



REPORT TO COUNCIL February 2nd, 2016

FROM: David Joy, Director of Finance

DATE: February 2nd, 2016

Subject: 2016 Capital Budget

PURPOSE

The purpose of this report is for Council to consider finalization and adoption of the 2016 Capital Budget.

BACKGROUND

During the latter part of 2015 Administration and Council deliberated and reviewed the draft operating and capital budgets. Based on your final determinations at the last session, Administration has now prepared a revised draft Capital Budget for your final consideration and adoption.

The Capital Budget includes projects that were approved in 2015 and which carry over into the 2016 construction year. Proposed capital project spending for 2016 totals almost \$37.3 million (\$25.1 million in 2015) with funding drawn from among the following sources:

Funding Sources	
Reserves	\$ 2,260,870
Short and Long Term Debt	\$ 2,500,000
External Sources, Fundraising, Donations	\$ 376,645
Canada Building Fund	\$ 250,000
Recovery	\$ 28,578,590
<u>Government of Alberta:</u>	
Municipal Sustainability Initiative	\$ 2,402,556
Federal Gas Tax Fund	\$ 907,597
Total Funding	\$ 37,276,258

In terms of cash reserves, the balance of reserves at the beginning of 2016 is forecasted to be approximately \$10.2 million (\$10.3 in 2015). The Operating Budget proposes to

transfer \$2.2 million into reserves during 2016 (\$2.1 in 2015). The closing balance at the end of 2016 is estimated to be \$10.1 million.

DISCUSSION

Philosophically, wherever possible, funding for the projects will first come from the provincial grants (MSI, FGT), donations from external sources and debentures (Legacy project) before funding from the Town's reserves in order to preserve those balances for future capital expenditures.

It should be noted that the Legacy Center project from the Town's capital budget will be accounted for within the capital revenue and expenses of the income statement and will not be accounted for as an asset and thus, will not appear on the Statement of Financial Position (balance sheet). However, it is included in the capital budget plan but is offset 100% from grants and donations.

RESOURCE IMPACTS

As identified in the attachments.

POLICY IMPLICATIONS

N/A

COMMUNICATIONS

Summary and highlight information utilizing elements of the presentation made to Council will be prepared for communication to the public through various media platforms once Council has approved the budget.

RECOMMENDATION TO COUNCIL

Review and finalize the projects to be included in the 2016 Capital Budget and approve.

MOTION REQUESTED

THAT Council approve the 2016 Capital Budget as presented.

Attachments

[2016 Capital Budget Summary](#)
[2016 Provincial Grant Programs](#)
[2016 Budget Reserve Summary](#)
[2016 Project Descriptions](#)

Report Prepared by:

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Report Approved for Council by:

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CAO