

STAFF REPORT: Finance & IT Services



REPORT TO: Finance & Administration
MEETING DATE: May 24, 2010
REPORT NO.: FIT.11.26
SUBJECT: 2010 Year-end Funding – Unfinanced Projects
PREPARED BY: Darcy Chapman, Capital Accountant

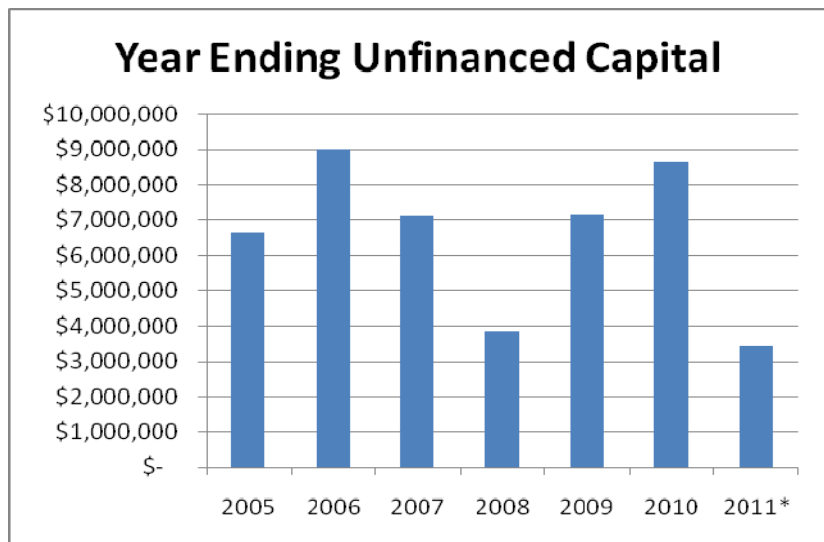
A. Recommendations

THAT Council receive Staff Report FIT.11.26, “2010 Year-end Funding”; and,

THAT Council approve funding outstanding unfinanced capital expenses as outlined in the report.

B. Background

Over the past four years, staff has focused on reducing unfinanced capital projects that are carried over into future years. Ending 2006, the Town had in excess of \$9 Million in unfinanced projects. Ending 2009 this was reduced to \$7.2 Million. The 2010 unfinanced amount has increased solely due to \$2 Million relating to the new Town Hall construction as the Town awaits completion and a long term funding agreement to be in place.



It is expected that the total unfinanced ending balance in December 2011 will be reduced to less than \$3.5M through long term debt arrangements for the Town Hall and the Police Station (\$614,000) along with local service billings relating to Lake Drive Water and Sewer extensions (approximately \$850,000), Georgian View Estates Sanitary Extension (approximately \$565,000) and the Highway 26 corridor watermain extension (approximately \$1M). It is also expected that approximately \$600,000 will be reduced through payment of unfinanced road enhancement projects (Mountain Drive and the Roundabout) through Development Charge receipts. In most cases historical projects have been funded from taxation, debt and in large part through Development Charges. In an effort to further reduce unfinanced capital expenses that have been recorded on the Town’s books for an extended period of time, Staff analysis has lead to

the recommendation that some projects should be funded despite not being budgeted for during the 2010 budget process. This funding will not affect operating surplus/deficit projections.

The following is a list of unfinanced projects, a description of the works, the outstanding amount to be funded and a suggested funding source;

Project	Description	Outstanding Unfinanced	Suggested Funding Source
Parks & Trails Operations Building	Newly constructed parks operations building at Tomahawk. Portion of project was left unfinanced as there was insufficient DC's to fund in 2009	\$ 390,407.18	Parks & Trails Development Charge Fund
Craigleith East Master Drainage Plan	2009 Engineering left as unfinanced	\$ 5,897.80	Craigleith Wastewater Development Charge Fund
Craigleith West Master Drainage Plan	2009 Engineering left as unfinanced	\$ 5,897.80	Craigleith Wastewater Development Charge Fund
Camperdown Master Drainage Plan	2009 Engineering left as unfinanced	\$ 5,945.08	Year-over-Year Rollover Reserve (Development Contribution from 2008)
Combined EA	Lora Bay Water EA to determine reservoir requirements (2008-09 project)	\$ 13,843.45	Lora Bay Water Development Charge Fund
King Street Watermain	2009 Engineering	\$ 503.48	Year-over-Year Rollover Reserve
Lora bay Sunset Blvd Phase 1B Water	Base engineering on Sunset blvd watermain extension (2006-2008 costs)	\$ 32,364.27	Lora Bay Water Development Charge Fund
TOTAL		\$454,859.06	

Staff feel that using the funding sources recommended is keeping with the general intent of the reserve and reserve funds and will not significantly impact the Town. Funding these projects will help to finalize the funding of the projects, provide a cleaner set of year end statements. Once funded, interest is no longer accrued on these outstanding projects as would be the case if they were to remain in an unfinanced position.

C. The Blue Mountains' Strategic Plan

“Providing a strong, well managed municipal government”.

D. Environmental Impacts

No significant impact at this time.

E. Budget Impact

The funding sources suggested come primarily from Development Charge Reserve Funds for water, sewer and roads related projects. As well some smaller amounts are being utilized from general reserves which currently have the funds available for this funding recommendation. The overall funding of these unfinanced amounts will not have any effect on operating surplus/deficit for 2010.

F. Attached

Respectfully submitted,

Signature

For more information, please contact:

Darcy Chapman, Capital Accountant
dchapman@thebluemountains.ca
519.599.3131 x274