



2020-2021 Draft Capital Budgets General Fund/Utility Fund

Common Council

July 29, 2019



2020-2021 Draft Capital Budget – General Fund

2020-2021 Capital Budget Inputs

- Asset Management Plan
 - State of Infrastructure Report
- Plan SJ/Play SJ/Move SJ
- Central Peninsula Neighborhood Plan
- Capital Budget Policy
- Climate Change
- Council Priorities
 - Growth & Prosperity
 - Vibrant and Safe City
 - Valued Service Delivery
 - Fiscally Responsible



2020-2021 Draft Capital Budget – General Fund

- 10 year Draft Long Term Capital Plan plan is underway and to be completed end of Q3, 2019
- Service areas have completed 2020-2029 submissions
- 2020 & 2021 Capital Budget based on draft Long Term Capital Plan
- Long Term Capital Plan Inputs
 - Asset Management Plan
 - Long Term Financial Plan
 - Debt Management Policy
 - Capital Budget Policy
 - Operating Budget Policy



2020-2021 Draft Capital Budget – General Fund

- 2020–2021 Capital Budget includes following financial principal adopted by the Finance Committee;
 - Target 25% Reduction infrastructure deficit over 10 years
 - Increase pay as you go annually
 - Reduce General Fund Debt by 25% per year of next 10 years
 - Increase contribution to Capital by 10% per year.

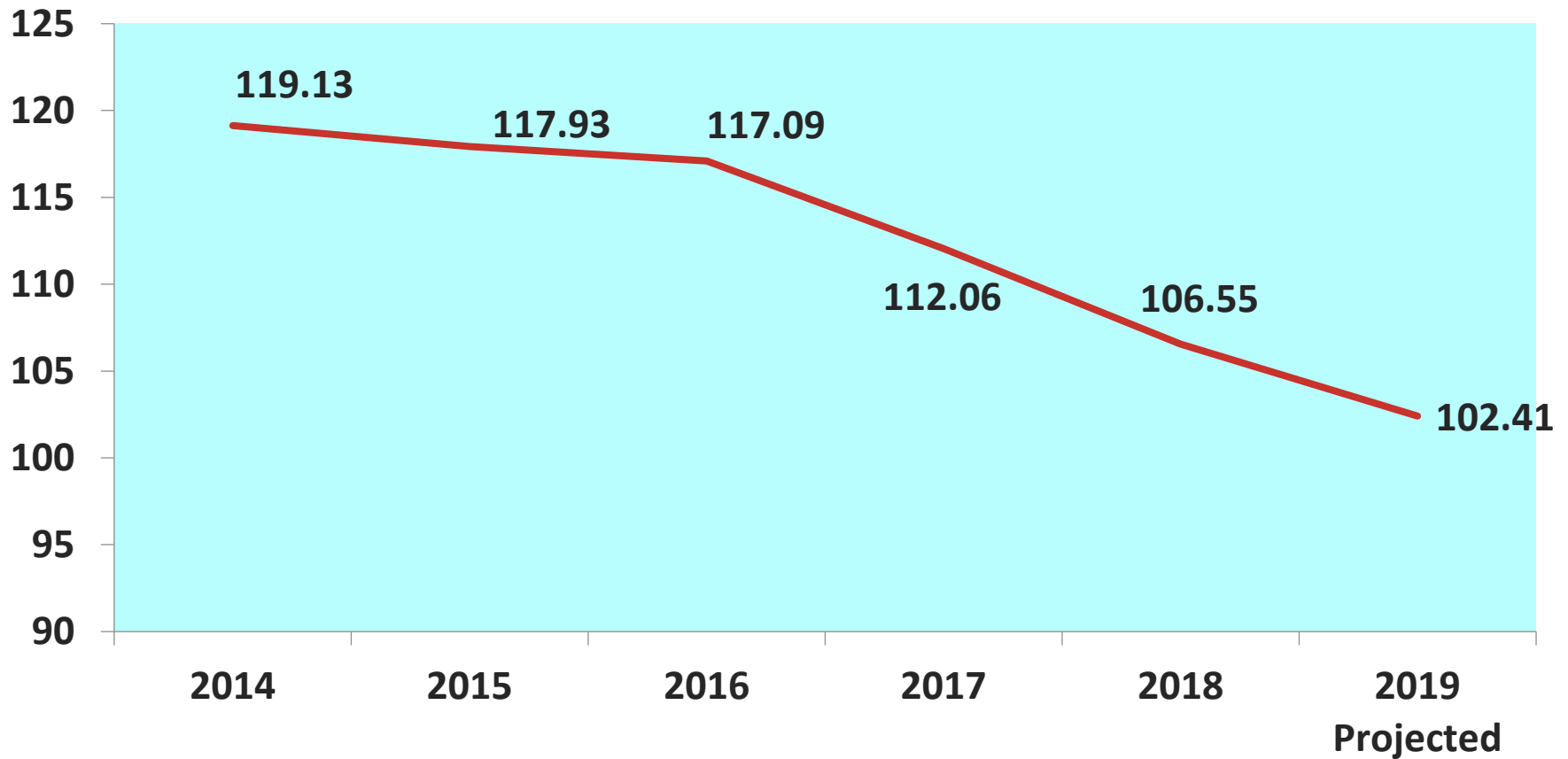


Pay as you go



2020-2021 Draft General Capital Budget - Overview

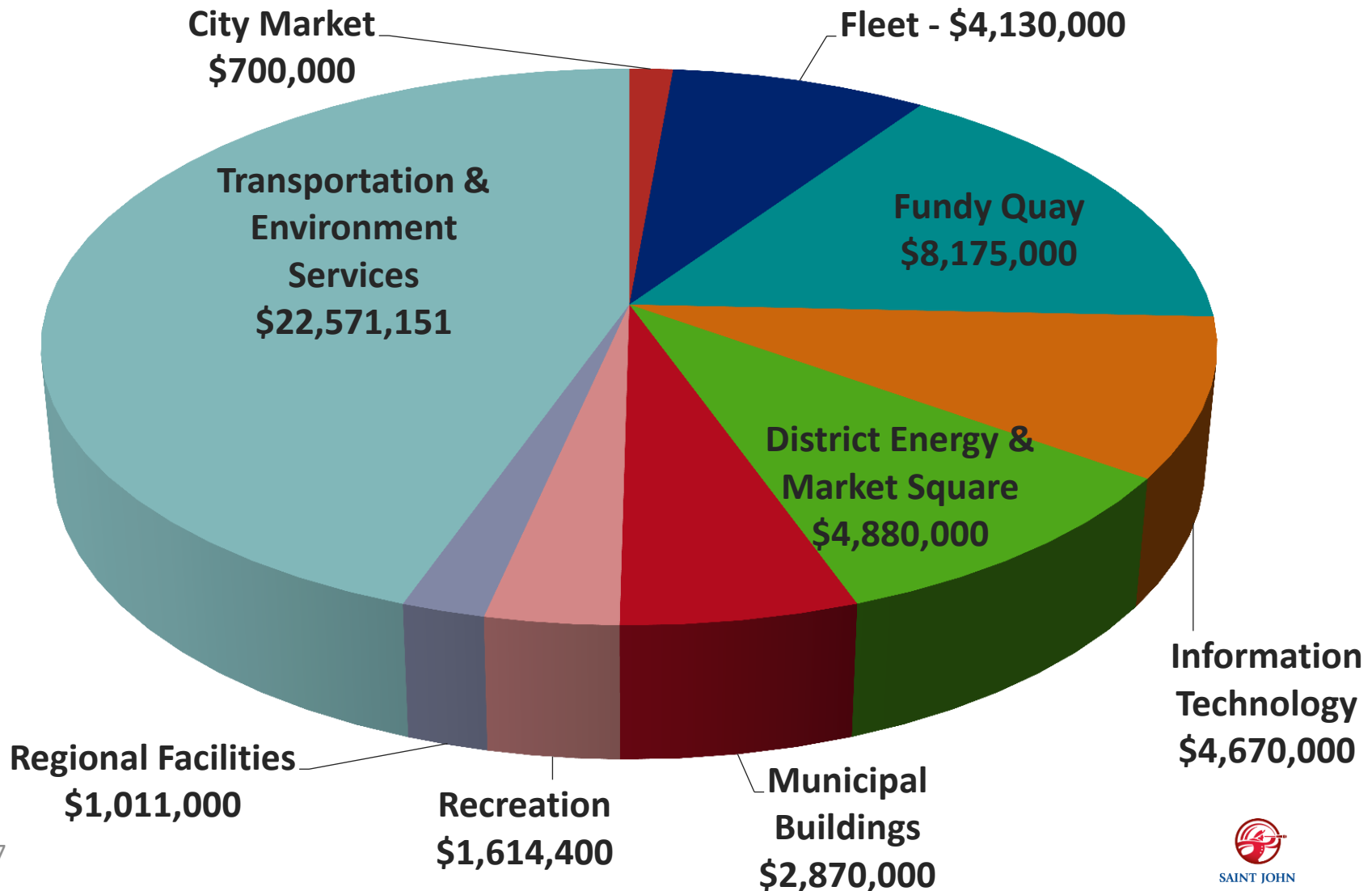
General Fund Debenture Balance in \$Mil



2020-2021 Draft General Capital Budget - Overview

- Proposed 2020-2021 Draft General Fund Capital Budget - \$50,621,551
- City Share - \$21,490,150 (2 years) – (\$10.99M-2020, \$10.49M-2021 – *focus on reduced borrowing*)
- Other Share - \$29,131,401 (2 years)
 - Gas Tax Funding (Includes additional funding recently announced)
 - Disaster Mitigation Funding
 - Reserves – Fleet, Information Technology, Capital
 - Bi-lateral funding (Federal and Provincial)
 - Pay as you go – (\$1,980,151 in 2020 & \$3,230,151 in 2021)
 - Additional Federal green funding to be confirmed - \$3,112,000 over 2 years
 - Deep Municipal Energy Retrofit
 - District Energy Phase 1 – Market Square

2020-2021 Draft General Capital Budget - Overview



2020-2021 Draft General Capital Budget - Highlights

Focus on Tax Base Growth

- **Continued investment in Fundy Quay**
 - **Total investment** to rebuild Seawall - \$8.174 Million
 - Funding partnership with Federal Government (\$3.27M) and City of Saint John (\$4.904M)
 - Goal to transform Saint John's waterfront
 - Allows for City to mitigate climate change by raising seawall
- **Strategic reinvestments**
 - Millidgeville – Storm project - \$1.0 M – creating more capacity for development
 - Major street reconstruction and beautification along St. James Street corridor
 - Charlotte Street – St. James to Lower Cove Loop - \$660K
 - St. James Street – Prince William to Germain - \$305K
 - St. James Street – Germain to Sydney Street - \$640K
 - Germain Street – St. James to Lower Cove Loop - \$320K

2020-2021 Draft General Capital Budget - Highlights

Balancing Infrastructure Replacement and Climate Change Mitigation

- 2020-2021 has a focus on high risk of failure assets but also addresses climate change.
- \$8,915,000 investment in sewer separation, resulting in complete street reconstruction.
- \$7,780,000 continued investment in low carbon, energy efficiency measures and reducing our carbon footprint.



2020-2021 Draft General Capital Budget - Highlights

Infrastructure Deficit - Highlights

- Buildings
 - Fire stations – \$200K - 3 facilities require new roofs
 - City Market - \$700K for roof replacement
 - Carleton Community Centre - \$300K for foundation and exterior work
 - Transit Bus shelters - \$80K
- Trade & Convention - \$261K replacing outdated equipment and technology
- Harbour Station - \$700K for Q League requirements, heating upgrades, other assets



2020-2021 Draft General Capital Budget - Highlights

Infrastructure Deficit - Highlights

- Fleet Replacement - \$4.13 million
- Arena equipment - \$475K (Chillers/Compressors)
- Information Technology - \$4.67 million
 - \$1.67 million for annual equipment replacement
 - \$3.0 million to replace **20 year** old ERP system
 - New ERP system will a transformational project
 - Impacts all service areas in the City
- Parking Meter – \$226K earmarked for continued replacement of outdated parking meters.
- Parks and Recreation - \$225K for surface replacement at Market Place playground (safety)



2020-2021 Draft General Capital Budget - Highlights

NEW INVESTMENTS

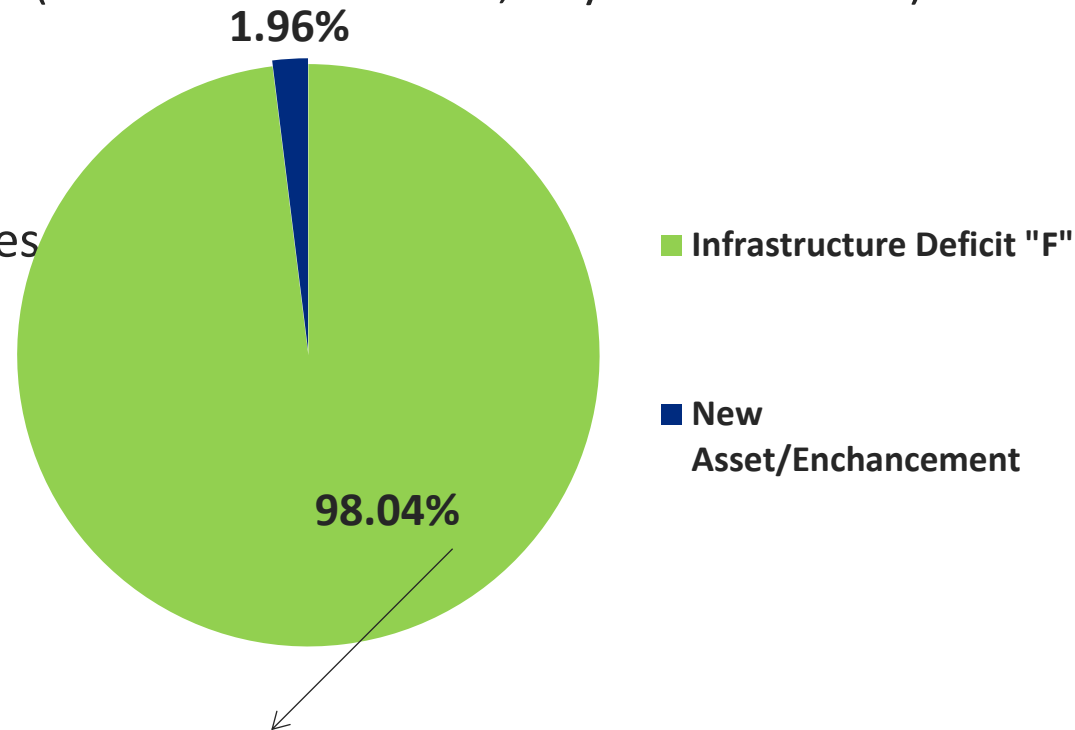
- Exhibition Fieldhouse - \$564K final grant of a three year commitment (2020). (Note: this is not an asset of the City of Saint John, however was approved before Capital Policy.)



2020-2021 Draft General Fund Capital Budget

CONCLUSION

- Budget continues to focus and balancing projects between
 - Addressing infrastructure deficit (Assets at Risk Failure, Beyond useful life)
 - Growth Opportunities
 - Climate Change
 - Leveraging funding opportunities
 - Disaster Mitigation Funding
 - Gas Tax Funding
 - Bi-lateral Funding
 - Other Green Funding



**21.93% of reinvestment
directly tied to growth**

Saint John Water – 2020-2021 Capital Budgets



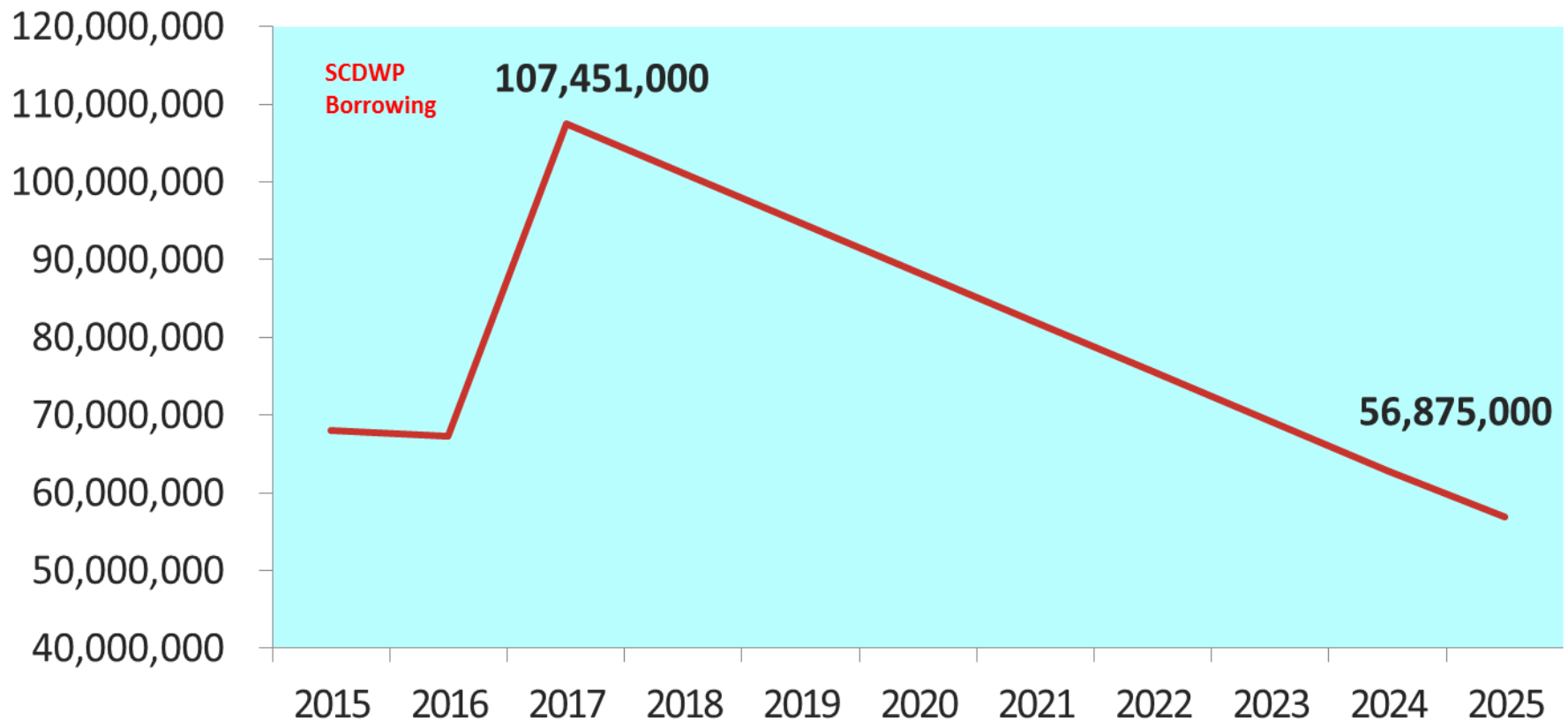
Saint John Water Capital Highlights - 2020-2021

- Proposed - 2020-2021 Capital budget \$26,215,000
- Funding for Capital budget – Capital from Operating (pay as you go) - \$10,283,450 over (2 years)
- Heavy reliance on funding from other sources - \$15,931,500 (2 years)
 - Disaster Mitigation Funding
 - Gas Tax Funding
 - Bi-lateral funding opportunities support: infra. renewal, Neighborhood Plan, dev. & sewer separation
- **No new borrowing for 2020-2021 Capital program**



2020-2021 Draft General Capital Budget - Highlights

Current and Estimated Debenture Balance



2020-2021 Draft Utility Budgets - Highlights

Latest State of Infrastructure Results

- Infrastructure Deficit - \$313,581,339

Addressing the deficit with 2020-2021 Budget

- Budget includes, in coordination with Transportation, over \$7.8M of street reconstruction projects.
 - Sewer separation falls under green infrastructure
 - Much of sewer infrastructure dates to late 1800's
 - **Nearly all projects located in PDA**
 - Improved infrastructure and streetscapes to focus on growth opportunities
- One Mile Sewer Lift Station - \$5.0M
 - Current station is at end of life
 - Funding under Gas Tax Fund



2020-2021 Draft Utility Budgets - Highlights

Addressing the deficit with 2020-2021 Budget

- Other Infrastructure Renewal -Water
 - Hayes Avenue - \$950K
- Other Infrastructure Renewal -Sewer
 - Douglas Avenue - \$325K
 - Lakewood Heights Sanitary System - \$720K
 - Retail Drive Area (Oakland St.) - \$500K
- Fleet Renewal - \$970K (funded from Reserve)

New Infrastructure

- Wastewater Pumping Station - \$520K
 - Prospect Street West



2020-2021 Draft Utility Budget - Highlights

Strategic Investments

- Climate Change Adaptation
 - WWPS Lift Station C - \$500K
Reconstruction and flood proof – DMAF
 - Musquash Water Pump Station - \$5.44M
Upgrade/Reconstruction/Flood Proof - DMAF
 - WWPS Lift Station Beach Crescent - \$840K
Reconstruction and flood proof - DMAF
- Watermain/Sewer Cleaning and Lining \$1.45M
 - Extend useful life of watermains/sewer lines
 - Improve water pressure and water quality
 - Improve fire flows

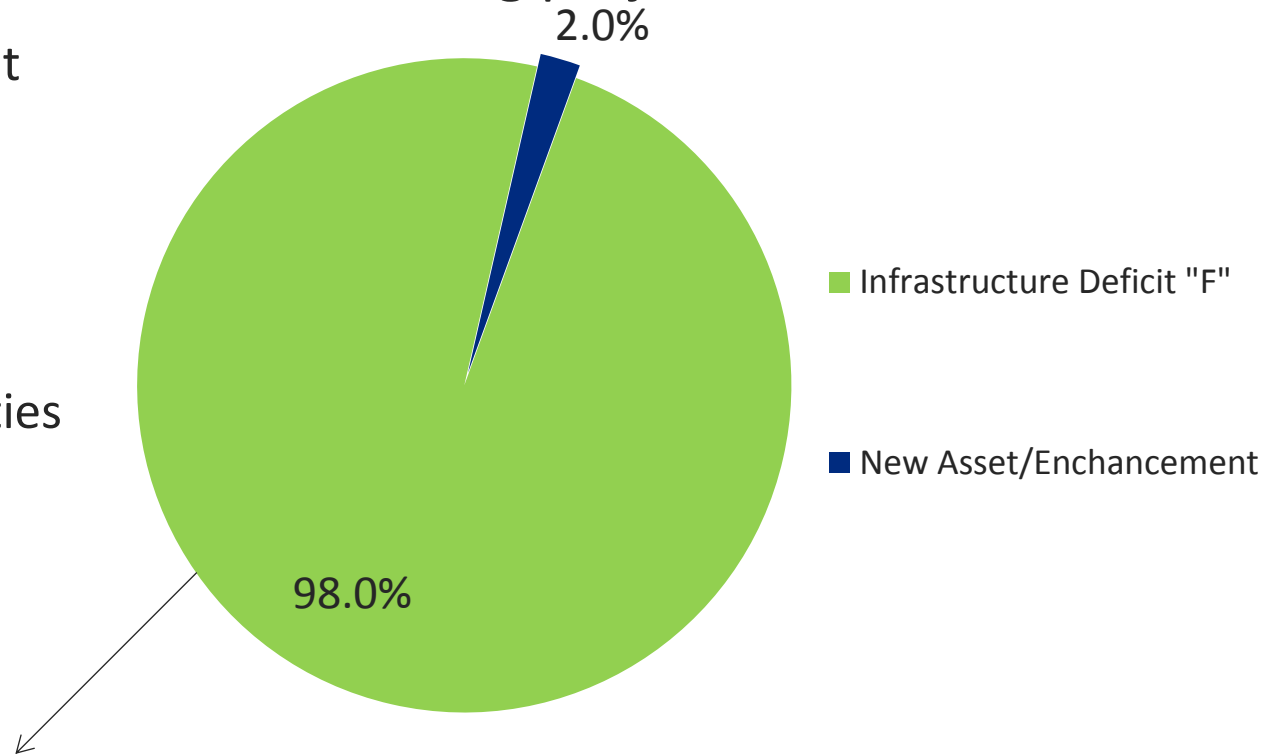


2020-2021 Draft Utility Budget - Conclusion

CONCLUSION

- Budget continues to focus and balancing projects between

- Infrastructure deficit
- Climate Change
- Growth
- No new debt
- Funding Opportunities



12.08% of reinvestment directly tied to growth

Recommendation

Recommendation

- **It is recommended that members of Common Council;**
 - **Reflect upon the attached draft of the 2020 and 2021 General Fund Capital Budget and Utility Fund Capital Budget and make any and all inquiries and recommendations to staff; and receive and file this report.**

Conclusion

Questions?

