



# Niagara-on-the-Lake

## 2025 Draft Capital Budget

**Budget Committee of the Whole**  
Thursday, October 10, 2024

# Agenda

---

- Overview
- Budget Timeline
- Budget Principles
- Capital Budget Overview
- 2025 Capital Budget Review
- Climate Change and Adaptation Plan
- Conclusion / Q & A



# 2025 Budget

Thursday October 10,  
2024





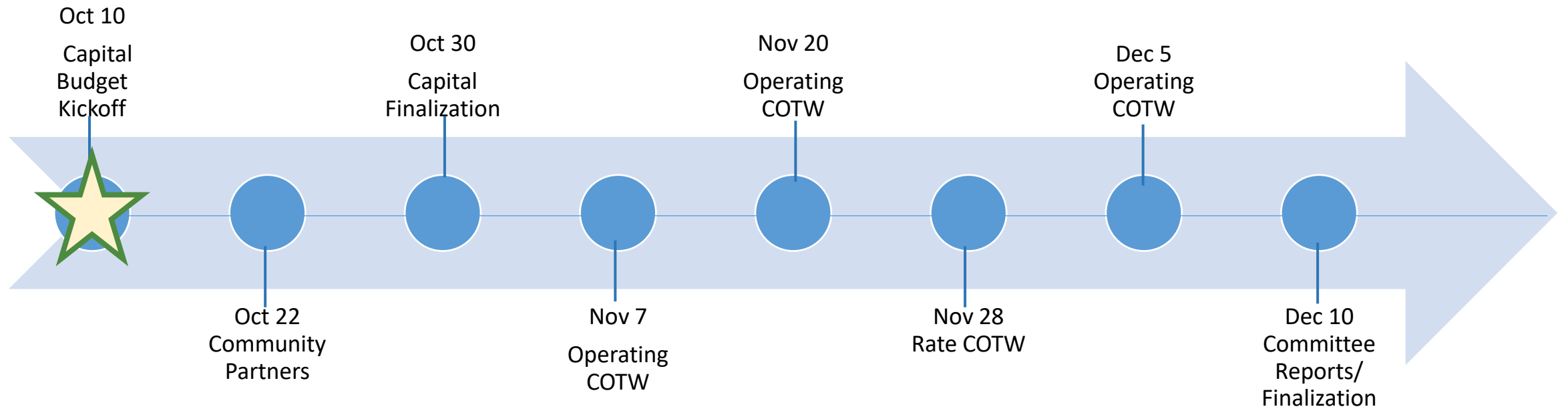
## Good Governance

Demonstrate responsible and transparent governance by committing to strong fiscal management, exploring shared service opportunities, and engaging in advocacy efforts to represent the interests of our community.

### Alignment with 2025 Capital Budget:

- **Financially Sustainable Future**
  - Sustainable Capital Investments
    - *Closing the gap on capital investments*

# 2025 Budget Timelines – check last date



# What is a Capital Budget

---

- Financial plan for funds we need to acquire, construct, improve, and maintain our physical assets
  - ❖ **Examples:** *Roads, Buildings, Machinery, Equipment, Vehicles, and Other Infrastructure*



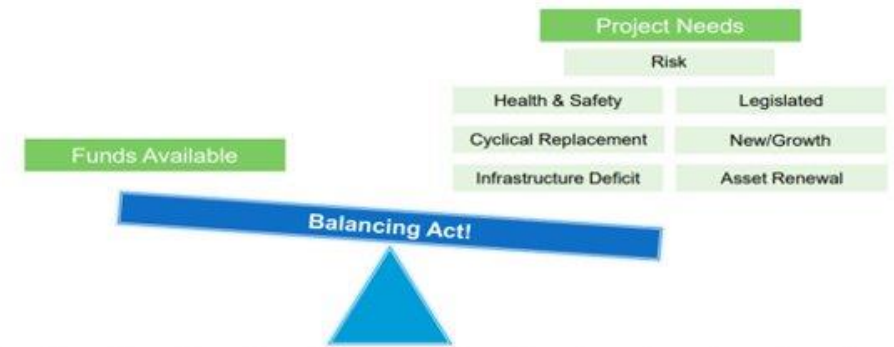
# What is a Budget: Budget Principles

- **Financial Sustainability:**

- In order to have a sustainable budget, you need to be able to **balance** the **available funding** capacity (i.e. Reserves) with **funding requirements** (i.e. Capital Projects)

- **Service Levels:**

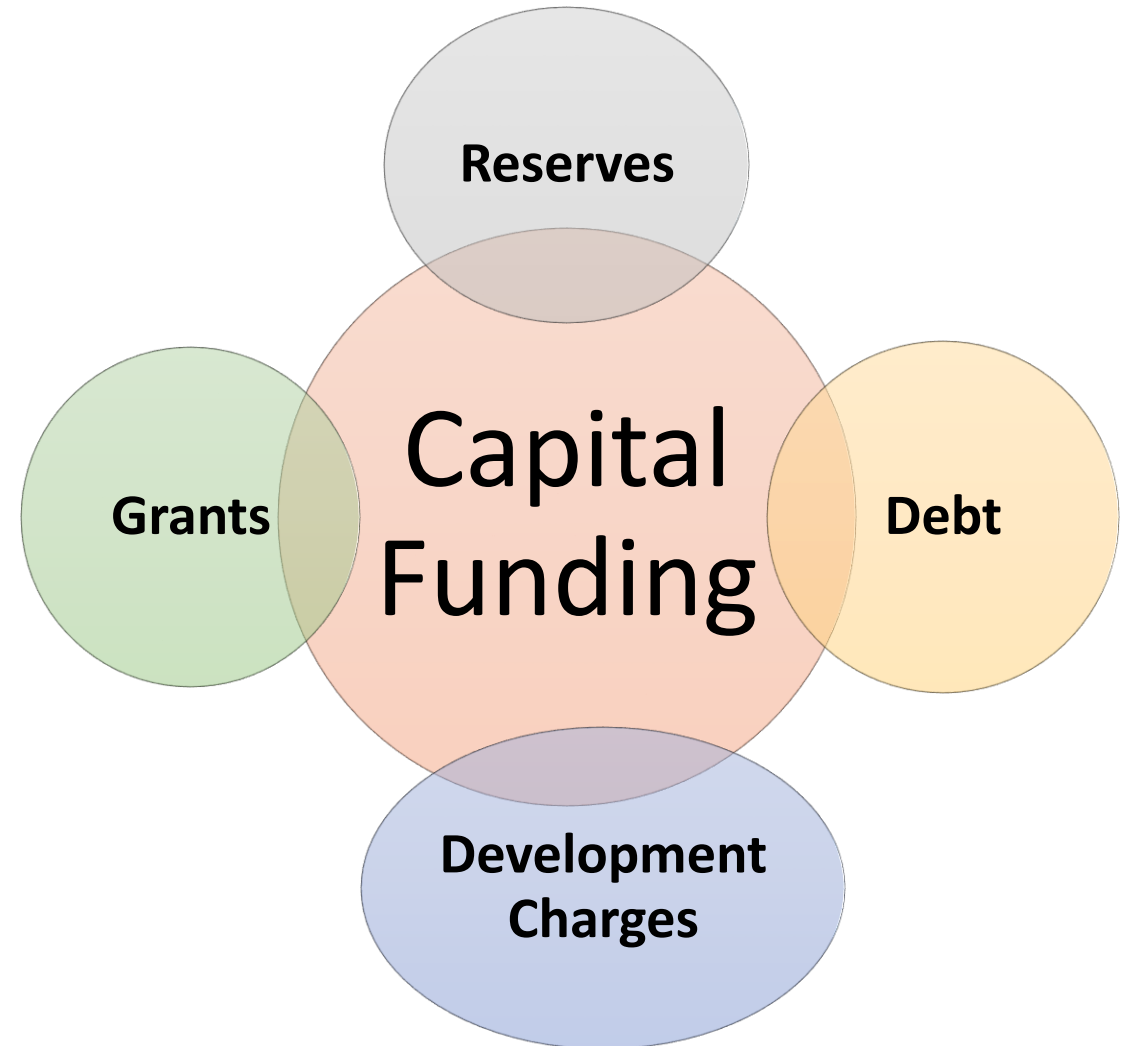
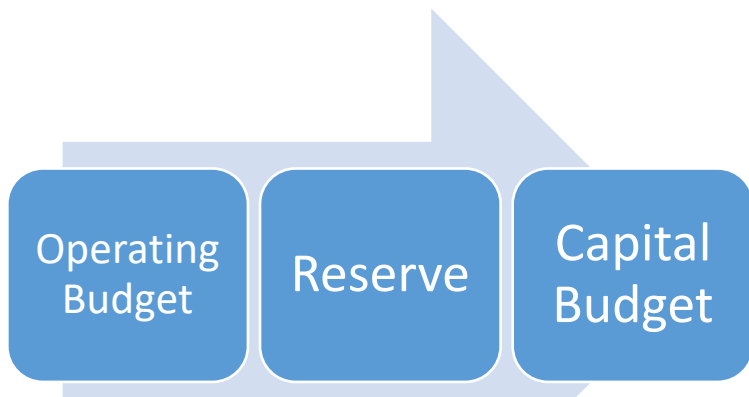
- It is important to ensure appropriate service levels have been established by the Town and service levels are:
  - Sustainable and within the financial capability of the municipality
- Aligned with the strategic vision for the community
- Clearly communicated



# Funding Sources

- **Typical funding sources:**

- **Reserves** (e.g., *Capital Reserve*)
- **Debt**
- **Development Charges**
- **Grants** (e.g., *OCIF and Gas Tax*)





# Recommended Funding Levels Vs. Actual Funding Levels

- Per existing studies, the following levels of funding have been recommended annually:

Study	Year of Study	Recommended Annual Transfer
Bridges and Culverts	2024	\$693,000
Roads Need Study	2024	\$8,530,400
Water Rate Study	2024	\$2,800,000
Waste Water Rate Study	2024	\$1,820,000
Facilities Master Plan	2018	\$951,500
Fleet Review	2023	\$1,300,000
<b>Total Recommended Annual Funding</b>		<b>\$16,094,900</b>

# Recommended Funding Levels Vs. Actual Funding Levels

- Per existing budgeted amounts, here's what we contribute annually:

Study	Year of Study	Recommended Annual Transfer	Actual Funding Level	% of annual funding achieved
Bridges and Culverts	2024	\$693,000		0%*
Roads Need Study	2024	\$8,530,400	\$5,194,060	61%*
Water Rate Study	2024	\$2,800,000	\$2,322,449	83%
Waste Water Rate Study	2024	\$1,820,000	649,372	36%
Facilities Master Plan	2018	\$951,500		0%*
Fleet Review	2023	\$1,300,000	\$352,000	27%*
<b>Total Recommended Annual Funding</b>		<b>\$16,094,900</b>	<b>\$8,517,881</b>	<b>53%</b>

# Recommended Funding Levels Vs. Actual Funding Levels

- \*Categories share funding sources, but lack a dedicated source. The roads funding category can be broken down as follows:



# Recommended Funding Levels Vs. Actual Funding Levels

- This annual gap, if not met, create the following backlogs:

Study	Capital Backlog	Future Needs
Bridges and Culverts	\$3,173,500	\$3,805,000
Roads Need Study	\$22,783,555	\$36,323,260
Facilities Master Plan	\$5,307,195	\$29,739,009
Fleet Review	\$2,900,000	\$9,011,000
<b>Grant Total</b>	<b>\$34,166,250</b>	<b>\$69,867,269</b>

# Future Funding Pressures

---

- Due to unmet funding requirements, there's been a natural gravitation towards debt for larger infrastructure projects.
- There remain large projects for the Town to undertake without a definitive funding strategy:
  - New Administrative Building – From the Facilities Master Plan, a new building identified for 2028 for approximately \$10 million to address growing day-to-day operations
  - General vehicle replacements from the 2023 Fleet Review
  - Former Hospital Site – carrying costs increasing
  - Areas not yet identified in a study/funding plan – Fire Apparatus, parks

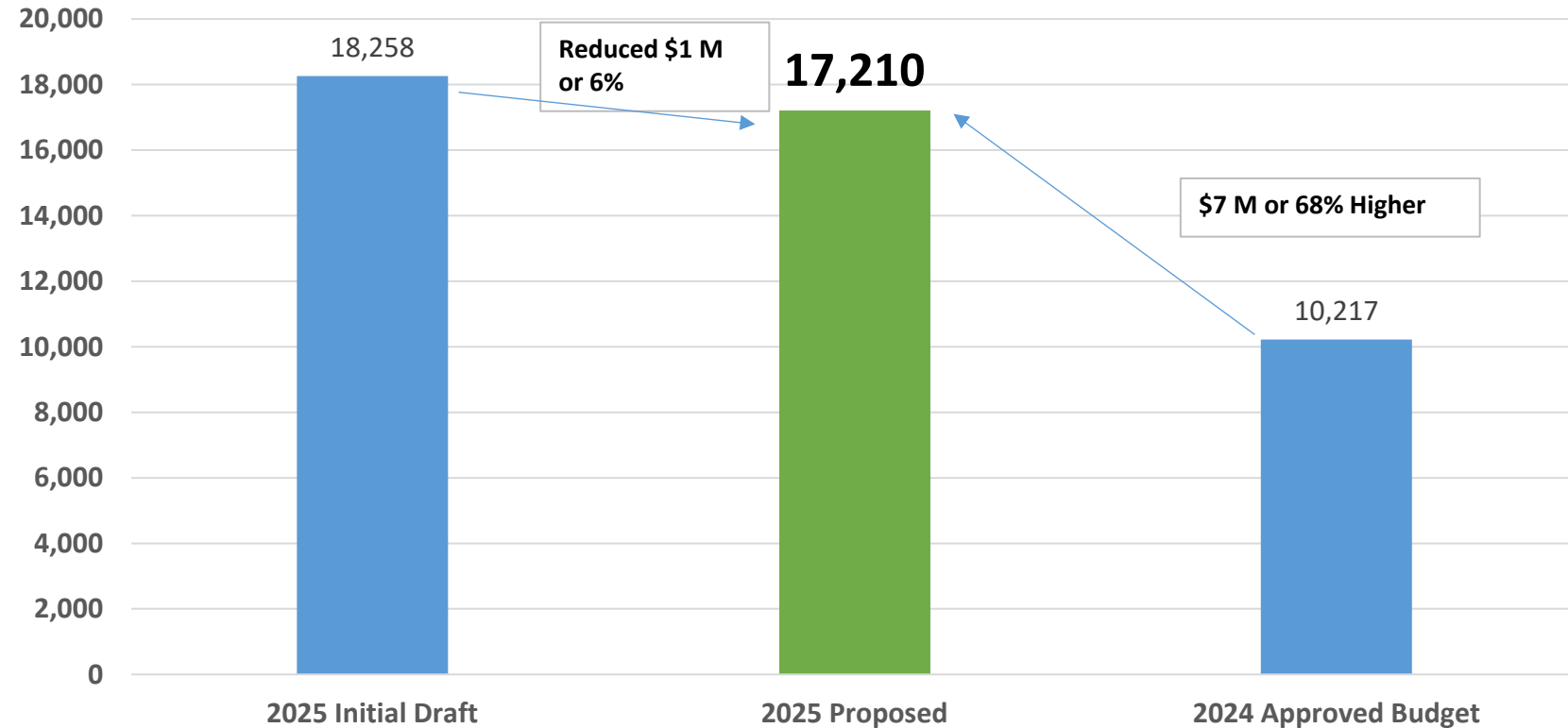
# 2025 Capital Budget



# 2025 Capital Budget Overview

- Total 2025 Proposed Capital Program: **\$17.2 Million**

2025 Proposed vs 2024 Approved Capital Budget (in 000's)

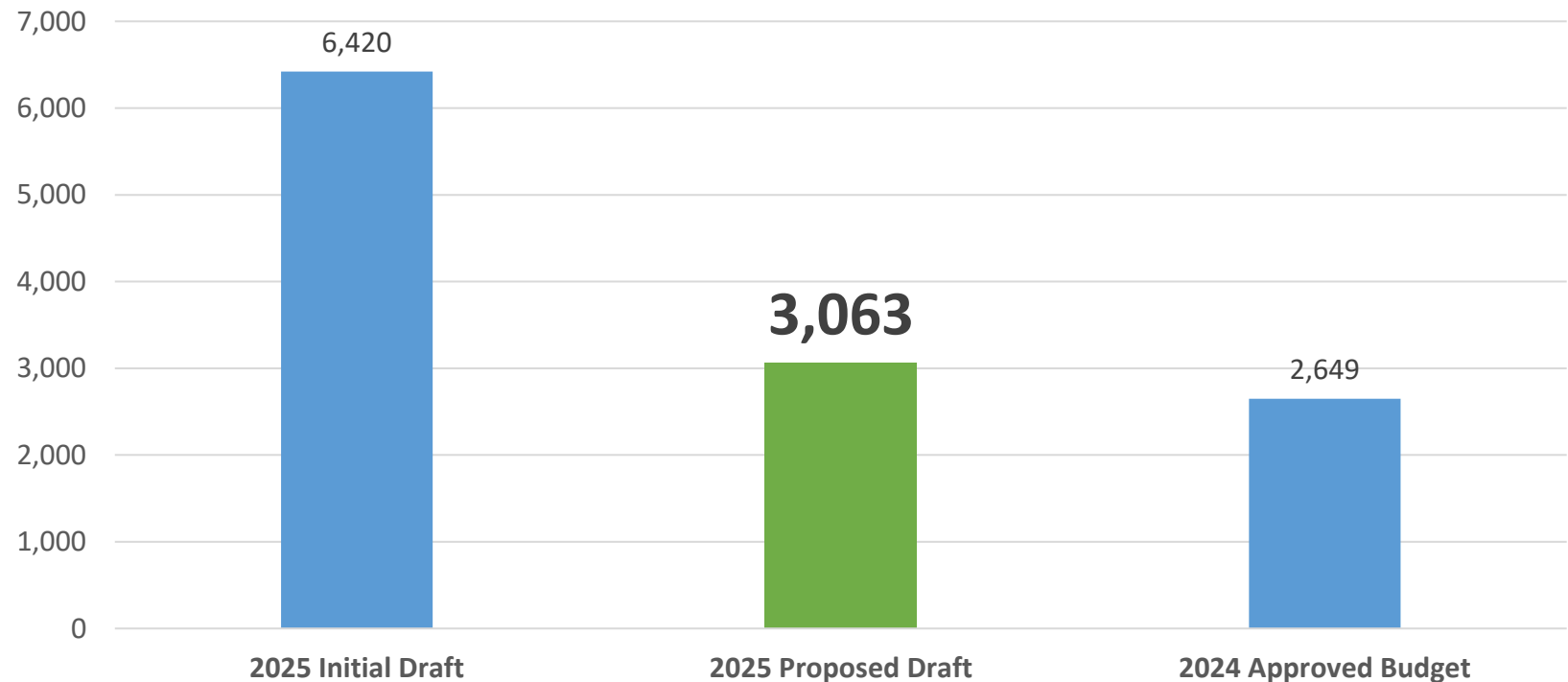


# 2025 Capital Budget Overview

- **Capital Reserve Requirement for 2025: \$3.1 million**
  - Available Funding - **\$3.35 million** (Uncommitted Reserve + 2025 Transfer)

Increase of  
\$150,000 to  
Capital included  
in 2025  
Operating: **\$2.72  
million**

Capital Reserve - 2025 Proposed vs 2024 Approved Capital Budget (in 000's)





# 2025 Capital Budget Highlights

## Sample Capital Projects – Top 5 with highest budget (\$9.5M):

- Makes up **55%** of total capital program in 2025

Project #	Description	Cost	Funding
C02368	Line 2 Road Reconstruction – Niagara Stone Road to Concession 6 Road	\$3.1M	DC's, Capital
C02209	Mississauga Street Reconstruction – Mary to John – Roadworks	\$3M	OCIF, CCBF, Debt
C02519	Mississauga Street Reconstruction – Mary to John – Storm Sewer	\$1.43M	Debt, DC's
C02512	Mississauga Street Reconstruction – Mary to John – Streetlighting	\$375K	Debt
C02517	Mississauga Street Watermain Looping – Queen Street to North of Johnson Street	\$170K	Water
C02359	Line 2 Road Culverts	\$910K	Debt
C02506	McNab Road Culvert Replacement	\$400K	Debt
C02369	Queen's Parade Road Resurfacing	\$350K	CCBF

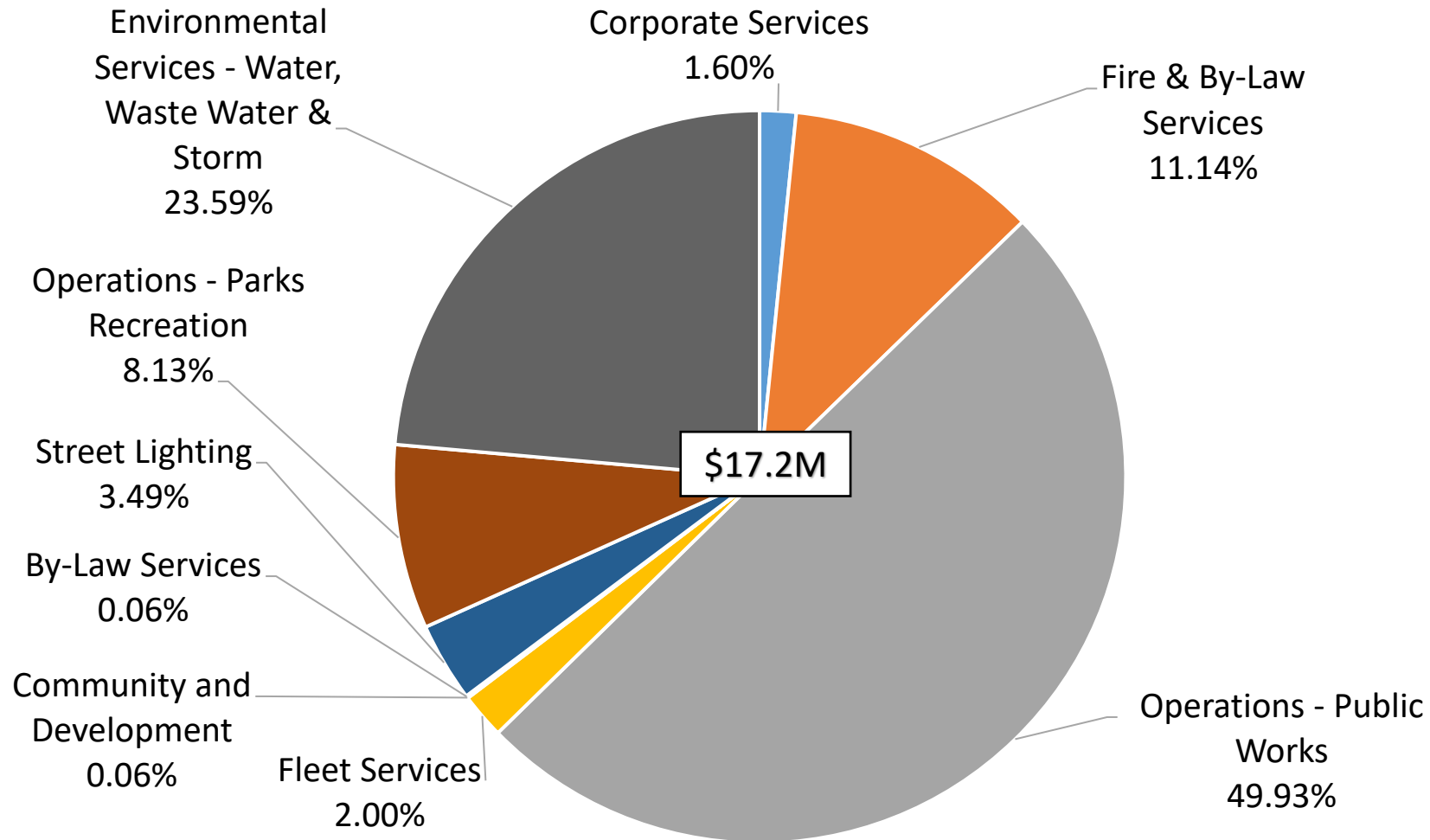
# 2024 Capital Budget – Adjustments

---

## Budget adjustments to match available funding capacity:

- **\$1.05 M** in capital program deferrals beyond 2024, including the following (Appendix IV):
  - ❖ Mississauga Street Reconstruction – Largely updated with Debt - \$2.4 million
  - ❖ C02372 – Guide Rail Replacement Program \$100,000 Deferred
  - ❖ C02377 – Scour Protection Program \$100,000 Deferred
  - ❖ C02149 – Cenntiennal Arena Rubber Floor Replacement Deferred \$30,000

# Capital Budget - By Dept

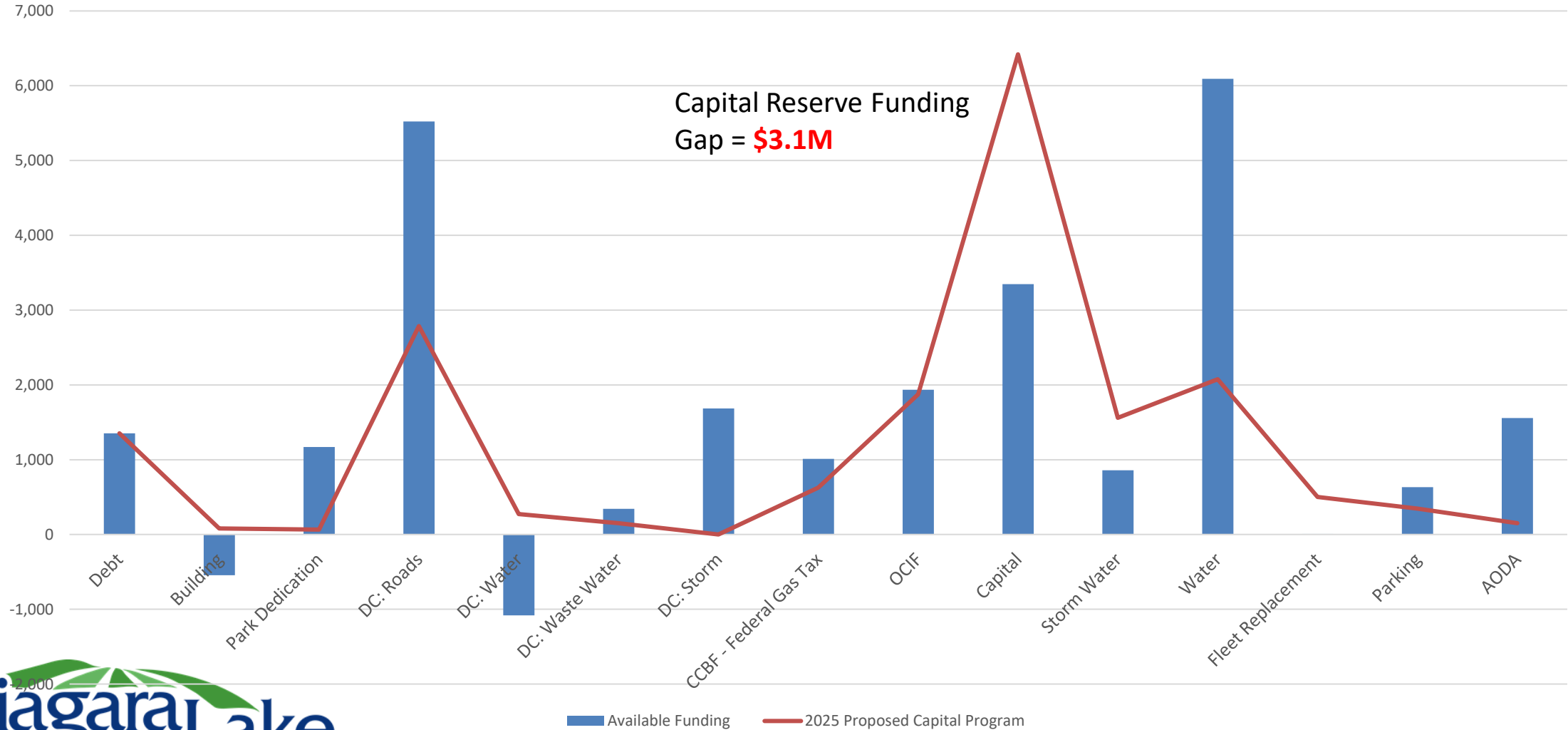


## Capital Defined:

*Represents significant expenditures to acquire, construct, or improve assets that support service delivery. This includes land, buildings, infrastructure, or machinery and equipment used to provide municipal services with a benefit lasting beyond one year.*

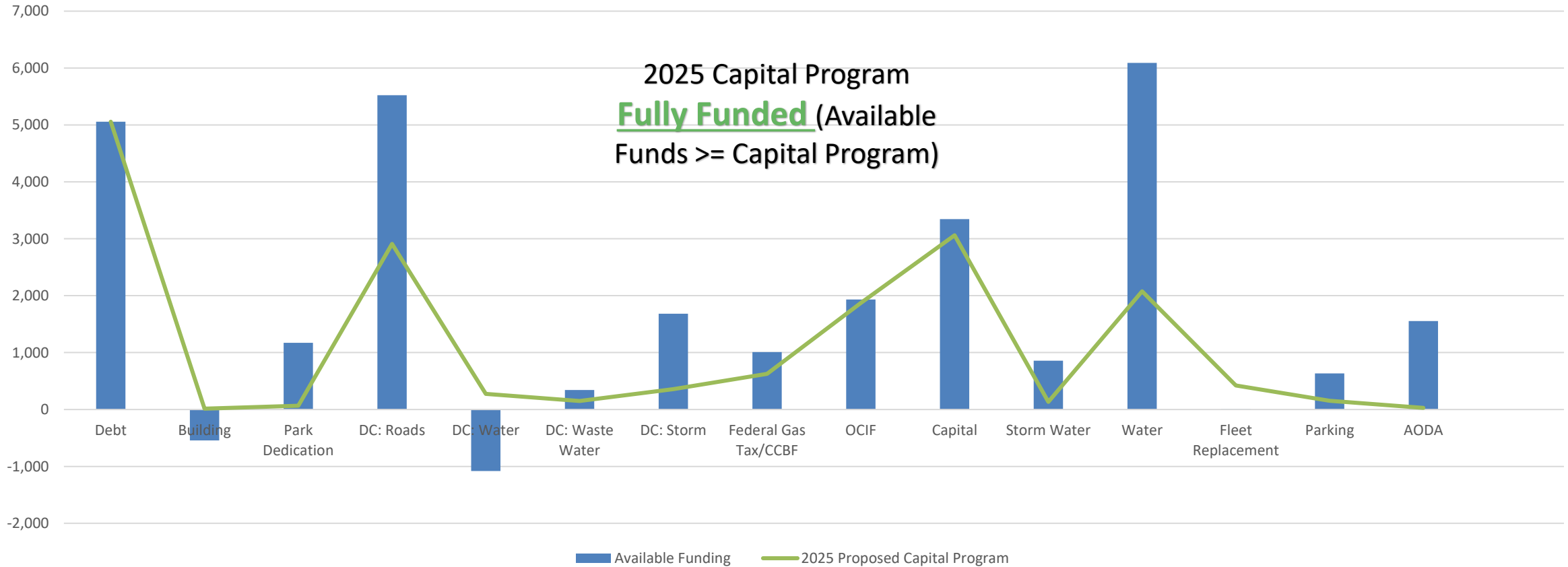
# Reserve Capacity – *Initial Draft*

2025 Initial Proposed Capital Program vs. Available Funding by Reserve (in 000's)



# Reserve Capacity – *Current Proposed*

2025 Current Proposed Capital Program vs. Available Funding by Reserve (in 000's)



# 2025 Capital Budget – Proposed Debt

---

## 2025 Projects proposed to be funded with new debt *(not expected to be obtained until work is completed)*:

- **C02360** – 2025 Pump 1 Replacement - \$1.4 Million
- **C02209** – Mississauga Street Reconstruction - \$950 k
- **C02359** – Line 2 Road Culverts - \$910,000
- **C02506** – McNab Road Culvert Replacement - \$400 k
- **C02519** – Mississauga Street Construction - \$1.1 Million
- **C02512** – Mississauga St Reconstruction \$375 k

# 2025 Capital Budget – MAT

---

Draft **MAT spending criteria** developed by MAT committee

- MAT committee reconvenes on October 21
- Possibility that MAT criteria could offset some debt

# Environmental Stewardship

---

## Alignment with CCAP/ECDM:

- **C01982 Window replacement** – Newer windows will be more energy-efficient
- **C01160 Mower Replacement, C01977 Trackless Plow Replacement** – Newer equipment expected to be more energy efficient
- **Fleet Considerations** – Hybrid vehicle options and electric options



# Next Steps



# Conclusion

