

2012 Capital Budget 2013 to 2016 Capital Outlook

Presented by: Lorella Hayes

Finance Committee Meeting

October 5, 2011



CapitalBudget

2012 Budget Process



May

- Finance Working Meeting

June

- Public Input

October

- Capital Budget Review

Nov - Dec

- Operating Budget Review

January

- 2012 Budget Approval



CapitalBudget

Purpose of Meeting

- Senior Management Team will present the recommended 2012 Capital Budget Priorities and 2013 to 2016 Capital Outlook
- Finance Committee to provide direction to staff regarding amending capital priorities or enhancing capital funding

A decorative graphic in the bottom left corner consisting of three spheres: a large teal one, a medium tan one, and a small teal one.The text 'Capital Budget' in a large, serif font. 'Capital' is in teal and 'Budget' is in tan. A cluster of yellow stars is positioned above the 'i' in 'Capital'.

Capital Budget

2012 Capital Budget

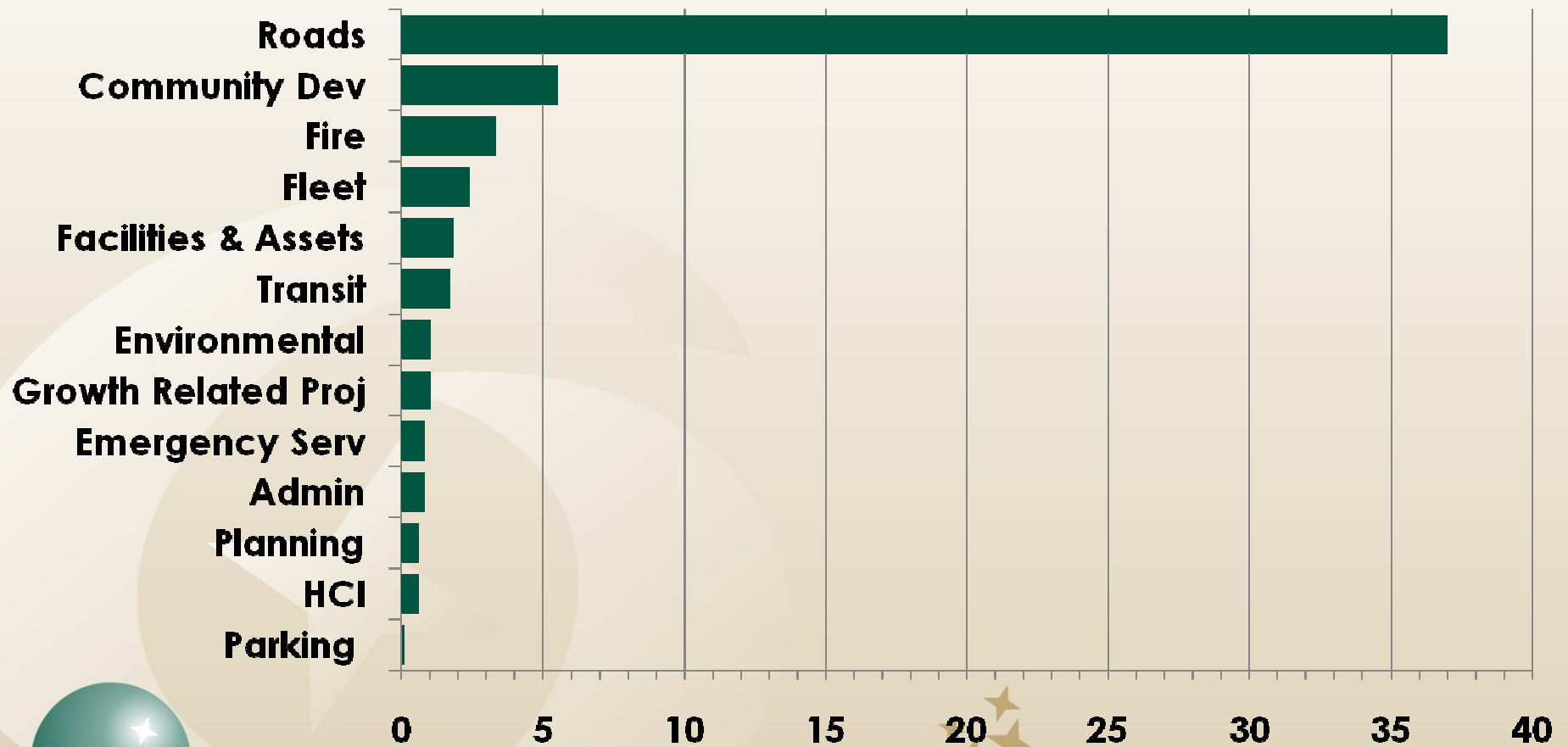
Capital Budget
(Excluding WWW and Police)

\$56.6M

A decorative graphic in the bottom left corner featuring three spheres (two teal, one gold) and a large white star on a light beige background.

Capital Budget

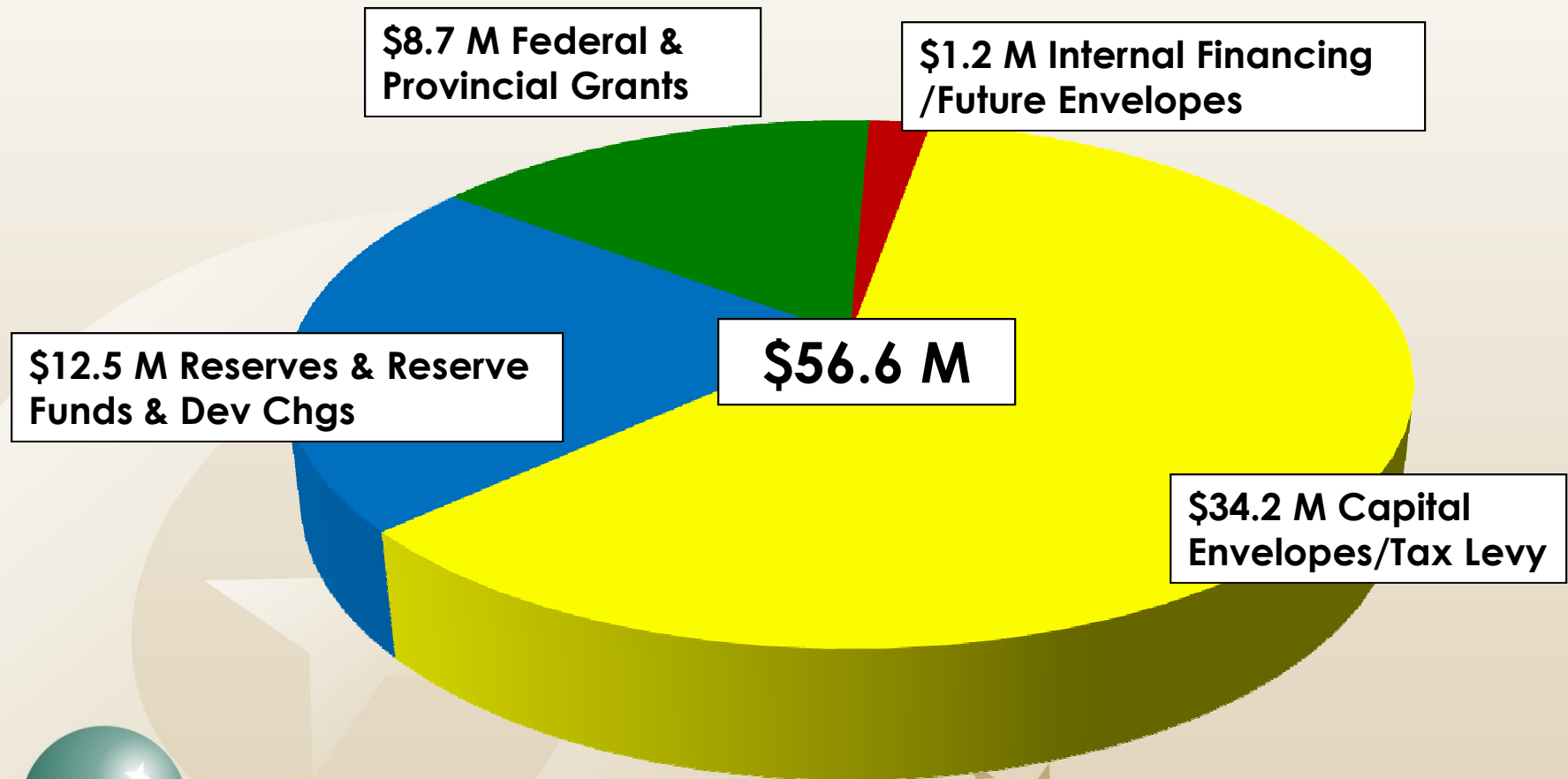
2012 Capital Budget (Excluding WWW and Police)



In millions

Capital Budget

2012 Funding Sources



Capital Budget

2012 Capital Budget - Key Highlights

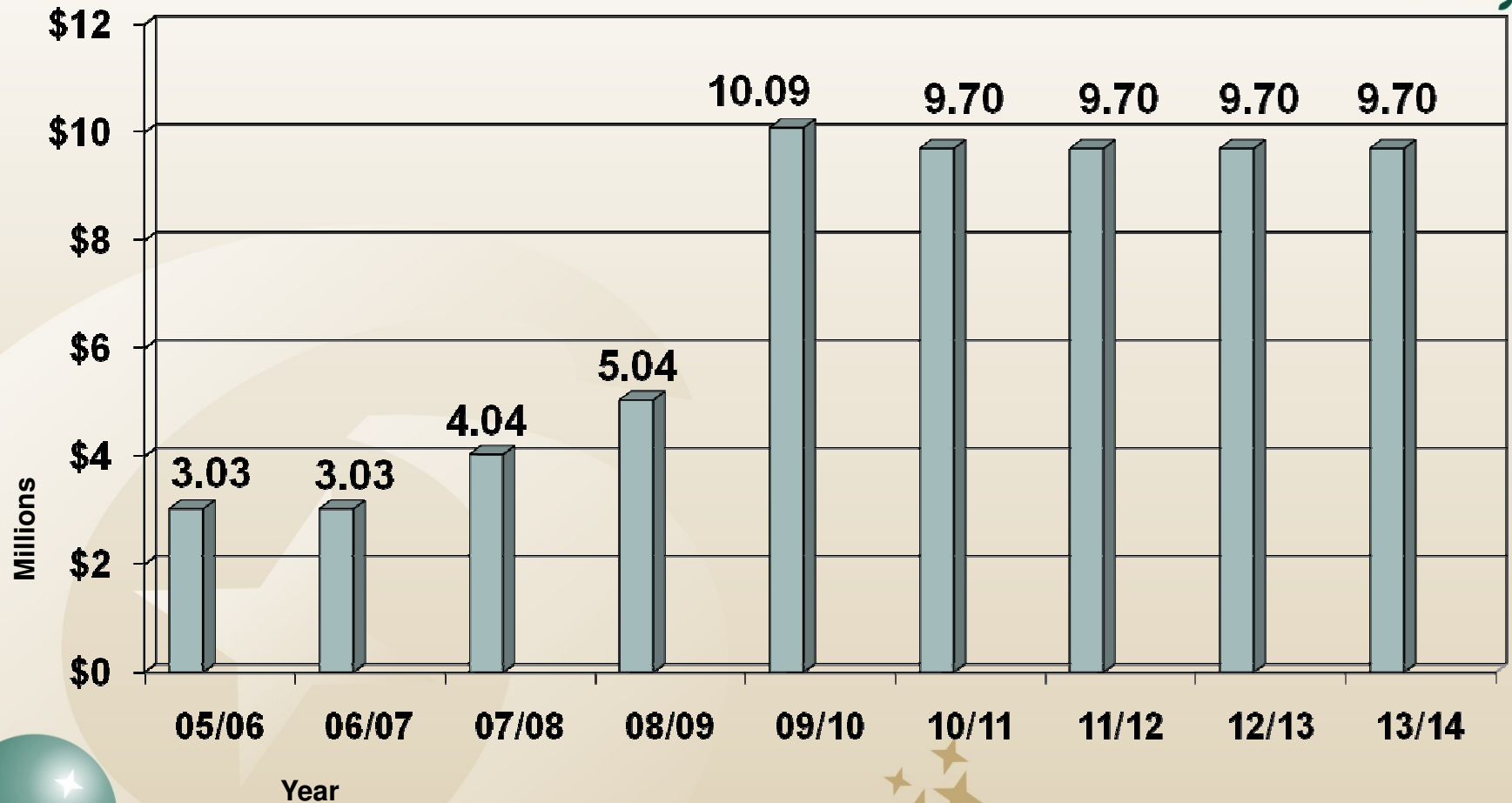


- Capital Envelopes: Funded from the Municipal Tax Levy - **\$34.2M**
 - **Roads Capital Envelope – \$24.5 Million or 72%**
- **2%** inflation factor applied to capital envelopes
 - \$670,000 to be funded by a tax levy increase
 - CPI - 3.1%
 - Canada Construction Index - 3.1%
 - Non-Residential Building Construction Price Index - 4.4%



Capital Budget

Federal Gas Taxes Allocated to Roads and WWW (Allocated on a Per Capita Basis)



Capital Budget

Contributions from Reserve and Reserve Funds

- Requesting \$12.5 Million to be drawn from reserves
 - \$3.2 Million Roads
 - \$2.2 Million for Fire capital needs
- Finance will prepare a forecast of reserve and reserve funds to Finance Committee in November 2011



A decorative graphic of several small gold stars of varying sizes arranged in a cluster above the word 'Capital' in the 'Capital Budget' text.
CapitalBudget

Infrastructure Financing Gap and 10 Year Capital Plan



- 2007 to 2016 ten year capital forecast identified a capital financing gap of almost \$500 M for CGS
- Investment Gap in Ontario: \$5.9 billion
(Roads, WWWW, Stormwater, Transit, Conservation Authorities and Solid Waste)



Capital Budget

Infrastructure Financing Gap and 10 Year Capital Plan



- Tax supported capital sustainable funding requirement: 2 times existing funding levels
- WWW annual requirement: \$46 million compared to base budget of \$23.5 million



Capital Budget

Capital Levy and Long Term Financial Plan



- LTFP recommendation of 2.3% capital levy; Approved in 2005, 2006, 2008, 0.5% in 2007
- 2012: Direction required
- A ten year capital plan will be updated and developed in advance of 2013 budget deliberations



Capital Budget

Resolution: At the Conclusion of Budget Deliberations



- 2012 Capital Budget approval
- Internal financing repaid from the 2012 through 2035 Capital Envelopes, Provincial Gas Taxes, Development Charges
- 2013 to 2016 Capital Budgets be Accepted for Information Only



Capital Budget

Questions?



Capital Budget