



*Hastings Highlands*

*Beautiful By Nature*

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## 2022 DRAFT MUNICIPAL CAPITAL BUDGET PRESENTATION

Special Meeting of Council  
December 15, 2022

HASTINGS HIGHLANDS CENTRE – COUNCIL CHAMBERS

# PRESENTATION GUIDE

1. Introduction
2. 2021 Capital Budget Year to Date Results
3. 2022 Draft Capital Budget (2022 Capital Plan Detail Provided Separately)
4. Conclusion
5. Discussion & Opportunity for Questions

# INTRODUCTION

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# OPENING REMARKS FROM THE CAO/TREASURER

- Thank you Team
- Customer service culture transformation
- Evolution of the customer
- Record growth in Hastings Highlands
- Covid-19 impacts
- Investing in to the future

# WE CARE

- ✓ Completed: Comprehensive Asset Management Plan
- ✓ Completed: 5 Year Capital Roads Plan (updated 2020)
- ✓ Completed: 4 Year Capital Bridges Plan
- ✓ Completed: Finance Reserves Policy
- ✓ Completed: Buildings & Facilities Strategy
- ✓ Completed: Waste Site Strategy & Recommendations
- ✓ Completed: Strategic Plan 2019-2023



# WELCOME HOME

- 486 km of roads
- 18 structures (bridges/culverts)
- > 65 vehicles/equipment
- > 20 municipal buildings or facilities
- 9 municipal waste sites
- 6 fire stations

# 2021 CAPITAL BUDGET YEAR TO DATE (YTD) RESULTS

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NOTE: A FINAL RECONCILIATION OF THE CAPITAL BUDGET RESULTS PER PROJECT WILL COME TO COUNCIL IN EARLY 2022 WITHIN THE FINAL 2021 QUARTERLY REPORT. SOME PROJECTS ARE STILL IN PROGRESS.



# 2021 CAPITAL PROJECT RESULTS

- Administration/IT Equipment Replacement – Purchasing still ongoing
- 7.9 kms of municipal roads to be paved – Completed
- 1 New Roads Plow Truck (tandem) - Purchased and delivered
- 1 New Roads Work Truck (3/4 tonne) – RFP Completed & Awarded (Resolution 134-2021), delivery set for early 2022 so carried forward to 2022 budget
- 1 Bridge Replacement – Project tendered and came in over budget so not completed in 2021, project carried forward to 2022 budget
- 3 New Fire Tankers – Not purchased, proposal carried forward to 2022 budget
- New Fire Personal Protective Equipment for Fire Fighters - Purchasing still ongoing
- 5 New Dry Hydrants Installations at locations TBD – Not Completed, investigating viable options and creating an implementation plan, project carried forward to 2022 budget

# 2021 CAPITAL BUDGET YTD RESULTS

## REVENUES

\$

\$

	<b>2021 BUDGET</b>	<b>%</b>	<b>2021 ACTUAL UNAUDITED</b>
Municipal Taxation	300,000.00	13.8%	300,000.00
Municipal Reserves	1,410,000.00	64.9%	415,489.89
Gas Tax Transfer	325,000.00	14.9%	282,061.15
Municipal Debt	0.00	0.0%	0.00
Federal/Provincial Grants	139,103.00	6.4%	74,156.30
<b>TOTAL</b>	<b><u>2,174,103.00</u></b>	<b>100.0%</b>	<b><u>1,071,707.34</u></b>

## EXPENSES

\$

\$

	<b>2021 BUDGET</b>	<b>%</b>	<b>2021 ACTUAL UNAUDITED</b>
Roads	739,103.00	34.0%	506,328.26
Gas Tax Funds - Roads	325,000.00	14.9%	282,061.15
Bridges/Culverts	400,000.00	18.4%	0.00
Buildings	0.00	0.0%	0.00
Recreation	0.00	0.0%	0.00
Vehicles/Equipment	685,000.00	31.5%	278,530.35
Information Technology Replacement	25,000.00	1.1%	4,787.58
<b>TOTAL</b>	<b><u>2,174,103.00</u></b>	<b>100.0%</b>	<b><u>1,071,707.34</u></b>

# 2022 DRAFT

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# CAPITAL BUDGET

# PROPOSED PROJECTS SUMMARY

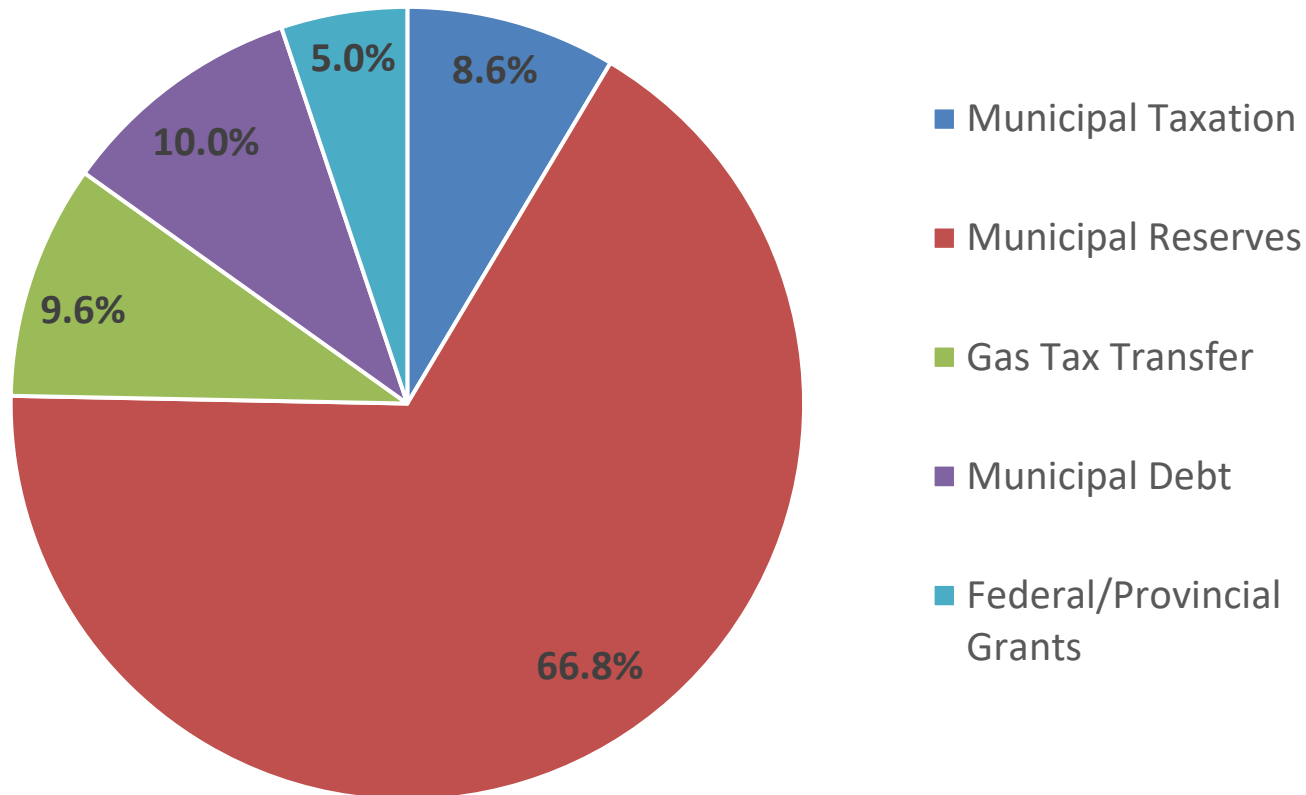
- IT Equipment Replacement \*as necessary\*
- Security Camera System for the Hastings Highlands Centre
- **1** New Roads Work Truck (3/4 tonne) \*carried forward from 2021 (Resolution 134-2021) delivery to occur in early 2022\*
- **1** new Grader \*or **2** pre-owned graders, dependent on market conditions and availability. A report will come to Council with a formal recommendation later in 2022\*  
NOTE: The Municipality received **fifty-nine (59) grading requests** in the first year after implementing the Customer Service Request (CSR) system
- **8.36 kms** of municipal roads to be paved \*contingent upon receiving 2022 OCIF Formula Funding Allocation\*
- **1** Bridge Replacement \*Soble Bridge carried forward from 2021\*
- **2** Large Culvert Replacements
- Kamaniskeg Lookout Park Revitalization \*conditional on a successful grant application\*

# PROPOSED PROJECTS SUMMARY (cont.)

- **1** New Fire Tanker
- **2** Pre-Owned Fire Tankers \*carried forward from 2020 and 2021\*
- Fire Personal Protective Equipment
- **1** Auto Extractor Equipment for Fire Department
- **1** Generator for Fire Department's Communication Tower
- **5** New Dry Hydrants Installations at locations TBD \*carried forward from 2019, 2020, 2021\*

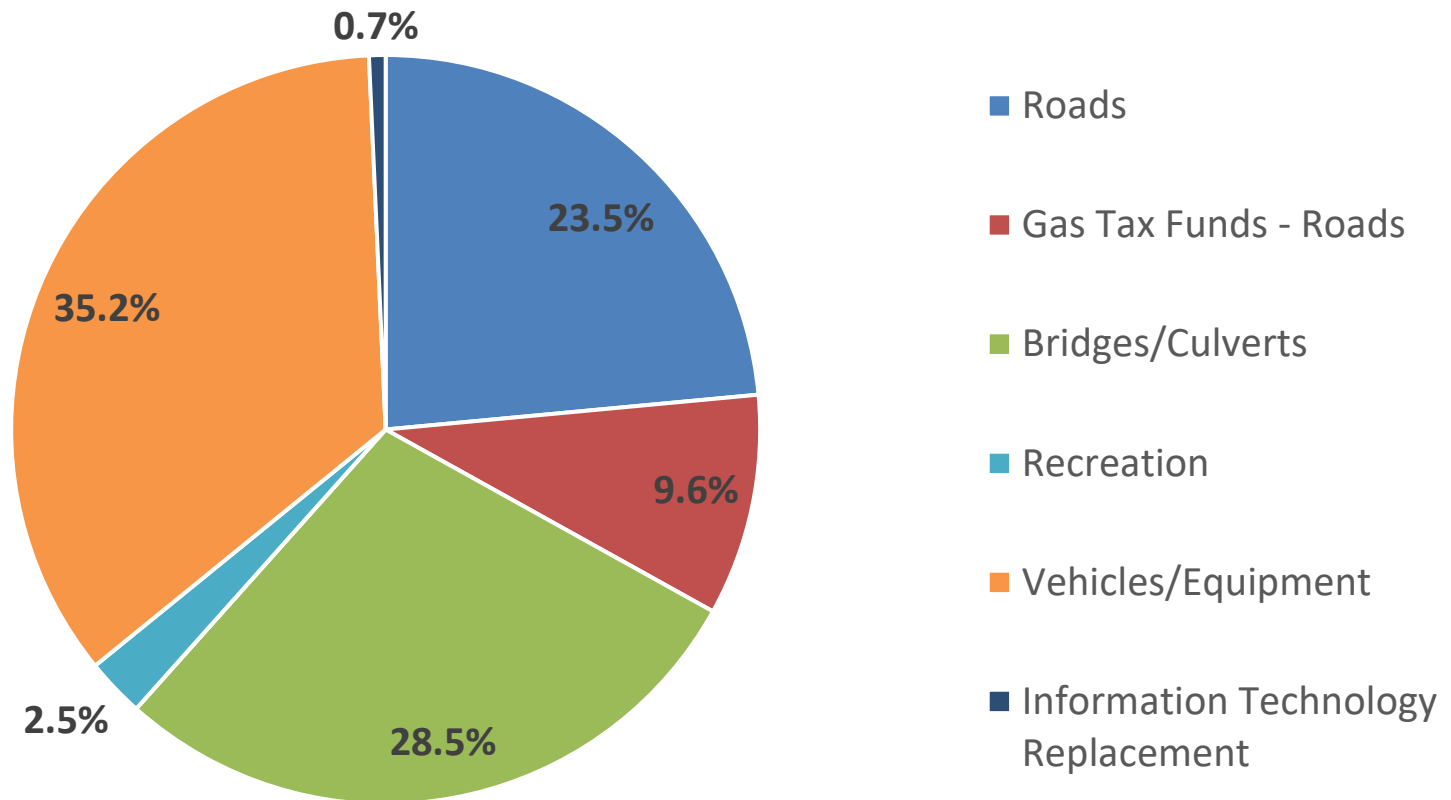
# CAPITAL BUDGET (Revenue Only)

**Total Budget: \$3,505,008.32** \*Refer to Capital Plan for funding detail



# CAPITAL BUDGET (Expense Only)

Total Budget: \$3,505,008.32 \*Refer to Capital Plan for funding detail



# IN OTHER WORDS...

The municipality needs **\$3,505,008.32** to fund the 2022 Capital Budget

\$335,000	will be used from Hastings Highlands Federal/Provincial Government Gas Tax Fund
\$180,353	will be sent to Hastings Highlands by the Provincial Governments Community Infrastructure Fund – Formula Based and other Government Grants
\$2,339,655.32	will be used from Hastings Highlands reserves or otherwise referred to as the municipality's savings
\$350,000	will be provided to Hastings Highlands in the form of a bank loan
\$300,000	will be used from Hastings Highlands operating expenses to fund capital expenses (this is consistent with 2021 level of \$300,000 and will have no impact on the tax levy, even though our policies suggest this should be indexed annually)

**\$3,505,008.32**



# CAPITAL BUDGET COMPARISON

REVENUES	\$		\$
	2022 BUDGET	%	2021 BUDGET
Municipal Taxation	300,000.00	8.6%	300,000.00
Municipal Reserves	2,339,655.32	66.8%	1,410,000.00
Gas Tax Transfer	335,000.00	9.6%	325,000.00
Municipal Debt	350,000.00	10.0%	0.00
Federal/Provincial Grants	180,353.00	5.0%	139,103.00
<b>TOTAL</b>	<u>3,505,008.32</u>	<b>100.0%</b>	<u>2,174,103.00</u>

EXPENSES	\$		\$
	2022 BUDGET	%	2021 BUDGET
Roads	824,258.32	23.5%	739,103.00
Gas Tax Funds - Roads	335,000.00	9.6%	325,000.00
Bridges/Culverts	1,000,000.00	28.5%	400,000.00
Buildings	0.00	0.0%	0.00
Recreation	88,750.00	2.5%	0.00
Vehicles/Equipment	1,232,000.00	35.2%	685,000.00
Information Technology Replacement	25,000.00	0.7%	25,000.00
<b>TOTAL</b>	<u>3,505,008.32</u>	<b>100.0%</b>	<u>2,174,103.00</u>

# MUNICIPAL RESERVES (Estimated)

YEAR: 2022 \*\*DRAFT\*\*

Description of Discretionary Reserve	Account #	2021	2022	2022	2022	2022	2022
		Balance Dec 31	Budget From	Actual From	Budget to	Actual to	Balance Dec 31
Reserve for Working Capital	01-3100-0100	340,010.04	-62,500.00				277,510.04
Reserve for Working Capital: MODERNIZATION FUNDING	01-3100-0100	615,277.00					615,277.00
Reserve for Insurance Expense	01-3100-0110	30,065.48					30,065.48
Reserve for Election Expense	01-3100-0130	62,500.26					62,500.26
Reserve for Recreation Expense	01-3100-0140	32,500.00					32,500.00
Reserve for Economic Development Expense	01-3100-0150	2,250.00					2,250.00
Reserve for Health Expense	01-3100-0160	10,000.00					10,000.00
Reserve for Gym Equipment Expense	01-3100-0170	8,164.00					8,164.00
Reserve for Proceeds from Sale of Land	01-3100-0180	313,614.17					313,614.17
Reserve for Building Capital Expense	01-3100-0200	537,110.26					537,110.26
Reserve for Admin Capital Expense	01-3100-0210	260,658.33	-25,000.00				235,658.33
Reserve for Equipment Replacement	01-3100-0220	233,923.71	-500,000.00				-266,076.29
Reserve for Bridge Capital Maintenance	01-3100-0230	425,000.00	-525,000.00				-100,000.00
Reserve for Road Construction Expense	01-3100-0240	1,009,355.65	-795,000.00				214,355.65
Reserve for Landfill Capital	01-3100-0250	272,637.69					272,637.69
Reserve for Fire Capital	01-3100-0260	446,495.68	-367,000.00				79,495.68
Reserve for Landfill Closure Expense	01-3100-0900	582,004.07					582,004.07
<b>TOTAL</b>		5,181,566.34	-2,274,500.00	0.00	0.00	0.00	2,907,066.34

YEAR: 2022

Description of Obligatory Reserve	Account #	2021	2022	2022	2022
		Balance Dec 31	Budget From	Budget to	Balance Dec 31
Reserve for Gas Tax Fund (CCBF Funding)	03-3200-1030	298,274.44	-335,000.00	253,045.54	216,319.98
Reserve for OCIF (Deferred Revenue)	01-2200-0600	65,155.32	-65,155.32		0.00
Reserve for Cash In Lieu of Parkland (Deferred Revenue)	01-2200-0800	73,500.00			73,500.00
Reserve for Cannabis Legalization Implementation	01-3100-0190	21,053.00			21,053.00
Reserve for COVID-19 Expense	01-3100-0195	105,199.00			105,199.00
<b>TOTAL</b>		563,181.76	-400,155.32	253,045.54	416,071.98

# MUNICIPAL RESERVES (Estimated)

## NOTE:

There are two reserves that are currently forecasting negative balances (highlighted on the previous slide). These will be addressed through Reserve Transfers in the 2022 Operating Budget, to come to Council in February 2022.

Should Council maintain the same Reserve Transfer levels as 2021 for the Reserve for Equipment Replacement & the Reserve for Bridge Capital Maintenance, the negative balances will be addressed without impacting the overall tax levy.

The 2021 budgeted transfer to the Reserve for Equipment Replacement was \$270,000 and the budgeted transfer to the Reserve for Bridge Capital Maintenance was \$100,000.

# REPLENISHMENT OF MUNICIPAL RESERVES

## Additional Notes Per Bylaw 2017-031 Finance Policy - Reserves

S. 5.2 Cumulative Total Reserve Transfers from the operating budget to fund reserves should be at a minimum target level of between 8% and 10% of the total municipal tax levy

### **2022 Forecast:**

The 2022 Operating Budget is still being prepared so an exact estimate on 2022 reserves to be funded is still unknown.

As per Bylaw 2017-031 the amount will fall between 8-10%, representing a range of approximately \$600,000 to \$750,000.

# CONCLUSION

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# CONCLUSION

- Realistically addressing capital assets while maintaining a healthy financial position
- Addressing present capital asset needs to meet minimum service delivery expectations
- All the proposed projects take into consideration the formal municipal planning completed to date