

SYNOPSIS

YEAR END CAPITAL FINANCING ADJUSTMENT

The Water Operating budget had a surplus for the March 31, 2024 year end of \$4,494. Prior to the recommended increase of \$130,000 in capital from revenue, the surplus in the water operating fund was \$134,494. In keeping with the Town's philosophy of paying for capital projects in cash whenever possible, staff are recommending that capital from revenue be increased from \$40,000 to \$170,000. In prior years when capital from revenue was increased it was offset with a decrease in long term debt. In the 2023/24 water capital budget there were no projects funded by long term debt, so the additional \$130,000 capital from revenue reduced the amount of funding from the Water Depreciation fund. This will allow the Water Depreciation fund the ability to fund future projects.

The funding of the capital projects from additional capital from revenue reduces the surplus in the water utility but it leaves more funds in the Water Depreciation fund for future year projects.

MOTION:

That Council approve the following change to the funding for the 2023/24 Water Capital Budget:

- **Approval of the increase of Water Operating capital from revenue from \$40,000 to \$170,000.**