



## Corporate Report

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### Report

from Financial Management Services, Accounting

**Date of Report:** May 22, 2012

**Date of Meeting:** June 4, 2012

**Report Number:**

**File:**

**Subject:** 2012 Capital Budget and Four Year Forecasts

### Recommendation

That the report from Financial Management Services dated May 22, 2012 regarding the 2012 Capital Budget be referred to City Council for consideration after the Public Meeting scheduled for June 11, 2012 for which notice will be duly given.

### Staff Recommendation

That the 2012 Capital Budget and Four Year Forecasts as detailed in Appendix" be approved; and

That the City Solicitor be directed to prepare the necessary borrowing by laws.

### Background

The 2012 Capital Budget is the plan of capital expenditures to be committed during 2012. The four year forecast is a plan of capital expenditures to be incurred each year over a period of four years to meet capital needs arising from approved capital programs and anticipated capital works. The Capital Budget allows the City to finance its projects over a number of years and also provides a control mechanism for future debt levels.

### Report

#### Municipal Act Debt Guideline

The Municipal Act requires that a Municipality has a five-year capital financing forecast. Ontario Regulation 403/02 limits annual debt charges to not more than 25% of the City's net revenue fund revenues. Using this guideline, the City could increase its debt by approximately a further \$73.0 million based on an interest rate of 7%, which is the rate which the Ministry of Municipal Affairs uses for illustrative purposes. Using the City's current estimated borrowing rate of 5%, this additional debt capacity would be \$83.8 million. Although there has never been a suggestion

that this limit be approached, Council does have significant capacity available should circumstances warrant.

The City Treasurer has up-dated the "Debt Repayment Limit" for the City and the debenture amount proposed in the 2012 Capital Budget will not cause the City to exceed its limit.

### **City's Capital Budget Policies**

#### **(i) Limitation of Debt Service Costs**

In order to keep debt service costs from becoming an increasing burden and a larger portion of the City's budget, Council adopted a policy aimed at containing debt charges at approximately 10% of the City's total own expenditures. In 2011 the City's debt charges were 7.44% of the City's total expenditures. Each year the Ministry of Municipal Affairs produces a financial indicator review for each Ontario Municipality. According to the 2011 Financial Indicator Review for the City of St. Catharines, debt costs represent 7.3% of the City's total operating revenue. The Ministry of Municipal Affairs' benchmark financial indicators are:

#### **Risk Debt Servicing Cost as a % of Operating Revenue**

Low	<5%
Moderate	5% - 10%
High	>10%

Therefore the City's debt burden at December 31, 2011 would be considered a moderate risk. The 2012 Capital budget significantly affects this statistic and its impact is discussed further below.

#### **(ii) Capital Allocation From Current Funds**

Council has approved a policy of making a 10% capital allocation from current funds (rounded to the nearest \$'000). This "down payment" has the effect of reducing the amount to be borrowed, while at the same time, bringing the approximate costs of one year's debt service to the year of decision. This means that the Council which makes the decision will raise, through taxes, an amount which will be equivalent of future annual debt charges for each particular project.

#### **Capital Borrowing Funds and Future Operating Budget Impact**

The impact of increased borrowing is delayed. It usually takes one to two years to complete the borrowing cycle which includes:

- project approval
- project design
- tendering
- construction

- debenture issuance
- debenture cost inclusion in an Operating Budget.

In the next five years the impacts of increased capital borrowing activities are estimated to be:

	<b>From:</b>	<b>To:</b>
Outstanding Debt	\$72.9m	\$139.1m
Debt Per Household	\$1,243.12	\$2,371.14
Debt Charges	\$12.3m	\$ 19.6m
% of Operating Budget	7.44%	9.46%

The above chart indicates that the 2012 capital budget will result in a significant increase in the percentage of the operating budget which will be required for debt servicing. The percentage is projected to approach Council's limit of 10%. This significant increase is related to the inclusion in the 2012 Capital budget of the Spectator Facility project.

The Spectator Facility project was approved for inclusion in the 2012 Capital Budget on December 5, 2011. The report included the following financial implications:

"... the City's debt burden is considered a moderate risk. Any significant increase in debt to build a spectator facility will move the City's debt burden into the high risk category. In addition, the debt charges will exceed the Council-adopted policy of containing the debt charges at approximately 10% of the City's total expenditures."

Subsequent to the approval of this Spectator Facility project, senior staff reviewed the future projections contained within the 2011 Capital budget with the objective of controlling debt charges to remain within the Council's target of 10%. This re-prioritization was continued in the 2012 capital budget process with the result that the projections have been reduced to remain within the 10% limit at a projected 9.5%. To achieve this goal a number of projects have been delayed. The delay of the projects will not, at this point, have a significant negative effect on the City's infrastructure. For traditional infrastructure such as roads, watermains and the sewer systems, the base levels of funding have been maintained. The more significant delays are in the facility and building infrastructure categories. It is these deficiencies that require further study. Staff are presently working on an Asset Management Plan to ensure that the City will achieve a sustainable funding level for all of its infrastructure. This report will be presented to Council in the fall of 2012.

### **Garden of Memories Mausoleum Expansion – Phase 3**

Included in the 2012 Capital budget is the Expansion of the Garden of Memories Mausoleum at the Victoria Lawn Cemetery. As of December, 2011 only 80 crypts within the mausoleum remain available for sale. While it is estimated that 60% of

these crypts will sell over the next 2 years, the remaining choice of crypts is limited. This is especially true for pre-need customers who as a result of the limited choices may consider other mausoleums in the Region. Additional inventory is required to meet both the present and future demand for crypts and niches. The proposed Mausoleum expansion would include an additional 240 crypt spaces and 380 niches. This expansion would extend the cemetery's inventory by 9 to 10 years.

The Garden of Memories Mausoleum was constructed in 1998. Phase Two expansion of the Mausoleum was completed in 2004 and consisted of an addition at the back of the Mausoleum. The third phase is the construction of an addition to the Garden of Memories Mausoleum on the side of the building.

Victoria Lawn Cemetery operates under a business plan that includes minimizing subsidies from property taxes. As such, the Mausoleum Reserve Fund was established to receive 25% of all crypt and niche sales. These funds are then used to cover the cost of design and construction of future mausoleums. At this time, the Mausoleum Reserve fund has \$950,000 available. The estimated cost of design and construction for the Phase Three expansion is \$1,500,000. This would result in an amount of \$550,000 to bridge financing until the sales of the crypts and niches begin. Once construction is completed, and crypt and niche sales commence, the sales of the crypts and niches will not only recover the cost of construction but also increase operating revenues for the cemetery and replenish the Reserve fund for future mausoleum construction.

### **Spectator Facility – Funding approved from the Province**

Included within the 2012 Capital Budget is the Spectator Facility project.

On December 5, 2011 Council approved the following motion made by Councillor Burch:

That Council approve the inclusion of a maximum of \$50 million in the 2012 Capital Budget with sources of funding of \$17 million from the Civic Project Fund, \$5 million from fundraising/naming rights and \$1 million from the Federal Gas Tax Fund

As part of the Ontario government's commitment to investing in infrastructure to support our economy and quality of life, the City of St Catharines has been authorized to receive a one-time grant of \$1,000,000 to be used for the construction of a new sports and entertainment spectator facility.

These funds have been included in the project funding reflected in the Current Capital Budget.

### **Financial Implications**

The Capital Budget and four year forecast allow the Corporation to address the capital needs of the Corporation. Financial implications are outlined within the report.

**Submitted by:**

Shelley Chemnitz, C.A.

**Prepared by:**

Shelley Chemnitz, C.A.

**Approved by:**

Shelley Chemnitz, C.A.  
Director, Financial Management Services

CITY OF ST. CATHARINES  
 2012 CAPITAL BUDGET AND FOUR YEAR FORECAST  
 SUMMARY OF CAPITAL EXPENDITURES AND SOURCES OF FINANCING

	2012	2013	2014	2015	2016
CAPITAL EXPENDITURES:					
Recreation and Community Services	\$3,975,200	\$3,980,000	\$15,380,000	\$5,170,000	\$4,080,000
Road Construction and Improvements	4,000,000	4,100,000	4,000,000	4,000,000	4,200,000
Storm Sewer and Separation	1,550,000	2,350,000	2,200,000	2,200,000	2,200,000
Regional Projects	339,000	295,000	0	0	396,000
Sanitary Sewers	75,000	0	0	0	0
New Sidewalk Construction	300,000	300,000	300,000	300,000	300,000
Shoreline Protection	0	0	0	0	0
Pollution Control	0	1,050,000	765,000	600,000	3,400,000
Heritage Building Rehabilitation	1,551,000	110,000	850,000	860,000	880,000
Federal Gas Tax funded programs	3,059,982	4,059,982	4,059,982	4,059,982	4,059,982
Building Improvements	0	480,000	540,000	540,000	550,000
Accessibility Programme	115,000	250,000	300,000	1,235,000	250,000
Development Charges				80,000	
Fire Services	870,000	800,000	510,000	825,000	1,700,000
Watercourses	385,000	0	590,000	0	0
Bridges and Culvert	375,000	1,000,000		500,000	0
New Buildings	50,000,000				
Parking Improvements		560,000	1,310,000	250,000	
Corporate Infrastructure			200,000		
	<u>\$66,595,182</u>	<u>\$19,334,982</u>	<u>\$31,004,982</u>	<u>\$20,619,982</u>	<u>\$22,015,982</u>
SOURCES OF FINANCING:					
Grants, Reserve Funds etc.	\$29,669,982	\$4,559,982	\$4,992,482	\$4,958,982	\$6,309,982
Capital Out of Revenue Fund	1,099,000	1,478,000	1,231,000	1,567,000	1,571,000
Net Debenture Amount	35,826,200	13,297,000	24,781,500	14,094,000	14,135,000
	<u>\$66,595,182</u>	<u>\$19,334,982</u>	<u>\$31,004,982</u>	<u>\$20,619,982</u>	<u>\$22,015,982</u>

CITY OF ST. CATHARINES  
2012 CAPITAL BUDGET

DESCRIPTION	SCHEDULE	ESTIMATED GROSS COSTS	GRANTS, RESERVES ETC	CAPITAL OUT OF REVENUE	NET DEBENTURE AMOUNT
<b>RECREATION AND COMMUNITY SERVICES:</b>					
Arena Improvement Program, 2012		250,000		25,000	225,000
West Park Pool demolition		500,000		50,000	450,000
Cemetery Roads/Drainage Improvements - Part 2		500,000		50,000	450,000
Garden of Memories Mausoleum Expansion - Phase 3		1,500,000	1,500,000	0	0
Pearson Park - new washroom/changeroom		400,000		40,000	360,000
Memorial Park - Cenotaph Repairs		190,000		19,000	171,000
West St Catharines Senior Centre - reconstruct parking lot		150,000		15,000	135,000
West St Catharines Senior Centre - washroom reconstruction		120,000		12,000	108,000
Pan American Games Improvements		365,200		37,000	328,200
	SCHEDULE A	3,975,200	1,500,000	248,000	2,227,200
<b>ROAD CONSTRUCTION AND IMPROVEMENTS:</b>					
2012 Resurfacing Program - Part 2		879,000		88,000	791,000
2012 Resurfacing Program - Part 3		1,276,000		128,000	1,148,000
Newton Street		25,000		3,000	22,000
Abbey/Masefield		76,000		8,000	68,000
Barton Street		194,000		19,000	175,000
Lake Street		1,350,000		135,000	1,215,000
Traffic Signal - Hartzel/Lincoln - New		200,000		20,000	180,000
	SCHEDULE B	4,000,000	0	401,000	3,599,000
<b>STORM SEWER AND SEWER SEPARATION:</b>					
Catchbasin Lead Installation		50,000		5,000	45,000
Argyle Street		250,000		25,000	225,000
Springdale Avenue		125,000		13,000	112,000
Glencairn/McKenzie		145,000		15,000	130,000
Gleripark Drive		90,000		9,000	81,000
Barton Street		275,000		28,000	247,000
Lake Street		515,000		52,000	463,000
Design for 2013 Storm Sewer Projects		50,000		5,000	45,000
Drainage Plane Review and Digital Conversion		50,000		5,000	45,000
	SCHEDULE C	1,550,000	0	157,000	1,393,000
<b>REGIONAL PROJECTS CITY SHARE:</b>					
Fourth Avenue - additional funds		280,000		28,000	252,000
Lakeshore Road		59,000		6,000	53,000
	SCHEDULE D	339,000	0	34,000	305,000
<b>SANITARY SEWER IMPROVEMENT PROGRAM</b>					
Emmett Road - additional funds		75,000		8,000	67,000
	SCHEDULE E	75,000	0	8,000	67,000
<b>NEW SIDEWALK CONSTRUCTION</b>					
Barton Street Sidewalk Rehabilitation		45,000		5,000	40,000
Lakeshore Road Sidewalk - New		255,000		20,000	229,000
	SCHEDULE F	300,000	0	31,000	269,000
<b>SHORELINE PROTECTION</b>					
No projects planned in 2012		0	0	0	0
<b>POLLUTION CONTROL PLAN</b>					
No projects planned in 2012		0	0	0	0
<b>HERITAGE BUILDING REHABILITATION</b>					
Robertson School - various		1,251,000	875,000	38,000	338,000
Morningstar Mill - Grist Mill repointing/repairs		300,000		30,000	270,000
	SCHEDULE G	1,551,000	875,000	68,000	608,000
<b>FEDERAL GAS TAX FUNDED PROJECTS</b>					
<b>SANITARY AND STORM SEWER IMPROVEMENTS</b>					
Lake Street		1,239,982	1,239,982		
<b>NEW STORM SEWERS</b>					
Glendale Avenue		238,000	238,000		
Lakeshore Road		382,000	382,000		
		1,200,000	1,200,000		
	SCHEDULE H	3,059,982	3,059,982	0	0
<b>BUILDING IMPROVEMENTS</b>					
No projects planned in 2012		0	0	0	0
<b>ACCESSIBILITY PROGRAMMES</b>					
Pearson Park - Washroom/Changeroom accessibility		60,000		6,000	54,000
West St Catharines Senior Centre - accessibility		55,000		6,000	49,000
	SCHEDULE I	115,000	0	12,000	103,000
<b>WATERCOURSE REHABILITATION</b>					
Address Watercourse Review recommendations		385,000	235,000	15,000	135,000
	SCHEDULE J	385,000	235,000	15,000	135,000
<b>BRIDGE AND CULVERT REHABILITATION</b>					
Arthur Street Culvert Rehabilitation		375,000		38,000	337,000
	SCHEDULE K	375,000	0	38,000	337,000
<b>FIRE SERVICES</b>					
Firehall #1 Communications - 2 way radio system upgrade-phase 2		590,000		59,000	531,000
Generator Replacement - firehall #1		290,000		28,000	252,000
	SCHEDULE L	870,000	0	87,000	783,000
<b>NEW BUILDINGS</b>					
Spectator Facility		50,000,000	24,000,000	0	26,000,000
	SCHEDULE M	50,000,000	24,000,000	0	26,000,000
<b>TOTAL 2012 CAPITAL BUDGET</b>		<b>\$66,595,182</b>	<b>\$29,689,982</b>	<b>\$1,099,000</b>	<b>\$35,826,200</b>

**2012 CAPITAL BUDGET**

**SCHEDULE A**

**Project:** RECREATION AND COMMUNITY SERVICES

**Project Description:** Recreation and Community Services major capital projects generally are included in the Capital Budget.

**Project Details:**

<u>Area</u>	<u>Gross Cost</u>
1 Arena Improvement Program, 2012	
Seymour Hannah              Lighting Upgrade	\$250,000
	<u>250,000</u>
2 West Park pool - demolition	500,000
3 Cemetery Road/Drainage Improvements - Part 2	500,000
4 Victoria Lawn Cemetery - expansion of Garden of Memories Mausoleum	1,500,000
5 Pearson Park - new washrooms/changerooms	400,000
6 Memorial Park Cenotaph Repairs	190,000
7 West St Catharines Senior Centre reconstruct parking lot	150,000
reconstruct washroom	120,000
8 Pan American Games Improvements	365,200
	<u><b>\$3,975,200</b></u>
 <b><u>Funding Sources:</u></b>	
Capital Out of Revenue (10%)	\$248,000
Mausoleum Reserve Fund	1,500,000
Debentures	2,227,200
	<u><b>\$3,975,200</b></u>

(2012CapRCS)



**2012 CAPITAL BUDGET**

**SCHEDULE B**

**Project:** ROAD CONSTRUCTION AND IMPROVEMENTS

**Objectives:** To ensure safe vehicular and pedestrian passage at all times along the 554 km of municipal roadways.

**Policy:** To maintain an average pavement condition rating of 75 which was approved by City Council.

**Project Description:** The present average pavement condition is 72. In order to achieve the target condition of 75 in 10 years, an expenditure of approximately \$95 million over the next 10 years is required in accordance with the recommended program of Pavement Management System.

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
<b>1. Municipal Services Imprvmts</b>	<b>P11-063</b>			<b>\$25,000</b>
Newton Street		St Paul Crescent	End	
<b>2. Municipal Services Imprvmts</b>	<b>P11-065</b>			<b>76,000</b>
Abbey/Masefield				
Paxton Avenue		Bayview Drive	End	
Peel Street		Paxton Avenue	Considine Avenue	
<b>3 2012 Resurfacing Program - Part 2</b>				<b>879,000</b>
Costen Boulevard		Vine Street	Strathcona Drive	
Linwell Road		Niagara Street	Bunting Road	
Trelawne Drive		Richilieu Circle	Cabot Drive	
Various Streets				
<b>4 2012 Resurfacing program - Part 3</b>				<b>1,276,000</b>
Bloomfield Avenue		Bunting Road	Woodrow Street	
Bunting Road		Dieppe Road	Roehampton Avenue	
Calvin Street		Gale Crescent	Division Street	
Capner Street		Oakdale Avenue	End	
Cedardale Avenue		Balsam Street	Park Avenue	
Cedardale Avenue		Park Avenue	Fir Avenue	
Deborah Court		Rockwood Avenue	End	
Derby Lane		Queenston Street	Shetland Crescent	
Dolly Circle		Rockwood Avenue	End	
Frank Street		Church Street	Gale Crescent	
Various Streets				
<b>5 Municipal Services Imprvmts</b>	<b>P12-062</b>			<b>194,000</b>
Barton Street		Martindale Road	Vansickle Road	
<b>6 Municipal Services Imprvmts</b>	<b>P12-064</b>			<b>1,350,000</b>
Lake Street		Beech Street	Russell Avenue	
Lake Street		Welland Avenue	Beech Street	
<b>7 New Traffic Signal</b>	<b>P12-065</b>			<b>200,000</b>
Hartzel Rd		@ Lincoln Avenue		
				<b><u>\$4,000,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$401,000
Debenture	3,599,000
	<b><u>\$4,000,000</u></b>

**Project:**

**STORM SEWER AND SEWER SEPARATION**

**Objectives:**

To provide storm water drainage with a dedicated storm sewer system .  
To prevent unnecessary damage to private and public property.

**Policy:**

To have a separate sewer system for sanitary and storm sewers.  
To separate the combined sewer system. The City presently has 566 km of Sanitary sewers and combined sewers, and 348 km of Storm Sewers.

**Project Description:**

The proposed projects are based on recommended priority flood relief and sewer separation works as detailed in various storm drainage studies and on complaints by residents. In addition, storm sewers are recommended to provide drainage outlets for certain areas.

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
1. Catchbasin Lead Installations	P12-006	Various		\$50,000
<b>Municipal Services Improvements</b>				
2 Argyle Crescent	P12-001	East Limit	290m West	250,000
3 Springdale Avenue	P12-003	Thorndale Avenue	Mohawk Drive	125,000
4 Glencairn/McKenzie McKenzie Street	P12-008	Niagara Street	Clover Street	145,000
5 Glenpark Drive	P12-009	Geneva Street	25m East of Geneva Street	90,000
6 Barton Street	P12-062	Vansickle Road	Martindale Road	275,000
7 Lake Street	P12-064	Welland Avenue	Russell Avenue	515,000
8 Design 2013 Storm Sewer Projects				50,000
9 Drainage Plan Review and Digital Conversion				50,000
				<b><u>\$1,550,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$157,000
Debentures	1,393,000
	<b><u>\$1,550,000</u></b>

**2012 CAPITAL BUDGET**

**SCHEDULE D**

**Project:** REGIONAL PROJECTS - CITY'S SHARE

**Objectives:** To co-ordinate City improvements with the Regional projects to receive more favorable prices and minimize disruption to residents.

**Policy:** Where practical, construct City projects in conjunction with Regional projects.

**Project Description:** The amount includes the City's share of municipal works including watermain replacement, replacement of sidewalks, storm sewer replacement, etc.

**Project Details:**

<u>Location</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
1 Fourth Avenue additional funds for City's share of watermain and storm sewer costs not covered by Local Improvement	Vansickle Road	Fourth Avenue	\$280,000
2 Lakeshore Road in conjunction with City works funded by Federal Gas Tax Program	Geneva Street	110m west of Chancery Circle	59,000
			<b><u>\$339,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%)	\$34,000
Debentures	305,000
	<b><u>\$339,000</u></b>

(2012CapRegion)

**2012 CAPITAL BUDGET**

**SCHEDULE E**

**Project:**

**SANITARY SEWER IMPROVEMENT PROGRAM**

**Project Description:**

The total length of combined and sanitary sewers in the City is approximately 566 km.

**Project Details:**

<u>Area</u>	<u>Gross Cost</u>
1 Emmett Road Sanitary sewers <i>additional funds for project as previous project was to be funded through a local Improvement charge to the abutting property owners Council directed that the entire project be funded by the City</i>	\$75,000
	<u><u>\$75,000</u></u>
<b><u>Funding Sources:</u></b>	
Capital Out of Revenue (10%)	\$8,000
Debentures	67,000
	<u><u>\$75,000</u></u>

(2012 Cap Sanitary)

**2012 CAPITAL BUDGET**

**SCHEDULE F**

**Project:**

**NEW SIDEWALK CONSTRUCTION**

**Objectives:**

1. To Provide pedestrian and vehicular traffic separation where warranted.
2. To Provide safe and continuous pedestrian routes from residential areas to schools, parks, shopping centres, etc. in the area.

**Policy:**

**The provision of sidewalks on:**

1. Both sides of arterial roads.
2. One side of collector and local streets, installed on the side presenting the most logical direct pedestrian route to the major road or facility (i.e. school, parks, etc.).
3. Not on cul-de-sacs unless it leads to pedestrian node such as a school, park or shopping area.

**Project Description:**

**The locations recommended for new sidewalk construction are based on:**

1. Association with City and Regional road reconstruction.
2. Transit full accessibility locations.
3. Petitions from area residents.
4. Other priority sidewalks.

**Project Details:**

<u>Location</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
<b>Municipal Services Improvements</b>			
1 Lakeshore Road - New	RN12-07 Geneva Street	Walkers Creek	\$255,000
2 Barton Street - Rehabilitation	P12-062 Martindale Road	Vansickle Road N	45,000
			<u>\$300,000</u>

**Funding Sources:**

Capital out of Revenue (10%)  
Debentures

\$31,000  
269,000  
\$300,000

(12CapSidewalk)

**2012 CAPITAL BUDGET**

**SCHEDULE G**

**Project:**

**HERITAGE BUILDING REHABILITATION**

**Project Description:**

Rehabilitation of Heritage buildings based on Building Condition Assessments.

**Project Details:**

		<u>Gross Cost</u>	
1	Morningstar Mill	Grist Mill repointing and repairs	300,000
2	Robertson School	Main Building - lighting	110,000
		Main Building - roof top units	20,000
		Main Building - ventilation control and duct work	10,000
		Main Building - architectural	211,000
		Main Building - windows	250,000
		Main Building - boiler	450,000
		Main Building - electrical distribution	155,000
		Annex - roof replacement	45,000
			<u><b>\$1,551,000</b></u>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$68,000
Folk Arts - Trillium grant	500,000
Folk Arts - rental revenue	375,000
Debentures	608,000
	<u><b>\$1,551,000</b></u>

**Project:**

**FEDERAL GAS TAX FUNDED PROJECTS**

**Objectives:**

To use Federal Gas Tax funds to fund incremental capital projects which result in increased investment in environmentally sustainable municipal infrastructure

**Policy:**

To adhere to the Federal funding guidelines while establishing priorities that address the municipal infrastructure shortfall.

**Project Description:**

The proposed projects are based on the approved 5 year Capital Investment Plan. The emphasis in 2011 was on watermain replacements and sewer separations. In 2012 there is emphasis again on sewer separation as well focusing on the Energy Component in various capital projects

**Project Details:**

No.		Gross Cost
1	Energy Component <i>partial funding of costs associated with the implementation of Leed standards</i>	\$1,200,000
<b><u>Sanitary and Storm Sewer Improvements</u></b>		
2	Lake Street P12-064 <i>From Welland Avenue To Russell Avenue</i>	1,239,982
<b><u>New Storm Sewers</u></b>		
3	Glendale Avenue RN11-26 <i>CNR Railway Welland Canals Parkway</i>	238,000
4	Lakeshore Road <i>Geneva Street 110m west of Chancery Circle</i>	382,000
		<b><u>\$3,059,982</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$0
Federal Gas Tax Funding	3,059,982
	<b><u>\$3,059,982</u></b>

See also Spectator Facility project for additional Federal Gas Tax allocation

(2012 Federal Gas Tax Projects)

**2012 CAPITAL BUDGET**

**SCHEDULE I**

**Project:** Accessibility Programmes

**Project Objective:** The Accessibility Plan is intended to identify, remove and prevent all barriers that may impede residents and visitors from accessing and using municipal services

**Project Description:** Building Improvements as determined by the Accessibility Plan

**Project Details:**

<u>Location</u>	<u>Project Number</u>		<u>Gross Cost</u>
1. Pearson Park	P12-172	accessibility funding in conjunction with the washroom/changeroom rehabilitation	\$60,000
2. West St Catharines Senior Centre	P12-179	accessibility funding in conjunction with the washroom rehabilitation	55,000
			<hr/> <u>\$115,000</u>
<b><u>Funding Sources:</u></b>			
Capital Out of Revenue (10%) Downpayment			\$12,000
Debenture			<hr/> 103,000
			<hr/> <u>\$115,000</u>

(2012 cap access)



**2012 CAPITAL BUDGET**

**SCHEDULE J**

**Project:** WATERCOURSE REHABILITATION

**Project Description:** Rehabilitation of the City's watercourses

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
1. 2012 Watercourse Review	P12-129	Address immediate creek rehabilitation as identified by a 2011 Watercourse Priority Study		\$385,000
				<u>\$385,000</u>

**Funding Sources:**

Capital Out of Revenue	\$15,000
Regional Niagara CSO Management Action Plan Funding	235,000
Debenture	135,000
	<u>\$385,000</u>

(2012capwatercourses)

**2012 CAPITAL BUDGET**

**SCHEDULE K**

**Project:**

**BRIDGE AND CULVERT REHABILITATION PROGRAM**

**Project Description:**

*Arthur Street Culvert Replacement*

**Project Details:**

		<u>Gross Cost</u>
<i>Arthur Street Culvert Replacement</i>	<i>conveys Beamer Creek under Arthur Street</i>	<b><u>\$375,000</u></b>

**Funding Sources:**

<i>Capital Out of Revenue (10%) Downpayment</i>	<i>\$38,000</i>
<i>Debentures</i>	<i>337,000</i>
	<b><u>\$375,000</u></b>

(12CapBridges and Culverts)

**2012 CAPITAL BUDGET**

**SCHEDULE L**

**Project:** *Fire Services Infrastructure*

**Project Description:** *Communications Systems upgrades - phase 2 of 3*

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>Description</u>	<u>Gross Cost</u>
1. Fire Hall #1 Communications Room		Communications System upgrades 2 Way Radio Systems Upgrade	\$590,000
2. Fire Hall #1		Generator replacement	280,000
			<u>\$870,000</u>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$87,000
Debenture	783,000
	<u>\$870,000</u>

(2012 fire projects)

2012 CAPITAL BUDGET

SCHEDULE M

Project: New Facilities

Project Description: New Capital Projects

Project Details:

<u>Location</u>	<u>Project Number</u>	<u>Gross Cost</u>
1. Spectator Facility	Design and construction of a multi use 4,500 to 5,300 seat spectator facility	\$50,000,000
		<u>\$50,000,000</u>

Funding Sources:

Federal Gas Tax Funds - energy component	\$1,000,000
Provincial Grant - Ministry of Infrastructure	1,000,000
Fundraising/Naming Rights	5,000,000
Civic Project Fund	17,000,000
Debenture	26,000,000
	<u>\$50,000,000</u>

(2012 new facilities)

**CITY OF ST. CATHARINES  
2013 CAPITAL FORECAST**

<u>DESCRIPTION</u>	<u>ESTIMATED GROSS COSTS</u>	<u>GRANTS, RESERVES ETC.</u>	<u>RECOVERIES FROM OTHER FUNDS</u>	<u>NET DEBENTURE AMOUNT</u>
<b><u>RECREATION AND COMMUNITY SERVICES:</u></b>				
Russell Avenue Community Centre-washroom repairs	160,000		16,000	144,000
Russell Avenue Community Centre-structural repairs	500,000		50,000	450,000
Memorial Cenotaph-full reconstruction	380,000		38,000	342,000
Lancaster Park -pool change facility upgrade	350,000		35,000	315,000
Lakeside Park - electrical distribution	380,000		38,000	342,000
Port Dalhousie Lions Pool Parking lot improvement	330,000		33,000	297,000
Cemetery Road Improvements - part 3	500,000		50,000	450,000
Victoria Lawn - new admin building	1,200,000		120,000	1,080,000
Lock 3 Museum Retaining Wall and trellis	180,000		18,000	162,000
	<u>3,980,000</u>	<u>0</u>	<u>398,000</u>	<u>3,582,000</u>
<b><u>ROAD CONSTRUCTION AND IMPROVEMENTS:</u></b>				
2013 Priority Program	<u>4,100,000</u>	<u>0</u>	<u>410,000</u>	<u>3,690,000</u>
<b><u>STORM SEWER AND SEWER SEPARATION:</u></b>				
2013 Priority Program	<u>2,350,000</u>	<u>0</u>	<u>235,000</u>	<u>2,115,000</u>
<b><u>REGIONAL PROJECTS CITY SHARE:</u></b>				
Main Street (3rd Street to Henley)	125,000		13,000	112,000
Niagara Street (Vine(OEW) to Scott street)	170,000		17,000	153,000
	<u>295,000</u>	<u>0</u>	<u>30,000</u>	<u>265,000</u>
<b><u>DEVELOPMENT CHARGES</u></b>				
no projects in 2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>NEW SIDEWALK CONSTRUCTION</u></b>				
2013 Priority Program	<u>300,000</u>	<u>0</u>	<u>30,000</u>	<u>270,000</u>
<b><u>SHORELINE PROTECTION:</u></b>				
no projects in 2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>POLLUTION CONTROL AND BASEMENT FLOODING</u></b>				
CSO Flow Monitoring	50,000		5,000	45,000
Burleigh Hill and Glendale CSO-Warwickdale Sewer	1,000,000	500,000	50,000	450,000
	<u>1,050,000</u>	<u>500,000</u>	<u>55,000</u>	<u>495,000</u>
<b><u>HERITAGE BUILDING REHABILITATION</u></b>				
Robertson School - Annex - RTU and Exhaust	<u>110,000</u>		<u>11,000</u>	<u>99,000</u>
<b><u>FEDERAL GAS TAX FUNDED PROJECTS</u></b>				
<b><u>WASTEWATER</u></b>				
Storm Sewer Separation-1bd	1,500,000	1,500,000		
<b><u>WATER SYSTEM IMPROVEMENTS</u></b>				
Glenridge neighbourhood	256,982	256,982		
<b><u>REGIONAL PROJECTS CITY SHARE:</u></b>				
Glendale Avenue - watermain replacement	603,000	603,000		
Main Street - watermain replacement	546,000	546,000		
Niagara Street - watermain replacement	1,154,000	1,154,000		
	<u>4,059,982</u>	<u>4,059,982</u>	<u>0</u>	<u>0</u>
<b><u>BUILDING IMPROVEMENTS</u></b>				
Centennial Library - Plaza repairs	360,000		36,000	324,000
Centennial Library - concrete repairs @ building	120,000		12,000	108,000
	<u>480,000</u>	<u>0</u>	<u>48,000</u>	<u>432,000</u>
<b><u>ACCESSIBILITY PROGRAMMES</u></b>				
Lancaster Park - Pool Change Facility	60,000		6,000	54,000
Russell Avenue Community Centre-washroom repairs	60,000		6,000	54,000
Seymour Hannah - Washroom emergency button	10,000		1,000	9,000
Accessibility program, 2013 priority program	120,000		12,000	108,000
	<u>250,000</u>	<u>0</u>	<u>25,000</u>	<u>225,000</u>
<b><u>WATERCOURSES</u></b>				
no projects in 2013	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>BRIDGES AND CULVERTS</u></b>				
Pelham Road Bridge - deck rehabilitation	<u>1,000,000</u>	<u>\$0.00</u>	<u>100,000</u>	<u>900,000</u>
<b><u>FIRE SERVICES</u></b>				
Fire Communications - year 3	800,000		80,000	720,000
	<u>800,000</u>	<u>0</u>	<u>80,000</u>	<u>720,000</u>
<b><u>PARKING SERVICES</u></b>				
Ontario Street Garage - lighting replacement	260,000		26,000	234,000
Garden Park parking lot - reconstruction	300,000		30,000	270,000
	<u>560,000</u>	<u>0</u>	<u>56,000</u>	<u>504,000</u>
<b>TOTAL 2013 CAPITAL FORECAST</b>	<u><b>\$19,334,982.00</b></u>	<u><b>\$4,559,982.00</b></u>	<u><b>\$1,478,000.00</b></u>	<u><b>\$13,297,000.00</b></u>

**CITY OF ST. CATHARINES  
2012 UPDATED DEBT AND ANNUAL REPAYMENT LIMIT**

2012 Debt and Financial Obligation Limit ( based on 2011 FIR ):

Calculation of Debt Charges:

Total Principal	8,760,227	
Total Interest	2,812,043	
		\$11,572,270
Less:		
Tile Drainage and Shoreline Assistance		0
<b>NET DEBT CHARGES</b>		<b><u><u>\$11,572,270</u></u></b>

Calculation of Annual Repayment Limit:

Total Revenue Fund Revenue (sch10 9910) less (SLC 53 0610 01)	\$158,747,109	
Tile Drainage and Shoreline Assistance (SLC 12 1850 04)	0	
Ontario Grants (SLC 10 0699 01+SLC 10 0810 01+ SLC10 0815 01)	-9,853,065	
Canada Grants (SLC 10 0820 01+SLC 10 0825 01)	-10,935,807	
Other Municipalities (SLC 101099 01)_	-2,656,875	
Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	-125,030	
Deferred revenue earned (Development Charges) (SLC 10 1812 01)	-821,772	
<b>NET REVENUE FUND REVENUES</b>		<b><u><u>\$134,354,560</u></u></b>
<b>25% OF NET REVENUE FUND REVENUE</b>		<b><u><u>\$33,588,640</u></u></b>

Adjustments to Annual Repayment Limit:

ANNUAL REPAYMENT LIMIT UNDER REGULATION		<u><u>\$22,016,370</u></u>
2011 Unfinanced Capital Projects		\$45,784,387
Capitalized Annual Repayment		
Years	10	
Rate	7.00%	
Factor	0.14237750	
Annual Repayment Limit under Regulation		22,016,370
<b>ADJUSTED ANNUAL REPAYMENT LIMIT</b>		<b><u><u>15,497,703</u></u></b>

Remaining Debt Capacity

Capitalized Debt Capacity		108,849,383
2012 Capital Budget		-35,826,200
<b>REMAINING DEBT CAPACITY</b>		<b><u><u>\$73,023,183</u></u></b>

**CITY OF ST. CATHARINES  
2011 NET LONG TERM DEBT BY FUNCTION**

**ANALYSIS OF NET LONG TERM DEBT BY FUNCTION  
as at December 31, 2011**

General Government	\$351,594
Fire Services	100,443
Shoreline Protection	498,178
Roadways	13,621,672
Sidewalks	509,499
Sanitary Sewer System	4,731,343
Storm Sewer System	4,874,816
Waterworks System	4,953,583
Assistance to Aged Persons	135,027
Parks and Recreation	1,660,929
Seymour Hannah Complex	15,797,804
Other Arenas	2,178,374
Merritton Arena	268,766
Court House	807,112
Kiwanis Aquatic Centre	11,532,000
Other Cultural	0
St Catharines Centennial Public Library	1,760,000
Parking	9,152,535
City of St. Catharines Total Debt	<u>\$72,933,678</u>

Future Principal and Interest Payments on Existing Debt:

	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2012	\$11,673,150	\$8,288,809	\$3,384,341
2013	10,644,061	7,608,653	3,035,408
2014	9,408,071	6,717,047	2,691,024
2015	8,533,243	6,145,173	2,388,070
2016	7,915,936	5,791,887	2,124,049
2017-2021	24,727,015	17,420,445	7,306,570
2022 onwards	32,314,953	20,959,404	11,355,549
	<u>\$105,216,429</u>	<u>\$72,931,418</u>	<u>\$32,285,011</u>

Net Long Term Debt Level History:

Year	Outstanding Debt	Debt Per		Debt Charges	
		Household	Capita	Total	% Expend
2011	\$72,933,678	1,243.12	552.57	12,306,217	7.44%
2010	68,746,036	1,171.74	520.85	11,428,823	8.04%
2009	63,895,013	1,089.06	484.09	10,513,010	6.82%
2008	63,220,824	1,077.57	478.99	10,013,348	6.57%
2007	59,750,883	1,023.25	452.70	9,520,029	6.52%
2006	57,611,592	996.91	436.49	7,926,635	6.00%
2005	45,878,285	795.34	342.89	7,636,871	6.08%
2004	45,963,500	804.67	355.48	6,482,177	5.77%
2003	33,655,165	594.47	260.29	5,486,940	5.75%
2002	28,568,524	508.32	220.95	4,482,043	4.77%
2001	23,509,381	419.68	181.82	4,526,784	4.69%
2000	15,990,228	286.74	123.67	5,032,591	5.34%
1999	19,646,296	353.58	151.94	5,319,404	6.72%
1998	22,335,703	404.07	172.74	5,934,009	7.83%
1997	21,855,106	401.39	169.03	5,754,288	7.03%
1996	21,320,842	391.58	164.89	5,908,738	7.25%
1995	23,695,341	436.86	183.26	5,693,359	7.17%
1994	23,494,350	436.12	181.70	5,859,376	7.30%
1993	25,604,103	480.88	198.02	6,257,018	7.80%
1992	26,969,889	513.14	216.30	6,609,993	8.21%
1991	30,820,721	594.78	249.65	5,993,212	7.52%
1990	28,012,033	553.18	226.90	5,724,176	7.26%

CITY OF ST CATHARINES  
2011 UNFINANCED CAPITAL PROJECTS

2011 UNFINANCED CAPITAL PROJECTS/UNISSUED DEBT

Lakeside Skating Path	225,000
Arenas Improvement Program	499,000
Pearson Park	47,000
Happy Rolph's Bird Sanctuary	567,000
Lock III Complex	405,000
Senior and Community Centres	670,000
Sportfield Development	1,822,000
Berkley Park Soccer Field Conversion	73,000
RCS Administration - washroom/accessibility renovations	153,000
RCS Administration Building	945,000
RCS Buildings - various	134,000
Municipal Golf Course - Maintenance Building	675,000
Burgoyne Woods - water service upgrade	148,000
Russell Avenue Community Centre roof	135,000
Lancaster Park field lighting	648,000
Trail Improvements	90,000
Cemetery Administration Building-accessibility	135,000
Heritage Buildings Restoration	4,184,000
Road Construction and Improvements	12,196,075
Storm Sewer and Separation	6,571,000
Sanitary Sewers	0
Watermains	454,084
Regional Projects - City's Share	3,943,200
Development Charges	46,028
Local Improvements	294,000
General Government	0
Fire	6,068,000
Pollution Control Plan	571,000
New Sidewalks	1,556,000
Shoreline Protection	63,000
Watercourse Rehabilitation	967,000
Parking Operations	1,500,000

2011 UNFINANCED CAPITAL PROJECTS

\$45,784,387