<b>2015 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	38,500	11,500	23,000	4,000	-18,500
Office	27,000	12,000	15,000	0	-48,000
Building	0	0	0	0	0
Fire	682,163	238,000	444,163	0	10,000
PW	2,487,512	787,512	860,000	840,000	-45,000
ICC	12,500	10,000	2,500	0	0
HP	20,000	20,000	0	0	0
IP	78,000	25,000	16,500	36,500	0
TP	47,013	25,000	22,013	0	0
TMH	33,000	15,000	18,000	0	2,500
TDRC	41,000	31,000	10,000	0	6,000
<b>Total</b>	<b>3,466,688</b>	<b>1,175,012</b>	<b>1,411,176</b>	<b>880,500</b>	<b>-91,750</b>

<b>2016 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	60,000	19,000	37,000	4,000	7,500
Office	535,000	40,000	335,000	160,000	28,000
Building	0	0	0	0	0
Fire	726,000	246,000	480,000	0	8,000
PW	1,910,512	832,512	948,000	130,000	45,000
ICC	95,000	15,000	80,000	0	0
HP	50,000	20,000	12,500	17,500	0
IP	140,000	25,000	77,000	38,000	0
TP	71,417	25,000	6,417	40,000	0
TMH	24,000	20,000	4,000	0	5,000
TDRC	45,000	35,000	10,000	0	4,000
<b>Total</b>	<b>3,656,929</b>	<b>1,277,512</b>	<b>1,989,917</b>	<b>389,500</b>	<b>102,500</b>

<b>2017 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	97,000	26,000	67,000	4,000	7,000
Office	725,000	100,000	625,000	0	60,000
Building	0	0	0	0	0
Fire	370,000	275,000	95,000	0	29,000
PW	2,072,512	877,512	565,000	630,000	45,000
ICC	35,000	15,000	20,000	0	0
HP	30,000	20,000	10,000	0	0
IP	40,000	25,000	15,000	0	0
TP	29,417	25,000	4,417	0	0
TMH	59,500	20,000	39,500	0	0
TDRC	210,000	35,000	175,000	0	0
<b>Total</b>	<b>3,668,429</b>	<b>1,418,512</b>	<b>1,615,917</b>	<b>634,000</b>	<b>141,000</b>

<b>2018 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	62,000	26,000	32,000	4,000	0
Office	175,000	100,000	75,000	0	0
Building	0	0	0	0	0
Fire	1,043,500	345,000	698,500	0	70,000
PW	2,653,000	888,000	885,000	880,000	10,488
ICC	30,000	15,000	15,000	0	0
HP	20,000	20,000	0	0	0
IP	90,000	25,000	65,000	0	0
TP	41,417	25,000	16,417	0	0
TMH	35,000	20,000	15,000	0	0
TDRC	68,500	40,000	28,500	0	5,000
<b>Total</b>	<b>4,218,417</b>	<b>1,504,000</b>	<b>1,830,417</b>	<b>884,000</b>	<b>85,488</b>

<b>2019 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	67,000	26,000	37,000	4,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	447,820	275,000	172,820	0	-70,000
PW	1,568,000	1,058,000	380,000	130,000	170,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	25,000	25,000	0	0	0
TP	29,417	25,000	4,417	0	0
TMH	35,000	20,000	15,000	0	0
TDRC	175,000	45,000	130,000	0	5,000
<b>Total</b>	<b>2,482,237</b>	<b>1,609,000</b>	<b>739,237</b>	<b>134,000</b>	<b>105,000</b>

<b>2020 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	58,000	26,000	27,000	5,000	0
Office	200,000	100,000	100,000	0	0
Building	0	0	0	0	0
Fire	482,000	270,000	212,000	0	-5,000
PW	1,383,000	1,158,000	95,000	130,000	100,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	35,000	25,000	10,000	0	0
TP	29,417	25,000	4,417	0	0
TMH	55,000	20,000	35,000	0	0
TDRC	75,000	50,000	25,000	0	5,000
<b>Total</b>	<b>2,352,417</b>	<b>1,709,000</b>	<b>508,417</b>	<b>135,000</b>	<b>100,000</b>

<b>2021 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	63,000	26,000	27,000	10,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	630,000	270,000	360,000	0	0
PW	1,808,000	1,328,000	350,000	130,000	170,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	25,000	25,000	0	0	0
TP	29,417	25,000	4,417	0	0
TMH	72,200	20,000	52,200	0	0
TDRC	175,000	50,000	125,000	0	0
Tavistock Drainage					
<b>Total</b>	<b>2,937,617</b>	<b>1,879,000</b>	<b>918,617</b>	<b>140,000</b>	<b>170,000</b>

<b>2022 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	63,000	26,000	32,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	370,000	270,000	100,000	0	0
PW	1,938,000	1,408,000	400,000	130,000	80,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	40,000	25,000	15,000	0	0
TP	104,417	25,000	79,417	0	0
TMH	94,000	20,000	74,000	0	0
TDRC	190,000	50,000	140,000	0	0
Tavistock Drainage					
<b>Total</b>	<b>2,934,417</b>	<b>1,959,000</b>	<b>840,417</b>	<b>135,000</b>	<b>80,000</b>

<b>2023 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	58,000	26,000	27,000	5,000	0
Office	115,000	100,000	15,000	0	0
Building	0	0	0	0	0
Fire	300,000	270,000	30,000	0	0
PW	1,867,000	1,477,000	260,000	130,000	69,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	175,000	25,000	150,000	0	0
TP	77,417	25,000	52,417	0	0
TMH	55,000	20,000	35,000	0	0
TDRC	83,000	50,000	33,000	0	0
Tavistock Drainage					
<b>Total</b>	<b>2,765,417</b>	<b>2,028,000</b>	<b>602,417</b>	<b>135,000</b>	<b>69,000</b>

<b>2024 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	83,000	26,000	52,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	305,000	225,000	80,000	0	-45,000
PW	2,469,000	1,457,000	882,000	130,000	-20,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	25,000	25,000	0	0	0
TP	25,000	25,000	0	0	0
TMH	34,500	20,000	14,500	0	0
TDRC	65,000	50,000	15,000	0	0
Tavistock Drainage					

<b>Total</b>	<b>3,141,500</b>	<b>1,963,000</b>	<b>1,043,500</b>	<b>135,000</b>	<b>-65,000</b>
--------------	------------------	------------------	------------------	----------------	----------------

<b>2025 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	43,000	26,000	12,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	900,000	370,000	530,000	0	145,000
PW	2,322,000	1,477,000	715,000	130,000	20,000
ICC	15,000	15,000	0	0	0
HP	70,000	20,000	50,000	0	0
IP	25,000	25,000	0	0	0
TP	194,417	25,000	169,417	0	0
TMH	35,000	20,000	15,000	0	0
TDRC	59,000	50,000	9,000	0	0
Tavistock Drainage					0
<b>Total</b>	<b>3,763,417</b>	<b>2,128,000</b>	<b>1,500,417</b>	<b>135,000</b>	<b>165,000</b>

<b>2026 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	73,000	26,000	42,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	920,000	370,000	550,000	0	0
PW	1,847,000	1,457,000	260,000	130,000	-20,000
ICC	115,000	15,000	100,000	0	0
HP	120,000	20,000	100,000	0	0
IP	25,000	25,000	0	0	0
TP	59,417	25,000	34,417	0	0
TMH	36,000	20,000	16,000	0	0
TDRC	125,000	50,000	75,000	0	0
Tavistock Drainage					
<b>Total</b>	<b>3,420,417</b>	<b>2,108,000</b>	<b>1,177,417</b>	<b>135,000</b>	<b>-20,000</b>

## Capital Summary - All Departments

\*TGGR - Taxes, Grants, General Revenue

Summary	Total Cost	From TGGR	From Reserves	From Others	PY TGGR Change
2004	1,733,000	520,000	528,000	685,000	
2005	1,782,000	605,000	433,000	759,000	85,000
2006	2,660,623	898,000	1,586,055	191,568	293,000
2007	2,633,366	984,500	669,163	997,203	86,500
2008	3,140,581	1,126,000	1,390,712	623,869	141,500
2009	3,308,913	1,160,500	1,233,413	915,000	34,500
2010	7,185,163	1,167,092	2,294,329	3,723,742	6,592
2011	2,893,663	1,218,000	1,553,663	122,000	50,908
2012	5,797,461	1,244,500	2,188,466	2,364,495	26,500
2013	5,076,263	1,268,950	1,177,615	2,629,698	24,450
2014	2,029,138	1,266,762	625,376	137,000	-2,188
2015	3,466,688	1,175,012	1,411,176	880,500	-91,750
2016	3,656,929	1,277,512	1,989,917	389,500	102,500
<b>2017</b>	<b>3,896,429</b>	<b>1,641,512</b>	<b>1,615,917</b>	<b>634,000</b>	<b>364,000</b>
2018	4,446,417	1,732,000	1,830,417	884,000	90,488
2019	2,660,237	1,957,000	639,237	134,000	225,000
2020	2,535,417	1,892,000	508,417	135,000	-65,000
2021	3,165,617	2,107,000	918,617	140,000	215,000
2022	3,172,417	2,297,000	740,417	135,000	190,000
2023	3,033,417	2,297,000	601,417	135,000	0
2024	3,586,917	2,245,000	1,151,917	135,000	-52,000
2025	4,242,417	2,352,000	1,525,417	365,000	107,000
2026	3,693,417	2,382,000	1,176,417	135,000	30,000
	34,432,702	20,902,512	10,708,190	2,832,000	

<b>2015 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	38,500	11,500	23,000	4,000	-18,500
Office	27,000	12,000	15,000	0	-48,000
Building	0	0	0	0	0
Fire	682,163	238,000	444,163	0	10,000
PW	2,487,512	787,512	860,000	840,000	-45,000
ICC	12,500	10,000	2,500	0	0
HP	20,000	20,000	0	0	0
IP	78,000	25,000	16,500	36,500	0
TP	47,013	25,000	22,013	0	0
TMH	33,000	15,000	18,000	0	2,500
TDRC	41,000	31,000	10,000	0	6,000
<b>Total</b>	<b>3,466,688</b>	<b>1,175,012</b>	<b>1,411,176</b>	<b>880,500</b>	<b>-91,750</b>

<b>2016 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	60,000	19,000	37,000	4,000	7,500
Office	535,000	40,000	335,000	160,000	28,000
Building	0	0	0	0	0
Fire	726,000	246,000	480,000	0	8,000
PW	1,910,512	832,512	948,000	130,000	45,000
ICC	95,000	15,000	80,000	0	0
HP	50,000	20,000	12,500	17,500	0
IP	140,000	25,000	77,000	38,000	0
TP	71,417	25,000	6,417	40,000	0
TMH	24,000	20,000	4,000	0	5,000
TDRC	45,000	35,000	10,000	0	4,000
<b>Total</b>	<b>3,656,929</b>	<b>1,277,512</b>	<b>1,989,917</b>	<b>389,500</b>	<b>102,500</b>

<b>2017 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	97,000	26,000	67,000	4,000	7,000
Office	725,000	100,000	625,000	0	60,000
Building	0	0	0	0	0
Fire	495,000	400,000	95,000	0	154,000
PW	2,152,512	957,512	565,000	630,000	125,000
ICC	40,000	15,000	20,000	0	0
HP	30,000	20,000	10,000	0	0
IP	40,000	25,000	15,000	0	0
TP	42,417	38,000	4,417	0	13,000
TMH	59,500	20,000	39,500	0	0
TDRC	215,000	40,000	175,000	0	5,000
<b>Total</b>	<b>3,896,429</b>	<b>1,641,512</b>	<b>1,615,917</b>	<b>634,000</b>	<b>364,000</b>

<b>2018 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	62,000	26,000	32,000	4,000	0
Office	175,000	100,000	75,000	0	0
Building	0	0	0	0	0
Fire	1,168,500	470,000	698,500	0	70,000
PW	2,733,000	968,000	885,000	880,000	10,488
ICC	30,000	15,000	15,000	0	0
HP	20,000	20,000	0	0	0
IP	90,000	25,000	65,000	0	0
TP	59,417	43,000	16,417	0	5,000
TMH	35,000	20,000	15,000	0	0
TDRC	73,500	45,000	28,500	0	5,000
<b>Total</b>	<b>4,446,417</b>	<b>1,732,000</b>	<b>1,830,417</b>	<b>884,000</b>	<b>90,488</b>

<b>2019 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	67,000	26,000	37,000	4,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	497,820	395,000	172,820	0	-75,000
PW	1,668,000	1,258,000	280,000	130,000	290,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	25,000	25,000	0	0	0
TP	52,417	48,000	4,417	0	5,000
TMH	35,000	20,000	15,000	0	0
TDRC	180,000	50,000	130,000	0	5,000
<b>Total</b>	<b>2,660,237</b>	<b>1,957,000</b>	<b>639,237</b>	<b>134,000</b>	<b>225,000</b>

<b>2020 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	58,000	26,000	27,000	5,000	0
Office	200,000	100,000	100,000	0	0
Building	0	0	0	0	0
Fire	522,000	310,000	212,000	0	-85,000
PW	1,483,000	1,258,000	95,000	130,000	0
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	35,000	25,000	10,000	0	0
TP	57,417	53,000	4,417	0	5,000
TMH	65,000	30,000	35,000	0	10,000
TDRC	80,000	55,000	25,000	0	5,000
<b>Total</b>	<b>2,535,417</b>	<b>1,892,000</b>	<b>508,417</b>	<b>135,000</b>	<b>-65,000</b>

<b>2021 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	63,000	26,000	27,000	10,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	670,000	310,000	360,000	0	0
PW	1,938,000	1,458,000	350,000	130,000	200,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	30,000	30,000	0	0	5,000
TP	62,417	58,000	4,417	0	5,000
TMH	82,200	30,000	52,200	0	0
TDRC	185,000	60,000	125,000	0	5,000
Tavistock Drainage					
<b>Total</b>	<b>3,165,617</b>	<b>2,107,000</b>	<b>918,617</b>	<b>140,000</b>	<b>215,000</b>

<b>2022 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	63,000	26,000	32,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	410,000	310,000	100,000	0	0
PW	2,068,000	1,638,000	300,000	130,000	180,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	45,000	30,000	15,000	0	0
TP	142,417	63,000	79,417	0	5,000
TMH	104,000	30,000	74,000	0	0
TDRC	205,000	65,000	140,000	0	5,000
Tavistock Drainage					
<b>Total</b>	<b>3,172,417</b>	<b>2,297,000</b>	<b>740,417</b>	<b>135,000</b>	<b>190,000</b>

<b>2023 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	58,000	27,000	26,000	5,000	1,000
Office	115,000	100,000	15,000	0	0
Building	0	0	0	0	0
Fire	340,000	310,000	30,000	0	0
PW	2,017,000	1,627,000	260,000	130,000	-11,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	180,000	30,000	150,000	0	0
TP	120,417	68,000	52,417	0	5,000
TMH	65,000	30,000	35,000	0	0
TDRC	103,000	70,000	33,000	0	5,000
Tavistock Drainage					
<b>Total</b>	<b>3,033,417</b>	<b>2,297,000</b>	<b>601,417</b>	<b>135,000</b>	<b>0</b>

<b>2024 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	83,000	27,000	51,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	345,000	265,000	80,000	0	-45,000
PW	2,619,000	1,607,000	882,000	130,000	-20,000
ICC	15,000	15,000	0	0	0
HP	20,000	20,000	0	0	0
IP	30,000	30,000	0	0	0
TP	30,000	30,000	0	0	-38,000
TMH	44,500	30,000	14,500	0	0
TDRC	145,000	75,000	15,000	0	5,000
Tavistock Drainage					

<b>Total</b>	<b>3,431,500</b>	<b>2,199,000</b>	<b>1,042,500</b>	<b>135,000</b>	<b>-98,000</b>
--------------	------------------	------------------	------------------	----------------	----------------

<b>2025 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	43,000	27,000	11,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	845,000	315,000	530,000	0	50,000
PW	2,502,000	1,657,000	715,000	130,000	50,000
ICC	15,000	15,000	0	0	0
HP	70,000	20,000	50,000	0	0
IP	30,000	30,000	0	0	0
TP	252,417	83,000	169,417	0	53,000
TMH	45,000	30,000	15,000	0	0
TDRC	84,000	75,000	9,000	0	0
Tavistock Drainage					0
<b>Total</b>	<b>3,986,417</b>	<b>2,352,000</b>	<b>1,499,417</b>	<b>135,000</b>	<b>153,000</b>

<b>2026 Total By Department</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>PY TGGR Change</b>
Administration	73,000	27,000	41,000	5,000	0
Office	100,000	100,000	0	0	0
Building	0	0	0	0	0
Fire	865,000	315,000	550,000	0	0
PW	2,077,000	1,687,000	260,000	130,000	30,000
ICC	115,000	15,000	100,000	0	0
HP	120,000	20,000	100,000	0	0
IP	30,000	30,000	0	0	0
TP	117,417	83,000	34,417	0	0
TMH	46,000	30,000	16,000	0	0
TDRC	150,000	75,000	75,000	0	0
Tavistock Drainage					
<b>Total</b>	<b>3,693,417</b>	<b>2,382,000</b>	<b>1,176,417</b>	<b>135,000</b>	<b>30,000</b>

# STAFF REPORT

Report #CAO2016-35

**To:** His Worship the Mayor and Members of Council

**From:** Jeff Carswell, CAO & Nandini Syed, Treasurer

**Subject:** Corporate Services 2017 Capital Budget and 10 Year Capital Planning

**Date:** November 30, 2016

## **Background:**

Overall, Council will be seeing some changes with respect to the budget process for 2017. Following are several highlights:

- We have attempted to move the timeline forward (about 1½ months earlier than 2016 – we may be able to move it forward to November, but much earlier will not be possible due to things like OMPF, Police cost announcements)
- The Treasurer is taking the lead on all budget activity
- Report formats will be different and have additional information related to asset management, lifecycle costs, infrastructure deficit
- It is required that the capital budget forecast be for at least 10 years (for some items such as buildings and vehicles we have looked out further)
- Each Department Head will be available and involved with the presentation of their budget section

Complementing the Township's Asset Management Plan is its annual Ten Year Capital Planning representing a consolidation of the anticipated needs of the Corporate Services. This plan is intended to assist careful planning of the long term sustainability of Corporate Services' assets, and ensure appropriate and timely budgeting for the replacement of assets at the optimal time, balancing available funding, with the need and condition of the asset and its service. The Ten Year Capital Investment Plan presented contain the detailed plans for assets from 2017 to 2026.

**Discussion:**

**Hickson Office**

The Hickson Facilities budget continues to be a significant challenge, due to our existing space constraints and clear direction on the best course of action. This draft of the 10 year forecast illustrates the possible costs associated with making significant changes to the existing office. As reviewed by Council, there are other elements such as dedicated Council space and logic of investing significant funds into a space that is 45 years old, has already undergone one significant renovation and will continue to have accessibility challenges into the future.

To fully fund the anticipated requirements for the next 10 years, plus make the required improvements the funding level will need to be much closer to \$100,000 year. As you can see this is significantly higher than past years. This amount also includes provisions for asset management requirements such the roof, parking lot, HVAC, etc.

All Capital projects are primarily funded through the Hickson Office reserve as set out in the 10 year plan. Table 1.0 shows tax supported annual appropriation to Hickson Office reserve remaining constant at \$100,000 per year.

**Table 1.0**

	Hickson Office	Annual	Annual	
	Opening	Reserve Draw	Reserve Replenish	Closing
2017	\$114,000.00	\$625,000.00	\$100,000.00	(\$411,000.00)
2018	(\$411,000.00)	\$75,000.00	\$100,000.00	(\$386,000.00)
2019	(\$386,000.00)	\$0.00	\$100,000.00	(\$286,000.00)
2020	(\$286,000.00)	\$100,000.00	\$100,000.00	(\$286,000.00)
2021	(\$286,000.00)	\$0.00	\$100,000.00	(\$186,000.00)
2022	(\$186,000.00)	\$0.00	\$100,000.00	(\$86,000.00)
2023	(\$86,000.00)	\$15,000.00	\$100,000.00	(\$1,000.00)
2024	(\$1,000.00)	\$0.00	\$100,000.00	\$99,000.00
2025	\$99,000.00	\$0.00	\$100,000.00	\$199,000.00
2026	\$199,000.00	\$0.00	\$100,000.00	\$299,000.00
		<b>\$815,000.00</b>	<b>\$1,000,000.00</b>	

Based on this cost, staff believe there should be consideration of leasing office space. If leasing costs are similar to the annual capital requirement, there would be a minimal impact. As well, there could be proceeds from facility sale to further offset leasing costs for several years. It should be noted the amount identified related to the Hickson Office only reflects potential magnitude of the cost. Subject to Council approval for staff to

engage design assistance for potential renovations and authorization to put forward other options, this area may be subject to significant changes.

Based on the November 24, 2016 Special Council Meeting, funding for Hickson Community Space has been removed. There is some capacity in the Hickson Park Budget, but not enough to fully fund a community space without significant fundraising or a grant.

**Equipment, IT, Studies, Election**

This budget contains provisions for a range of assets, studies and reserve transfers to assist with funding large projects that happen every few years. The main asset components tend to be computer equipment which need to be replaced every few years. I have observed hardware replacement cycles are lengthening, but software costs are continuing to rise and some systems are getting very complex to upgrade, thus significant version upgrade projects every few years. Currently the Township leases the main printers/scanners/copiers. Based on their lifecycle and nature of usage requiring a service contract, it is intended that we continue in this direction. If we wish to purchase, there would be little overall impact to the budget as the cost would be moved from operating to capital.

All Capital projects are primarily funded through the Equipment, IT, Misc.-Studies reserve as set out in the 10 year plan. Table 1.1 shows tax supported annual appropriation to Equipment, IT, Misc.-Studies reserve remaining constant at \$26,000 per year.

**Table 1.1**

	Equipment, IT, Misc-Studies	Annual		Closing
	Opening	Reserve Draw	Reserve Replenish	
<b>2017</b>	\$52,000.00	\$65,000.00	\$26,000.00	\$13,000.00
<b>2018</b>	\$13,000.00	\$30,000.00	\$26,000.00	\$9,000.00
<b>2019</b>	\$9,000.00	\$20,000.00	\$26,000.00	\$15,000.00
<b>2020</b>	\$15,000.00	\$25,000.00	\$26,000.00	\$16,000.00
<b>2021</b>	\$16,000.00	\$25,000.00	\$26,000.00	\$17,000.00
<b>2022</b>	\$17,000.00	\$30,000.00	\$26,000.00	\$13,000.00
<b>2023</b>	\$13,000.00	\$25,000.00	\$26,000.00	\$14,000.00
<b>2024</b>	\$14,000.00	\$35,000.00	\$26,000.00	\$5,000.00
<b>2025</b>	\$5,000.00	\$10,000.00	\$26,000.00	\$21,000.00
<b>2026</b>	\$21,000.00	\$40,000.00	\$26,000.00	\$7,000.00
		<b>\$305,000.00</b>	<b>\$260,000.00</b>	

A funding level of \$26,000 /year, plus the existing reserve balance will cover the anticipated costs in this area. Other than some additional software that will assist with budgeting and asset management, there isn't any growth component in this budget. 87% of this budget is focused on asset renewal and maintaining what we currently have and need.

**ICC**

After significant work in 2016 (HVAC, Generator, Lighting) there are not significant plans for the next few years. In 2017, conversion of the stove to natural gas will provide additional energy efficiency and some exterior brickwork and painting will help to keep the facility looking attractive. Regular interior painting will also be required on a regular basis in coming years. While there are not significant plans for 2019-2025, a funding level of \$15,000 / year is required when looking at the long-term (40+ years). It should also be noted, this level of funding will just maintain what we have. This level of funding will not support any growth, expansion or replacement of the Innerkip Community Centre.

All Capital projects are primarily funded through the Innerkip Community Centre reserve as set out in the 10 year plan. Table 1.2 shows tax supported annual appropriation to Innerkip Community Centre reserve remaining constant at \$15,000 per year.

**Table 1.2**

	Innerkip Community Centre -Reserve	Annual	Annual	
	Opening	Reserve Draw	Reserve Replenish	Closing
2017	(\$500.00)	\$20,000.00	\$15,000.00	(\$5,500.00)
2018	(\$5,500.00)	\$15,000.00	\$15,000.00	(\$5,500.00)
2019	(\$5,500.00)	\$0.00	\$15,000.00	\$9,500.00
2020	\$9,500.00	\$0.00	\$15,000.00	\$24,500.00
2021	\$24,500.00	\$0.00	\$15,000.00	\$39,500.00
2022	\$39,500.00	\$0.00	\$15,000.00	\$54,500.00
2023	\$54,500.00	\$0.00	\$15,000.00	\$69,500.00
2024	\$69,500.00	\$0.00	\$15,000.00	\$84,500.00
2025	\$84,500.00	\$0.00	\$15,000.00	\$99,500.00
2026	\$99,500.00	\$100,000.00	\$15,000.00	\$14,500.00
		<b>\$135,000.00</b>	<b>\$150,000.00</b>	

**Hickson Park**

The Hickson Park Capital forecast is not showing a significant change in funding from prior years, nor are there a lot of specific projects planned. While this is the case, there will be significant items needing attention beyond the 10 year forecast. For example, the Diamond Lights will need replacement at some point. There will be fencing requirements, Pavilion Major Maintenance and possible replacement of the booth. In looking out 40+ years, a funding level of \$20,000 / year will be required to maintain the assets and infrastructure currently in place. This level of funding will not support any significant growth or expansion of the existing assets. There will be some room for major maintenance items and the ability to maintain what is currently in place.

All Capital projects are primarily funded through the Hickson Park reserve as set out in the 10 year plan. Table 1.3 shows tax supported annual appropriation to Hickson Park reserve remaining constant at \$20,000 per year.

**Table 1.3**

	Hickson Park	Annual	Annual	
	Opening	Reserve Draw	Reserve Replenish	Closing
<b>2017</b>	\$63,612.00	\$10,000.00	\$20,000.00	\$73,612.00
<b>2018</b>	\$73,612.00	\$0.00	\$20,000.00	\$93,612.00
<b>2019</b>	\$93,612.00	\$0.00	\$20,000.00	\$113,612.00
<b>2020</b>	\$113,612.00	\$0.00	\$20,000.00	\$133,612.00
<b>2021</b>	\$133,612.00	\$0.00	\$20,000.00	\$153,612.00
<b>2022</b>	\$153,612.00	\$0.00	\$20,000.00	\$173,612.00
<b>2023</b>	\$173,612.00	\$0.00	\$20,000.00	\$193,612.00
<b>2024</b>	\$193,612.00	\$0.00	\$20,000.00	\$213,612.00
<b>2025</b>	\$213,612.00	\$50,000.00	\$20,000.00	\$183,612.00
<b>2026</b>	\$183,612.00	\$100,000.00	\$20,000.00	\$103,612.00
		<b>\$160,000.00</b>	<b>\$200,000.00</b>	

**Innerkip Park**

The Innerkip Park Forecast contains a wide range of renewal and growth (new) items submitted by the Recreation Committee. In looking at the next ten year, approximately \$48,000 / yr would be required to fund the proposal based on rough cost estimates. This is significantly higher than the current funding level of approximately \$25,000 / year. You will also note, this first

draft contains a significant number of projects that will add to the infrastructure at the park. I.e. Additional fencing, Lights for 3<sup>rd</sup> and 4<sup>th</sup> Diamonds, new washrooms at 3<sup>rd</sup> and 4<sup>th</sup> Diamonds and paving the parking lot. Staff believes the total proposal for the next 10 years at \$480,000 is not attainable. Staff would suggest that priority be given to projects that renew existing infrastructure before adding anything new.

I would also suggest that from a maintenance and safety perspective, there may be some merit in considering parking lot improvements before additional infrastructure associated with the 3<sup>rd</sup> and 4<sup>th</sup> Diamonds.

It should also be noted, that this budget does not provide a funding level that could replace the existing pavilion, booth and other infrastructure. While there is currently demand and a very busy ball program, I am unsure whether it would be wise to invest in lighting and washrooms associated with Diamonds 3 & 4. As well, looking out beyond the 10 years, there will be items such as existing lighting and playground space that will need to be considered for renewal. There should also be consideration given to the existing small playground near the Community Centre as this equipment is very old.

All Capital projects are primarily funded through the Innerkip reserve as set out in the 10 year plan. Table 1.4 shows tax supported annual appropriation to Innerkip Park reserve remaining constant at \$25,000 per year.

**Table 1.4**

	Innerkip Park			
	Opening	Annual Reserve Draw	Annual Reserve Replenish	Closing
2017	\$34,000.00	\$15,000.00	\$25,000.00	\$44,000.00
2018	\$44,000.00	\$65,000.00	\$25,000.00	\$4,000.00
2019	\$4,000.00	\$0.00	\$25,000.00	\$29,000.00
2020	\$29,000.00	\$10,000.00	\$25,000.00	\$44,000.00
2021	\$44,000.00	\$0.00	\$25,000.00	\$69,000.00
2022	\$69,000.00	\$15,000.00	\$25,000.00	\$79,000.00
2023	\$79,000.00	\$150,000.00	\$25,000.00	(\$46,000.00)
2024	(\$46,000.00)	\$0.00	\$25,000.00	(\$21,000.00)
2025	(\$21,000.00)	\$0.00	\$25,000.00	\$4,000.00
2026	\$4,000.00	\$0.00	\$25,000.00	\$29,000.00
		<b>\$255,000.00</b>	<b>\$250,000.00</b>	

**Financial Implication: NS**

- *2017 Capital Budget:*                 \$927,000
- *2017-2026 Capital Plan:*         \$3,632,000

The proposed 2017-2026 Corporate Services Capital plan is funded by the following revenue sources: Tax Supported Hickson Office Reserve, Equipment/ IT/Study Reserve, Hickson Park Reserve, Innerkip Park Reserve and Innerkip Community Centre Reserve

The proposed 2017-2026 Corporate Services Capital plan, including Equipment/IT/Study, Hickson Park, Innerkip Park, Innerkip Community Centre is fully funded except for Hickson office which will realize some deficit in the 5 year plan. Table 2.0 shows funding gap for 5 and 10 year plan at individual reserve level:

**Table 2.0 - Funding Gap**

<b>Funding Gap</b>	<b>5 Year</b>	<b>10 Year</b>
	<b>2017-2021</b>	<b>2022-2026</b>
<b>Administration Office Equipment</b>	\$17,000.00	\$7,000.00
<b>Council Computer Reserve</b>	\$3,550.00	(\$2,000.00)
<b>Hickson Office</b>	(186,000.00)	\$299,000.00
<b>Hickson Park</b>	\$153,612.00	\$103,612.00
<b>Innerkip Community Centre</b>	\$39,500.00	\$14,500.00
<b>Innerkip Park</b>	\$69,000.00	\$29,000.00
<b>Total</b>	<b>\$96,662.00</b>	<b>\$451,112.00</b>

The proposed 2017-2026 Capital Budget and Forecast primarily focuses on taking care of existing assets to maintain current service level. Tax supported reserve level replenishment could barely keep up with baseline refurbishment and replacement of existing assets as indicated through-out this report. The graph below indicates overwhelming percentage of tax supported capital reserve is allocated to renewal, leaving a very small portion available for growth (new assets).



Overall Year over Year Tax dollar impact for Corporate Services is show in the table below:

- 2017 Tax Impact: \$186,000
- 2017-2026 Tax Impact : \$1,860,000

	EQUIP/IT	Hickson Office	HP	ICC	IP	Total
2017	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2018	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2019	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2020	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2021	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2022	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2023	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2024	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2025	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
2026	\$26,000.00	\$100,000.00	\$20,000.00	\$15,000.00	\$25,000.00	\$186,000.00
	<b>\$260,000.00</b>	<b>\$1,000,000.00</b>	<b>\$200,000.00</b>	<b>\$150,000.00</b>	<b>\$250,000.00</b>	<b>\$1,860,000.00</b>

**Attachments:**

1. Hickson Office – 10 year Capital Plan
2. Equipment, IT, Studies, Election – 10 year Capital Plan
3. Innerkip Community Centre – 10 year Capital Plan
4. Hickson Park – 10 year Capital Plan
5. Innerkip Park – 10 year Capital Plan

**Recommendation:**

1. That Council provide comments, feedback and direction on the 1<sup>st</sup> Draft of the 10 Year Capital Forecast.

CAO Comments:



---

Jeff Carswell, AMCT  
Chief Administrative Officer

Report prepared and submitted by:



---

Nandini Syed, CPA, CMA  
Finance Manager/Treasurer

**Offices/Facilities - Capital**

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
	2005	\$10,000	\$5,000	\$5,000	\$0	
	2006	\$15,000	\$12,500	\$2,500	\$0	\$7,500
	2007	\$12,500	\$12,500	\$0	\$0	\$0
	2008	\$20,500	\$12,500	\$8,000	\$0	\$0
	2009	\$122,500	\$17,500	\$5,000	\$100,000	\$5,000
	2010	\$16,000	\$16,000	\$0	\$0	-\$1,500
	2011	\$17,500	\$15,000	\$2,500	\$0	-\$1,000
	2012	\$62,500	\$20,000	\$42,500	\$0	\$5,000
	2013	\$45,000	\$45,000	\$0	\$0	\$25,000
	2014	\$75,000	\$60,000	\$15,000	\$0	\$15,000
	2015	\$27,000	\$12,000	\$15,000	\$0	-\$48,000
	2016	\$535,000	\$40,000	\$335,000	\$160,000	\$28,000
	<b>2017</b>	<b>\$725,000</b>	<b>\$100,000</b>	<b>\$625,000</b>	<b>\$0</b>	<b>\$60,000</b>
	2018	\$175,000	\$100,000	\$75,000	\$0	\$0
	2019	\$100,000	\$100,000	\$0	\$0	\$0
	2020	\$200,000	\$100,000	\$100,000	\$0	\$0
	2021	\$100,000	\$100,000	\$0	\$0	\$0
	2022	\$100,000	\$100,000	\$0	\$0	\$0
	2023	\$115,000	\$100,000	\$15,000	\$0	\$0
	2024	\$100,000	\$100,000	\$0	\$0	\$0
	2025	\$100,000	\$100,000	\$0	\$0	\$0
	2026	\$100,000	\$100,000	\$0	\$0	\$0

AMP

Office	Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
	2016	Office Improvements / Reno	\$150,000	\$0	\$100,000	\$50,000			direction on office requirements/Hickson Land/Fac? TSR
	2016	Office Furniture	\$10,000		\$10,000				Office Reserve
	2016	Generator	\$25,000		\$25,000				TSR
	2016	Water Well	\$25,000	\$0	\$25,000				TSR
	2016	Septic System	\$25,000	\$15,000		\$10,000			Grants?
	2016	Major Maintenance - Internal - all areas	\$25,000	\$25,000					carpet, painting, lighting impr, several windows,
	2016	Hickson Community Room??	\$250,000		\$150,000	\$100,000			Hickson Facility Review, DC 50 TSR 100, land sales, Others 50?
	2016	89 Loveys Street - Parking, landscape, buffers	\$25,000		\$25,000				DC
	2017	Appropriation to Reserve	\$100,000	\$100,000					
	2017	Office Improvements / Reno	\$500,000	\$0	\$500,000		\$500,000		Order of Magnitude Only - details to be determined
	2017	Office Furniture	\$25,000		\$25,000		\$25,000		
	2017	Generator	\$25,000		\$25,000		\$25,000		
	2017	Water Well	\$25,000	\$0	\$25,000		\$25,000		
	2017	Septic System	\$25,000		\$25,000		\$25,000		
	2017	Hickson Community Room??	\$0		\$0			\$0	
	2017	89 Loveys Street - Parking, landscape, buffers	\$25,000		\$25,000				
	2018	Appropriation to Reserve	\$100,000	\$100,000					
	2018	Re-Pave Parking Lot	\$75,000		\$75,000		\$75,000		

Office								
Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2019	Appropriation to Reserve	\$100,000	\$100,000					
2020	Appropriation to Reserve	\$100,000	\$100,000					
2020	HVAC Major Maintenance??	\$100,000		\$100,000		\$100,000		Depends on 2017 Reno??
2021	Appropriation to Reserve	\$100,000	\$100,000					
2022	Appropriation to Reserve	\$100,000	\$100,000					
2023	Appropriation to Reserve	\$100,000	\$100,000					
2023	Roof Reshingle	\$15,000		\$15,000		\$15,000		
2024	Appropriation to Reserve	\$100,000	\$100,000					
2025	Appropriation to Reserve	\$100,000	\$100,000					
2026	Appropriation to Reserve	\$100,000	\$100,000					
<b>Total Capital 2017-2026</b>		<b>\$1,815,000</b>	<b>\$1,000,000</b>	<b>\$815,000</b>	<b>\$0</b>	<b>\$790,000</b>	<b>\$0</b>	

### Administration - Capital & Projects

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005		30,000	20,000	10,000	0	
2006		140,198	26,000	114,198	0	\$6,000
2007		58,000	30,000	28,000	0	\$4,000
2008		67,000	30,000	32,000	5,000	\$0
2009		44,000	30,000	9,000	5,000	\$0
2010		65,000	30,000	30,000	5,000	\$0
2011		56,500	25,000	26,500	5,000	-\$5,000
2012		45,000	27,500	12,500	5,000	\$2,500
2013		87,500	47,500	19,000	21,000	\$20,000
2014		69,000	30,000	32,000	7,000	-\$17,500
2015		38,500	11,500	23,000	4,000	-\$18,500
2016		60,000	19,000	37,000	4,000	\$7,500
<b>2017</b>		<b>97,000</b>	<b>26,000</b>	<b>67,000</b>	<b>4,000</b>	<b>\$7,000</b>
2018		62,000	26,000	32,000	4,000	\$0
2019		67,000	26,000	37,000	4,000	\$0
2020		58,000	26,000	27,000	5,000	\$0
2021		63,000	26,000	27,000	10,000	\$0
2022		63,000	26,000	32,000	5,000	\$0
2023		58,000	26,000	27,000	5,000	\$0
2024		83,000	26,000	52,000	5,000	\$0
2025		43,000	26,000	12,000	5,000	\$0
2026		73,000	26,000	42,000	5,000	\$0

AMP

### Administration

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2016	Hardware/Software Upgrades	0	0	0	0			
2016	Appropriation to Reserve	0	0		0			
2016	Appropriation to Election Reserve	4,000	0	0	4,000			*From Election Operating
2016	Council Computers	3,000	1,000	2,000				
2016	GP Version Upgrade	15,000	10,000	5,000				
2016	Pay Equity Study / Market Check	15,000	0	15,000				delayed from 2015, Recommended every 5 yrs, last one 2003
2016	Desktop Replacements	20,000	5,000	15,000				delayed from 2015 - all desktops, plus latest MS Office
2016	Server - Networked UPS	1,500	1,500					delayed from 2015
2016	Server Relocation Wiring	500	500					delayed from 2015
2016	Main Network Switch	1,000	1,000					borrowed used one from County in 2015
2017	Appropriation to Reserve	25,000	25,000		0			
2017	Appropriation to Election Reserve	4,000	0	0	4,000			*From Election Operating
2017	Hardware/Software Upgrades	10,000		10,000		10,000		

**Administration**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2017	Council Computers	3,000	1,000	2,000		3,000		
2017	Desktop Replacements	20,000		20,000		20,000		
2017	RAC FMW Software	20,000		20,000			20,000	
2017	GP Version Upgrade	15,000		15,000		15,000		
2018	Appropriation to Reserve	25,000	25,000		0			
2018	Appropriation to Election Reserve	4,000	0	0	4,000			*From Election Operating
2018	Hardware/Software Upgrades	10,000		10,000		10,000		
2018	RAC FMW Software	20,000		20,000			20,000	
2018	Council Computers	3,000	1,000	2,000		3,000		
2019	Appropriation to Reserve	25,000	25,000		0			
2019	Appropriation to Election Reserve	4,000	0	0	4,000			*From Election Operating
2019	Hardware/Software Upgrades	10,000		10,000		10,000		
2019	Council Computers	3,000	1,000	2,000		3,000		
2019	Server Replacement	10,000		10,000		10,000		
2019	DC Study	15,000		15,000				DC Gen Admin Reserve
2020	Appropriation to Reserve	25,000	25,000		0			
2020	Appropriation to Election Reserve	5,000	0	0	5,000			*From Election Operating
2020	Hardware/Software Upgrades	10,000		10,000		10,000		
2020	Council Computers	3,000	1,000	2,000		3,000		
2020	GP Version Upgrade	15,000		15,000		15,000		
2021	Appropriation to Reserve	25,000	25,000		0			
2021	Appropriation to Election Reserve	5,000	0	0	5,000			
2021	Hardware/Software Upgrades	10,000		10,000		10,000		
2021	Appropriation to Election Reserve	5,000	0	0	5,000			
2021	Council Computers	3,000	1,000	2,000		3,000		
2021	Pay Equity Study	15,000		15,000				
2022	Appropriation to Reserve	25,000	25,000		0			
2022	Appropriation to Election Reserve	5,000	0	0	5,000			
2022	Hardware/Software Upgrades	10,000		10,000		10,000		
2022	Council Computers	3,000	1,000	2,000		3,000		
2022	Desktop Replacements	20,000		20,000		20,000		
2023	Appropriation to Reserve	25,000	25,000		0			
2023	Appropriation to Election Reserve	5,000	0	0	5,000			
2023	Hardware/Software Upgrades	10,000		10,000		10,000		
2023	Council Computers	3,000	1,000	2,000		3,000		
2023	GP Version Upgrade	15,000		15,000		15,000		
2024	Appropriation to Reserve	25,000	25,000		0			

**Administration**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
2024	Appropriation to Election Reserve	5,000	0	0	5,000			
2024	Hardware/Software Upgrades	10,000		10,000		10,000		
2024	Council Computers	3,000	1,000	2,000		3,000		
2024	Server Replacement	10,000		10,000		10,000		
2024	DC Study	15,000		15,000				DC Gen Admin Reserve
2024	GP Version Upgrade	15,000		15,000		15,000		
2025	Appropriation to Reserve	25,000	25,000			0		
2025	Appropriation to Election Reserve	5,000	0	0	5,000			
2025	Hardware/Software Upgrades	10,000		10,000		10,000		
2025	Council Computers	3,000	1,000	2,000		3,000		
2026	Appropriation to Reserve	25,000	25,000			0		
2026	Appropriation to Election Reserve	5,000	0	0	5,000			
2026	Hardware/Software Upgrades	10,000		10,000		10,000		
2026	Council Computers	3,000	1,000	2,000		3,000		
2026	GP Version Upgrade	15,000		15,000		15,000		
2026	Pay Equity Study	15,000		15,000				
<b>Total Capital 2017-2026</b>		<b>\$667,000</b>	<b>\$260,000</b>	<b>\$355,000</b>	<b>\$52,000</b>	<b>\$265,000</b>	<b>\$40,000</b>	

### Innerkip Community Centre - Capital

Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005	\$20,000	\$11,000	\$9,000	\$0	
2006	\$5,000	\$5,000	\$0	\$0	-\$6,000
2007	\$7,500	\$7,500	\$0	\$0	\$2,500
2008	\$7,500	\$7,500	\$0	\$0	\$0
2009	\$10,000	\$10,000	\$0	\$0	\$2,500
2010	\$10,000	\$10,000	\$0	\$0	\$0
2011	\$7,500	\$7,500	\$0	\$0	-\$2,500
2012	\$40,000	\$7,500	\$2,500	\$30,000	\$0
2013	\$15,900	\$8,750	\$6,250	\$900	\$1,250
2014	\$8,750	\$8,750	\$0	\$0	\$0
2015	\$12,500	\$10,000	\$2,500	\$0	\$1,250
2016	\$95,000	\$15,000	\$80,000	\$0	\$5,000
<b>2017</b>	<b>\$35,000</b>	<b>\$15,000</b>	<b>\$20,000</b>	<b>\$0</b>	\$0
2018	\$30,000	\$15,000	\$15,000	\$0	\$0
2019	\$15,000	\$15,000	\$0	\$0	\$0
2020	\$15,000	\$15,000	\$0	\$0	\$0
2021	\$15,000	\$15,000	\$0	\$0	\$0
2022	\$15,000	\$15,000	\$0	\$0	\$0
2023	\$15,000	\$15,000	\$0	\$0	\$0
2024	\$15,000	\$15,000	\$0	\$0	\$0
2025	\$15,000	\$15,000	\$0	\$0	\$0
2026	\$115,000	\$15,000	\$100,000	\$0	\$0

AMP

### Innerkip Community Centre

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2016	HVAC Replacement / NG	\$80,000	\$10,000	\$70,000	\$0			ICC Reserve 25, TSR 45
2016	NG Generator?	\$15,000	\$5,000	\$10,000				CEMC Reserve
2017	Appropriation to Reserve	\$15,000	\$15,000		\$0			
2017	Gas Stove	\$5,000		\$5,000		\$5,000		
2017	Exterior Brickwork / Paint	\$15,000		\$15,000		\$15,000		
2018	Appropriation to Reserve	\$15,000	\$15,000		\$0			
2018	Interior Painting - All Areas	\$15,000		\$15,000				

**Innerkip Community Centre**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
2019	Appropriation to Reserve	\$15,000	\$15,000					
2020	Appropriation to Reserve	\$15,000	\$15,000					
2021	Appropriation to Reserve	\$15,000	\$15,000					
2022	Appropriation to Reserve	\$15,000	\$15,000					
2023	Appropriation to Reserve	\$15,000	\$15,000					
2024	Appropriation to Reserve	\$15,000	\$15,000					
2025	Appropriation to Reserve	\$15,000	\$15,000					
2026	Appropriation to Reserve	\$15,000	\$15,000					
2026	Parking Lot - Repave	\$100,000		\$100,000		\$100,000		
<b>Total Capital 2017-2026</b>		<b>\$285,000</b>	<b>\$150,000</b>	<b>\$135,000</b>	<b>\$0</b>	<b>\$120,000</b>	<b>\$0</b>	

### Hickson Park - Capital

Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005	\$30,000	\$10,000	\$10,000	\$10,000	
2006	\$15,000	\$15,000	\$0	\$0	\$5,000
2007	\$15,000	\$15,000	\$0	\$0	\$0
2008	\$17,500	\$17,500	\$0	\$0	\$2,500
2009	\$153,000	\$20,000	\$33,000	\$100,000	\$2,500
2010	\$240,000	\$20,000	\$53,332	\$166,668	\$0
2011	\$20,000	\$20,000	\$0	\$0	\$0
2012	\$20,000	\$20,000	\$0	\$0	\$0
2013	\$22,000	\$20,000	\$0	\$2,000	\$0
2014	\$20,000	\$20,000	\$0	\$0	\$0
2015	\$20,000	\$20,000	\$0	\$0	\$0
2016	\$50,000	\$20,000	\$12,500	\$17,500	\$0
<b>2017</b>	<b>\$30,000</b>	<b>\$20,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>
2018	\$20,000	\$20,000	\$0	\$0	\$0
2019	\$20,000	\$20,000	\$0	\$0	\$0
2020	\$20,000	\$20,000	\$0	\$0	\$0
2021	\$20,000	\$20,000	\$0	\$0	\$0
2022	\$20,000	\$20,000	\$0	\$0	\$0
2023	\$20,000	\$20,000	\$0	\$0	\$0
2024	\$20,000	\$20,000	\$0	\$0	\$0
2025	\$70,000	\$20,000	\$50,000	\$0	\$0
2026	\$120,000	\$20,000	\$100,000	\$0	\$0

AMP

Hickson Park						
Year	Description	Total Cost	From TGGR	From Reserves	From Others	Notes
2016	Park Improvements as per CIP150	\$50,000	\$20,000	\$12,500	\$17,500	CIP150
	pavilion mesh fence					
	fence - batting cage					
	mesh - backstop					
	playground					
2017	Appropriation to Reserve	\$20,000	\$20,000			
2017	Food Booth Roof	\$10,000		\$10,000	\$10,000	
2018	Appropriation to Reserve	\$20,000	\$20,000			
2019	Appropriation to Reserve	\$20,000	\$20,000			

**Hickson Park**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
2020	Appropriation to Reserve	\$20,000	\$20,000					
2021	Appropriation to Reserve	\$20,000	\$20,000					
2022	Appropriation to Reserve	\$20,000	\$20,000					
2023	Appropriation to Reserve	\$20,000	\$20,000					
2024	Appropriation to Reserve	\$20,000	\$20,000					
2025	Appropriation to Reserve	\$20,000	\$20,000					
2025	Major Fence Replacement	\$50,000		\$50,000		\$50,000		
2026	Appropriation to Reserve	\$20,000	\$20,000					
2026	Ball Diamond - Light Replacement	\$100,000		\$100,000		\$100,000		
<b>Total Capital 2017-2026</b>		<b>\$360,000</b>	<b>\$200,000</b>	<b>\$160,000</b>	<b>\$0</b>	<b>\$160,000</b>	<b>\$0</b>	

**Innerkip Parks - Capital**

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
	2005		\$15,000			
	2006		\$15,000			\$0
	2007		\$17,500			\$2,500
	2008	\$25,000	\$17,500	\$0	\$7,500	\$0
	2009	\$119,000	\$20,000	\$33,000	\$66,000	\$2,500
	2010	\$451,000	\$20,000	\$81,500	\$349,500	\$0
	2011	\$20,000	\$20,000	\$0	\$0	\$0
	2012	\$35,000	\$22,500	\$12,500	\$0	\$2,500
	2013	\$50,000	\$25,000	\$25,000	\$0	\$2,500
	2014	\$65,000	\$25,000	\$40,000	\$0	\$0
	2015	\$78,000	\$25,000	\$16,500	\$36,500	\$0
	2016	\$140,000	\$25,000	\$77,000	\$38,000	\$0
	<b>2017</b>	<b>\$40,000</b>	<b>\$25,000</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>
	2018	\$90,000	\$25,000	\$65,000	\$0	\$0
	2019	\$25,000	\$25,000	\$0	\$0	\$0
	2020	\$35,000	\$25,000	\$10,000	\$0	\$0
	2021	\$25,000	\$25,000	\$0	\$0	\$0
	2022	\$40,000	\$25,000	\$15,000	\$0	\$0
	2023	\$175,000	\$25,000	\$150,000	\$0	\$0
	2024	\$25,000	\$25,000	\$0	\$0	\$0
	2025	\$25,000	\$25,000	\$0	\$0	\$0
	2026	\$25,000	\$25,000	\$0	\$0	\$0

**AMP**

Innerkip Park		Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2017	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			Reserve Balance \$34,000
2017	Bleachers	\$15,000		\$15,000		\$15,000		
2018	Appropriation to Reserve	\$25,000	\$25,000		\$0			
2018	Tractor	\$15,000		\$15,000		\$15,000		
2018	Storage Shed	\$50,000		\$50,000		\$50,000		
2019	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			

**Innerkip Park**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
2020	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2020	Booth Improvement/Equipment	\$10,000		\$10,000		\$10,000		
2021	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2022	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2022	Diamond 3 Fencing	\$15,000		\$15,000			\$15,000	
2023	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2023	Parking Lot	\$150,000		\$150,000		\$75,000	\$75,000	
2024	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2025	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2026	Appropriation to Reserve	\$25,000	\$25,000	\$0	\$0			
2026	Light Standards - Diamonds 3 &4	\$0		\$0	\$0			Grant 50K, IP Reserve 100K
<b>Total Capital 2017-2026</b>		<b>\$505,000</b>	<b>\$250,000</b>	<b>\$255,000</b>	<b>\$0</b>	<b>\$165,000</b>	<b>\$90,000</b>	

# STAFF REPORT

Report #TDRC2016-01

**To:** His Worship the Mayor and Members of Council

**From:** Ken Wettlaufer, Arena Manager & Nandini Syed, Treasurer

**Subject:** Tavistock Recreation 2017 Capital Budget & 10 Year Capital Planning

**Date:** November 30, 2016

## **Background:**

Complementing the Township's Asset Management Plan is its annual Ten Year Capital Planning representing a consolidation of the anticipated needs of the Tavistock Recreation. This plan is intended to assist careful planning of the long term sustainability of Tavistock District Recreation Centre, Tavistock Memorial Hall and Tavistock Park assets, and ensure appropriate and timely budgeting for the replacement of assets at the optimal time, balancing available funding, with the need and condition of the asset and its service. The Ten Year Capital Plan attached contain the detailed plans for assets from 2017 to 2026.

## **Discussion:**

### **Tavistock Arena**

The Tavistock Arena is now 20 years old and is seeing an increase in capital costs as some major and critical components are nearing the end of their life. In the next couple of years less critical building components are coming due. Based on the condition and limited consequences that equipment failure may have on operations, we may be able to extend their life to maximize service. However we still need to budget for a year that could see multiple repairs or replacements. As the capital budget now targets a \$5,000 threshold, some of the smaller capital items from previous year have been moved to the facility operating budgets. This will create additional increases in some accounts like building R&M. Going forward, larger refrigeration components will require inspection and consultation on their replacement. These items will need to be done before a failure occurs and

causes a long term shutdown and increased repair costs.

Arena Front entrance upgrades shown for 2017 may be dependent on grant availability. With the exception of front entrance and paving of the Arena north parking lot, there are no other growth items showing in the next 10 years.

All Capital projects are primarily funded through the TDRC reserve as set out in the 10 year plan. Table 1.0 shows tax supported annual appropriation to TDRC reserve incrementally increasing by \$5,000 for the years 2018-2020 and remaining at \$50,000 per year for the next 6 years (2021-2026).

**Table 1.0**

	TDRC - Reserve		Annual	Annual
	Opening	Reserve Draw	Reserve Replenish	Closing
<b>2017</b>	\$219,338.00	\$175,000.00	\$35,000.00	\$79,338.00
<b>2018</b>	\$79,338.00	\$28,500.00	\$40,000.00	\$90,838.00
<b>2019</b>	\$90,838.00	\$130,000.00	\$45,000.00	\$5,838.00
<b>2020</b>	\$5,838.00	\$25,000.00	\$50,000.00	\$30,838.00
<b>2021</b>	\$30,838.00	\$125,000.00	\$50,000.00	(\$44,162.00)
<b>2022</b>	(\$44,162.00)	\$140,000.00	\$50,000.00	(\$134,162.00)
<b>2023</b>	(\$134,162.00)	\$33,000.00	\$50,000.00	(\$117,162.00)
<b>2024</b>	(\$117,162.00)	\$15,000.00	\$50,000.00	(\$82,162.00)
<b>2025</b>	(\$82,162.00)	\$9,000.00	\$50,000.00	(\$41,162.00)
<b>2026</b>	(\$41,162.00)	\$75,000.00	\$50,000.00	(\$66,162.00)
		<b>\$755,500.00</b>	<b>\$470,000.00</b>	

**Memorial Hall**

Memorial Hall is a facility that was built in the mid 1900’s. It underwent a major renovation and addition in 1982. Now 34 year later it is a facility that is showing its age. All new flooring was installed in 2000 and a new roof was put on in 2002 which is helping keep the facility in operation. Lighting upgrades are planned for 2017, as there is a Save on Energy programs that will assist with this project. While the return on investment is not as good as the Arena, lighting project there are still some savings to be had. Two of the HVAC roof tops have been replace, with the other two also needing to be replace in the next year or two.

Going forward in the 10 year plan there are a number of project and pieces of equipment that could need to be replaced or renovated. The challenge with an older building is to determine the direction it will take and to balance the cost of doing major renovations vs just doing small maintenance as it is necessary to keep the facility acceptable and still provide the intended service to the community. Going out beyond the ten years and you have items like a new roof, exterior siding, exteriors doors and the possibility that small regular maintenance is no longer acceptable or practical for interior components of the building. At what point should replacement or an alternate plan be considered?

All Capital projects are primarily funded through the Tavistock Memorial Hall reserve as set out in the 10 year plan. Table 1.1 shows tax supported annual appropriation to Tavistock Memorial Hall reserve remaining constant at \$20,000 per year.

<b>Table 1.1</b>	<b>Tavistock Memorial Hall- Reserve</b>	<b>Annual</b>	<b>Annual</b>	
	<b>Opening</b>	<b>Reserve Draw</b>	<b>Reserve Replenish</b>	<b>Closing</b>
<b>2017</b>	\$93,500.00	\$39,500.00	\$20,000.00	\$74,000.00
<b>2018</b>	\$74,000.00	\$15,000.00	\$20,000.00	\$79,000.00
<b>2019</b>	\$79,000.00	\$15,000.00	\$20,000.00	\$84,000.00
<b>2020</b>	\$84,000.00	\$35,000.00	\$20,000.00	\$69,000.00
<b>2021</b>	\$69,000.00	\$52,200.00	\$20,000.00	\$36,800.00
<b>2022</b>	\$36,800.00	\$74,000.00	\$20,000.00	(\$17,200.00)
<b>2023</b>	(\$17,200.00)	\$35,000.00	\$20,000.00	(\$32,200.00)
<b>2024</b>	(\$32,200.00)	\$14,500.00	\$20,000.00	(\$26,700.00)
<b>2025</b>	(\$26,700.00)	\$15,000.00	\$20,000.00	(\$21,700.00)
<b>2026</b>	(\$21,700.00)	\$16,000.00	\$20,000.00	(\$17,700.00)
		<b>\$311,200.00</b>	<b>\$200,000.00</b>	

**Tavistock Park**

Prior to 2007 the Queens Park was old and had seen little if any upgrades for many years. In 2007 the Ball Diamond was upgraded. More recently it received considerable upgrades and therefore does not have any major items listed for the near future. A new play-space with playground equipment was part of those upgrades. At that time the old playground structure still had some life left, so was also left in service. It will require evaluation in the next few years and by 2022 or sooner it will most likely be

at the end of its life. At that time a decision will need to be made about removal only vs full or partial replacement.

Later in the 10 year plan there are Agricultural Society buildings, Ball Diamond maintenance, old bleachers and possible pavilion deficiencies, that will need to be evaluated and will require some level of funding depending on condition and interested from local groups. Changing the Ball Diamond to a clay surface could be partially considered as growth, however the balance is just to maintain existing facilities and services.

All Capital projects are primarily funded through the Tavistock Park reserve as set out in the 10 year plan. Table 1.2 shows tax supported annual appropriation to Tavistock Park reserve remaining constant at \$7,000 per year.

<b>Table 1.2</b>	<b>Tavistock Park-Reserve</b>			
	<b>Opening</b>	<b>Annual Reserve Draw</b>	<b>Annual Reserve Replenish</b>	<b>Closing</b>
<b>2017</b>	\$9,596.00	\$0.00	\$7,000.00	\$16,596.00
<b>2018</b>	\$16,596.00	\$12,000.00	\$7,000.00	\$11,596.00
<b>2019</b>	\$11,596.00	\$0.00	\$7,000.00	\$18,596.00
<b>2020</b>	\$18,596.00	\$0.00	\$7,000.00	\$25,596.00
<b>2021</b>	\$25,596.00	\$0.00	\$7,000.00	\$32,596.00
<b>2022</b>	\$32,596.00	\$75,000.00	\$7,000.00	(\$35,404.00)
<b>2023</b>	(\$35,404.00)	\$48,000.00	\$7,000.00	(\$76,404.00)
<b>2024</b>	(\$76,404.00)	\$90,000.00	\$7,000.00	(\$159,404.00)
<b>2025</b>	(\$159,404.00)	\$165,000.00	\$7,000.00	(\$317,404.00)
<b>2026</b>	(\$317,404.00)	\$30,000.00	\$7,000.00	(\$340,404.00)
		<b>\$420,000.00</b>	<b>\$70,000.00</b>	

General Recreation note

As the Township population grows there will be more demand for senior’s facilities, expanding sports fields. Dog Parks and splash pads are a couple of items that have been received from the Public and may receive more momentum going forward. Currently there is no plan for funding or provisions to consider these types of services.

**Financial Implication:**

- *2017 Capital Budget:* \$298,917
- *2017-2026 Capital Plan:* \$2,450,870

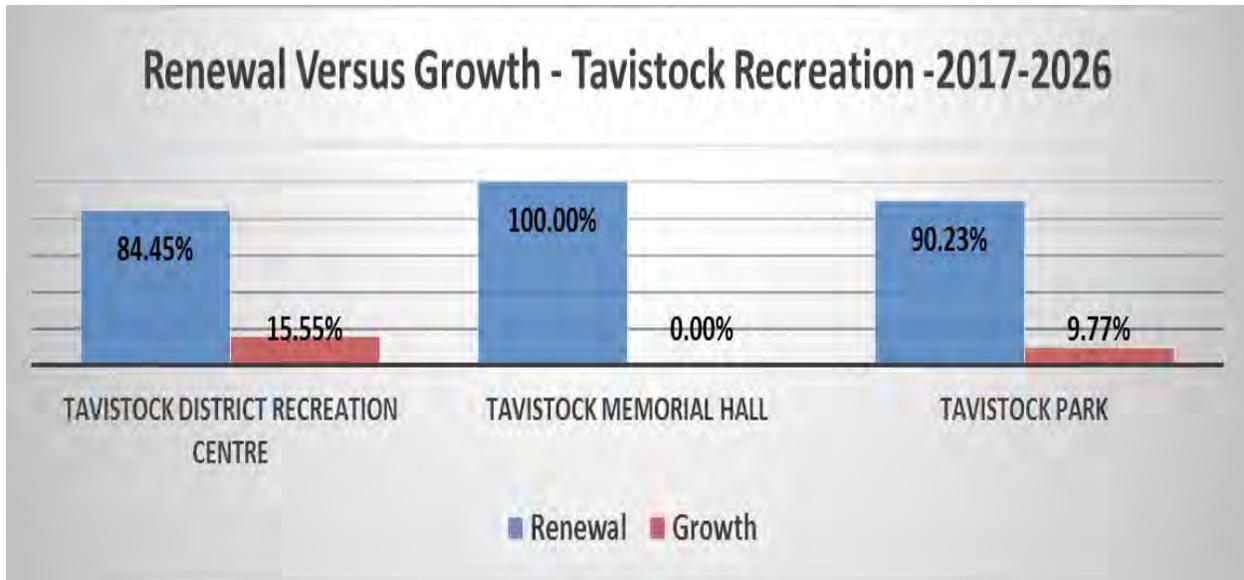
The proposed 2017-2026 Tavistock Recreation Capital plan is funded by the following revenue sources: Tax Supported Tavistock District Recreation Centre Reserve, Tavistock Memorial Hall Reserve, Tavistock Park Reserve and Development Charges.

The proposed 2017-2026 Tavistock Recreation Capital plan, including Tavistock District Recreation Centre, Tavistock Memorial Hall and Tavistock Park, is not fully funded. At the end of the 10 year forecast the combined deficit for TDRC, TMH and TP will be **\$424,266**. Table 2.0 shows funding gap for 5 and 10 year plan at individual reserve level:

**Table 2.0 - Funding Gap**

Funding Gap	5 Year Plan	10 Year Plan
	2017-2021	2022-2026
Tavistock District Recreation Centre (TDRC)	(\$44,162.00)	(\$66,162.00)
Tavistock Memorial Hall (TMH)	\$36,800.00	(\$17,700.00)
Tavistock Park (TP)	\$32,596.00	(\$340,404.00)
<b>Total</b>	<b>\$25,234.00</b>	<b>(\$424,266.00)</b>

The proposed 2017-2026 Capital Budget and Forecast primarily focuses on taking care of existing assets to maintain current service level. Tax supported reserve level replenishment could barely keep up with baseline refurbishment and replacement of existing assets as indicated through-out this report. The graph below indicates overwhelming percentage of tax supported capital reserve is allocated to renewal, leaving a very small portion available for growth (new assets).



Overall year over year Tax dollar impact for Tavistock Recreation is show in the table below:

- 2017 Tax Impact: \$80,000
- 2017-2026 Tax Impact : \$920,000

	TDRC	TMH	TP	Total
2017	\$35,000.00	\$20,000.00	\$25,000.00	\$80,000.00
2018	\$40,000.00	\$20,000.00	\$25,000.00	\$85,000.00
2019	\$45,000.00	\$20,000.00	\$25,000.00	\$90,000.00
2020	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
2021	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
2022	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
2023	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
2024	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
2025	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
2026	\$50,000.00	\$20,000.00	\$25,000.00	\$95,000.00
	<b>\$470,000.00</b>	<b>\$200,000.00</b>	<b>\$250,000.00</b>	<b>\$920,000.00</b>

**Attachments:**

1. Tavistock District Recreation Centre – 10 year Capital Plan
2. Tavistock Memorial Hall – 10 year Capital Plan
3. Tavistock Park – 10 year Capital Plan

**Recommendation:**

1. That Council provide comments, feedback and direction on the 1<sup>st</sup> Draft of the 10 Year Capital Forecast.

CAO Comments:

Good report. Overall, I would agree that your maintenance and regard for the facilities have kept things looking good and up to date. Based on looking at overall Asset Management and a longer term capital budget, it is apparent that there needs to be additional funding for renewal and there is very little funding for growth or new assets.



---

Jeff Carswell, AMCT  
Chief Administrative Officer

Report prepared and submitted by:



---

Ken Wetlaufer  
Arena Manager



---

Nandini Syed, CPA, CMA  
Finance Manager/Treasurer

## Tavistock & District Recreation Centre - Capital Planning 2017-2026

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
	2005	20,000	0	0	20,000	
	2006	63,000	0	35,000	28,000	0
	2007	105,104	0	74,000	31,104	0
	2008	100,209	0	71,409	28,800	0
	2009	60,500	0	36,500	24,000	0
	2010	12,000	0	0	12,000	0
	2011	23,000	0	11,000	12,000	0
	2012	46,000	0	42,505	3,495	0
	2013	34,000	25,000	9,000	0	25000
	2014	45,700	25,000	20,700	0	0
	2015	41,000	31,000	10,000	0	6000
	<b>2016</b>	<b>45,000</b>	<b>35,000</b>	<b>10,000</b>	<b>0</b>	<b>4000</b>
	<b>2017</b>	<b>210,000</b>	<b>35,000</b>	<b>175,000</b>	<b>0</b>	<b>0</b>
	2018	68,500	40,000	28,500	0	5000
	2019	175,000	45,000	130,000	0	5000
	2020	75,000	50,000	25,000	0	5000
	2021	175,000	50,000	125,000	0	0
	2022	190,000	50,000	140,000	0	0
	2023	83,000	50,000	33,000	0	0
	2024	65,000	50,000	15,000	0	0
	2025	59,000	50,000	9,000	0	0
	2026	125,000	50,000	75,000	0	0

AMP

### TDRC

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth
	2016 Appropriation to Reserve	10,000	10,000				
	2016 Retrofit Arena ice surface lighting	25,000	25,000	0			
	2016 South Dehumidifier Replacement 10 to 15 years						
	2016 Facility lighting upgrades Lobby D-Rooms etc	10,000		10,000			
	2016 130 chairs for the Upper Arena Hall x \$50						
	2016 Curling Club Dehumidifier Replacement						
	2017 Appropriation to Reserve	35,000	35,000				

**TDRC**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>
2017	North Dehumidifier Replacement 10 to 15 years	25,000		25,000		25,000	
2017	South Dehumidifier Replacement 10 to 15 years	25,000		25,000		25,000	
2017	Curling Club Dehumidifier Replacement	4,000		4,000		4,000	
2017	130 chairs for the Upper Arena Hall x \$50	6,000		6,000		6,000	
2017	Arena Front door Renovations & Upgrades	115,000		115,000		57,500	57,500
2018	Appropriation to Reserve	40,000	40,000				
2018	Natural Gas Compressor	12,000		12,000		12,000	
2018	Eng Air Dressing room heat	10,000		10,000		10,000	
2018	5 Water Heaters	6,500		6,500		6,500	
2019	Appropriation to Reserve	45,000	45,000				
2019	Repaint Dressing Rooms & Dressing Room Hall	12,000	0	12,000		12,000	
2019	Zamboni ice resurfacer replacement	110,000		110,000		110,000	
2019	Spectator Seating Heater	8,000		8,000		8,000	
2020	Appropriation to Reserve	50,000	50,000				
2020	Accessibility renovations	10,000		10,000		10,000	
2020	Sound System	10,000		10,000		10,000	
2020	Painting of the Upper Areana Hall	5,000		5,000		5,000	
2021	Appropriation to Reserve	50,000	50,000				
2021	BAC condenser	45,000		45,000		45,000	
2021	Chiller	50,000		50,000		50,000	
2021	Replacement of Compressor #2	30,000		30,000		30,000	
2022	Appropriation to Reserve	50,000	50,000				
2022	Lower Lobby Roof Top Unit	10,000		10,000		10,000	
2022	Replacement of Parking Lot	50,000		50,000		50,000	
2022	New Paving North Parking lot	60,000		60,000			60,000
2022	Recoating Lobby Floor epoxy finish	20,000		20,000		20,000	

**TDRC**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>
2023	Appropriation to Reserve	50,000	50,000				
2023	Upper Hall Roof Top Unit	11,000		11,000		11,000	
2023	Painting arena Structure Beam	22,000		22,000		22,000	
2024	Appropriation to Reserve	50,000	50,000				
2024	Painting unpainted Block walls in Arena	15,000		15,000		15,000	
2025	Appropriation to Reserve	50,000	50,000				
2025	Score Clock	9,000		9,000		9,000	
2026	Appropriation to Reserve	50,000	50,000				
2026	Elevator Upgrades	75,000		75,000		75,000	
<b>Total Capital 2017-2026</b>		<b>\$1,225,500</b>	<b>\$470,000</b>	<b>\$755,500</b>	<b>\$0</b>	<b>\$638,000</b>	<b>\$117,500</b>

## Tavistock Memorial Hall - Capital Planning 2017-2026

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005		16,000	11,000	5,000	0	
2006		15,000	15,000	0	0	4000
2007		18,000	10,500	7,500	0	-4500
2008		6,000	6,000	0	0	-4500
2009		10,000	10,000	0	0	4000
2010		10,000	10,000	0	0	0
2011		22,000	10,000	7,000	5,000	0
2012		10,000	10,000	0	0	0
2013		12,500	12,500	0	0	2500
2014		21,500	12,500	9,000	0	0
2015		33,000	15,000	18,000	0	2500
2016		24,000	20,000	4,000	0	5000
<b>2017</b>		<b>59,500</b>	<b>20,000</b>	<b>39,500</b>	<b>0</b>	<b>0</b>
2018		35,000	20,000	15,000	0	0
2019		35,000	20,000	15,000	0	0
2020		55,000	20,000	35,000	0	0
2021		72,200	20,000	52,200	0	0
2022		94,000	20,000	74,000	0	0
2023		55,000	20,000	35,000	0	0
2024		34,500	20,000	14,500	0	0
2025		35,000	20,000	15,000	0	0
2026		36,000	20,000	16,000	0	0

AMP

### Tavistock Memorial Hall

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2016	Appropriation to Reserve	0	0					
2016	Facility lighting upgrades	10,000	10,000	0				
2016	Replacement of Roof Top Units 2 x \$7000ea	14,000	10,000	4,000				
2017	Appropriation to Reserve	20,000	20,000					
2017	Lighting upgrades to LED	18,000		18,000		18,000		Ceiling light -interior
2017	Exterior Lighting Upgrades	2,500		2,500		2,500		Exterior lights
2017	South West Roof Top Unit HVAC	7,500		7,500		7,500		
2017	South East Roof Top Unit HVAC	7,500		7,500		7,500		
2017	Replace cooler bar south end	4,000		4,000		4,000		
2018	Appropriation to Reserve	20,000	20,000					
2018	Replacement of Stage Furnace & Entrance Furna	15,000		15,000		15,000		

**Tavistock Memorial Hall**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
2019	Appropriation to Reserve	20,000	20,000					
2019	Interior Painting	10,000		10,000		10,000		
2019	Sound System	5,000		5,000		5,000		
2020	Appropriation to Reserve	20,000	20,000					
2020	Hall Chairs replaced x 320	12,000		12,000		12,000		
2020	Hall Tables replaced x 80	7,000		7,000		7,000		
2020	Hall "T" Bar ceiling	16,000		16,000		16,000		
2021	Appropriation to Reserve	20,000	20,000					
2021	Ground Level floor replacement	52,200		52,200		52,200		
2022	Appropriation to Reserve	20,000	20,000					
2022	Main Hall Washroom Renovations	24,000		24,000		24,000		
2022	Front entrance upgrades	25,000		25,000		25,000		
2022	Replacement of Parking Lot	25,000		25,000		25,000		
2023	Appropriation to Reserve	20,000	20,000					
2023	Kitchen Renovations	35,000		35,000		35,000		New Counter, Sink, Cabinets
2024	Appropriation to Reserve	20,000	20,000					
2024	Bar Renovations	14,500		14,500		14,500		
2025	Appropriation to Reserve	20,000	20,000					
2025	Upper Hall Mens and Women's Washroom reno	15,000		15,000		15,000		
2026	Appropriation to Reserve	20,000	20,000					
2026	Kitchen Stove	8,000		8,000		8,000		
2026	Walk behind floor scrubber	8,000		8,000		8,000		
<b>Total Capital 2017-2026</b>		<b>\$511,200</b>	<b>\$200,000</b>	<b>\$311,200</b>	<b>\$0</b>	<b>\$311,200</b>	<b>\$0</b>	

### Tavistock Parks - Capital Planning 2017-2026

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005		20,000	17,000	3,000	0	
2006		15,000	15,000	0	0	-2000
2007		167,500	22,500	67,500	77,500	7500
2008		199,000	19,000	85,140	94,860	-3500
2009		67,250	20,000	22,250	25,000	1000
2010		22,000	22,000	0	0	2000
2011		47,500	22,000	25,500	0	0
2012		1,030,000	25,000	189,000	816,000	3000
2013		1,403,000	25,000	334,000	1,044,000	0
2014		48,013	25,000	18,013	5,000	0
2015		47,013	25,000	22,013	0	0
2016		71,417	25,000	6,417	40,000	0
	<b>2017</b>	<b>29,417</b>	<b>25,000</b>	<b>4,417</b>	<b>0</b>	<b>0</b>
	2018	41,417	25,000	16,417	0	0
	2019	29,417	25,000	4,417	0	0
	2020	29,417	25,000	4,417	0	0
	2021	29,417	25,000	4,417	0	0
	2022	104,417	25,000	79,417	0	0
	2023	77,417	25,000	52,417	0	0
	2024	119,417	25,000	94,417	0	0
	2025	194,417	25,000	169,417	0	0
	2026	59,417	25,000	34,417	0	0

**AMP**

#### Tavistock Park

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2016 Appropriation to Reserve								
2016	Tavistock Park Stone Gates???	???			???			Fundraising???
2016	Debenture Payment	22,417	18,000	4,417				3rd Payment
2016	Lines Painted on Rec Hall Floor	2,000	2,000					Not happening in 2016
2016	Donor Wall	5,000	3,000	2,000				TP Reserve
2016	Funding for upgrades re: U21 Tournament	2,000	2,000	0				
2016	Tavistock Optimist Park Contribution	40,000			40,000			DC, CIL, Surplus Property Disposal?
2017 Appropriation to Reserve								
2017	Debenture Payment	22,417	18,000	4,417			22,417	4th Payment (DC Reserve)
2018 Appropriation to Reserve								
2018	Debenture Payment	22,417	18,000	4,417				5th Payment
2018	Foul Ball netting on diamond back stop	12,000		12,000			12,000	

**Tavistock Park**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2019	Appropriation to Reserve	7,000	7,000					
2019	Debenture Payment	22,417	18,000	4,417				6th Payment
2020	Appropriation to Reserve	7,000	7,000					
2020	Debenture Payment	22,417	18,000	4,417				7th Payment
2021	Appropriation to Reserve	7,000	7,000					
2021	Debenture Payment	22,417	18,000	4,417				8th Payment
2022	Appropriation to Reserve	7,000	7,000					
2022	Debenture Payment	22,417	18,000	4,417				9th Payment
2022	Older North Playspace Wooden Climber	75,000		75,000		75,000		
2023	Appropriation to Reserve	7,000	7,000					
2023	Debenture Payment	22,417	18,000	4,417				10th Payment
2023	Bleachers x 12 sections	48,000		48,000		48,000		
2024	Appropriation to Reserve	7,000	7,000					
2024	Debenture Payment	22,417	18,000	4,417				11th Payment
2024	Ball Diamond infield playing surface/clay	90,000		90,000				
2025	Appropriation to Reserve	7,000	7,000					
2025	Debenture Payment	22,417	18,000	4,417				12th Payment
2025	Roof Repairs to Queens Pavillion	150,000		150,000		150,000		
2025	Ball Diamond Back Stop	15,000		15,000		15,000		
2026	Appropriation to Reserve	7,000	7,000					
2026	Debenture Payment	22,417	18,000	4,417				13th Payment
2026	AG Pavillion	30,000		30,000		30,000		
<b>Total Capital 2017-2026</b>		<b>\$714,170</b>	<b>\$250,000</b>	<b>\$464,170</b>	<b>\$0</b>	<b>\$318,000</b>	<b>\$34,417</b>	

# STAFF REPORT

Report #FC2016-13

**To:** His Worship the Mayor and Members of Council

**From:** Scott Alexander, Fire Chief & Nandini Syed, Treasurer

**Subject:** Fire & Protective Services 2017 Capital Budget and 10 Year Capital Planning

**Date:** November 30, 2016

## **Background:**

Complementing the Township's Asset Management Plan is its annual Ten Year Capital Planning representing a consolidation of the anticipated needs of the Fire and Protective Services. This plan is intended to assist careful planning of the long term sustainability of Fire Department's assets, and ensure appropriate and timely budgeting for the replacement of assets at the optimal time, balancing available funding, with the need and condition of the asset and its service. The Ten Year Capital Plan presented contain the detailed plans for assets from 2017 to 2026.

## **Discussion:**

The 10 year capital plan for the East Zorra-Tavistock Fire Department could be divided into 4 basic components:

1. Facility Maintenance/Improvements
2. Vehicle Replacement
3. Equipment Replacement
4. Communications/IT Maintenance and Repair

### 1. Facilities

The Township Fire Service is based out of 3 stations, Hickson, Innerkip and Tavistock. Major renovations are planned for the Hickson Station starting with design and engineering planning slated for 2017 with tentative construction start date of 2018. The proposed design would incorporate another bay for washing and storage, and improving accessibility and an enhanced training room are other limitations to the current stations.

Innerkip Station has no major renovations planned, but it has been recommended by staff to include a standby natural gas generator by 2018. There are no immediate repairs to the building at this time, however consideration needs to be given to future replacement of the furnace/heating system.

Tavistock Station has completed an RFP for renovation and repair in 2016 but due to timing from the contractor, improvements are planned for downspout redirection and repairs to the station interior are planned for 2017. No other major repair is anticipated at this time.

Asphalt and parking lot maintenance may also be a consideration for long term financial planning for all 3 stations.

Development of training space for the departments on the Loveys property, starting with fencing to create a compound is in the planning stage. This would also include repairs and maintenance to existing structures to enhance their use and storage capabilities. By increasing the use of property that we have, we may also be able to reduce the costs for offsite training as well as increasing the availability and quality our regular training capabilities.

2. Vehicle Replacement

The Township has historically operated on a 20 year replacement plan for all emergency vehicles except the Township pickup truck. Based on this schedule, replacement is scheduled as follows:

Vehicle	Chassis Date	In Service Date
Tavistock Pumper	2017	2018
Innerkip Rescue	2019	2020
Township Pickup Truck	-	2020
Hickson Pumper	2021	2022
Innerkip Pumper	2025	2026
Hickson Rescue	2025	2026
Tavistock Rescue	2025	2026
Hickson Tanks	2027	2028
Tavistock Tanker	2033	2034
Tavistock Tanker	2035	2036

3. Equipment

Typically, a lot of our municipal fire equipment turns over on a 10 year cycle. Items such as bunker suits, helmets and boots are planned on to expiry based on Ontario Ministry of Health Section 21 Guidelines and

Recommendations. These guidelines, though historically stable, are subject to change and revision based on accepted best industry standards. Ultimately, boots, balaclavas and gloves are to be retired by 10 years of use as well, but rarely make it to that date due to the rigours of normal use. Items such as Self Contained Breathing Apparatus (SCBA) and facemasks also have a life span, and a goal of replacement of 2 National Fire Protection Association (NFPA) industry standard revisions, which provide a lifespan of approximately 15 years. During the working life of the packs, annual maintenance and upgrading as necessary are part of the fire department programme.

Other equipment requiring maintenance and replacement are air bottles (at least 15 years), the breathing air system (25-30 years), and auto ex equipment at 20-25 years. Constant upgrading and maintenance have been proven to extend their useful life span.

#### 4. Communications and Infrastructure

Communications for our fire service tend to be comprised of 4 main items.

1. Pagers typically have a life span of 5 years, and while replacement isn't automatic at 5 years, repair is not usually completed on older models. Also, the new communications system will operate only with Minitor 5 and above models, rendering our older pages obsolete. New pagers are purchased with a 5 yr. extended warranty at a reasonable cost in an effort to reduce maintenance costs.
2. Radios will all be converted to new digital models effective 2017, and typically have a life of 10-15 years. Radios have associated maintenance costs, historically being replacement batteries, microphones and antennas.
3. In 2010, we were informed by the County that responsibility for the antiquated County Radio system would be downloaded to the lower tiers effective January 2013, and due for replacement. The resulting communication system that will be implemented in 2017 is now a new capital venture that will also require long term planning for monitoring, maintenance and replacement. Communication systems historically have had approximately a 20 life span, depending on development of technology and equipment availability.
4. As technology evolves, it would be reasonable to assume that an increasing dependency on computers and other applications will only increase their presence in the fire service. At this time, we basically

are utilizing computers in the stations, but technology is rapidly transforming the fire service. As recently witnessed, new equipment such as UAV's could become a reality to event small fire services in the future.

**Financial Implication:**

- *2017 Capital Budget:*                    \$370,000
- *2017-2026 Capital Plan:*            \$5,768,320

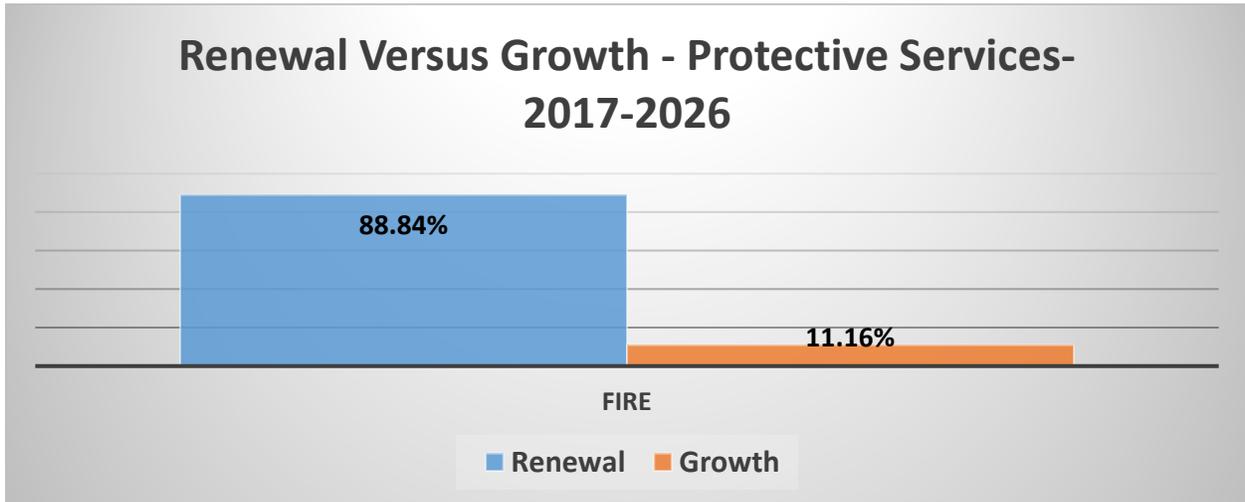
The proposed 2017-2026 Fire and Protective Services plan is funded by the following revenue sources: Tax Supported Vehicle/Equipment Reserves and Facility Reserves.

The proposed 2017-2026 Fire and Protective Services Capital plan is not fully funded. Based on the current forecast Fire Department Vehicle Reserve will be in a deficit position at the end of the 5 year plan. At the end of the 10 year plan the combined deficit for Vehicle and Facility Reserves will be **\$29,869**. Table 1.0 shows funding gap for 5 and 10 year plan at an individual reserve level:

**Table 1.0 - Funding Gap**

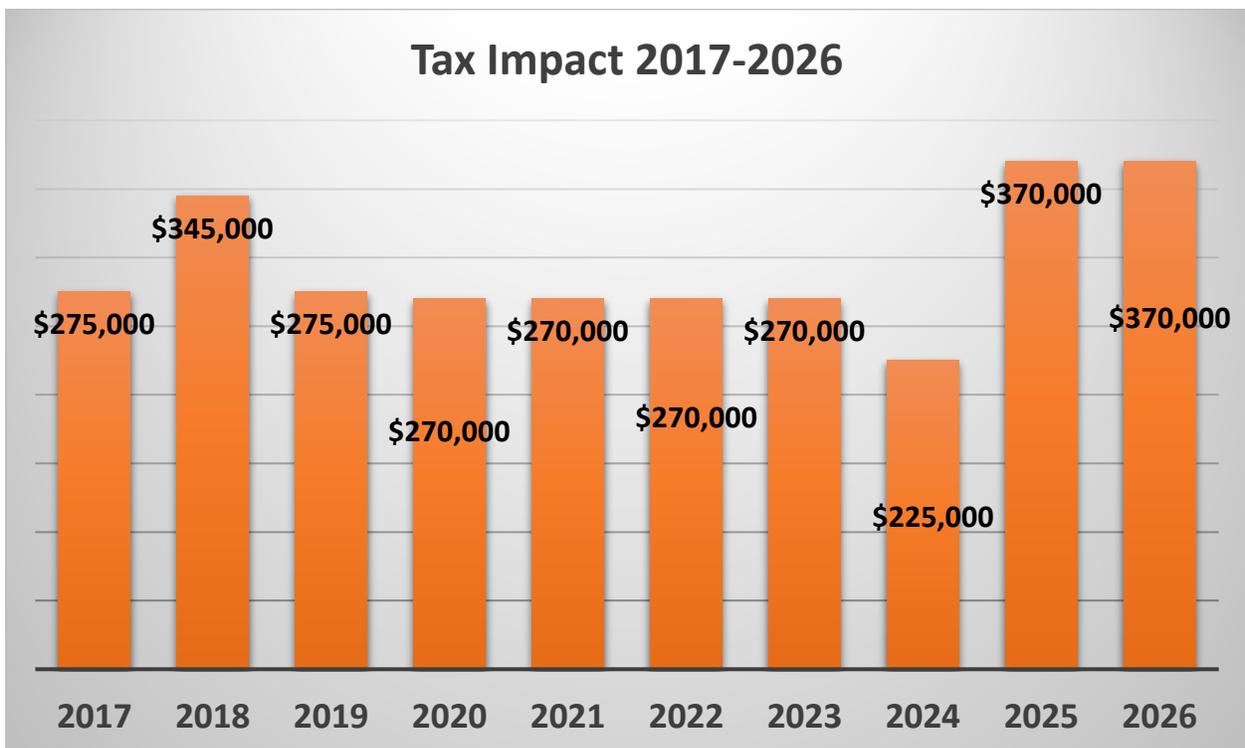
Funding Gap	5 Year Plan	10 Year Plan
	2017-2021	2022-2026
Fire Department Vehicles	(\$364,269.20)	(\$334,269.20)
Fire Communication Equipment	\$0.00	\$0.00
Fire Equipment	\$186,900.00	\$186,900.00
Fire Facilities	\$67,500.00	\$117,500.00
<b>Total</b>	<b>(\$109,869.20)</b>	<b>(\$29,869.20)</b>

The proposed 2017-2026 Capital Budget and Forecast primarily focuses on taking care of existing assets to maintain current service level. Tax supported reserve level replenishment could barely keep up with baseline refurbishment and replacement of existing assets as indicated through-out this report. The graph below indicates overwhelming percentage of tax supported capital reserve is allocated to renewal, leaving a very small portion available for growth (new assets).



Overall year over year tax impact is shown in the chart below:

- *2017 Capital Budget:* \$275,000
- *2017-2026 Capital Plan:* \$2,940,000



**Attachments:**

1. Fire and Protective Services – 10 year Capital Plan

**Recommendation:**

1. That Council provide comments, feedback and direction on the 1<sup>st</sup> Draft of the 10 Year Capital Forecast.

CAO Comments:

Report prepared and submitted by:

Good report. Based on looking at overall Asset Management and a longer term capital budget, it is apparent that there needs to be additional funding for renewal, especially with respect to vehicles. As noted, and consistent with all other departments, there is very little in the way of growth items in this capital plan.



---

Jeff Carswell, AMCT  
Chief Administrative Officer



---

Scott Alexander  
Township Fire Chief

---

Nandini Syed, CPA, CMA  
Finance Manager/Treasurer

### Fire & Protective Services Department - Capital

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005		980,000	166,000	170,000	644,000	
2006		577,263	237,500	336,763	3,000	71,500
2007		421,163	230,000	188,163	3,000	-7,500
2008		207,163	180,000	9,163	18,000	-50,000
2009		276,663	187,000	89,663	0	7,000
2010		242,163	183,000	59,163	0	-4,000
2011		255,663	181,500	74,163	0	-1,500
2012		414,163	185,000	229,163	0	3,500
2013		422,663	226,500	196,163	0	41,500
2014		396,663	228,000	168,663	0	1,500
2015		682,163	238,000	444,163	0	10,000
2016		726,000	246,000	480,000	0	8,000
2017		370,000	275,000	95,000	0	29,000
2018		1,043,500	345,000	698,500	0	70,000
2019		447,820	275,000	172,820	0	-70,000
2020		482,000	270,000	212,000	0	-5,000
2021	AMP	630,000	270,000	360,000	0	0
2022		370,000	270,000	100,000	0	0
2023		300,000	270,000	30,000	0	0
2024		305,000	225,000	80,000	0	-45,000
2025		900,000	370,000	530,000	0	145,000
2026		920,000	370,000	550,000	0	0

### Fire, Emergency

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2016	Appropriation to Vehicle Replacement Reserve	75,000	75,000	0	0			
2016	Innerkip Tanker Replacement	320,000	0	320,000		320,000		
2016	Station IT Improvements/Computers/Tablets, etc	15,000	15,000					Deferred from 2015, incr. incl. support provision
2016	Hickson Station - Interior Major Maint	10,000	10,000					From 2015
2016	Tavistock Station - Interior Major Maint	10,000	10,000					From 2015
2016	Tavistock Station - Downspout Redirection	5,000	5,000					From 2015
2016	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	30,000	30,000					FD Req. Eqp. Reserve
2016	Hose, air packs, radios, dept. equipment	36,000	36,000	0	0			\$10,000 to each dept, \$6,000 for 244
2016	Fit Test Machine, Accountability System, Badges	10,000	10,000					
2016	Hickson Firehall Expansion/Addition Reserve	30,000	30,000	0				Facility Reserve
2016	Communications System - Res or Deb Pymt	150,000	25,000	125,000				(4)
2016	BB Agreement Termination - Assets	25,000	0	25,000				From BB operating revenue (4), TSR
2016	Secure Compound/Training Area - 89 Loveys	10,000	0	10,000				Subject to Hickson Property Review? DC
2017	Appropriation to Vehicle Replacement Reserve	80,000	80,000	0	0			
2017	Appropriation to Facility Reserve	80,000	80,000					
2017	Appropriation to Equipment Reserve	40,000	40,000					
2017	Station IT Improvements/Computers/Tablets, etc	15,000		15,000				
2017	Hickson Station - Interior Major Maint	10,000		10,000				

**Fire, Emergency**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2017	Tavistock Station - Interior Major Maint	10,000		10,000				
2017	Tavistock Station - Downspout Redirection	5,000		5,000				
2017	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	30,000		30,000		30,000		FD Req. Eq. Reserve
2017	Hose, air packs, radios, dept. equipment	40,000	40,000	0	0	25,000	15,000	\$11,000 to each dept, \$7,000 for 244
2017	Facility Improvement - Fencing 89 Loveys	10,000	10,000	0	0		10,000	
2017	Communications System - Res or Deb Pymt	25,000	25,000				25,000	(5)
2017	BB Agreement Termination - Assets	25,000	0	25,000				From BB operating revenue (5), TSR
2018	Appropriation to Vehicle Replacement Reserve	85,000	85,000	0	0			
2018	Appropriation to Facility Reserve	80,000	80,000					
2018	Appropriation to Equipment Reserve	40,000	40,000					
2018	Hickson Firehall - Eng/Planning/Expansion/Addition	300,000	75,000	225,000				Facility Res \$115, DC Res \$90
2018	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	36,000		36,000		36,000		FD Req. Eq. Reserve
2018	Hose, air packs, radios, dept. equipment	40,000	40,000	0	0	25,000	15,000	\$11,000 to each dept, \$7,000 for 244
2018	Communications System - Res or Deb Pymt	25,000	25,000				25,000	(6)
2018	Tavistock Pumper	400,000	0	400,000	0	400,000		
2018	Innerkip Standby Generator	12,500		12,500				
2018	BB Agreement Termination - Assets	25,000	0	25,000				From BB operating revenue, TSR
2019	Appropriation to Vehicle Replacement Reserve	160,000	90,000	0	0			
2019	Appropriation to Facility Reserve	10,000	80,000					may be needed for Hickson from 2018
2019	Appropriation to Equipment Reserve	40,000	40,000					
2019	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	38,000		38,000		38,000		FD Req. Eq. Reserve
2019	Hose, air packs, radios, dept. equipment	40,000	40,000	0	0	25,000	15,000	\$11,000 to each dept, \$7,000 for 244
2019	Communications System - Res or Deb Pymt	25,000	25,000					(7)
2019	BB Agreement Termination - Assets	9,820	0	9,820				From BB operating revenue, TSR
2019	Innerkip Rescue	125,000		125,000		125,000		
2020	Appropriation to Vehicle Replacement Reserve	170,000	170,000	0	0			
2020	Appropriation to Facility Reserve	10,000	10,000					may be needed for Hickson from 2018
2020	Appropriation to Equipment Reserve	45,000	45,000					
2020	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	52,000		52,000		52,000		FD Req. Eq. Reserve
2020	Hose, air packs, radios, dept. equipment	45,000	45,000	0	0	30,000	15,000	\$12,000 to each dept, \$9,000 for 244
2020	Fire Chief Truck	35,000	0	35,000	0	35,000		
2020	Innerkip Rescue	125,000		125,000		125,000		

**Fire, Emergency**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2021	Appropriation to Vehicle Replacement Reserve	170,000	170,000					
2021	Appropriation to Facility Reserve	10,000	10,000					
2021	Appropriation to Equipment Reserve	45,000	45,000					
2021	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	30,000		30,000		30,000		
2021	Hose, air packs, radios, dept. equipment	45,000	45,000			35,000	15,000	
2021	Hickson Pumper	330,000		330,000		330,000		
2022	Appropriation to Vehicle Replacement Reserve	170,000	170,000					
2022	Appropriation to Facility Reserve	10,000	10,000					
2022	Appropriation to Equipment Reserve	45,000	45,000					
2022	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	100,000		100,000		100,000		
2022	Hose, air packs, radios, dept. equipment	45,000	45,000			35,000	15,000	
2023	Appropriation to Vehicle Replacement Reserve	170,000	170,000					
2023	Appropriation to Facility Reserve	10,000	10,000					
2023	Appropriation to Equipment Reserve	45,000	45,000					
2023	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	30,000		30,000		30,000		
2023	Hose, air packs, radios, dept. equipment	45,000	45,000			35,000	15,000	
2024	Appropriation to Vehicle Replacement Reserve	170,000	170,000					
2024	Appropriation to Facility Reserve	10,000	10,000					
2024	Appropriation to Equipment Reserve	45,000	45,000					
2024	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	35,000		35,000		35,000		
2024	Hose, air packs, radios, dept. equipment	45,000		45,000		30,000	15,000	
2025	Appropriation to Vehicle Replacement Reserve	270,000	270,000					
2025	Appropriation to Facility Reserve	10,000	10,000					
2025	Appropriation to Equipment Reserve	45,000	45,000					
2025	Innerkip pumper	500,000		500,000		500,000		
2025	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	30,000		30,000		30,000		
2025	Hose, air packs, radios, dept. equipment	45,000	45,000			30,000	15,000	
2026	Appropriation to Vehicle Replacement Reserve	270,000	270,000					
2026	Appropriation to Facility Reserve	10,000	10,000					
2026	Appropriation to Equipment Reserve	45,000	45,000					
2026	Hickson Rescue	260,000		260,000		260,000		
2026	Tavistock Rescue	260,000		260,000		260,000		
2026	Bunker Gear, SCBA, PPE, Pagers and/or Reserve	30,000		30,000		30,000		
2026	Hose, air packs, radios, dept. equipment	45,000	45,000			30,000	15,000	
<b>Total Capital 2017-2026</b>		<b>\$5,768,320</b>	<b>\$2,940,000</b>	<b>\$2,828,320</b>	<b>\$0</b>	<b>\$2,746,000</b>	<b>\$345,000</b>	

# STAFF REPORT

Report #PW2016-29

**To:** His Worship the Mayor and Members of Council

**From:** Tom Lightfoot, Public Works Manager & Nandini Syed, Treasurer

**Subject:** Public Works 2017 Capital Budget and 10 Year Capital Planning

**Date:** November 30, 2016

## **Background:**

Complementing the Township's Asset Management Plan is its annual Ten Year Capital Planning representing a consolidation of the anticipated needs of the Public Works. This plan is intended to assist careful planning of the long term sustainability of Public Works assets, and ensure appropriate and timely budgeting for the replacement of assets at the optimal time, balancing available funding, with the need and condition of the asset and its service. The Ten Year Capital Plan attached contain the detailed plans for assets from 2017 to 2026.

## **Discussion:**

### **10 Year Capital Budget Overview**

The Ten Year Capital Plan for Public Works represents both renewal and growth of the Townships assets. This includes both life cycle and condition rated assets. Within the ten year plan there are numerous vehicle and equipment replacements scheduled. The completion of gravel to hard top conversion of the Maplewood Sideroad from the 16<sup>th</sup> line to Oxford Road 5. Resurfacing of the 16<sup>th</sup> line, Braemar Sideroad and fiber matting of the 13<sup>th</sup> and 11<sup>th</sup> lines south of Oxford #33. Reconstruction of Jacob St East and Woodstock Street South street scape improvements also including reconstruction of Jane St. Staff is anticipating some larger bridge repairs or replacements with annual contributions to the bridge reserve. Staff has included further gravel to hard top conversion in the capital budget after the Maplewood Sideroad project has been completed. Replacement of our sand/salt shed has been included in the capital budget. As you can see the main focus in the Capital Plan is on renewal of current assets with some growth projects included.

Within the Ten year Capital staff has included further hard top to gravel conversion. At this time the only project is the Maplewood Sideroad conversion with asphalt being applied in 2019. With the amount of money being applied to gravel to hardtop conversion starting in 2020 we would only be able to do approximately a mile base reconstruction a year so any project will have to be a multiyear project, in order to switch the asset over to a hard top.

## **5 Year Capital Budget Overview**

The next Five years shows some Equipment and vehicle replacements. The top coat of Asphalt being applied to James Street in Innerkip. Completion of the gravel to hard top conversion of Maplewood Sideroad with Asphalt being applied in 2019, this gives us 2017 and 2018 to compete base reconstruction and some bridge work and guide rail installation with in the project area. Starting in 2018 there is allocation for resurfacing of the 16<sup>th</sup> line this will be based on condition rating. Replacement of the Sand/Salt shed is also included in this Five year time frame.

## **2017 Capital Budget Overview**

The 2017 capital budget has some larger projects included in this draft budget. For next year there is the replacement of the building/drainage pickup truck. Replacement of the sand/salt shed possibly being located on the Loveys property. Woodstock Street South streetscape improvements will be a larger project involving working with other agencies to minimize interruption of access to the downtown. Jane street reconstruction could be tied into this project. Woodstock Street and Jane are shown in 2017, but this may be overly optimistic with other capital work and trying to coordinate with the County and gather input from the downtown area. As well, it is showing \$750,000 in borrowing. The Jacob Street East reconstruction will improve traffic flow by widening out the driving surface, this will be accomplished by removing the sidewalk off the north side of the street and replacing the sidewalk on the south side, there is also some storm sewer work to be completed in this project. The budget anticipates OCIF funding for this project, but that is yet to be confirmed. Staff will continue with the gravel to hard top conversion on the Maplewood Sideroad from the 16<sup>th</sup> line to Oxford Road 5. Fibremat on the 13<sup>th</sup> and 11<sup>th</sup> south of #33 is included in the 2017 budget also. Some sidewalk replacement is planned for Innerkip. Staff feels that it is the appropriate time to do the Woodstock Street South street scape improvements as Oxford County is planning on doing Water main work in this area and it would make sense to do our project while the street is tore up, to minimize impact on residents and businesses.

**Financial Implication:**

- *2017 Capital Budget:*                 \$2,072,512
- *2017-2026 Capital Plan:*           \$19,927,512

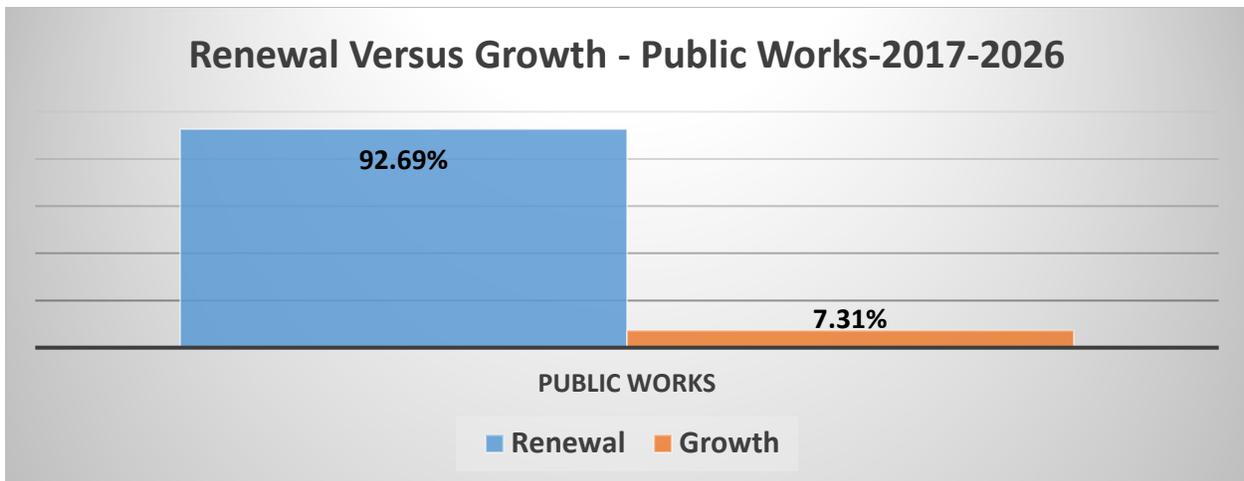
The proposed 2017-2026 Public Works is funded by the following revenue sources: Tax Supported Reserve Vehicle/Equipment Reserve, Facility Reserve, Bridges Reserve, Roads Capital Reserve, Sidewalks Reserve and Streetlights Reserves, as well as Grants such as Gas Tax, OCIF and Development Charges. It is worthwhile to note that existing Gas Tax agreement expires in 2019.

The proposed 2017-2026 Public Works Capital plan is not fully funded. Based on the current forecast Roads Capital Reserve will be in deficit position at the end of the 5 year plan. At the end of the 10 year plan the combined deficit for Vehicle/Equipment, Bridge and Roads Capital Reserve will be **\$509,813**. Table 1.0 shows funding gap for 5 and 10 year plans at an individual reserve level:

**Table 1.0 - Funding Gap**

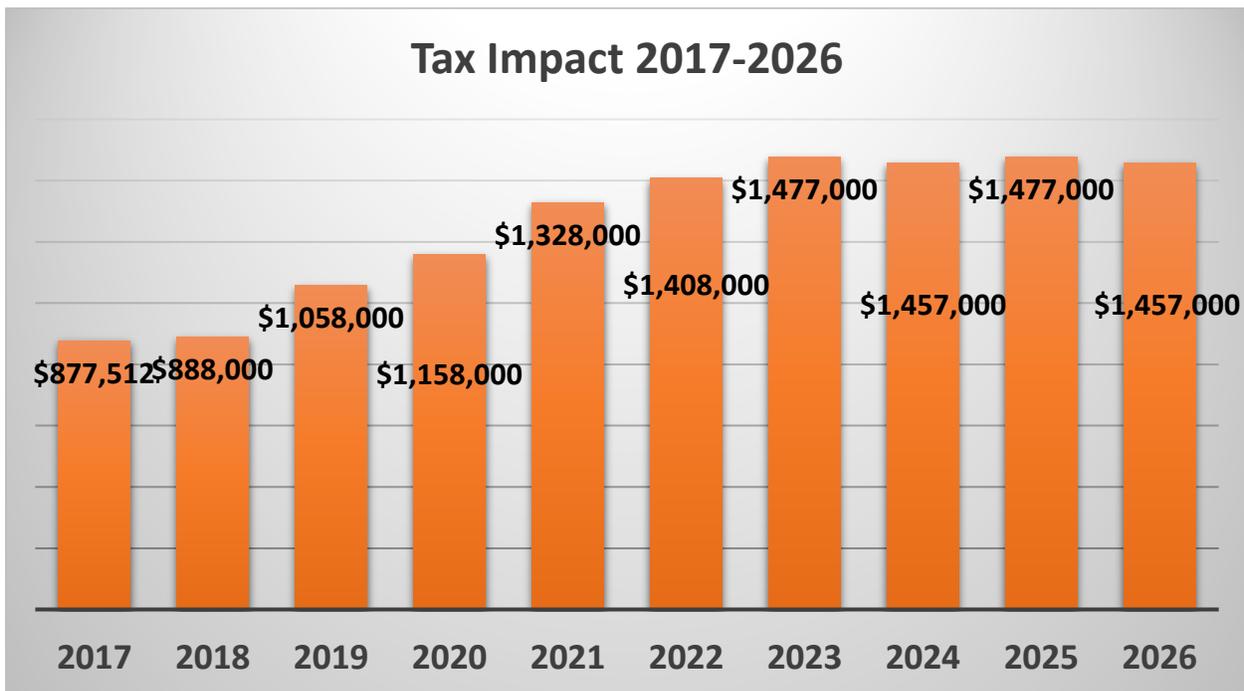
Funding Gap	5 Year	10 Year
	2017-2021	2022-2026
Public Works Facilities	\$262,500.00	\$612,500.00
Public Works Vehicle/Equipment	\$248,822.00	(\$518,178.00)
Public Works Sidewalk	\$153,000.00	\$253,000.00
Bridge Reserves	\$95,538.00	(\$779,462.00)
Roads Capital Projects	(\$115,673.00)	(\$215,673.00)
Streetlights	\$88,000.00	\$138,000.00
<b>Total</b>	<b>\$732,187.00</b>	<b>(\$509,813.00)</b>

The proposed 2017-2026 Capital Budget and Forecast primarily focuses on taking care of existing assets to maintain current service level. Tax supported reserve level replenishment could barely keep up with baseline refurbishment and replacement of existing assets as indicated through-out this report. The graph below indicates overwhelming percentage of tax supported capital reserve is allocated to renewal, leaving a very small portion available for growth (new assets).



Overall year over year Tax impact for Public Works is shown in the chart below:

- 2017 Capital Budget: \$877,512
- 2017-2026 Capital Plan: \$12,585,512



**Attachments:**

1. Public Works – 10 year Capital Plan

**Recommendation:**

1. That Council provide comments, feedback and direction on the 1<sup>st</sup> Draft of the 10 Year Capital Forecast.

CAO Comments:

Good Report. I would concur that 2017 is looking very aggressive for the number and magnitude of projects planned. It may be beneficial to spread things out a bit. Also, I would concur that as we move towards needing to renew our hardtop surfaces, there will not be funding for any additional new assets such as conversion of gravel to hardtop.



---

Jeff Carswell, AMCT  
Chief Administrative Officer

Report prepared and submitted by:



---

Tom Lightfoot  
Public Works Manager



---

Nandini Syed, CPA, CMA  
Finance Manager/Treasurer

**Public Works & Development - Capital**

	Summary	Total Cost	From TGGR	From Reserves	From Others	YOY TGGR Change
2005		622,000	347,000	190,000	85,000	
2006		1,772,162	554,000	1,057,594	160,568	207,000
2007		1,210,599	515,000	40,000	655,599	-39,000
2008		2,199,709	595,000	1,135,000	469,709	80,000
2009		2,315,000	715,000	1,005,000	595,000	120,000
2010		5,910,000	749,092	1,970,334	3,190,574	34,092
2011		2,317,000	810,000	1,407,000	100,000	60,908
2012		3,752,000	827,000	1,415,000	1,510,000	17,000
2013		2,548,700	833,700	435,000	1,280,000	6,700
2014		1,279,512	832,512	322,000	125,000	-1,188
2015		2,487,512	787,512	860,000	840,000	-45,000
2016		1,910,512	832,512	948,000	130,000	45,000
<b>2017</b>		<b>2,072,512</b>	<b>877,512</b>	<b>565,000</b>	<b>630,000</b>	45,000
2018		2,653,000	888,000	885,000	880,000	10,488
2019		1,568,000	1,058,000	380,000	130,000	170,000
2020		1,383,000	1,158,000	95,000	130,000	100,000
2021		1,808,000	1,328,000	350,000	130,000	170,000
2022		1,938,000	1,408,000	400,000	130,000	80,000
2023		1,867,000	1,477,000	260,000	130,000	69,000
2024		2,469,000	1,457,000	882,000	130,000	-20,000
2025		2,322,000	1,477,000	715,000	130,000	20,000
2026		1,847,000	1,457,000	260,000	130,000	-20,000

AMP



Public Works								
Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
<b>2016</b>								
<b>Debentures</b>								
2016	Innerkip Debenture (2012 - 2027)	132,000	132,000					5th Payment
2016	LED Streetlight Payment	55,512	55,512					4th Payment
<b>Drains</b>								
2016	Drains - Annual	50,000	50,000					
2016	Timms Creek Drain	100,000	15,000	85,000				
2016	Walker Drain	35,000	35,000	0				2016/17?
<b>Equipment</b>								
2016	Equipment Reserve	130,000			130,000			From Operating, \$5,000 from Bldg
2016	Pickup Truck - CBO	25,000		25,000				
2016	Replace 2008 Tandem	226,000		226,000				delayed from 2015
2016	Replace 2006 Tandem	250,000		250,000				
2016	Building Dept Office Eqp	2,000		2,000				Bldg Eqp Reserve
2016	Tractor Replacement	100,000		100,000				

**Public Works**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
<b>Bridges</b>								
2016	Bridge Reserve	70,000	70,000					
2016	Bridge Improvements	50,000		50,000				TBD based on Bridge Study
<b>Facilities</b>								
2016	PW Facilities Reserve / 89 Loveys	50,000	50,000					
2016	Facility Improvements	10,000	10,000					
<b>Road Projects</b>								
2016	Streetlights	20,000	15,000	5,000				
2016	Sidewalks	30,000	25,000	5,000				
2016	17th Line - Padding & Fibremat	150,000	0	150,000				Road Reserve, OCIF
2016	Jacob St East - Start Engineering / Investigati	50,000	50,000					
2016	Top Coat Asphalt - Victoria / Homewood + ad	125,000	125,000	0				
2016	Maplewood Sideroad 16th - 5 Prep for Hardto	250,000	200,000	50,000				3 year project - 2016, 2017, 2018, DC
<b>2017</b>								
<b>Debentures</b>								
2017	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		6th Payment
2017	LED Streetlight Payment	55,512	55,512			55,512		5th Payment
<b>Drains</b>								
2017	Drains - Annual	60,000	60,000					
2017	Milson Drain	30,000		30,000		30,000		
2017	Walker Drain	35,000		35,000		35,000		
<b>Vehicle/Equipment</b>								
2017	Appropriation to Vehicle Reserve	75,000			75,000			From Operating, \$5,000 from Bldg
2017	Appropriation to Equipment Reserve	55,000			55,000	55,000		From Operating, \$5,000 from Bldg
2017	Bldg/Drainage Pickup Truck	30,000		30,000		30,000		
<b>Bridges</b>								
2017	Bridge Reserve	75,000	75,000	0	0			
2017	Bridge Study - required every 2 years	15,000		15,000		15,000		Bridge Reserve
2017	Bridge Improvements	50,000		50,000		50,000		TBD based on Bridge Study
<b>Facilities</b>								
2017	Appropriation to Facility Reserve	65,000	65,000					

**Public Works**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2017	Hickson Sand and Salt Shed	100,000		100,000		100,000		
<b>Road Projects</b>								
2017	Streetlights	20,000	15,000	5,000			20,000	
2017	Sidewalks	30,000	25,000	5,000		30,000		
2017	Fibrebat 13th southend	125,000	50,000	75,000		125,000		Road Reserve, OCIF
2017	Jane Street Reconstruction	0	0	0		0		Gas Tax
2017	Top Coat James St	50,000	50,000			50,000		
2017	Maplewood Sideroad 16th - 5 Prep for Hardto	250,000	200,000	50,000		250,000		3 year project - 2016, 2017, 2018, DC
2017	Fibrebat 11th	120,000	0	120,000		120,000		Gas Tax
2017	Jacob St. E Reconstruction	700,000	150,000	50,000	500,000	700,000		OCIF Appl**, Roads Reserve
<b>2018</b>								
<b>Debentures</b>								
2018	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		7th Payment
2018	LED Streetlight Payment	51,000	51,000			51,000		6th Payment
<b>Drains</b>								
2018	Drains - Annual	75,000	75,000					
2018	Drain- Improvement	50,000	50,000			50,000		
<b>Vehicle/Equipment</b>								
2018	Appropriation to Vehicle Reserve	75,000			75,000			From Operating, \$5,000 from Bldg
2018	Appropriation to Equipment Reserve	55,000			55,000			From Operating, \$5,000 from Bldg
2018	Replace 1999 Grader (821)	350,000	200,000	150,000		350,000		
<b>Bridges</b>								
2018	Bridge Reserve	75,000	75,000	0	0			
2018	Bridge Improvements	50,000		50,000		50,000		TBD based on Bridge Study
<b>Facilities</b>								
2018	Appropriation to Facility Reserve	65,000	65,000					
<b>Road Projects</b>								
2018	Streetlights	20,000	15,000	5,000		20,000		
2018	Sidewalks	30,000	25,000	5,000		30,000		
2018	Maplewood Sideroad 16th - 5 Pave	250,000	200,000	50,000		250,000		3 year project - 2016, 2017, 2018, DC
2018	16th Line Resurface	300,000	0	300,000		300,000		Gas Tax
2018	Braemar Resurface	75,000		75,000		75,000		
2018	Jane Street Reconstruction	250,000	0	250,000		250,000		Gas Tax
2018	Woodstock St S - Streetscape Improvement	750,000			750,000	750,000		Financing

**Public Works**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
<b>2019</b>								
<b>Debentures</b>								
2019	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		8th Payment
2019	LED Streetlight Payment	51,000	51,000			51,000		7th Payment
2019	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		1st Payment- 15 year amortization
<b>Drains</b>								
2019	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2019	Appropriation to Vehicle Reserve	75,000			75,000			From Operating, \$5,000 from Bldg
2019	Appropriation to Equipment Reserve	55,000			55,000			From Operating, \$5,000 from Bldg
2019	2006 Sterling Truck L-8513	200,000		200,000		200,000		
<b>Bridges</b>								
2019	Bridge Reserve	75,000	75,000	0	0			
2019	Bridge Study	20,000		20,000		20,000		
2019	Bridge Improvements	50,000		50,000		50,000		TBD based on Bridge Study
<b>Facilities</b>								
2019	Appropriation to Facility Reserve	70,000	70,000					
<b>Road Projects</b>								
2019	Streetlights	20,000	15,000	5,000		20,000		
2019	Sidewalks	30,000	25,000	5,000		30,000		
2019	Maplewood Sideroad 16th - 5 Pave	250,000	250,000			250,000		
2019	16th Line Resurface	400,000	300,000	100,000		400,000		Gas Tax- Existing Contract Ends
<b>2020</b>								
<b>Debentures</b>								
2020	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		9th Payment
2020	LED Streetlight Payment	51,000	51,000			51,000		8th Payment
2020	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		2nd Payment- 15 year amortization
<b>Drains</b>								
2020	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2020	Appropriation to Vehicle Reserve	75,000			75,000			From Operating, \$5,000 from Bldg
2020	Appropriation to Equipment Reserve	55,000			55,000			From Operating, \$5,000 from Bldg
2020	PW Manager Pickup Truck	35,000		35,000		35,000		
<b>Bridges</b>								
2020	Bridge Reserve	75,000	75,000	0	0			

**Public Works**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2020	Bridge Improvements	50,000		50,000		50,000		TBD based on Bridge Study
<b>2020 Facilities</b>								
2020	Appropriation to Facility Reserve	70,000	70,000					
<b>2020 Road Projects</b>								
2020	Streetlights	20,000	15,000	5,000		20,000		
2020	Sidewalks	30,000	25,000	5,000		30,000		
2020	Gravel to Hardtop	200,000	200,000				200,000	13th Line??
2020	16th Line Resurface	450,000	450,000			450,000		
<b>2021</b>								
<b>Debentures</b>								
2021	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		10th Payment
2021	LED Streetlight Payment	51,000	51,000			51,000		9th Payment
2021	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		3rd Payment- 15 year amortization
<b>Drains</b>								
2021	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2021	Appropriation to Vehicle Reserve	75,000			75,000			
2021	Appropriation to Equipment Reserve	55,000			55,000			
2021	2015 RAM	40,000		40,000		40,000		
<b>Bridges</b>								
2021	Bridge Reserve	75,000	75,000	0	0			
2021	Bridge Study	20,000	20,000			20,000		
2021	Bridge Improvements	650,000	350,000	300,000		650,000		TBD based on Bridge Study
<b>Facilities</b>								
2021	Appropriation to Facility Reserve	70,000	70,000					
<b>2021 Road Projects</b>								
2021	Streetlights	20,000	15,000	5,000		20,000		
2021	Sidewalks	30,000	25,000	5,000		30,000		
2021	16th Line Resurface	450,000	450,000			450,000		
<b>2022</b>								
<b>Debentures</b>								
2022	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		11th Payment
2022	LED Streetlight Payment	51,000	51,000			51,000		10th Payment (Last One)
2022	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		4th Payment- 15 year amortization

<b>Public Works</b>								
<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
<b>Drains</b>								
2022	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2022	Appropriation to Vehicle Reserve	75,000				75,000		
2022	Appropriation to Equipment Reserve	55,000				55,000		
2022	CBO Truck	40,000		40,000			40,000	
<b>Bridges</b>								
2022	Bridge Reserve	75,000	75,000	0	0			
2022	Bridge Improvements	600,000	350,000	250,000		600,000		TBD based on Bridge Study
<b>Facilities</b>								
2022	Appropriation to Facility Reserve	70,000	70,000					
<b>Road Projects</b>								
2022	Streetlights	20,000	15,000	5,000		20,000		
2022	Sidewalks	30,000	25,000	5,000		30,000		
2022	16th Line Resurface	450,000	450,000			450,000		
2022	Gravel to Hardtop	200,000	100,000	100,000			200,000	
<b>2023</b>								
<b>Debentures</b>								
2023	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		12th Payment
2023	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		5th Payment- 15 year amortization
<b>Drains</b>								
2023	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2023	Appropriation to Vehicle Reserve	75,000				75,000		
2023	Appropriation to Equipment Reserve	55,000				55,000		
<b>Bridges</b>								
2023	Bridge Reserve	75,000	75,000	0	0			
2023	Bridge Study	20,000	20,000			20,000		
2023	Bridge Improvements	600,000	350,000	250,000		600,000		TBD based on Bridge Study
<b>Facilities</b>								
2023	Appropriation to Facility Reserve	70,000	70,000			70,000		
<b>Road Projects</b>								
2023	Streetlights	20,000	15,000	5,000		20,000		
2023	Sidewalks	30,000	25,000	5,000		30,000		
2023	16th Line Resurface	450,000	450,000			450,000		

**Public Works**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2023	Gravel to Hardtop	200,000	200,000				200,000	
<b>2024</b>								
<b>Debentures</b>								
2024	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		13th Payment
2024	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		6th Payment- 15 year amortization
<b>Drains</b>								
2024	Drains - Annual	75,000	75,000			75,000		
<b>Vehicle/Equipment</b>								
2024	Appropriation to Vehicle Reserve	75,000				75,000		
2024	Appropriation to Equipment Reserve	55,000				55,000		
2024	2004 730B Grader	230,000		230,000		230,000		
2024	Radio GPS system	22,000		22,000		22,000		
2024	Self Level Camera	10,000		10,000		10,000		
2024	Unit # 830 Tandem Truck	300,000		300,000		300,000		
2024	TerraStar Flatbed Truck	60,000		60,000		60,000		
<b>Bridges</b>								
2024	Bridge Reserve	75,000	75,000	0	0			
2024	Bridge Improvements	600,000	350,000	250,000		600,000		TBD based on Bridge Study
<b>Facilities</b>								
2024	Appropriation to Facility Reserve	70,000	70,000					
<b>Road Projects</b>								
2024	Streetlights	20,000	15,000	5,000		20,000		
2024	Sidewalks	30,000	25,000	5,000		30,000		
2024	16th Line Resurface	450,000	450,000			450,000		
2024	Gravel to Hardtop	200,000	200,000				200,000	
<b>2025</b>								
<b>Debentures</b>								
2025	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		14th Payment
2025	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		7th Payment- 15 year amortization
<b>Drains</b>								
2025	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2025	Appropriation to Vehicle Reserve	75,000				75,000		

**Public Works**

Year	Description	Total Cost	From TGGR	From Reserves	From Others	Renewal	Growth	Notes
2025	Appropriation to Equipment Reserve	55,000			55,000			
2025	Loader	155,000		155,000		155,000		
2025	Tandem Truck	300,000		300,000		300,000		
<b>Bridges</b>								
2025	Bridge Reserve	75,000	75,000	0	0			
2025	Bridge Study	20,000	20,000					
2025	Bridge Improvements	600,000	350,000	250,000		600,000		TBD based on Bridge Study
<b>Facilities</b>								
2025	Appropriation to Facility Reserve	70,000	70,000					
<b>Road Projects</b>								
2025	Streetlights	20,000	15,000	5,000				
2025	Sidewalks	30,000	25,000	5,000				
2025	16th Line Resurface	450,000	450,000			450,000		
2025	Gravel to Hardtop	200,000	200,000				200,000	
<b>Debentures</b>								
2026	Innerkip Debenture (2012 - 2027)	132,000	132,000			132,000		15th Payment (Last One)
2026	Woodstock St S - Streetscape Improvement	65,000	65,000			65,000		8th Payment- 15 year amortization
<b>Drains</b>								
2026	Drains - Annual	75,000	75,000					
<b>Vehicle/Equipment</b>								
2026	Appropriation to Vehicle Reserve	75,000			75,000			
2026	Appropriation to Equipment Reserve	55,000			55,000			
<b>Bridges</b>								
2026	Bridge Reserve	75,000	75,000	0	0			
2026	Bridge Improvements	600,000	350,000	250,000		600,000		TBD based on Bridge Study
<b>Facilities</b>								
2026	Appropriation to Facility Reserve	70,000	70,000					
<b>Road Projects</b>								
2026	Streetlights	20,000	15,000	5,000		20,000		
2026	Sidewalks	30,000	25,000	5,000		30,000		
2026	16th Line Resurface	450,000	450,000			450,000		
2026	Gravel to Hardtop	200,000	200,000				200,000	

**Public Works**

<b>Year</b>	<b>Description</b>	<b>Total Cost</b>	<b>From TGGR</b>	<b>From Reserves</b>	<b>From Others</b>	<b>Renewal</b>	<b>Growth</b>	<b>Notes</b>
	<b>Total Capital 2017-2026</b>	<b>\$19,927,512</b>	<b>\$12,585,512</b>	<b>\$4,792,000</b>	<b>\$2,550,000</b>	<b>\$15,362,512</b>	<b>\$1,220,000</b>	