



## AMHERST TOWN COUNCIL

RFD# 2019045

Date: May 15, 2019

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**TO:** Mayor Kogon and Members of Amherst Town Council

**SUBMITTED BY:** Shelley Rector, CPA, CMA – Chief Financial Officer

**DATE:** May 15, 2019

**SUBJECT:** 2019 – 20 Capital Budgets, Town of Amherst & Amherst Water Utility

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**ORIGIN:** 2019 - 2020 budget preparations

**LEGISLATIVE AUTHORITY:** Section 65 of the Municipal Government Act requires that council shall adopt an operating budget and a capital budget for each fiscal year

**RECOMMENDATION:** That Council approve the Town of Amherst General Capital Budget for the 2019-20 fiscal year as presented in the amount of \$3,694,229 and the Amherst Water Utility Capital Budget for the 2019-20 fiscal year in the amount of \$2,086,082, and further, that Council approve in principle the subsequent nine years' Capital Budget plan as presented.

**BACKGROUND:** Each year the Town of Amherst and the Amherst Water Utility present their capital budgets to Council for approval. This year, the general Capital budget in the amount of \$3,694,229 includes the continuation of the Willow Street, a new fire pumper truck and additional work on the Active Transportation Plan. The Amherst Water Utility's proposed capital budget of \$2,086,082 includes the remainder of the Willow Street water main replacement and a new backhoe.

**DISCUSSION:** The capital budgets, as presented, fit within the Town's and the Utility's financial resources. The borrowing being contemplated for the 2019-20 capital projects are for the work on Willow Street, the new fire pumper truck and the solar for community building project in the General Capital budget. In the Water Capital budget, the borrowing is for the Willow Street, a service truck, a backhoe, Taplin Drive, Edgewood Drive and well monitoring.

**FINANCIAL IMPLICATIONS:** Funding this year's Town of Amherst general capital budget of \$3,694,229 is proposed to be:

|                        |                     |
|------------------------|---------------------|
| • Capital from Revenue | \$ 506,535          |
| • Gas Tax Funding      | 1,105,000           |
| • Long Term Debt       | 1,394,491           |
| • Reserves             | 688,203             |
|                        | <u>\$ 3,694,229</u> |

The following funding for the Utility's proposed capital budget of \$2,086,082 is proposed:

|                        |           |
|------------------------|-----------|
| • Capital from Revenue | \$ 40,000 |
| • Federal Grant – CWWF | 886,050   |



|                           |                |
|---------------------------|----------------|
| • Provincial Grant - CWWF | 461,950        |
| • Long Term Debt          | <u>698,082</u> |
|                           | \$2,086,082    |

As in past years, projections for the subsequent nine years are included for Council's consideration:

| Fiscal Year | General Capital | Water Capital |
|-------------|-----------------|---------------|
|             | Total Amount    | Total Amount  |
| 2020 – 2021 | 2,242,750       | 653,750       |
| 2021 – 2022 | 2,905,750       | 235,000       |
| 2022 – 2023 | 2,031,250       | 296,000       |
| 2023 – 2024 | 2,066,750       | 225,000       |
| 2024 – 2025 | 1,875,250       | 200,000       |
| 2025 – 2026 | 1,645,000       | 265,000       |
| 2026 – 2027 | 1,898,000       | 375,000       |
| 2027 – 2028 | 1,783,000       | 385,000       |
| 2028 – 2029 | 1,310,000       | 395,000       |

**COMMUNITY ENGAGEMENT:** Information on the budget has been shared via social media as approvals occur. A budget report will be added to the website once all rates are finalized.

**ENVIRONMENTAL IMPLICATIONS:** None anticipated.

**SOCIAL JUSTICE IMPLICATIONS:** None anticipated.

**ALTERNATIVES:**

1. Approve the Town and Utility capital budgets as presented
2. Approve the Town and Utility capital budgets with amendments
3. Refer the Town and Utility capital budgets back to staff for further review.

**ATTACHMENTS:**

Copies of the Capital Budgets for current year and years 2-10.