



## Corporate Report

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**Report from** Financial Management Services, Director

**Date of Report:** June 3, 2015

**Date of Meeting:** July 6, 2015

**Report Number:** FMS-122-2015

**File:** 10.57.10

**Subject:** 2015 Capital Budget and Four Year Forecast

### Recommendation

That the report from Financial Management Services dated June 3, 2015, regarding the 2015 Capital Budget be referred to City Council for consideration after the Public Meeting scheduled for July 20, 2015, for which notice will be duly given. FORTHWITH

### Staff Recommendation

That Council approve the 2015 Capital Budget and Four Year Forecast as detailed in Appendix 1; and

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

### Background

The 2015 Capital Budget is the plan of capital expenditures to be committed during 2015. 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 Corporation to finance its projects over a number of years and also provides a control mechanism for future debt levels.

The forecast for years 2016 to 2019 is determined by the review of various studies underway or recently completed which outline capital investments that are required or recommended to maintain or enhance City infrastructure. These studies include, but are not limited to the Parks Master Plan, Recreation Master Plan, Fire Master Plan, Pollution Control Plan, Municipal Space Study, Parking Study and Asset Management Plan.

## Report

Council support of the Capital Budget accomplishes approval of both the five-year capital plan and funding for the capital program. Applicable funding sources for the program are grants, reserves and operating fund contributions with the remaining funds not covered becoming debt.

The 2015 Capital Budget and Four Year Forecast is detailed in Appendix 1. The following information is contained in the appendix.

<b><u>Item</u></b>	<b><u>Description</u></b>	<b><u>Appendix Page #</u></b>
Summary	The breakdown of capital expenditures for years 2015 to 2019	1
2015 Capital Budget	The capital expenditures proposed for 2015 by function. The 2015 Capital Budget references various Schedules by category which provide greater detail for the projects listed. For Council information, the projects which have already received early budget approval by Council are noted on the 2015 summary and the individual schedules.	2 to 14
2016 Capital Forecast	The 2016 forecast is determined from the asset management plan. Items already approved by Council are indicated on this forecast under the early budget approval column.	15
The 2015 Debt and Annual Repayment Limit	Information regarding the debt payments the City is committed to and the Annual Repayment Limit as prescribed by the Province	16
The 2014 Unfinanced Capital Projects	A list of previously approved capital projects that have yet to be debentured	17

### A) Capital Program Strategy

Municipal budgets are very capital intensive. In determining the City's capital strategy, the first priority is maintaining existing infrastructure while the second priority for the capital strategy is to expand or replace existing assets aimed at improving services and programs for residents.

A key parameter for maintaining existing infrastructure is ensuring the City's assets meet current federal and provincial regulations and guidelines. As such, City departments report on capital needs by determining the value of the infrastructure,

deficiencies and target condition ratings with the aim of setting a level of expenditures to achieve those targets. As stated in the 2013 Asset Management Plan, the goal is that all City owned infrastructure assets are sustainable into the future.

Capital Budget funded projects which are a result of a current regulation or guideline are the following.

- Accessibility upgrades (roads and buildings)
- Pollution control plan implementation
- New storm sewers for combined sewer separation; and
- Water/Wastewater Financial Plan (to a minor extent)

Capital Budget also funds major expenditures arising from the City's Asset Management Plan recommendations and other Master Plans.

## **B) Funding of Capital Projects**

### **Financing the Capital Program**

Debt financing allows for a more manageable impact on the operating budget and allows for the payments to be spread over a longer term which is appropriate for assets with a longer life expectancy.

A pay-as-you-go method of infrastructure investments, while it avoids interest payments and debt issuance costs, directly impacts the operating budget significantly from year-to-year and the ability to begin more than one larger project is limited which could result in the underfunding of infrastructure. For this reason, the City uses debt financing to ensure the City continues to be financially responsible and has a debt management strategy in place.

### **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 no more than 25% of the City's net revenue fund revenues.

Using this guideline, the City could increase its debt by approximately a further \$76.5 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%, the City's additional debt capacity would be \$85.5 million. Although there has never been a suggestion that this limit be approached, Council does have significant capacity available should circumstances warrant additional debt financing.

The City Treasurer has updated the Debt Repayment Limit for the City and the debenture amount proposed in the 2015 Capital Budget will not cause the City to exceed its limit.

## **Debt Management Strategy**

The City has established its own Debt Management Strategy which determines capital projects that are eligible for debt financing, identifies a sustainable level of borrowing and deals with debt repayment.

- 1) **Eligibility:** Not all capital projects are suited for debt financing. The City's policy is to recommend debt financing only for infrastructure purposes. Specifically, for large projects that provide well-defined benefits to the community, have long asset lives and the ability to leverage additional financing elsewhere.
- 2) **Sustainable level of borrowing:** For debt management purposes, the City has adopted a policy aimed at containing debt charges at approximately 10% of the City's total own expenditures. This will ensure the debt service costs will not become an increasing burden and a larger portion of the City's budget, as it is essential the City ensure debt levels are sustainable within the operating budget.
- 3) **Debt repayment:** The City has a 10% down payment strategy which reduces the amount to be borrowed and while at the same time, bringing the approximate costs of one year's debt service to the year of decision. As a result, Council will raise, through taxes, an amount which will be equivalent of future annual debt charges for each particular project. Debentures are taken for shorter timeframes versus longer timeframe which are typically 5 or 10 year.

## **Capital Projects Budget Impact**

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

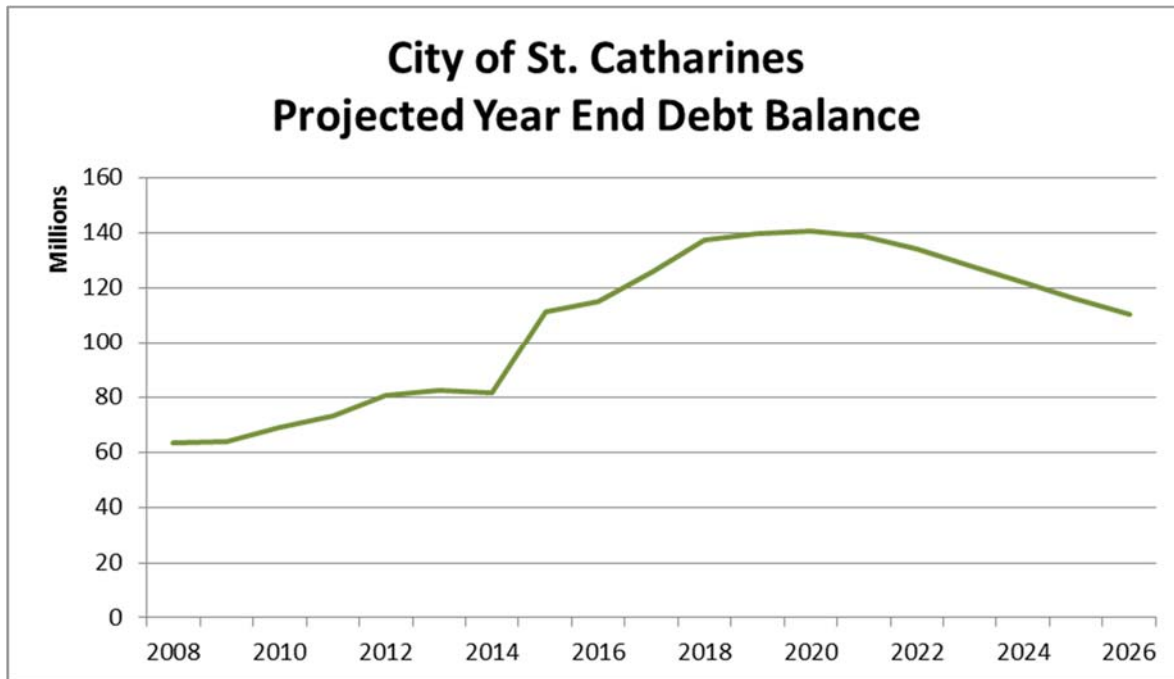
- project approval
- project design
- tendering
- construction
- debenture issuance
- debenture cost inclusion in an Operating Budget.

In 2014 the City's debt charges were 7.05% of the City's total estimated expenditures. Each year the Ministry of Municipal Affairs produces a financial indicator review that states debt costs between 5% and 10% are considered moderate risk – which is where the City of St. Catharines currently resides.

The chart below has the estimated impact of increased capital borrowing activities for the next five years.

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Outstanding Debt</b>	\$81.3m	\$111.0m	\$115.0m	\$125.6m	\$137.2m	\$139.5m
<b>Debt Per Household</b>	\$1,385.58	\$1,893.32	\$1,960.03	\$2,140.87	\$2,338.51	\$2,376.84
<b>Total Annual Debt Charges</b>	\$12.5m	\$13.4m	\$15.4m	\$16.6m	\$18.2m	\$19.9m
<b>As % of Operating Budget</b>	7.05%	7.36%	8.26%	8.69%	9.36%	9.94%

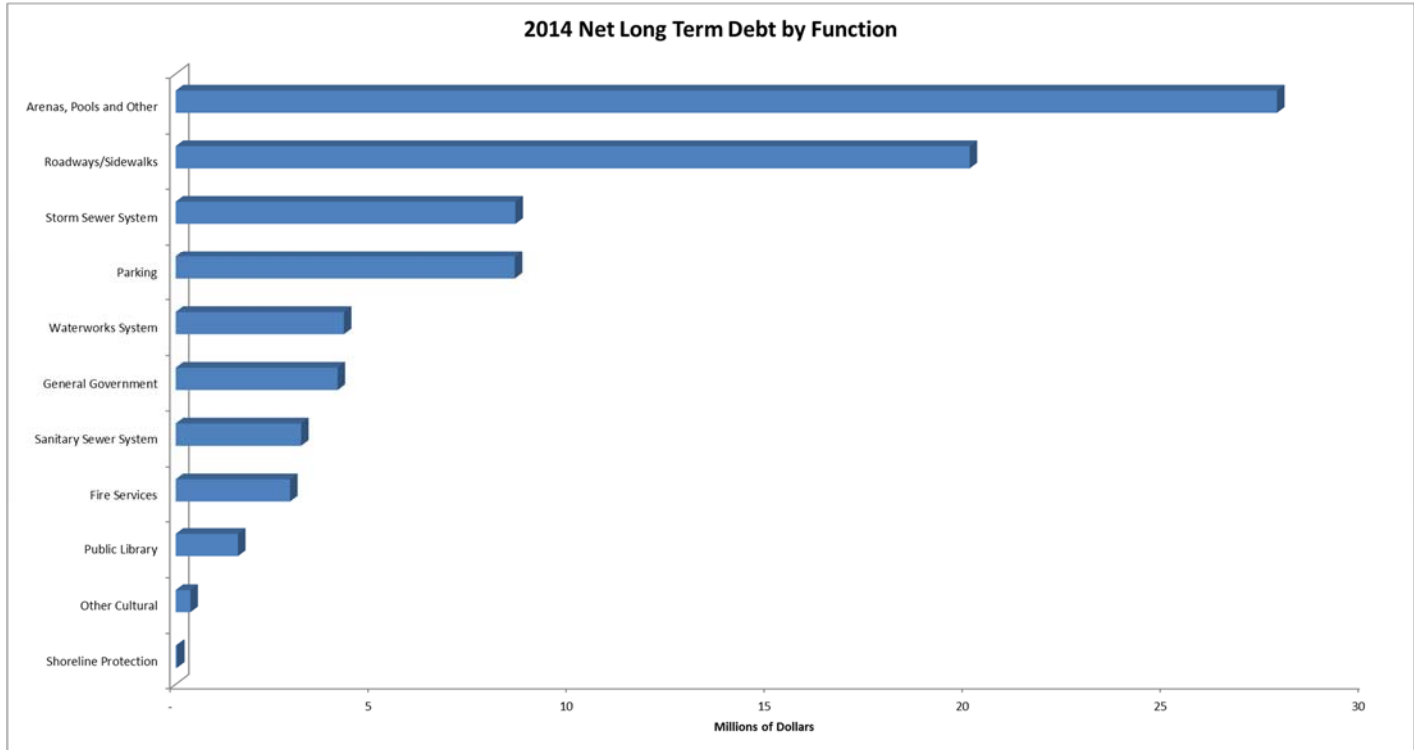
The City's estimated debt forecast is illustrated below.



As shown in the chart above, the City's debt at the end of 2014 was \$81.3 million. While debt is rising, it will begin to decline starting in 2021. Under the City's Debt Management Strategy the objective is to minimize the annual impact of debt on the

operating budget, while continuing to sustain and improve its infrastructure asset over the long term.

The following graph shows the debt breakdown among the various functional areas for infrastructure and facilities.



As recommended by Council, the tree planting program has also been included in the capital program. Funding for tree planting in the amount of \$351,000 has been included in the 2015 Draft Capital Budget and Four Year Forecast.

Reprioritization of projects is ongoing to meet the Council adopted policy of containing the debt charges at approximately 10% of the City's total expenditures. As well, work continues on the Asset Management Plan to ensure that the City will achieve a sustainable level of funding for all levels of infrastructure.

## Financial Implications

The Capital Budget and Four Year Forecast allows the Corporation to address the capital needs of the Corporation. Financial implications are outlined within the report.

**Prepared by:**

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Financial Management Services

**Approved by:**

Shelley Chemnitz, Commissioner  
Corporate Services

CITY OF ST. CATHARINES  
2015 CAPITAL BUDGET AND FOUR YEAR FORECAST  
SUMMARY OF CAPITAL EXPENDITURES AND SOURCES OF FINANCING

	2015	2016	2017	2018	2019
<b>CAPITAL EXPENDITURES:</b>					
Parks, Recreation and Culture Services	\$886,000	\$2,570,000	\$1,960,000	\$1,330,000	\$3,060,000
Road Construction and Improvements	4,264,000	4,434,560	4,611,942	4,796,420	4,796,420
Storm Sewer and Separation	2,616,500	2,333,760	2,427,110	2,524,194	2,524,195
Regional Projects	0	500,000	0	720,000	780,000
Niagara District Airport	151,000				
New Sidewalk Construction	300,000	300,000	300,000	300,000	300,000
Shoreline Protection	0	562,000	0	30,000	110,000
Pollution Control	3,590,000	984,000	1,000,000	1,000,000	0
Heritage Building Rehabilitation	0	500,000	360,000	400,000	880,000
Federal Gas Tax funded programs	3,804,741	3,994,978	3,994,978	4,185,216	4,185,216
Building Improvements	4,780,000	1,700,000	1,750,000	900,000	1,680,000
Accessibility Programme	475,000	250,000	250,000	250,000	1,330,000
Development Charges			2,180,000	1,170,000	2,370,000
Fire Services	100,000	3,000,000	2,800,000	3,500,000	160,000
Watercourses	274,000	270,000	500,000	1,340,000	500,000
Bridges and Culvert	0	280,000	1,400,000	600,000	500,000
New Buildings					
Parking Improvements	1,000,000	1,000,000	450,000	510,000	100,000
Corporate Infrastructure			1,000,000	500,000	500,000
	<u>\$22,241,241</u>	<u>\$22,679,298</u>	<u>\$24,984,031</u>	<u>\$24,055,830</u>	<u>\$23,775,831</u>
<b>SOURCES OF FINANCING:</b>					
Grants, Reserve Funds etc.	\$6,533,241	\$5,444,200	\$7,019,978	\$6,646,216	\$6,926,216
Capital Out of Revenue Fund	1,577,000	1,725,000	1,797,000	1,741,000	1,685,000
Net Debenture Amount	14,131,000	15,510,098	16,167,053	15,668,614	15,164,615
	<u>\$22,241,241</u>	<u>\$22,679,298</u>	<u>\$24,984,031</u>	<u>\$24,055,830</u>	<u>\$23,775,831</u>



CITY OF ST. CATHARINES  
2015 CAPITAL BUDGET

DESCRIPTION	SCHEDULE	ESTIMATED GROSS COSTS	GRANTS, RESERVES ETC.	CAPITAL OUT OF REVENUE	NET DEBTURE AMOUNT	EARLY BUDGET APPROVAL AMOUNT NOTES
<b><u>PARKS, RECREATION AND CULTURE SERVICES:</u></b>						
Arena Improvement program, 2015		350,000		35,000	315,000	250,000 BBA ceiling repair
West Park pool demolition - additional funds		125,000		13,000	112,000	125,000
Tree Planting, 2015		351,000		35,000	316,000	351,000
Welland Canal Fallen Workers Memorial		60,000		6,000	54,000	
	SCHEDULE A	<u>886,000</u>	<u>0</u>	<u>89,000</u>	<u>797,000</u>	
<b><u>ROAD CONSTRUCTION AND IMPROVEMENTS:</u></b>						
Carlisle/St Paul Reconstruction		1,066,000		107,000	959,000	1,066,000
McGuire Street		529,000		53,000	476,000	529,000
2015 Resurfacing Program - Part 2		829,000		83,000	746,000	829,000
Catherine Street		565,000		57,000	508,000	565,000
Lowell Avenue		825,000		83,000	742,000	
Moffatt Street		100,000		10,000	90,000	
Third Street Louth		350,000		35,000	315,000	
	SCHEDULE B	<u>4,264,000</u>	<u>0</u>	<u>428,000</u>	<u>3,836,000</u>	
<b><u>STORM SEWER AND SEWER SEPARATION:</u></b>						
Ontario Street		380,000	228,000	15,000	137,000	
Clarendon/Ferndale/Lonsdale/Thornton		525,000		53,000	472,000	
Tunis/Valley		365,000	205,500	16,000	143,500	
Catchbasin and Storm Service Installation		100,000		10,000	90,000	
Francis Creek Drain Improvements		475,000		48,000	427,000	
Design for 2016 Projects		25,000		3,000	22,000	
Lowell Avenue		31,500		3,000	28,500	
Extraneous Flow and Collection System Evaluation		715,000		72,000	643,000	715,000
	SCHEDULE C	<u>2,616,500</u>	<u>433,500</u>	<u>220,000</u>	<u>1,963,000</u>	
<b><u>NIAGARA DISTRICT AIRPORT</u></b>						
2015 Municipal Working Capital Grant		151,000		15,000	136,000	151,000
	SCHEDULE D	<u>151,000</u>	<u>0</u>	<u>15,000</u>	<u>136,000</u>	
<b><u>NEW SIDEWALK CONSTRUCTION</u></b>						
2015 Sidewalk Construction Program		300,000		30,000	270,000	
	SCHEDULE E	<u>300,000</u>	<u>0</u>	<u>30,000</u>	<u>270,000</u>	
<b><u>SHORELINE PROTECTION</u></b>						
No projects planned in 2015		0	0	0	0	
<b><u>POLLUTION CONTROL PLAN</u></b>						
Burleigh Hill/Glendale Avenue CSO Control - phase 2		3,250,000	1,625,000	163,000	1,462,000	
Michigan Avenue CSO		210,000	105,000	11,000	94,000	
Pollution Control Plan Update		130,000	65,000	7,000	58,000	
	SCHEDULE F	<u>3,590,000</u>	<u>1,795,000</u>	<u>181,000</u>	<u>1,614,000</u>	
<b><u>HERITAGE BUILDING REHABILITATION</u></b>						
No projects planned in 2015		0	0	0	0	
<b><u>FEDERAL GAS TAX FUNDED PROJECTS</u></b>						
Active Transportation Infrastructure		250,000	250,000			
LED Streetlight Conversion-phase 1		2,054,741	2,054,741			2,054,741
Watermeter Replacement Program - Phase 2		1,000,000	1,000,000			
Third Street Louth Culvert Replacement		500,000	500,000			
	SCHEDULE G	<u>3,804,741</u>	<u>3,804,741</u>	<u>0</u>	<u>0</u>	
<b><u>BUILDING IMPROVEMENTS</u></b>						
Lion Dunc Schooley Wading Pool		25,000		3,000	22,000	25,000
Lester B Pearson Park Splashpad		50,000		5,000	45,000	50,000
Building Improvement Program, 2015		605,000	500,000	11,000	94,000	
Operations Facilities Consolidation		4,100,000		410,000	3,690,000	
	SCHEDULE H	<u>4,780,000</u>	<u>500,000</u>	<u>429,000</u>	<u>3,851,000</u>	
<b><u>ACCESSIBILITY PROGRAMMES</u></b>						
Operations Facilities Consolidation - elevator		475,000		48,000	427,000	
	SCHEDULE I	<u>475,000</u>	<u>0</u>	<u>48,000</u>	<u>427,000</u>	
<b><u>WATERCOURSE REHABILITATION</u></b>						
Briarsdale Creek and Walkway		274,000		27,000	247,000	
	SCHEDULE J	<u>274,000</u>	<u>0</u>	<u>27,000</u>	<u>247,000</u>	
<b><u>BRIDGE AND CULVERT REHABILITATION</u></b>						
No projects planned in 2015		0	0	0	0	
<b><u>FIRE SERVICES</u></b>						
Station #1 - 2nd Floor Design Implementation		100,000		10,000	90,000	
	SCHEDULE K	<u>100,000</u>	<u>0</u>	<u>10,000</u>	<u>90,000</u>	
<b><u>PARKING SERVICES</u></b>						
Ontario St Garage-partial -stairwell/elevator improvements		1,000,000		100,000	900,000	
	SCHEDULE L	<u>1,000,000</u>	<u>0</u>	<u>100,000</u>	<u>900,000</u>	
<b>TOTAL 2015 CAPITAL BUDGET</b>		<u>\$22,241,241</u>	<u>\$6,533,241</u>	<u>\$1,577,000</u>	<u>\$14,131,000</u>	<u>\$6,710,741</u>

**2015 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.  
Per 2015 Operating Budget approval - all tree purchases in the PRCS tree planting contract be moved to the Capital Budget.

**Project Details:**

<u>Area</u>	<u>Gross Cost</u>
1 Arena Improvement Program, 2015	
Bill Burgoyne Arena      Ceiling Repairs	*      \$250,000
Bill Burgoyne Arena      Dehumidification System replacement	100,000
2 West Park Pool demolition - additional funds	*      125,000
3 Tree Planting Program	*      351,000
4 Welland Canal Fallen Workers Memorial - design for phase 1	*      60,000
	<b><u>\$886,000</u></b>
<b><u>Funding Sources:</u></b>	
Capital Out of Revenue (10%)	\$89,000
Debentures	797,000
	<b><u>\$886,000</u></b>

Note:

\* indicates that the project has received early budget approval

**2015 CAPITAL BUDGET****SCHEDULE B****Project:** ROAD CONSTRUCTION AND IMPROVEMENTS**Objectives:** To ensure safe vehicular and pedestrian passage at all times along the 562 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 71. 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>
1. <b>Municipal Services Imprvmts</b> Carlisle Street St Paul Street	<b>P13-062</b>	St Paul Street Carlisle Street	McGuire Street James Street	* \$1,066,000
2. <b>Municipal Services Imprvmts</b> Catherine Street	<b>P14-001</b>	Welland Avenue	Maple Street	* 565,000
3. <b>Municipal Services Imprvmts</b> McGuire Street	<b>P14-065</b>	Geneva Street	St Paul Crescent	* 529,000
4. <b>2015 Resurfacing Program -Pt 2</b> Chestnut Street West Decew Road Fifth Street Louth Masterson Drive Masterson Drive Various streets	<b>P15-060</b>	Woodcrest Drive Cataract Road Third Avenue Louth Glendale Avenue Oakridge Avenue	Jacobson Avenue First Street Louth south limit Sovereign Drive Glendale Avenue	* 829,000
5. <b>Municipal Services Imprvmts</b> Lowell Avenue	<b>P15-065</b>	Thomas Street	Lake Street	825,000
6. <b>Engineering Design</b> Moffatt Street	<b>P15-066</b>	North Limit	South Limit	100,000
7. <b>Engineering Design/Utilities</b> Third Street Louth	<b>P15-067</b>	Fourth Avenue	Lakeshore Road	350,000
				<b>\$4,264,000</b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$428,000
Debenture	3,836,000
	<b>\$4,264,000</b>

Note:

**2015 CAPITAL BUDGET****SCHEDULE C****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 569 km of Sanitary sewers and combined sewers, and 391 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 and Storm Service Installations	P15-006	Various		\$100,000
<b>Municipal Services Improvements</b>				
2 Ontario Street	P15-002	Lake Street	Welland Avenue	380,000
3 Clarendon/Ferndale/Lonsdale Clarendon Avenue Ferndale Avenue Lonsdale Avenue Thornton Street	P15-002	Ferndale Avenue Dunvegan Road Ferndale Avenue Clarendon Avenue	Hartzel Road Rockwood Avenue Hartzel Road Rockwood Avenue	525,000
4 Tunis/Valley Tunis Street Valley Road	P15-003	Pelham Road Louth Street	Hillview Road Louth Street	365,000
5 Francis Creek Drain Improvements Francis Creek Drain	P15-007	Ridley Road unopened road allowance	30m North of 4th Avenue	475,000
6 Design for 2016 Storm Projects	P15-015			25,000
7 Lowell Avenue	P15-065	Thomas Street	Lake Street	31,500
8 Extraneous Flow and Collection System Evaluation				* 715,000
				<b>\$2,616,500</b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$220,000
Regional Niagara - CSO funding	433,500
Debentures	1,963,000
	<b>\$2,616,500</b>

Projects approved for Regional Niagara CSO Management Action Plan funding:

Ontario Street	\$228,000
Tunis/Valley	205,500
	<b>\$433,500</b>

Note:

\* indicates that the project has received early budget approval

**2015 CAPITAL BUDGET**

**SCHEDULE D**

**Project:** **NIAGARA DISTRICT AIRPORT**

**Project Description:** 2015 Municipal Working Capital Grant  
City's commitment to annual capital improvements

**Project Details:**

<u>Area</u>	<u>Gross Cost</u>
1 2015 Municipal Working Capital Grant	* \$151,000
AR/GR Paint Lines	
Firelane - Genaire	
Airside Mower - Bat Wing	
Paving South of East Apron	
Paving - T-Downs	
	<u><u>\$151,000</u></u>

**Funding Sources:**

Capital Out of Revenue (10%)	\$15,000
Debentures	136,000
	<u><u>\$151,000</u></u>

Note:

\* indicates that the project has received early budget approval

**2015 CAPITAL BUDGET**

**SCHEDULE E**

**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:  
Both sides of all roads regardless of designation

**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 2015 New Sidewalk Construction program	Priority locations		\$300,000
			<b><u>\$300,000</u></b>

**Funding Sources:**

Capital out of Revenue (10%)	\$30,000
Debentures	270,000
	<b><u>\$300,000</u></b>

(15CapSidewalk)

**2015 CAPITAL BUDGET**

**SCHEDULE F**

**Project:**

**POLLUTION CONTROL PLAN**

**Project Description:**

To improve sewer system responsiveness during extreme rainfall occurrences which will reduce occurrences of basement flooding.

**Policy:**

To implement sewers system optimization and combined sewer overflows (CSO) abatement to improve responsiveness to extreme rainfall occurrences.

**Project Details:**

Remedial works will address sewer system optimization and CSO control based on studies monitoring sewage flows.

	<u>Location</u>	<u>Project No.</u>		<u>Gross Cost</u>
1	2015 Pollution Control Plan	ST15-09	Update existing 2008 pollution control plan	\$130,000
2	Burleigh Hill/Glendale Avenue CSO Control - phase 2	P13-019	Glengarry Park CSO storage facility	3,250,000
3	Michigan Avenue CSO	P13-020	additional funds for connection to wastewater treatment plant	210,000
				<b><u>\$3,590,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$181,000
Regional CSO funding	1,795,000
Debentures	1,614,000
	<b><u>\$3,590,000</u></b>

Projects applying for Regional Niagara CSO Management Action Plan funding:

**2015 CAPITAL BUDGET**

**SCHEDULE G**

**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 2015 projects include investments in the Active Transportation Network, LED Streetlight conversion and continued investment in the watermeter replacement program

**Project Details:**

	No.	Gross Cost
1 Active Transportation Infrastructure	Initial year of multi-year initiative to implement recommendations of the Active Transportation Committee	\$250,000
2 LED Streetlight Conversion	Initial funding of a multi-year project to replace existing street light fixtures with energy efficient LED fixtures	* 2,054,741
3 Water Meter Replacement Program	Year 3 of a multi year program to replace existing water meters to AMRs	1,000,000
4 Third Street Louth Culvert Replacement	Replace existing box culvert with identified structural deficiencies on a tributary of Richardson Creek From Third Street Louth To 90m south of CN railway	500,000
		<b><u>\$3,804,741</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment  
Federal Gas Tax Funding

\$0  
3,804,741  
**\$3,804,741**

Note:

\* indicates that the project has received early budget approval



**2015 CAPITAL BUDGET****SCHEDULE H****Project:****BUILDING IMPROVEMENTS****Objectives:**

Rehabilitation of existing City properties based on Building Condition Assessments

**Project Description:**

<u>Title</u>	<u>Project No.</u>	<u>Gross Cost</u>
1 City Hall	Brass Door Reconstruction	\$90,000
2 Fire Hall #6 Scott St	Reconstruct Driveway - additional funds	50,000
3 Burgoyne Woods Park	Pavillion - painting	20,000
	Pavillion - new roof	30,000
4 Joe McCaffery Park	Parking lot lighting	90,000
5 Lakeside Park	Docking - replace electrical pole	10,000
6 Lester B Pearson Park	Splashpad - increase concrete surround *	50,000
7 Kiwanis Aquatic Centre	regROUT changeroom	50,000
	stain exterior wood	80,000
8 Lion Dunc Schooley wading pool	sandblast and paint *	25,000
	repair and repaint exterior wood beams	40,000
	roof replacement	45,000
9 Victoria Lawn Cemetery	lunch building - replace front vestibule and stairs	50,000
	replace the fuel tanks and systems	40,000
	gardeners shed demolition	10,000
10 Lake Street Service Centre	TES/PRCS Operations Consolidation	4,100,000
		<b><u>\$4,780,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$428,000
Building Improvement Reserve	500,000
Debentures	3,852,000
	<b><u>\$4,780,000</u></b>

Note:

\* indicates that the project has received early budget approval

Note:

Projects budgeted at less than \$90,000 will be fully funded from the Building Improvement Reserve and not through debentures

**2015 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 Operations Facilities Consolidation	Elevator Installation	\$475,000
		<u>\$475,000</u>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$48,000
Debenture	<u>427,000</u>
	<u>\$475,000</u>

(2015 cap access)

**2015 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. Briarsdale Creek and Walkway	P15-042	Watercourse rehabilitation and culvert replacement in conjunction with existing walkway reconstruction		\$274,000
				<u>\$274,000</u>

**Funding Sources:**

Capital Out of Revenue	\$27,000
Debenture	<u>247,000</u>
	<u>\$274,000</u>

(2015capwatercourses)

**2015 CAPITAL BUDGET**

**SCHEDULE K**

**Project:** *Fire Services Infrastructure*

**Project Description:** *Communications Systems upgrades*

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>Description</u>	<u>Gross Cost</u>
1 Fire Hall #1		2nd Floor Design Implementation	100,000
			<u><u>\$100,000</u></u>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$10,000
Debenture	90,000
	<u><u>\$100,000</u></u>

(2015 fire projects)

**2015 CAPITAL BUDGET**

**SCHEDULE L**

**Project:**

**PARKING SERVICES**

**Project Description:**

Ontario Street Garage - Stairwell/Elevator improvements

**Project Details:**

<u>Location</u>	<u>Project Number</u>		<u>Gross Cost</u>
1 Ontario Street Garage phase 1	P13-150	Partial construction funding to replace 2 William Street stairwells and renovate elevators	\$1,000,000
			<u>\$1,000,000</u>
<b><u>Funding Sources:</u></b>			
Capital out of revenue			\$100,000
Debenture			900,000
			<u>\$1,000,000</u>

(2015 parking services)

**CITY OF ST. CATHARINES  
2016 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>	<u>EARLY BUDGET APPROVAL AMOUNT</u>
<u>PARKS, RECREATION AND CULTURE SERVICES:</u>					
Outdoor Aquatic Facilities-Splashpad	350,000		35,000	315,000	
Canada 150 Community Infrastructure Program	115,000		12,000	103,000	115,000
Cemetery - Road improvements, final	100,000		10,000	90,000	
Tree Planting, 2016	350,000		35,000	315,000	
Burgoyne Woods-road system upgrade	280,000		28,000	252,000	
Centennial Park upgrades-phase 4	195,000		20,000	175,000	
Arena Improvement Program, 2016	240,000		24,000	216,000	
Lock III Estates Park	300,000	25,000	28,000	247,000	
Welland Canal Fallen Workers Memorial	640,000	150,000	49,000	441,000	640,000
	<u>2,570,000</u>	<u>175,000</u>	<u>241,000</u>	<u>2,154,000</u>	
<u>ROAD CONSTRUCTION AND IMPROVEMENTS:</u>					
2016 Priority Program	<u>4,434,560</u>	<u>0</u>	<u>443,000</u>	<u>3,991,560</u>	
<u>STORM SEWER AND SEWER SEPARATION:</u>					
2016 Priority Program	<u>2,333,760</u>	<u>0</u>	<u>233,000</u>	<u>2,100,760</u>	
<u>REGIONAL PROJECTS CITY SHARE:</u>					
Lakeshore Rd - Phase 3	<u>500,000</u>		<u>50,000</u>	<u>450,000</u>	
	<u>500,000</u>	<u>0</u>	<u>50,000</u>	<u>450,000</u>	
<u>NEW SIDEWALK CONSTRUCTION</u>					
2016 Priority Program	<u>300,000</u>		<u>30,000</u>	<u>270,000</u>	
	<u>300,000</u>	<u>0</u>	<u>30,000</u>	<u>270,000</u>	
<u>SHORELINE PROTECTION:</u>					
Newport ROW	414,000	207,000	21,000	186,000	
2016 Priority Program	148,000		15,000	133,000	
	<u>562,000</u>	<u>207,000</u>	<u>36,000</u>	<u>319,000</u>	
<u>POLLUTION CONTROL AND BASEMENT FLOODING</u>					
Upsize Glengarry	984,000	492,222	49,000	442,778	
	<u>984,000</u>	<u>492,222</u>	<u>49,000</u>	<u>442,778</u>	
<u>HERITAGE BUILDING REHABILITATION</u>					
Robertson School - Annex Foundation	500,000		50,000	450,000	
	<u>500,000</u>	<u>0</u>	<u>50,000</u>	<u>450,000</u>	
<u>FEDERAL GAS TAX FUNDED PROJECTS</u>					
Active Transportation Infrastructure	250,000	250,000			
LED Streetlight Conversion-phase 2	1,500,000	1,500,000			
Lakeshore Rd - final phase	1,244,978	1,244,978			
Water Meter Replacement project	1,000,000	1,000,000			
	<u>3,994,978</u>	<u>3,994,978</u>	<u>0</u>	<u>0</u>	
<u>BUILDING IMPROVEMENTS</u>					
Museum - HVAC	900,000		90,000	810,000	
Building Improvement Program, 2016	800,000	575,000	23,000	202,000	
	<u>1,700,000</u>	<u>575,000</u>	<u>113,000</u>	<u>1,012,000</u>	
<u>ACCESSIBILITY PROGRAMMES</u>					
2016 Accessibility Program	250,000		25,000	225,000	
	<u>250,000</u>	<u>0</u>	<u>25,000</u>	<u>225,000</u>	
<u>WATERCOURSES</u>					
Beamer Creek	50,000		5,000	45,000	
Tremont Creek	120,000		12,000	108,000	
Spring Garden Creek Environmental Assessment	100,000		10,000	90,000	
	<u>270,000</u>		<u>27,000</u>	<u>243,000</u>	
<u>BRIDGES AND CULVERTS</u>					
Ball Avenue West	280,000		28,000	252,000	
	<u>280,000</u>		<u>28,000</u>	<u>252,000</u>	
<u>FIRE SERVICES</u>					
Fire Station #4 - Walnut St - demolition	100,000		10,000	90,000	
Fire Station #2 - design/rebuild	2,900,000		290,000	2,610,000	
	<u>3,000,000</u>		<u>300,000</u>	<u>2,700,000</u>	
<u>PARKING SERVICES</u>					
Ontario Street Garage - stairwell/elevator improvements	1,000,000		100,000	900,000	
	<u>1,000,000</u>	<u>0</u>	<u>100,000</u>	<u>900,000</u>	
<b>TOTAL 2016 CAPITAL FORECAST</b>	<u><b>\$22,679,298</b></u>	<u><b>\$5,444,200</b></u>	<u><b>\$1,725,000</b></u>	<u><b>\$15,510,098</b></u>	<u><b>\$755,000</b></u>

**CITY OF ST. CATHARINES  
2015 UPDATED DEBT AND ANNUAL REPAYMENT LIMIT**

2015 Debt and Financial Obligation Limit ( based on 2013 FIR ):

Calculation of Debt Charges:

Total Principal	8,686,223	
Total Interest	2,991,856	
		\$11,678,079
Less:		
Tile Drainage and Shoreline Assistance		0
<b>NET DEBT CHARGES</b>		<b><u><u>\$11,678,079</u></u></b>

Calculation of Annual Repayment Limit:

Total Revenue Fund Revenue (sch10 9910)	\$157,072,626
Tile Drainage and Shoreline Assistance (SLC 12 1850 04)	0
Ontario Grants (SLC 10 0699 01+SLC 10 0810 01+ SLC10 0815 01)	(4,932,804)
Canada Grants (SLC 10 0820 01+SLC 10 0825 01)	(3,670,408)
Deferred Revenue Earned (Provincial Gas Tax) (SLC 10 830 01)	(3,399,878)
Deferred Revenue Earned (Canada Gas Tax) (SLC 10 831 01)	(2,231,946)
Other Municipalities including revenue for TCA (SLC 10 1098 01+SLC 101099 0)	(2,778,081)
Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	(189,625)
Deferred revenue earned (Development Charges) (SLC 10 1812 01)	0
Deferred revenue earned (Recreation Land(the planning act) (SLC 10 1813 01)	
Donated Tangible Capital Assets (SLC 53 0610 01)	0
Other Deferred revenue earned (SLC 10 1814 01)	(165,562)
Increase/Decrease in Gov't Business Enetrprise equity (SLC 10 1905 01)	(1,584,205)
<b>NET REVENUE FUND REVENUES</b>	<b><u><u>\$138,120,117</u></u></b>
<b>25% OF NET REVENUE FUND REVENUE</b>	<b><u><u>\$34,530,029</u></u></b>

Adjustments to Annual Repayment Limit:

<b>ANNUAL REPAYMENT LIMIT UNDER REGULATION</b>	<b><u><u>\$22,851,950</u></u></b>
2014 Unfinanced Capital Projects	\$69,880,428
Capitalized Annual Repayment	
Years	10
Rate	7.00%
Factor	0.14237750
Annual Repayment Limit under Regulation	22,851,950
<b>ADJUSTED ANNUAL REPAYMENT LIMIT</b>	<b><u><u>12,902,549</u></u></b>

Remaining Debt Capacity

Capitalized Debt Capacity	90,622,108
2015 Capital Budget	(14,131,000)
<b>REMAINING DEBT CAPACITY</b>	<b><u><u>\$76,491,108</u></u></b>

CITY OF ST CATHARINES  
2014 UNFINANCED CAPITAL PROJECTS

2014 UNFINANCED CAPITAL PROJECTS/UNISSUED DEBT

Lakeside Skating Path	225,000
Arenas Improvement Program	913,000
Pearson Park	461,000
Happy Rolph's Bird Sanctuary	459,000
Lock III Complex	675,000
Senior and Community Centres	1,609,000
Berkley Park Soccer Field Conversion	73,000
Memorial Park Cenotaph Repairs	486,000
RCS Administration - washroom/accessibility renovations	153,000
RCS Administration Building	945,000
RCS Buildings - various	1,630,200
Lancaster Park/Pool improvements	999,000
Centennial Park upgrades	350,000
Meridian Centre	27,000,000
Burgoyne Woods - water service upgrade	148,000
Lancaster Park field lighting	648,000
Lakeside Park Improvements	1,476,000
Cemetery Buildings - Improvements	1,377,000
Cemetery Road/Drainage Improvements	1,800,000
Heritage Buildings Restoration	3,358,000
Road Construction and Improvements	8,801,000
Storm Sewer and Separation	5,690,000
Sanitary Sewers	1,300,000
Watermains	423,000
Regional Projects - City's Share	383,200
Development Charges	46,028
Local Improvements	114,000
General Government	729,000
Fire	2,846,000
Pollution Control Plan	1,088,000
New Sidewalks	1,163,000
Shoreline Protection	0
Watercourse Rehabilitation	454,000
Parking Operations	2,058,000

2014 UNFINANCED CAPITAL PROJECTS

\$69,880,428