

**Small City,
Big Heart.**

**2025 Capital Budget and Five-Year
Capital Investment Plan**

Finance Committee – May 22, 2024



Five-Year Capital Investment Plan

Five-Year Capital Investment Plan

- The multi year plan will provide a more comprehensive picture of the City's capital planning initiatives in a longer time frame compared to an annual capital budget.
- The five-year plan will offer a preview for Capital initiatives for Council, the Public and Industry and inform stakeholders on timing and locations of upcoming work.
- The plan will allow for flexibility and opportunity to move projects timelines to optimize budget envelopes, ensure alignment with current priorities, and potential funding opportunities.
- The plan will be a five-year rolling plan starting from 2026-2031 and an updated plan will be provided annually as part of the annual Capital budget process.

Funding areas



Watermain
Sanitary Sewer
Industrial Water West
Industrial Water East

Transportation
Storm
Facilities and Asset Management
Corporate Services
Growth
Transit and Solid Waste
Parking
Parks and Recreation
Protective Services

High Level Estimate of Where the City has Invested over a 5 Year Period

General Fund	5-year Totals	5 Year Average
Transportation	\$ 59,049,490	\$ 11,809,898
Storm	\$ 19,845,220	\$ 3,969,044
Facilities and Asset Management	\$ 24,498,633	\$ 4,899,727
Corporate Services	\$ 7,026,000	\$ 1,405,200
Growth	\$ 8,575,000	\$ 1,715,000
Transit and Solid Waste	\$ 11,885,269	\$ 2,377,054
Parking	\$ 886,000	\$ 177,200
Parks and Recreation	\$ 13,773,724	\$ 2,754,745
Protective Services	\$ 1,727,000	\$ 345,400
Total	\$ 147,266,336	\$ 29,453,267

City Share (Utility Fund)	5-year Totals	5 Year Average
Watermain	\$ 18,367,705	\$ 3,673,541
Sanitary Sewer	\$ 38,849,279	\$ 7,769,856
Total	\$ 57,216,984	\$ 11,443,397

City policies involved in planning process

- **Asset Management Policy Objectives:**

- Improve the reliability of customer service by maintaining clearly defined levels of service.
- Improve the decisions related to the management of the City' s assets.
- Improve the transparency and accountability of community investments in the management of the City's assets.
- Improve the management of the City' s exposure to risks of reduced service delivery.
- Facilitate the leveraging of partnerships and infrastructure funding from external sources.

- **Debt Management Policy Objectives:**

- The City obtains debt financing only when necessary;
- The City manages debt such that future financial flexibility is maintained;
- The City strategically issues debt based on sound financial planning.

- **Operating and Capital Reserve Policy:**

- to address longer term funding strategies and to ensure good financial and cash management for the ongoing financial stability

Capital Budget Policy

- **CAPITAL PRIORITIZATION**

1. To strategically manage the City's debt and infrastructure deficit, the General Fund Capital Budget shall comprise of **80%** Capital Renewal and **20%** for New Capital and shall align with the City's Long Term Financial Plan and the City's Strategic Plan. The Utility Fund shall comprise of **90%** Capital Renewal and **10%** for New Capital.
2. For the purpose of this policy, Capital Renewal is defined as assets that are at the end of its useful life and contribute to the City's infrastructure deficit.
3. Proposed Capital Budget Projects will be prioritized in the following order.
 - a) Mandatory - Must be completed due to legal or regulatory requirements.
 - b) Risk - Required to mitigate liability associated with health and safety, mitigate liability or to mitigate sudden asset failure.
 - c) Priority of Council - As stipulated in the **10** Year Capital Investment Plan (Long Term Financial Plan) and supported by evidence-based asset management recommendations and are part of the City's strategic plans.
 - d) Positive Financial Impact - The Capital request not included in the **10**-year Capital Investment Plan but can be supported by a business case that demonstrates a positive financial impact for taxpayers - would require a Council approved adjustment to the Capital Investment Plan and Capital Budget.
 - e) Discretionary - New asset which aim to increase or enhance service level to the residents and taxpayers. Requires amendment to the Long-Term Financial Plan, the City strategic plans, and supported by a business case.

The bucket approach 5-year plan

- City has strategic plans, roadmaps and strategies
- Staff need the plans, roadmaps and strategies to be clearly defined into capital concepts/projects/budgets where applicable
- Examples - active transportation projects- bike routes / harbour passage extension phases
- Staff will start with a 5-year plan
- Staff will continue to populate years 6 through 10 for large capital projects tied to funding programs.
- Ramping up Engineering planning capability
 - General Fund/Water Utility Fund Service Areas
 - New resource to help develop concepts/projects to put into 5-year plan

Filling the buckets

- Plans/Strategies and Roadmaps to allocate
 - MoveSJ - Roundabouts, Cycling, Pedestrian & Goods Movement Improvements
 - PlaySJ - Rightsizing and quality investments in priority parks
 - City Market Strategic Plan
 - Climate Change Action Plan - Building improvements, protecting assets and vehicle/bus decarbonization
 - Housing Plans
 - Stormwater Strategies
 - Combined Sewer Separation Strategies
 - Growth Plans
 - Four Key infrastructure Projects - Learning Commons, Fundy Quay, Recreation Facility, Industrial Parks
 - Asset Management Lifecycle replacements and Investments

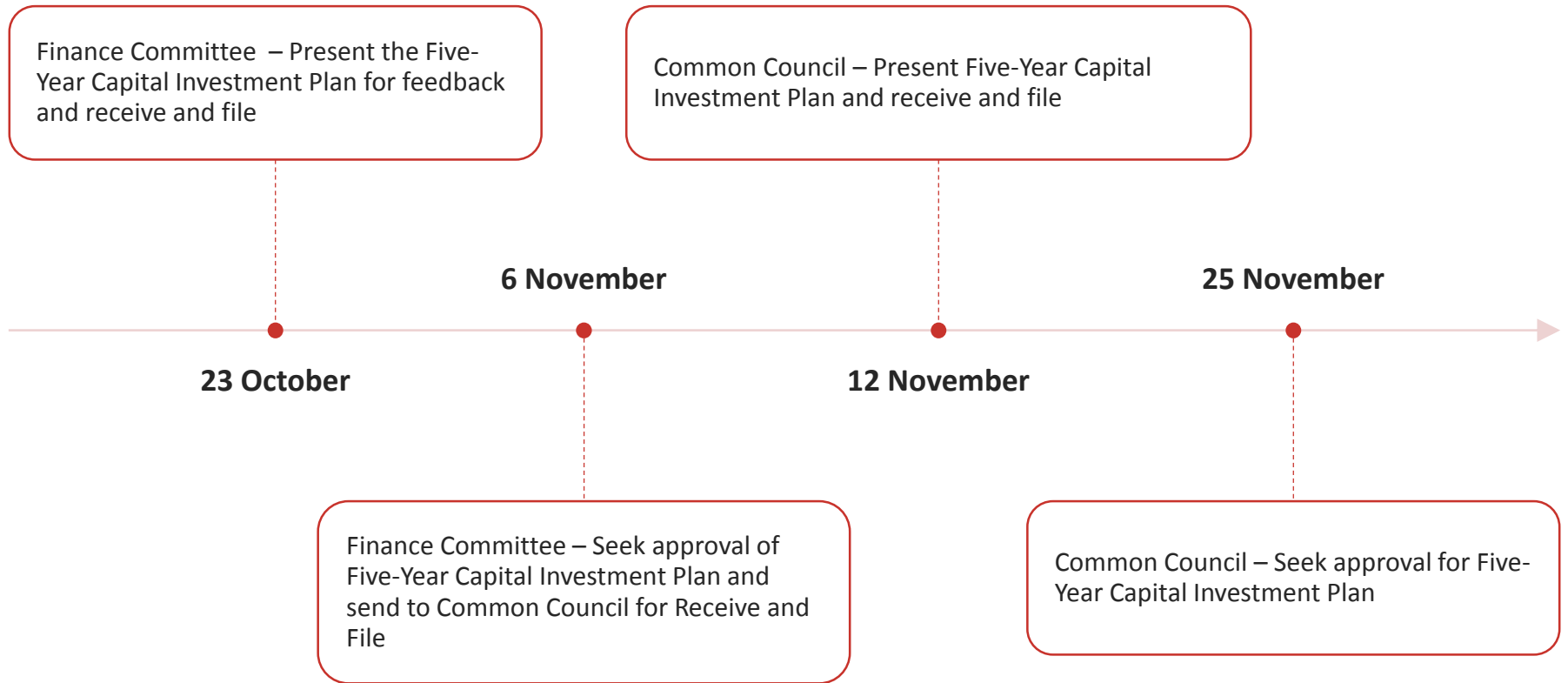
Building out the Plan - Living document

	Transportation		Storm		Facilities and Asset Management		Corporate Services		Growth		Transit and Solid Waste		Parking		Parks and Recreation		Protective Services		Total per year		
	Projects	Budget	Projects	Budget	Projects	Budget	Projects	Budget	Projects	Budget	Projects	Budget	Projects	Budget	Projects	Budget	Projects	Budget			
2025	project 1	\$500,000																		\$700,000	
	project 2	\$200,000																			
	project 3																				
	project 4																				
	project 5																				
2026	project 1	1,000,000																		\$1,000,000	
	project 2																				
	project 3																				
	project 4																				
	project 5																				
2027	project 1																			\$0	
	project 2																				
	project 3																				
	project 4																				
	project 5																				
2028	project 1																			\$0	
	project 2																				
	project 3																				
	project 4																				
	project 5																				
2029	project 1																			\$0	
	project 2																				
	project 3																				
	project 4																				
	project 5																				
2030	project 1																			\$0	
	project 2																				
	project 3																				
	project 4																				
	project 5																				
Total Project Costs Allocated		\$1,700,000		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$1,700,000	
Budget		60,000,000		20,000,000		25,000,000		7,000,000		8,500,000		12,000,000		1,000,000		14,000,000		2,000,000		149,500,000	
Total Capital unallocated		\$58,300,000		\$20,000,000		\$25,000,000		\$7,000,000		\$8,500,000		\$12,000,000		\$1,000,000		\$14,000,000		\$2,000,000		\$147,800,000	

Funding from Other Levels of Government

- Existing Other Share funding the City has secured or has applied for
 - Disaster Mitigation and Adaptation Funding (DMAF) - One program approved, several other applications where funding approval is unclear.
 - Zero Emission Transit Fund (ZETF) - Application submitted, funding approval is unclear.
 - Integrated Bilateral Agreement Funding (IBA) - City has several IBA programs approved.
 - Climate Resilient Coastal Community Program (CRCC)
 - RDC - Community Development Funding - The City applies for and receives funding in this program on a yearly basis.
 - Canada Community Building Fund (CCBF) - (2019-2023 Program)
 - Active Transportation Funding - City has two capital projects approved
- Potential for changes
 - CCBF (2024-2028) - Parameters of funding agreement are likely to change. No approved program at this point.
 - Canada Housing Infrastructure Fund - no clarity on program at this point
 - DMAF applications - delayed approvals

Five-Year Capital Investment Plan Timeline – Finance Committee and Common Council (Subject to Change)

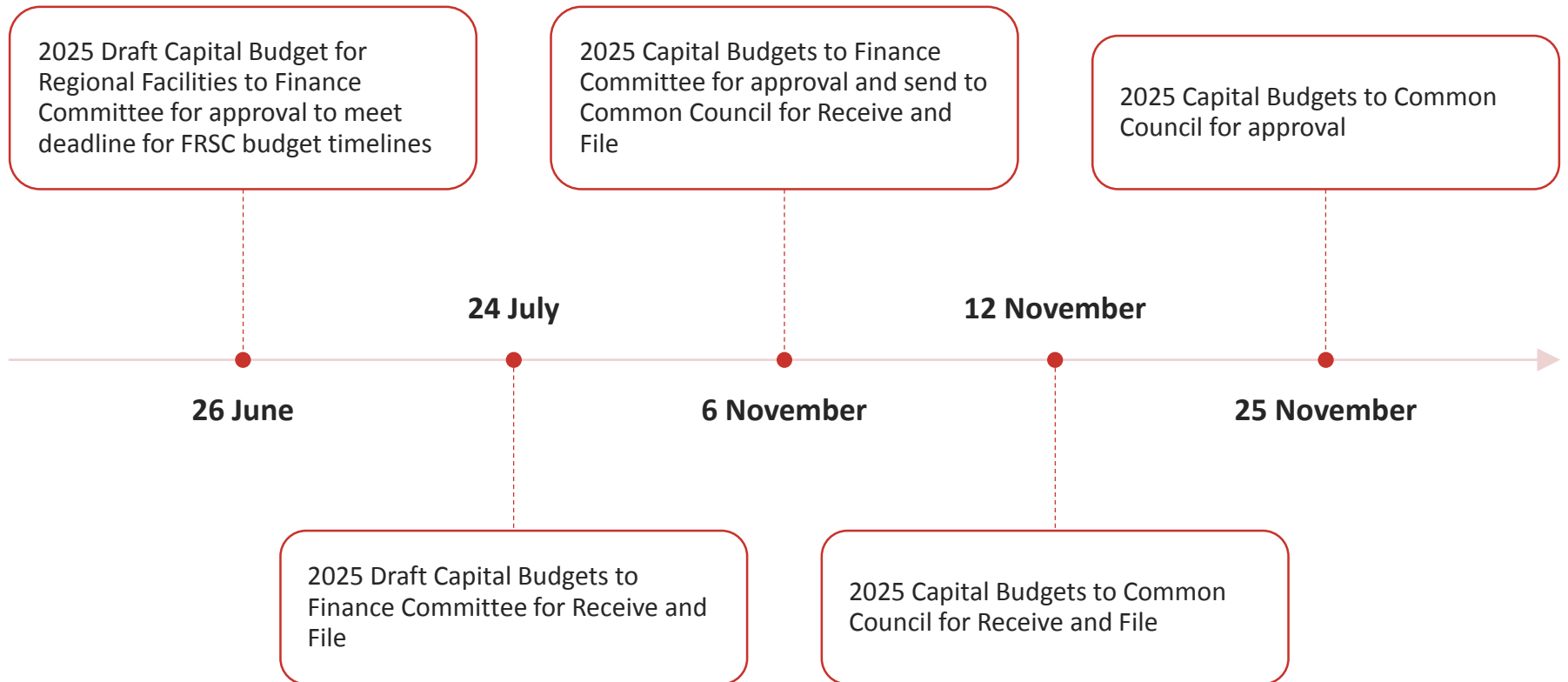


2025 Capital Budget

2025 General and Water Capital Budgets

- Staff will be recommending a 1-year Capital budget for approval for 2025
- A multi-year approved budget as done in the past has been difficult to predict in terms of costing and has resulted in Staff coming back to Finance Committee and Common Council for several times to adjust the 2023 and 2024 approved Capital Budgets
- The market and pricing of projects continues to be a challenge for estimating project cost for budget purposes
- A key funding stream for the Capital has not been confirmed for 2025 – Canada Community Building Fund (Formerly Gas Tax Funding)
- Therefore, the Utility and General Fund Capital Budgets will not be approved until later in the year in the hopes that there will be more clarity around funding programs available to the City.

2025 Capital Budgets Timeline – Finance Committee and Common Council (Subject to Change)



Recommendation

“Recommend Finance Committee endorse the timelines and plan set out in this presentation for the 2025 Capital budgets and the Five-Year Capital Financial Plan”