

# COW-Budget – Annual Budget Deliberation: Phase 1

October 13, 2021



# Agenda

- Budget Process Phase & Actions to date
- Budget Overview:
  - Target
  - Key Drivers
  - Guiding Principles
  - Operating
  - Capital
- 10-Year Capital Forecast
- 2022 Capital Budget: Proposed
- Long-Term Borrowing and Special Infrastructure Levy
- Next Steps



# Budget Process

What does the budget process look like?



# Actions to Date

- **Engaged** the Community
- **Enhanced** the Budget Book
- **Incorporated** Council Feedback
- **Adjusted** revised, improved and/or modified projects



# Budget Targets - 2022

- Town of Lincoln Levy
  - Target 2% increase after growth
- Town of Lincoln Fees and Charges
  - Rate increase not to exceed inflation for:
    - Building and Growth - related fees
    - Cemetery Fees
    - Recreation
  - Water and Wastewater Fees:

	Water		Wastewater	
Increase Monthly Base Charge	2021: 6.83	2022: 8.03	2021: 6.59	2022: 7.68
Maintain Variable Rates	Maintain: 2.1020/m <sup>3</sup>		Maintain: 2.4901/m <sup>3</sup>	



# Budget Key Drivers



Population trends



Service Delivery



Technology



Capital Infrastructure



Inflation



Pandemic



# Long-Term Fiscal Sustainability



**CAPACITY BUILDING**





# Guiding Principles

**Minimize - Levy Impact**

- Respectfully managing taxpayer dollars
- Ensuring affordability for our community
- Finding efficiencies

**Focus - Outcomes and Results**

- Deliver high-quality programs and services
- Recognize residents want to see value in what we do through excellent customer service

**Sustainability - Long-term vision**

- Consider long-term implications in all decisions
- Maintain a stable and predictable revenue stream
- Build in flexibility and contingencies for emerging priorities and opportunities

**Promote - Program efficiency and effectiveness**

- Deliver high-quality programming and services through increased digital delivery

**Establish - Links to organizational goals**

- Welcoming, Connected, Vibrant, Resilient





# Municipal Budget

The overall budget comprises two main components: the Operating Budget and the Capital Budget.

## ***2022 Operating Budget:***

- A municipality's operating budget covers the day-to-day operations of providing services.
- It includes repairs and maintenance of assets, as well as low-value capital renewal programs, for example, traffic calming and streetlights.
- The operating **budget pays** for day-to-day activities of the organization.
  - Salaries & wages
  - Programs & services (e.g. grass cutting, snow removal, public skates)
  - Utilities

## ***2022 Capital Budget:***

- Projects with large expenditures that recur irregularly or result in the acquisition, renovation, rehabilitation, preservation or construction of a capital asset that has a useful life of greater than one year.



# Capital Budget and Capital Forecast

## Capital Budget

- Projects with large expenditures that are infrequent or result in the acquisition, renovation, rehabilitation, preservation or construction of a tangible capital asset with a useful life of greater than one year
- Long-term borrowing charges and contributions to capital reserves
- Business cases provide the cost, funding sources and justification for each project





## 10-Year Capital Forecast

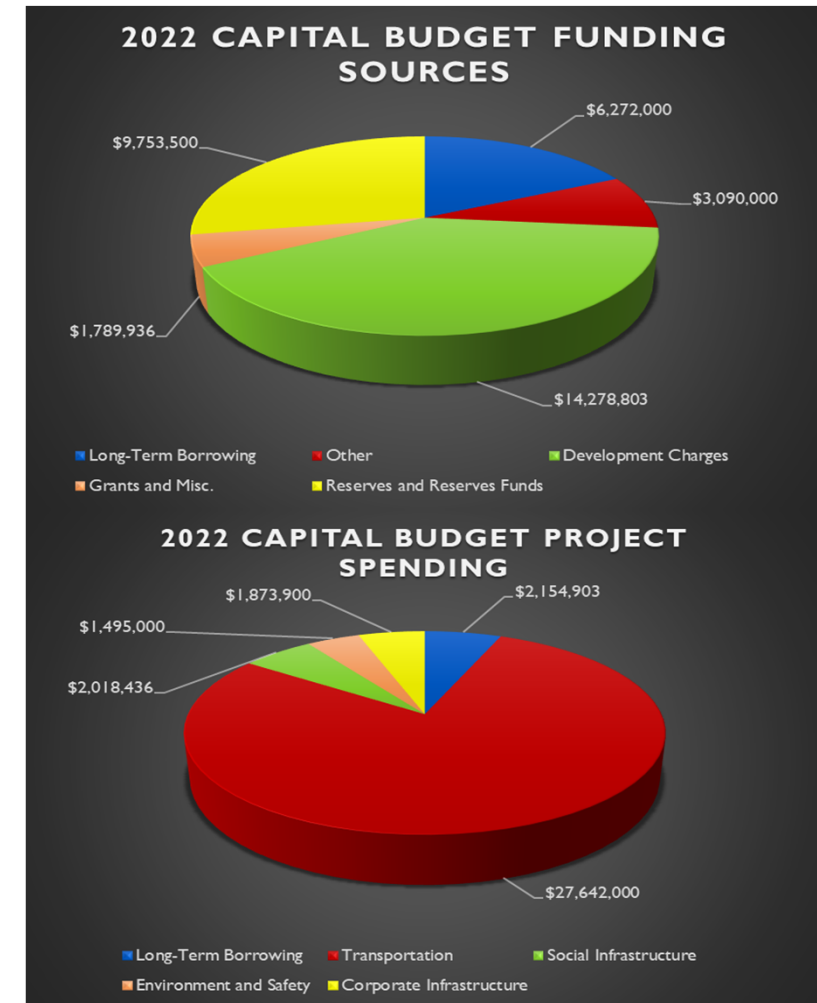
- Outlines major projects the Town is contemplating
- Forecast is based on the best available information and is **subject to change**



# Proposed 2022 – Infrastructure Investments

## Description of Infrastructure

Portfolio	Group	Description
 <b>Transportation</b>	Roads, bridges & culverts	Roads (arterials, collectors, local, and curb & gutter)
	Traffic control & calming	Signs, markings & parking metres
 <b>Environmental Services</b>	Water & wastewater	Sanitary, storm & combined sewers (manholes, catchbasins), & service connections
	Fire rescue	Specialized emergency equipment, communication equipments & dispatch system
 <b>Social Infrastructure</b>	Community facilities	All recreation equipment & cemeteries
	Parks	Horticulture, trails, hard surfaces, playgrounds, sportsfields, park infrastructure & parks
	Library	Library network, contents & materials
 <b>Corporate Infrastructure</b>	Buildings	Civic offices, public works, operation facilities, recreation facilities, libraries and emergency response buildings
	Fleet	Municipal vehicles, transit fleet & shop equipment
	Technology equipment	Servers, network, all communication equipment



# 10-Year Capital Forecast: Overview

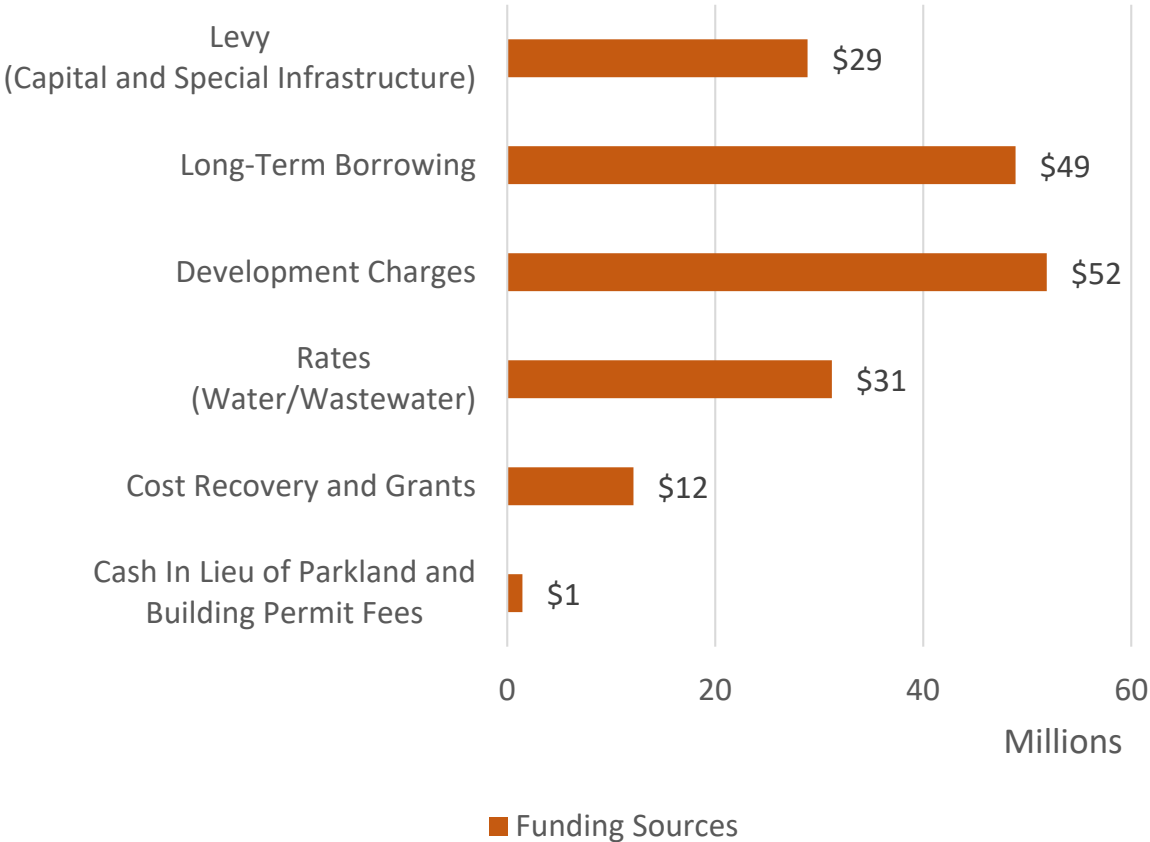
2022-2031

- \$150 Million in Public Works Infrastructure
- \$6 Million in fire equipment and vehicles
- \$3 Million in Information Technology
- Vineland Fire Station
- Rittenhouse Reimagined – Library Expansion
- Park Enhancements including major work at Prudhommes, Charles Daley and Jordan Lions
- Continued investment in Special Infrastructure Levy over 10-year Capital Forecast



# 10-Year Capital Forecast

## Where the money comes from (\$226.5 Million)



Transportation



Environmental Services

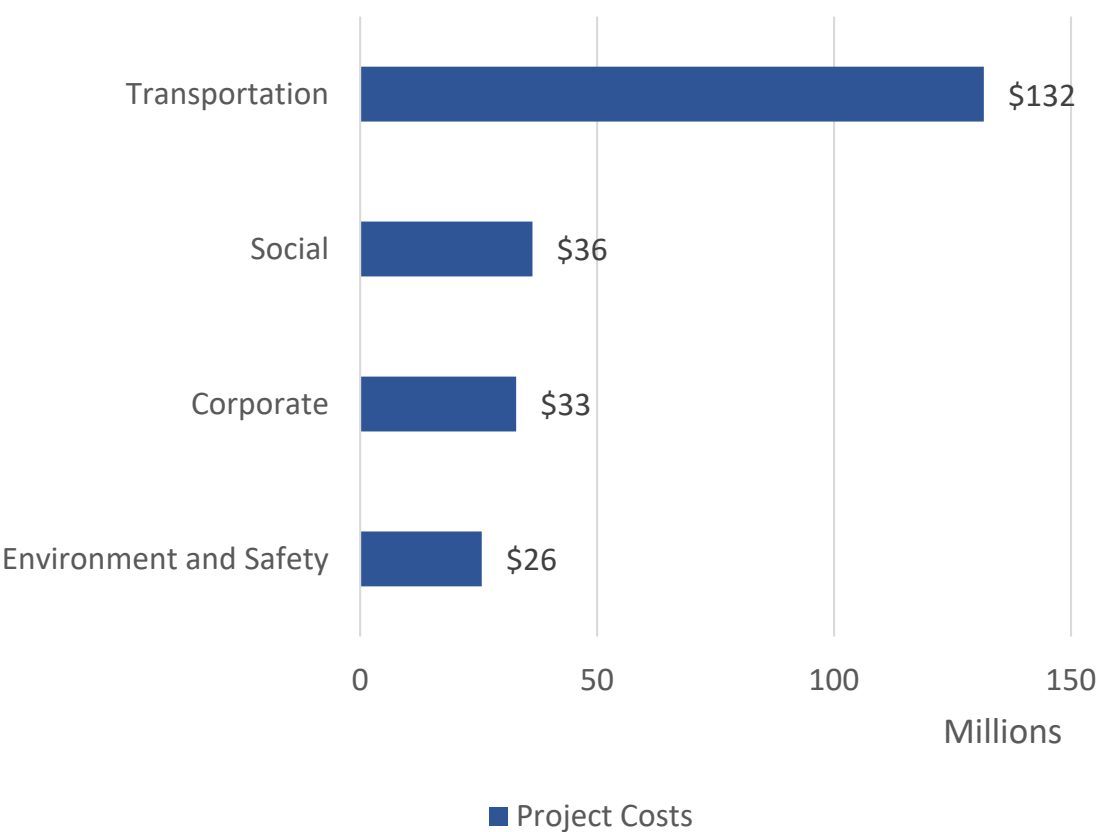


Social Infrastructure



Corporate Infrastructure

## How the money is invested (\$226.5 Million)



# Proposed 2022 Capital Budget

Staff internalized feedback from Council to:

- Identify additional opportunities for collaboration between departments
- Prioritize projects based on affordability, community need and return on investment (ROI)
- Active Transportation linkages and public safety
- Road rehabilitation and reconstruction
- Fire Services Financial Review and Strategy
- Cemetery Monument Restoration Extended to 2024

**Overall –2022 Capital Levy impact to 0% increase**





# 2022 Capital Projects: Transportation



Transportation

	Total Expenditure	Levy	Reserve Funds	DC Reserve Funds	Long-Term Borrowing	Grants & Misc
201518 - Jordan Village Improvements	14,942,000		3,706,000	6,389,000	3,147,000	1,700,000
201932 - Greenlane Road (Lincoln-King St) and Multi use Trail	4,800,000			3,600,000	1,200,000	
202037 - Aberdeen and Hillside Road Reconstruction	3,750,000			2,840,000	910,000	
202067 - 2022 Culvert Replacement and Rehabilitation Program	150,000		150,000			
202106 - 2022 Road Rehabilitation and Resurfacing Program	2,000,000		1,810,000	190,000		
202156 - Durham Rd – King to SSR (Beamsville Truck Bypass Route)	160,000			120,000	40,000	
202162 - Lincoln Avenue Reconstruction - King to Greenlane	350,000			175,000	175,000	
202211 - Bartlett Rd - King to SSR (Beamsville Truck Bypass Route)	550,000			275,000	275,000	
202318 - Frost Road Bridge Crossing Replacement Design Option	25,000	25,000				
202487 - Roadside Safety Program	250,000		250,000			
202488 - King Street - Active Transportation preliminary design study	100,000	100,000				
202489 - Tallman Drive Realignment (east end) - Schedule 'B' EA	100,000	100,000				
202491 - Blezard Drive Phase 1- New Road Turnaround	175,000				175,000	
202094 - Lakeshore Roads and Shoreline Protection Program	250,000				250,000	
202497 - Truck Bypass Camera Monitoring Pilot Program	40,000	40,000				
<b>Total</b>	<b>27,642,000</b>	<b>265,000</b>	<b>5,916,000</b>	<b>10,559,000</b>	<b>6,172,000</b>	<b>1,700,000</b>





# 2022 Capital Projects: Environment and Safety



	Total Expenditure	Levy	Reserve Funds	DC Reserve Funds	Long-Term Borrowing	Grants & Misc
202284 - Hixon St Sewer Upsizing (Cherrywood Avenue to King St)	150,000		75,000	75,000		
202498 - West Avenue Sewer Upgrade	75,000		75,000			
202476 - Town Wide Sewer Rehab and Replacement Program	700,000		700,000			
202482 - Smart Hydrants - Phase 2	100,000		100,000			
202483 - 2022 Town Wide Rain Barrel and Tree Pilot Program	45,000	20,000	25,000			
202485 - Climate Resiliency Program	55,000	55,000				
202122 - Fire Emergency Equipment - 2022	370,000	69,000	301,000			
<b>Total</b>	<b>1,495,000</b>	<b>144,000</b>	<b>1,276,000</b>	<b>75,000</b>	<b>-</b>	<b>-</b>



# 2022 Capital Projects: Social



	Total Expenditure	Levy	Reserve Funds	DC Reserve Funds	Long-Term Borrowing	Grants & Misc
202479 - Museum Historic Buildings Restoration	210,500		210,500			
202480 - Museum Children's Education Space	89,936					89,936
202073 - Fleming Centre Lobby Furniture Replacement	30,000		30,000			
202083 - Cemetery Monument Restoration	60,000	60,000				
202134 - Park and Pathway Lighting	350,000		350,000			
202187 - Jordan Lions Park Master Plan & Renewal	750,000		750,000			
202275 - Mount Osborne Roadway Repaving	100,000				100,000	
202495 - Park Enhancements	428,000	428,000				
<b>Total</b>	<b>2,018,436</b>	<b>488,000</b>	<b>1,340,500</b>	<b>-</b>	<b>100,000</b>	<b>89,936</b>



# 2022 Capital Projects: Corporate



	Total Expenditure	Levy	Reserve Funds	DC Reserve Funds	Long-Term Borrowing	Grants & Misc
202003 - Gateway, Wayfinding, and Community Signage	75,000	75,000				
202484 - Asset Management Data Enhancement Program	300,000		300,000			
202096 - Human Resources Information Management System	68,000	68,000				
202453 - Fire Records Management System	63,000	63,000				
202478 - Electronic Records System	45,000	45,000				
202486 - IT Equipment	300,000	49,000	251,000			
202496 - Planning Studies and Projects	285,900	45,750		240,150		
202481 - 2022 Fleet Expansion and Replacement	737,000	6,700	670,000	60,300		
<b>Total</b>	<b>1,873,900</b>	<b>352,450</b>	<b>1,221,000</b>	<b>300,450</b>	<b>-</b>	<b>-</b>



# 2022 Capital Budget: Proposed

Funding Sources	2022 Budget	2021 Budget
Property Tax Levy	3,090,000	3,088,837
Development Charges	14,278,803	1,719,663
Long-term Borrowing	6,272,000	1,445,000
Reserves and Reserve Funds	9,753,500	9,500,100
Grants and Misc	1,789,936	662,000
<b>Total</b>	<b>35,184,239</b>	<b>16,415,600</b>
Project Spending	2022 Budget	2021 Budget
Corporate Infrastructure	1873900	2531000
Environment and Safety	1495000	6663600
Social Infrastructure	2018435.93	1331000
Transportation	27642000	3420000
Long-Term Financing	2154903	2470000
<b>Total</b>	<b>35,184,239</b>	<b>16,415,600</b>



# 2022 Capital Budget:

## Long-Term Borrowing Charges

- Annual principal and interest payments to repay long-term borrowing taken out for completed capital projects
- Debentures can range from five to 30 years, depending on the assets being funded
- Debentures are the budgetary impact of previous Council decisions
- Debentures ending in 2021: Victoria Bridge, LED Streetlights, Konkle Land Purchase

<b>Total 2022 Long-Term Borrowing Repayments</b>	<b>\$884,903</b>
Funding from Development Charges	\$405,163
Funding from Capital Levy	\$570,550



# 2022 Capital Budget: Special Infrastructure Levy

Annual contributions to Reserves and Reserve Funds to be used at Council's direction for projects related to infrastructure, including:

- Linear assets, such as roads, storm sewers, bridges and culverts
  - Town fleet and equipment
  - Information technology hardware and corporate systems
  - Fire vehicles and equipment
  - Public and open spaces facilities
- Staff have not included an increased contribution to the Special Infrastructure Levy in the 2022 Proposed Capital Budget
    - Council can choose to include an increase at its discretion



# Summary

- Overall Capital Budget is \$35,184,239, with \$3,090,000 funding from levy
- Proposed capital levy increase for 2022 as proposed is 0%
- Investments and projects align with Council Strategic Priorities
- Continued funding from Reserves for 2022 Capital Projects
- Reduction to Long-Term Financing charges
  - No change to Special Infrastructure Levy in 2022
  - Reduced long-term borrowing charges in 2022





# Budget Schedule

Budget Phase	Timing
Phase 1: Prepare	Ongoing
Phase 2: Engage	Aug-Sep 2021
Phase 3: Develop	Jul-Aug 2021
Phase 4: Consolidate	Sep 2021
Phase 5: Inform, Debate, Approve	Oct-Dec 2021
Phase 6: Educate	Jan. 2022



# Next Steps

- **November**
  - Proposed 2022 Operating
  - Proposed Fees and Charges
  - Library Board Presentation
  - Community Budget Engagement Continues
- **December**
  - Business Improvement Area (BIA) Presentation and Levy Bylaw
  - Community Budget Engagement Results
- **December**
  - Approval of 2022 Operating Budget



**Questions?**  
**Comments?**  
**Clarity?**

