

**Report from** Financial Management Services**Date of Report:** June 9, 2016**Date of Meeting:** June 20, 2016**Report Number:** FMS-B001-2016**File:** 10.57.10**Subject:** 2016 Capital Budget and Four Year Forecast**Recommendation**

That the report from Financial Management Services dated June 9, 2016, regarding the 2016 Capital Budget be referred to City Council for consideration after the Public Meeting scheduled for August 22, 2016, for which notice will be duly given.  
FORTHWITH

**Staff Recommendation**

That the Budget Standing Committee approve the 2016 Capital Budget and Four Year Forecast as detailed in Appendix 1; and

That the Budget Standing Committee approve the Infrastructure Levy policy as recommended by the Budget Standing Committee as attached in Appendix 2; and

That the Budget Standing Committee receive for information purposes the site condition of recreation facilities in various parks as attached in Appendix 3.

**Background**

The 2016 Capital Budget is the plan of capital expenditures to be committed during 2016. The four year forecast is a plan of capital expenditures to be incurred each year over a period of four years to meet capital needs arising from approved capital programs and anticipated capital works.

The Capital Budget and forecasts allow the Corporation to finance its projects over a number of years and also provides a control mechanism for future debt levels.

The forecast for years 2017 to 2020 is determined by the review of various studies underway or recently completed which outline capital investments that are required or recommended to maintain or enhance City infrastructure. These studies include, but are not limited to the Parks Master Plan, Recreation Master Plan, Fire Services Master Plan, Pollution Control Plan, Municipal Space Study, Parking Study and Asset Management Plan.

## Report

Council support of the Capital Budget accomplishes approval of both the five-year capital plan and funding for the capital program. Applicable funding sources for the programs are grants, reserves and operating fund contributions with the remaining funds not covered becoming debt.

The 2016 Capital Budget and Four Year Forecast is detailed in Appendix 1. The following information is included in the appendix.

<b><u>Item</u></b>	<b><u>Description</u></b>	<b><u>Appendix Page #</u></b>
Summary	The breakdown of capital expenditures for years 2016 to 2020	1
2016 Capital Budget	The capital expenditures proposed for 2016 by function. The 2016 Capital Budget references various Schedules by category which provide greater detail for the projects listed. For Council information, the projects which have already received early budget approval by Council are noted on the 2016 summary and the individual schedules.	2 to 16
2017 Capital Forecast	The 2017 forecast is determined from the asset management plan. Items already approved by Council are indicated on this forecast under the early budget approval column.	17
Potential Long Term Capital Expenditures	A list of capital projects not yet approved or included in the 4 year forecast that could impact the capital budget in future years	18
Infrastructure Levy Projects	A list of projects funded from the Infrastructure Levy approved in the 2016 operating budget process	19
The 2016 Debt and Annual Repayment Limit	Information regarding the debt payments the City is committed to and the Annual Repayment Limit as prescribed by the Province	20
The 2015 Unfinanced Capital Projects	A list of previously approved capital projects that have yet to be debentured	21

## **A) Capital Program Strategy**

Municipal budgets are very capital intensive. In determining the City's capital strategy, the first priority is maintaining existing infrastructure while the second priority for the capital strategy is to expand or replace existing assets aimed at improving services and programs for residents.

A key parameter to maintain existing infrastructure is ensuring the City's assets meets current federal and provincial regulations and guidelines. As such, City departments report on capital needs by determining the value of the infrastructure, deficiencies and target condition ratings with the aim of setting a level of expenditures to achieve those targets. As stated in the 2013 Asset Management Plan, the goal is that all City owned infrastructure assets are sustainable into the future.

Capital Budget funded projects which are a result of a current regulation or guideline are the following.

- Accessibility upgrades (roads and buildings)
- Pollution control plan implementation
- New storm sewers for combined sewer separation; and
- Water/Wastewater Financial Plan (to a minor extent)

Capital Budget also funds major expenditures arising from the City's Asset Management Plan recommendations and other Master Plans.

## **B) Funding of Capital Projects**

### **Financing the Capital Program**

Debt financing allows for a more manageable impact on the operating budget and allows for the payments to be spread over a longer term which is appropriate for assets with a longer life expectancy.

A pay-as-you-go method of infrastructure investments, while it avoids interest payments and debt issuance costs, directly impacts the operating budget significantly from year-to-year and the ability to begin more than one larger project is limited which could result in the underfunding of infrastructure. For this reason, the City uses debt financing to ensure the City continues to be financially responsible and has a debt management strategy in place.

City Council, at the March 8, 2016 meeting, approved that a separate infrastructure tax rate be levied to help address the existing infrastructure deficit. An infrastructure levy is a tool that will help address the infrastructure deficit, demonstrate accountability and transparency to the taxpayers about how funds are allocated and for what purpose.

Eligible projects to be funded from the infrastructure levy include:

- Road improvements
- Walkway improvements

- Traffic signal replacement
- Playground equipment
- Building improvements
- Tree Plantings
- Sidewalk improvements
- Park amenities

The Infrastructure Levy Policy is attached as Appendix 2.

At the Budget Standing Committee of April 25, 2016 Councilor Phillips asked that a listing of future capital projects being considered for years six through ten be included in the 2016 Capital Budget. This listing is included on page 18 in Appendix 1.

## **Municipal Act Debt Guideline**

The Municipal Act requires that a Municipality have a five-year capital financing forecast. Ontario Regulation 403/02 limits annual debt charges to no more than 25% of the City's net revenue fund revenues.

Using this guideline, the City could increase its debt by approximately a further \$124.4 million based on an interest rate of 7%, which is the rate which the Ministry of Municipal Affairs uses for illustrative purposes.

Using the City's current estimated borrowing rate of 5%, the City's additional debt capacity would be \$138.1 million. Although there has never been a suggestion that this limit be approached, Council does have significant capacity available should circumstances warrant additional debt financing.

The City Treasurer has updated the Debt Repayment Limit for the City and the debenture amount proposed in the 2016 Capital Budget will not cause the City to exceed its limit. This updated document is available on page 20 of Appendix 1.

## **Debt Management Strategy**

The City has established its own Debt Management Strategy which determines capital projects that are eligible for debt financing, identifies a sustainable level of borrowing and deals with debt repayment.

- 1) **Eligibility:** Not all capital projects are suited for debt financing. The City's policy is to recommend debt financing only for infrastructure purposes. Specifically, for large projects that provide well-defined benefits to the community, have long asset lives and the ability to leverage additional financing elsewhere.

- 2) **Sustainable level of borrowing:** For debt management purposes, the City has adopted a policy aimed at containing debt charges at approximately 10% of the City's total own expenditures. This will ensure that the debt service costs will not become an increasing burden and a larger portion of the City's budget, as it is essential the City ensure debt levels are sustainable within the operating budget.
- 3) **Debt repayment:** The City has a 10% down payment strategy which reduces the amount to be borrowed and at the same time, bringing the approximate costs of one year's debt service to the year of decision. As a result, Council will raise, through property taxes, an amount which will be equivalent of future annual debt charges for each particular project. Debentures are taken for shorter timeframes versus longer timeframe which are typically 5 or 10 year.

## Capital Projects Budget Impact

The impact of increased borrowing is delayed. It usually takes one to two years to complete the borrowing cycle which includes:

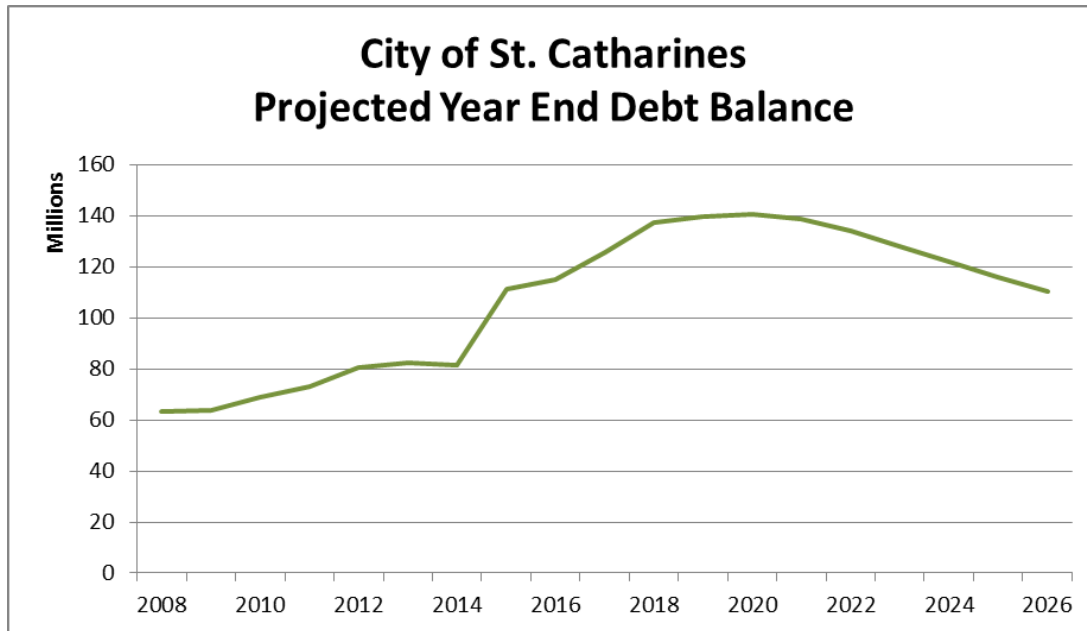
- project approval
- project design
- tendering
- construction
- debenture issuance
- debenture cost inclusion in an Operating Budget.

In 2015 the City's debt charges were 7.21% of the City's total estimated expenditures. Each year the Ministry of Municipal Affairs produces a financial indicator review that states debt costs between 5% and 10% are considered moderate risk – which is where the City of St Catharines currently resides.

The chart below has the estimated impact of increased capital borrowing activities for the next five years.

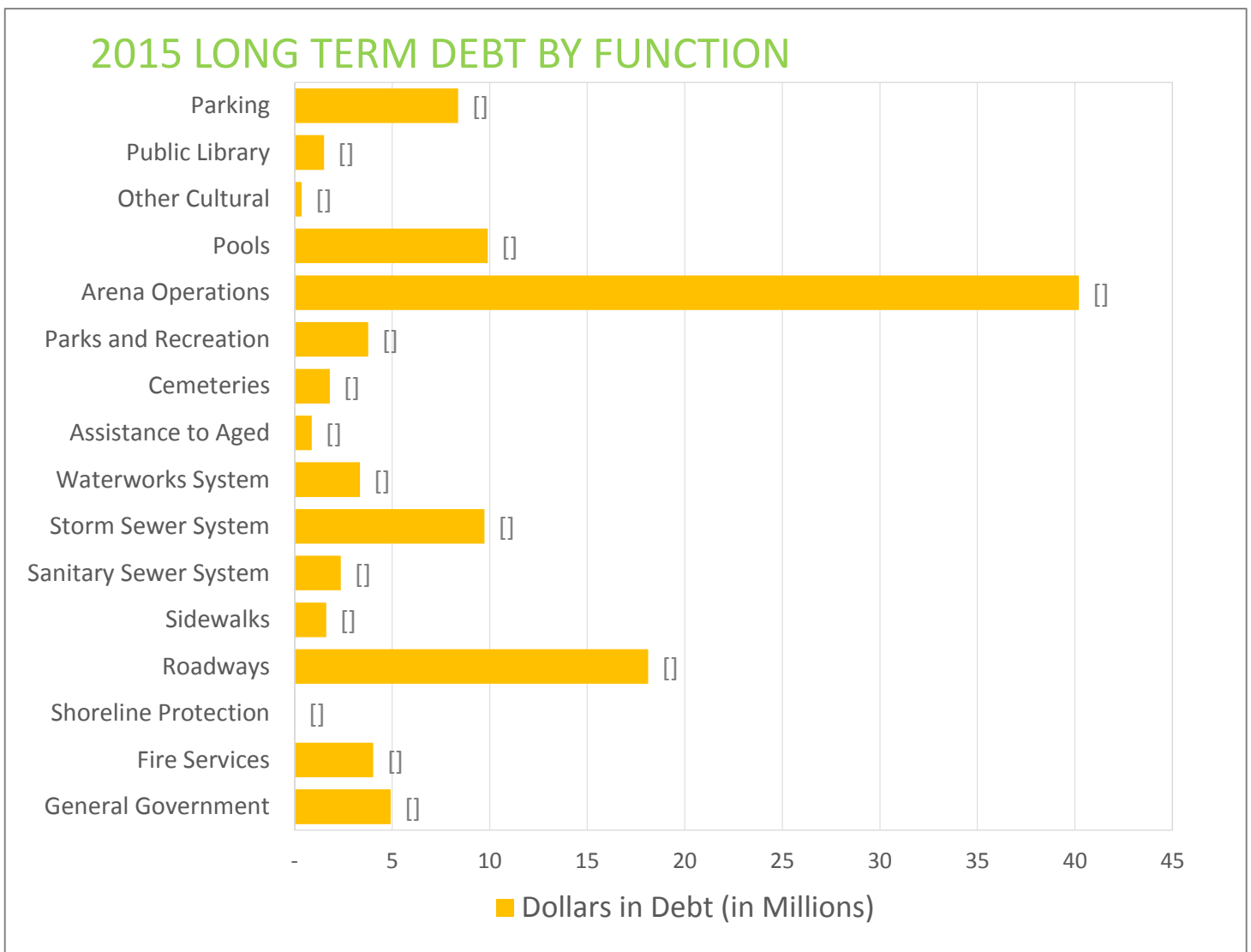
	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
<b>Outstanding Debt</b>	\$110.9m	\$111.3m	\$115.0m	\$124.4m	\$137.7m	\$138.9m
<b>Debt Per Household</b>	\$1,890.13	\$1,896.93	\$1,959.87	\$2,120.79	\$2,347.87	\$2,367.26
<b>Total Annual Debt Charges</b>	\$13.0m	\$15.0m	\$15.6m	\$16.5m	\$18.1m	\$ 20.2m
<b>As % of Operating Budget</b>	7.21%	8.10%	8.21%	8.49%	9.10%	9.92%

The City's estimated debt forecast is illustrated below.



As shown in the chart above, the City's debt at the end of 2015 was \$110.9 million. While debt is rising, it will begin to decline starting in 2021. Under the City's Debt Management Strategy the objective is to minimize the annual impact of debt on the operating budget, while continuing to sustain and improve its infrastructure asset over the long term.

The following graph shows the total debt breakdown among the various functional areas for infrastructure and facilities.



As recommended by Council, the technology hardware improvements previously included in the annual operating budget, have been transferred to the capital budget. Funding for the network racks and switches in the amount of \$50,000 has been included in the 2016 Draft Capital Budget and Four Year Forecast.

The Budget Standing Committee, at the February 9, 2016 meeting, made the motion that staff consider at least one basketball court and one tennis court each year for upgrades to the City's parks. Funds have been included in the 2016 Draft Capital Budget and Four Year Forecast to accommodate this request. As shown in Appendix 1, these capital improvements would be funded from the newly created infrastructure levy.

On May 2, 2016 Councilor Haywood requested the site condition of recreation facilities at our various parks, the projects that will take place this year, and a report on the parkland dedication fund, including if there is a need to change the parkland dedication policy.

Staff have assessed the condition of playgrounds, tennis and basketball courts at all City parks. The condition of the various amenities at all sites are shown in Appendix 3. The capital forecast to manage the assets identified for renewal over the next five years is approximately \$5,000,000 in 2016 dollars. Management of other park amenities, including trails, irrigation, underdrainage, fences and benches require further review to provide a forecast. Washrooms and parking lots would be considered through building assessments and prioritization, and outdoor aquatic facilities through the approved Aquatics Implementation Plan.

Included in the 2016 Draft Capital Budget and 4 year forecast are funds for the East Port Park Basketball Court and playground equipment at West Park.

The Parkland Dedication Fund (fund) administration is guided by the Planning Act and City's related by-law. The Planning Act requires that funds collected are "paid into a special account and spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other recreational purposes."

As of April 30, 2016 the balance in the reserve fund is \$1,326,120.42, of which \$493,998.05 is committed to specific projects (including funding for Lock III Estates Park). This leaves \$832,122.37 in unassigned funds. St Catharines is not expected to see drastic growth or development in the future which means opportunities to collect parkland dedication are also limited. Over the past 10 years, an average of \$143,000 per year has been deposited in the parkland dedication fund annually.

Planning and Building Services and Parks, Recreation and Culture Services staff are working on updating the parkland dedication by-law. A part of this update is the development of an expenditure policy to ensure that the fund is sustainable and available for identified priorities (e.g. Garden City Plan, Recreation Master Plan, Parks Policy Plan). While the Garden City Plan identifies parkland acquisition priorities, it does not speak to how the parkland dedication fund would be used. The draft Recreation Master Plan notes that the parkland dedication fund should be used to provide parkland in new residential areas and any gap areas and should parallel the acquisition priorities of the Garden City Plan. The fund would best support the noted plans by maintaining it to allow the City to purchase high priority land acquisitions that cannot be planned and budgeted for. It is important to note that the use of the fund for park development may limit the City's ability to acquire properties when they are available.



At the Council meeting of February 29, 2016 Councilor Britton made the following motion regarding the Active Transportation Infrastructure project funding:

That staff report on what the \$250,000 Federal Gas Tax allocated to Capital projects went towards in 2015 and what it will go to in 2016

The Active Transportation funding is intended to support the inclusion of active transportation within the road reconstruction program and related projects. Staff have identified the following potential projects for these funds:

- Third Avenue reconstruction – widening bike lanes
- St David's Road over the 406 – City's share of walkway

Staff will engage the Active Transportation committee for input and further suggestions prior to proceeding. The above two projects both require more than one year's allocation of funds to be able to complete.

Reprioritization of projects is ongoing to meet the Council adopted policy of containing the debt charges at approximately 10% of the City's total expenditures. As well, work continues on the Asset Management Plan to ensure that the City will achieve a sustainable level of funding for all levels of infrastructure. The introduction of the infrastructure levy will aid in addressing the current infrastructure deficit and achieving a sustainable level of funding.

## **Financial Implications**

The Capital Budget and Four Year Forecast allows the Corporation to address the capital needs of the Corporation. Financial implications are outlined within the report.

## **Relationship to Strategic Plan**

Economic prosperity is supported by the availability of widely functional municipal infrastructure achieved through effective asset management and sustainable funding for capital works to optimize and renew infrastructure. The capital budget and four year forecast and the introduction of the infrastructure levy and infrastructure levy policy are key to ensuring the continued availability of functional municipal infrastructure.

Social Sustainability is achieved through the connection of people, places and neighborhood's with the continued inclusion of active transportation infrastructure in the annual capital budget.

### **Prepared / Submitted by:**

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Commissioner, Corporate Services

CITY OF ST. CATHARINES  
2016 CAPITAL BUDGET AND FOUR YEAR FORECAST  
SUMMARY OF CAPITAL EXPENDITURES AND SOURCES OF FINANCING

	2016	2017	2018	2019	2020
<b>CAPITAL EXPENDITURES:</b>					
Parks, Recreation and Culture Services	\$3,632,500	\$2,757,500	\$1,735,000	\$2,080,000	\$3,130,000
Road Construction and Improvements	4,464,000	4,684,560	4,611,942	4,796,420	4,796,420
Storm Sewer and Separation	3,404,760	2,427,110	2,427,110	2,524,194	2,524,195
Regional Projects	500,000	0	0	720,000	780,000
Niagara District Airport	131,000				
Sidewalk/Walkway Construction	350,000	350,000	350,000	350,000	350,000
Shoreline Protection		414,000	0	30,000	110,000
Pollution Control	984,000	1,000,000	1,000,000	1,000,000	0
Federal Gas Tax funded programs	3,994,978	3,994,978	4,185,216	4,185,216	4,185,216
Building Improvements	1,308,200	3,450,000	1,210,000	1,300,000	2,560,000
Accessibility Programme	0	250,000	250,000	250,000	1,330,000
Development Charges			0	3,350,000	2,370,000
Fire Services	3,150,000	0	5,550,000	1,500,000	160,000
Watercourses	130,000	270,000	500,000	1,340,000	500,000
Bridges and Culvert	280,000	0	1,400,000	600,000	0
New Buildings					
Parking Improvements	750,000	450,000	510,000	100,000	100,000
Corporate Infrastructure	769,000	2,320,000	1,000,000	500,000	500,000
	<u>\$23,848,438</u>	<u>\$22,368,148</u>	<u>\$24,729,269</u>	<u>\$24,625,830</u>	<u>\$23,395,831</u>
<b>SOURCES OF FINANCING:</b>					
Grants, Reserve Funds etc.	\$9,360,278	\$6,119,622	\$6,610,216	\$8,672,216	\$7,596,216
Capital Out of Revenue Fund	1,465,000	1,626,000	1,812,000	1,595,000	1,580,000
Net Debenture Amount	13,023,160	14,622,526	16,307,053	14,358,614	14,219,615
	<u>\$23,848,438</u>	<u>\$22,368,148</u>	<u>\$24,729,269</u>	<u>\$24,625,830</u>	<u>\$23,395,831</u>

CITY OF ST. CATHARINES  
2016 CAPITAL BUDGET

DESCRIPTION	SCHEDULE	ESTIMATED GROSS COSTS	GRANTS, RESERVES ETC.	CAPITAL OUT OF REVENUE	NET DEBENTURE AMOUNT	EARLY BUDGET APPROVAL AMOUNT NOTES
<b><u>PARKS, RECREATION AND CULTURE SERVICES:</u></b>						
Seymour Hannah - rink floor rehabilitation phase 1		2,000,000	729,000	127,000	1,144,000	2,000,000 November 30,2015
Canada 150 Community Infrastructure Program-West Park		115,000		12,000	103,000	115,000 2015 capital budget
West Park - playground equipment		100,000	100,000			100,000 April 4,2016
Lakeside Park - electrical consolidation		50,000		5,000	45,000	
Tree Planting, 2016		350,000	315,000	35,000	0	350,000 February 29,2016
Basketball Court - Eastport Park		70,000	70,000	0	0	
Rotary Park contribution		12,500	12,500			12,500 April 4,2016
Lock III Estates Park		220,000	220,000	0	0	
Welland Canal Fallen Workers Memorial		715,000	450,000	27,000	238,000	640,000 June 10,2015
	SCHEDULE A	3,632,500	1,896,500	206,000	1,530,000	
<b><u>ROAD CONSTRUCTION AND IMPROVEMENTS:</u></b>						
Carlisle/St Paul Reconstruction/Streetscaping		710,000		71,000	639,000	
Queenston Street		275,000		28,000	247,000	
Lorne Street		175,000		18,000	157,000	
Greenwood Ave/Beatrice Street		123,000		12,000	111,000	
Churchill Street		400,000		40,000	360,000	
St George Street		445,000		45,000	400,000	
Ridgewood Road		358,000		36,000	322,000	
Downtown Street System Conversion		200,000		20,000	180,000	
2016 Resurfacing Program		1,578,000		158,000	1,420,000	1,578,000 February 29,2016
Traffic Signal Rehabilitation		200,000	200,000	0	0	
	SCHEDULE B	4,464,000	200,000	428,000	3,836,000	
<b><u>STORM SEWER AND SEWER SEPARATION:</u></b>						
Queenston Street		474,760		47,000	427,760	
Else Street		1,650,000	990,000	66,000	594,000	
Rodget/Sharon		550,000		55,000	495,000	
Catchbasin and Storm Service Installation		100,000		10,000	90,000	
Hartzel Road		134,000		13,000	121,000	
Design for 2017 Projects		25,000		3,000	22,000	
Churchill Street		135,000	81,000	5,000	49,000	
St George Street		88,000		9,000	79,000	
Park Avenue		62,000		6,000	56,000	
Lakeshore Road Phase 3		186,000		19,000	167,000	186,000 February 29,2016
	SCHEDULE C	3,404,760	1,071,000	233,000	2,100,760	
<b><u>NIAGARA DISTRICT AIRPORT</u></b>						
2016 Municipal Working Capital Grant		131,000		13,000	118,000	131,000 February 29,2016
	SCHEDULE D	131,000	0	13,000	118,000	
<b><u>SIDEWALK CONSTRUCTION</u></b>						
2016 Sidewalk Construction Program		300,000		30,000	270,000	
2016 Walkway Improvements		50,000	50,000	0	0	
	SCHEDULE E	350,000	50,000	30,000	270,000	
<b><u>REGIONAL PROJECTS - CITY SHARE</u></b>						
Lakeshore Roads - Phase 3		500,000	500,000			500,000 February 29,2016
	SCHEDULE F	500,000	500,000	0	0	
<b><u>POLLUTION CONTROL PLAN</u></b>						
Burleigh Hill/Glendale Avenue CSO Control - phase 2		784,000	313,600	47,000	423,400	
Pollution Control Plan Update		200,000	100,000	10,000	90,000	
	SCHEDULE G	984,000	413,600	57,000	513,400	
<b><u>FEDERAL GAS TAX FUNDED PROJECTS</u></b>						
Active Transportation Infrastructure		250,000	250,000			
LED Streetlight Conversion-phase 2		2,669,978	2,669,978			1,300,000 February 29,2016
Watermeter Replacement Program - Phase 2		1,000,000	1,000,000			1,000,000 February 29,2016
Lakeshore Road Phase 3		75,000	75,000			75,000 February 29,2016
	SCHEDULE H	3,994,978	3,994,978	0	0	
<b><u>BUILDING IMPROVEMENTS</u></b>						
Robertson School - Main Building- hydro service		40,000	40,000	0	0	
Robertson School - Annex improvements		60,000	60,000	0	0	
Market Square Roof replacement		350,000	150,000	20,000	180,000	
Old Courthouse - Exterior Stair repair		200,000	100,000	10,000	90,000	
Building Improvement Program, 2016		658,200	478,200	18,000	162,000	198,200 February 29,2016
	SCHEDULE I	1,308,200	828,200	48,000	432,000	
<b><u>ACCESSIBILITY PROGRAMMES</u></b>						
see Ontario Street elevator improvements		0	0	0	0	
<b><u>WATERCOURSE REHABILITATION</u></b>						
Richardson Creek Floodline Mapping		130,000		13,000	117,000	
	SCHEDULE J	130,000	0	13,000	117,000	
<b><u>BRIDGE AND CULVERT REHABILITATION</u></b>						
Ball Avenue West Bridge		280,000	280,000			
	SCHEDULE K	280,000	280,000	0	0	
<b><u>FIRE SERVICES</u></b>						
Station #1 - Communications Upgrade Phase 1		2,900,000		290,000	2,610,000	
Fire Tower Rehabilitation		250,000		25,000	225,000	
	SCHEDULE L	3,150,000	0	315,000	2,835,000	
<b><u>PARKING SERVICES</u></b>						
Ontario St Garage-partial -stairwell/elevator improvements		750,000		75,000	675,000	
	SCHEDULE M	750,000	0	75,000	675,000	
<b><u>CORPORATE INFRASTRUCTURE</u></b>						
Technology Upgrades - Phase 1		699,000	126,000	40,000	533,000	400,000.00 February 29,2016
Technology Upgrades - online payment process #1		20,000		2,000	18,000	
Technology Hardware Improvements		50,000		5,000	45,000	
	SCHEDULE N	769,000	126,000	47,000	596,000	
<b>TOTAL 2016 CAPITAL BUDGET</b>		<b>\$23,848,438</b>	<b>\$9,360,278</b>	<b>\$1,465,000</b>	<b>\$13,023,160</b>	<b>\$8,585,700</b>

**2016 CAPITAL BUDGET****SCHEDULE A****Project:****PARKS, RECREATION AND CULTURE SERVICES****Project Description:**

*Parks, Recreation and Culture Services major capital projects generally are included in the Capital Budget.*

**Project Details:**

Area			Gross Cost
1 Arena Improvement Program, 2016			
Seymour Hannah	Rink Floor Rehabilitation phase 1	*	\$2,000,000
2 West Park site improvements - in conjunction with Canada 150 funding			115,000
3 West Park - playground equipment			100,000
4 Lakeside Park electrical consolidation			50,000
5 Tree Planting Program			350,000
6 Basketball Court upgrades Eastport Park			70,000
7 Rotary Park upgrades - in conjunction with Canada 150 funding			12,500
8 Lock III Estates Park			220,000
9 Welland Canal Fallen Workers Memorial - phase 2			715,000
			<b><u>\$3,632,500</u></b>

**Funding Sources:**

Capital Out of Revenue (10%)	\$206,000
Capital project transfer	729,000
Infrastructure levy	497,500
Reserve transfer	220,000
Donations	300,000
Federal Funding	150,000
Debentures	1,530,000
	<b><u>\$3,632,500</u></b>

Note:

\* indicates that the project has received early budget approval

**Infrastructure Levy Projects:**

West Park Playground Equipment	\$100,000
Basketball Court - Eastport Park	70,000
Rotary Park Contribution	12,500
Tree Planting	315,000
	<b><u>\$497,500</u></b>

**2016 CAPITAL BUDGET****SCHEDULE B****Project:****ROAD CONSTRUCTION AND IMPROVEMENTS****Objectives:**

To ensure safe vehicular and pedestrian passage at all times along the 562 km of municipal roadways.

**Policy:**

To maintain an average pavement condition rating of 75 which was approved by City Council.

**Project Description:**

The present average pavement condition is 71. In order to achieve the target condition of 75 in 10 years, an expenditure of approximately \$120 million over the next 10 years is required in accordance with the recommended program of Pavement Management System.

**Project Details:**

Project Details		Project Number	From	To	Gross Cost
Location					
1.	<b>Municipal Services Imprvmnts</b> Carlisle Street St Paul Street	<b>P13-062</b>	Additional funds for Road reconstruction and streetscaping		\$710,000
2.	<b>Municipal Services Imprvmnts</b> Queenston Street	<b>P13-066</b>	Traffic signal improvement in conjunction with roadworks		275,000
3	<b>Municipal Services Imprvmnts</b> Lorne Street	<b>P14-067</b>	Queenston Street	Eastchester Avenue	175,000
4	<b>2016 Resurfacing Program</b> Bogart Street Grantham Avenue Keele Street Lake Street Manning Street Oakdale Avenue Oakdale Avenue Welland Canals Parkway Welland Canals Parkway Various streets	<b>P16-080</b>	Durham Drive Facer Street Glendale Avenue Russell Avenue Niagara Street Disher Street Lincoln Avenue 460m north of Lakeshore Rd Lakeshore Road	Beachaven Drive Carlton Street End Carlton Street Vine Street Lincoln Avenue Westchester Crescent North Limit 460m north of Lakeshore Rd	* 1,578,000
5	<b>Municipal Services Imprvmnts</b> Greenwood Avenue Beatrice Street	<b>P16-061</b>	Bunting Road Dundonald Street	Dundonald Street End	123,000
6	<b>Municipal Services Imprvmnts</b> Churchill Street	<b>P16-062</b>	Chetwood Street	Rykert Street	400,000
7	<b>Municipal Services Imprvmnts</b> St George Street	<b>P16-063</b>	Facer Street	Dieppe Road	445,000
8	<b>Municipal Services Imprvmnts</b> Ridgewood Road	<b>P16-064</b>	Highland Avenue	Riverdale Avenue	358,000
9	<b>Municipal Services Imprvmnts</b> Downtown Street System Conversion	<b>P16-065</b>	design and utility relocations - various		200,000
10	Traffic Signal Replacement Program		tbd		200,000
					<b>\$4,464,000</b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$428,000
Infrastructure Levy	200,000
Debenture	3,836,000
	<b>\$4,464,000</b>

Note:

\* indicates that the project has received early budget approval

## Infrastructure Levy Projects:

Traffic Signal Replacement Program	\$200,000
	<b>\$200,000</b>

**2016 CAPITAL BUDGET****SCHEDULE C****Project:****STORM SEWER AND SEWER SEPARATION****Objectives:**

To provide storm water drainage with a dedicated storm sewer system .  
To prevent unnecessary damage to private and public property.

**Policy:**

To have a separate sewer system for sanitary and storm sewers.  
To separate the combined sewer system. The City presently has 571 km of Sanitary sewers and combined sewers, and 399 km of Storm Sewers.

**Project Description:**

The proposed projects are based on recommended priority flood relief and sewer separation works as detailed in various storm drainage studies and on complaints by residents. In addition, storm sewers are recommended to provide drainage outlets for certain areas.

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
1. Catchbasin and Storm Service Installations	P16-006	Various		\$100,000
<b>Municipal Services Improvements</b>				
2 Queenston Street	P13-066	Page Street	Welland Avenue	474,760
3 Else Street	P16-003	Linwell Road	Scott Street	1,650,000
4 Rodger/Sharon Rodger Street Sharon Street	P16-004	Glen Park Road Glen Park Road	Linwell Road Linwell Road	550,000
5 Hartzel Road	P16-008	Queenston Street	Lincoln Avenue	134,000
6 Design for 2017 Storm Projects	P16-015			25,000
7 Churchill Street	P16-062	Chetwood Street	Rykert Street	135,000
8 St George Street	P16-063	Dieppe Road	Facer Street	88,000
9 Park Avenue	P16-104	Cedardale Avenue	Seymour Avenue	62,000
10 RR#87 Lakeshore Road	RN16-xx	50m east of Lake Street	Geneva Street	* 186,000
				<b><u>\$3,404,760</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$233,000
Regional Niagara - CSO funding	1,071,000
Debentures	2,100,760
	<b><u>\$3,404,760</u></b>

Projects approved for Regional Niagara CSO Management Action Plan funding:

Else Street	\$990,000
Churchill Street	81,000
	<b><u>\$1,071,000</u></b>

Note:

\* indicates that the project has received early budget approval

**2016 CAPITAL BUDGET****SCHEDULE D****Project:****NIAGARA DISTRICT AIRPORT****Project Description:**

2016 Municipal Working Capital Grant  
City's commitment to annual capital improvements

**Project Details:**

<u>Area</u>	<u>Gross Cost</u>
1 2016 Municipal Working Capital Grant	*
Line Painter	
Pick Up Truck 4x4	
Sweeper/Tractor/Snow Plow	
Office Equipment	
Airport Entrance	
	<b><u>\$131,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%)	\$15,000
Debentures	116,000
	<b><u>\$131,000</u></b>

Note:

\* indicates that the project has received early budget approval



**2016 CAPITAL BUDGET****SCHEDULE E****Project:****SIDEWALK CONSTRUCTION****Objectives:**

1. To Provide pedestrian and vehicular traffic separation where warranted.
2. To Provide safe and continuous pedestrian routes from residential areas to schools, parks, shopping centres, etc. in the area.

**Policy:**

The provision of sidewalks on:  
Both sides of all roads regardless of designation

**Project Description:**

The locations recommended for new sidewalk construction are based on:  
 1. Association with City and Regional road reconstruction.  
 2. Transit full accessibility locations.  
 3. Petitions from area residents.  
 4. Other priority sidewalks.

**Project Details:**

<u>Location</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
<b><u>Municipal Services Improvements</u></b>			
1 2016 Sidewalk Construction program	Priority locations		\$300,000
2 2016 Walkway Improvement Program	Priority locations		50,000
			<b><u>\$350,000</u></b>

**Funding Sources:**

Capital out of Revenue (10%)	\$30,000
Infrastructure Levy	50,000
Debentures	270,000
	<b><u>\$350,000</u></b>

**Infrastructure Levy Projects:**

2016 Walkway Improvement Program	<b><u>\$50,000</u></b>
----------------------------------	------------------------

**2016 CAPITAL BUDGET****SCHEDULE F****Project:****REGIONAL PROJECTS - CITY'S SHARE****Objectives:**

*To co-ordinate City improvements with the Regional projects to receive more favorable prices and minimize disruption to residents.*

**Policy:**

*Where practical, construct City projects in conjunction with Regional projects.*

**Project Description:**

*The amount includes the City's share of municipal works including watermain replacement, replacement of sidewalks, storm sewer replacement, etc.*

**Project Details:**

<u>Location</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
1 Lakeshore Road (RR#87)	50m East of Lake Street	Geneva Street	*
	Bradmon Drive	O'Mara Drive	500,000

*Partial funds for City's share of underground, sidewalk and watermain improvements included with Regional roadworks*

**\$500,000**

**Funding Sources:**

*Federal Gas Tax Funding*

**\$500,000**

Note:

\* indicates that the project has received early budget approval

**2016 CAPITAL BUDGET****SCHEDULE G****Project:****POLLUTION CONTROL PLAN****Project Description:**

To improve sewer system responsiveness during extreme rainfall occurrences which will reduce occurrences of basement flooding.

**Policy:**

To implement sewers system optimization and combined sewer overflows (CSO) abatement to improve responsiveness to extreme rainfall occurrences.

**Project Details:**

Remedial works will address sewer system optimization and CSO control based on studies monitoring sewage flows.

	<i>Location</i>	<i>Project No.</i>		<i>Gross Cost</i>
1	2015 Pollution Control Plan	ST15-09	Update existing 2008 pollution control plan	\$200,000
2	Burleigh Hill/Glendale Avenue CSO Control	P13-019	Glengarry Park CSO storage facility	784,000
				<b><u>\$984,000</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$57,000
Regional CSO funding	413,600
Debentures	513,400
	<b><u>\$984,000</u></b>

Projects applying for Regional Niagara CSO Management Action Plan funding:

2015 Pollution Control Plan	\$100,000
Burleigh Hill/Glendale Ave CSO control	313,600
	<b><u>\$413,600</u></b>

**2016 CAPITAL BUDGET****SCHEDULE H****Project:****FEDERAL GAS TAX FUNDED PROJECTS****Objectives:**

To use Federal Gas Tax funds to fund incremental capital projects which result in increased investment in environmentally sustainable municipal infrastructure

**Policy:**

To adhere to the Federal funding guidelines while establishing priorities that address the municipal infrastructure shortfall.

**Project Description:**

The proposed 2016 projects include investments in the Active Transportation Network, LED Streetlight conversion and continued investment in the watermeter replacement program

**Project Details:**

	No.		Gross Cost
1	Active Transportation Infrastructure	A multi-year initiative to implement recommendations of the Active Transportation Committee	\$250,000
2	LED Streetlight Conversion	Initial funding of a multi-year project to replace existing street light fixtures with energy efficient LED fixtures	* 2,669,978
3	Water Meter Replacement Program	Year 3 of a multi year program to replace existing water meters to AMRs	* 1,000,000
4	RR#87 Lakeshore Road	Partial funds for City's share of underground, sidewalk and watermain improvements included with Regional works From Bradmon Drive To O'Mara Drive Lake Street Geneva Street	75,000
			<b><u>\$3,994,978</u></b>

**Funding Sources:**

Federal Gas Tax Funding

**\$3,994,978**

Note:

\* indicates that the project has received early budget approval

**2016 CAPITAL BUDGET****SCHEDULE I****Project:** **BUILDING IMPROVEMENTS**

**Objectives:** Rehabilitation of existing City properties based on Building Condition Assessments

**Project Description:**

<u>Title</u>	<u>No.</u>	<u>Gross Cost</u>
1 City Hall	Building Automation Systems Upgrade - Phase 1 Chiller Upgrades	\$50,000 * 50,000
2 Carlisle Street Parking Garage	Membrane Waterproofing	* 50,000
3 Market Square Building	Downspout Modifications	50,000
4 Fire Stations	Stn 2-Linwell Rd-Roof Replacement Stn 4 - Merritt St-replace RTU in 911 Dispatch	40,000 * 40,000
5 2016 Arena Improvement Program		
BBA	Roof replacement over dressing room/lacrosse room	20,000
Seymour Hannah	Grease trap replacement	* 10,000
Seymour Hannah	Replace dressing room doors-phase 1	50,000
6 Alex MacKenzie Park	Emergency lighting-concession/washroom	10,000
7 Merritton Centennial Arena	Replace low front roof Compressor replacement	30,000 * 28,200
8 Kiwanis Aquatic Centre	RegROUT pool deck	50,000
9 Montebello Park Pavilion	Roof repair Pavilion handrail repair	10,000 20,000
10 St Catharines Museum	Upper flat roof replacement - additional funds	* 80,000
11 Morningstar Mill	Dam - install fall arrest	50,000
12 Municipal Golf Course	Clubhouse-replace RTU and exhaust fans	* 20,000
13 Robertson School	Main building - hydro service improvements Annex improvements - various	40,000 60,000
14 Market Square	Roof replacement	350,000
15 Old Courthouse	Exterior stair repair	200,000
		<b><u>\$1,308,200</u></b>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$48,000
Rental revenues	100,000
Reserve Funding	578,200
Infrastructure Levy	150,000
Debentures	432,000
	<b><u>\$1,308,200</u></b>

Note:

\* indicates that the project has received early budget approval

Note:

Project budgets at less than \$80,000 will be fully funded through the Building Improvement Reserve and not through debentures

Infrastructure Levy Projects:

Market Square Building - partial \$150,000

**2016 CAPITAL BUDGET****SCHEDULE J**

**Project:** **WATERCOURSE REHABILITATION**

**Project Description:** *Rehabilitation of the City's watercourses*

**Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>From</u>	<u>To</u>	<u>Gross Cost</u>
1. Richardson Creek Floodline Mapping	ST16-010	Martindale Pond Update NPCA Floodline Mapping	Upstream Limit	\$130,000
				<u>\$130,000</u>

**Funding Sources:**

Capital Out of Revenue	\$13,000
Debenture	117,000
	<u>\$130,000</u>

**2016 CAPITAL BUDGET**

**SCHEDULE K**

**Project:**

**BRIDGE AND CULVERT REHABILITATION PROGRAM**

**Project Description:**

*Ball Avenue West Bridge*

**Project Details:**

		Gross Cost
1	Ball Avenue West Bridge P16-122 replacement of existing bridge with a culvert	<b><u>\$280,000</u></b>

**Funding Sources:**

*Federal Gas Tax funding*

**\$280,000**

**2016 CAPITAL BUDGET****SCHEDULE L****Project:*****Fire Services Infrastructure*****Project Description:***Radio Console Systems upgrades and  
Fire Tower Replacement***Project Details:**

<u>Location</u>	<u>Project Number</u>	<u>Description</u>	<u>Gross Cost</u>
1 Fire Hall #1 - radio systems upgrade Phase 1		Radio Console System Upgrade Technolgoy integration with NRPS	2,900,000
2 Fire Tower Rehabilitation		rehabilitation of existing fire tower	250,000
			<u><b>\$3,150,000</b></u>

**Funding Sources:***Capital Out of Revenue (10%) Downpayment  
Debenture*

\$315,000
<u>2,835,000</u>
<u><b>\$3,150,000</b></u>



**2016 CAPITAL BUDGET****SCHEDULE M****Project:****PARKING SERVICES****Project Description:**

Ontario Street Garage - Stairwell/Elevator improvements

**Project Details:**

<u>Location</u>	<u>Project Number</u>		<u>Gross Cost</u>
1 Ontario Street Garage phase 2	P13-150	Final construction funding to replace 2 William Street stairwells and renovate elevators	\$750,000
			<u>\$750,000</u>
<u>Funding Sources:</u>			
Capital out of revenue			\$75,000
Debenture			675,000
			<u>\$750,000</u>

**2016 CAPITAL BUDGET****SCHEDULE N****Project:****CORPORATE INFRASTRUCTURE****Project Description:***Corporate Infrastructure Technology Upgrades***Project Details:**

	<i>Project No.</i>	<i>Gross Cost</i>
1. Payroll and HRIS system upgrade		* \$699,000
2 Technology Hardware improvements	Network Rack and Switches	50,000
3 Technolgy Upgrades - phase 1	Online Payment Processing	20,000
		<u>\$769,000</u>

**Funding Sources:**

Capital Out of Revenue (10%) Downpayment	\$47,000
Reserve transfer	126,000
Debentures	596,000
	<u>\$769,000</u>

Note:

\* indicates that the project has received early budget approval of \$400,000

**CITY OF ST. CATHARINES  
2017 CAPITAL FORECAST**

DESCRIPTION	ESTIMATED GROSS COSTS	GRANTS, RESERVES ETC.	RECOVERIES FROM OTHER FUNDS	NET DEBENTURE AMOUNT	EARLY BUDGET APPROVAL AMOUNT
<u>PARKS, RECREATION AND CULTURE SERVICES:</u>					
Centennial Park upgrades-phase 4	195,000		20,000	175,000	
Rotary Park contribution	12,500	12,500			12,500 April 4,2016
Playground Equipment Replacement Program	100,000	100,000			
Tennis Court/Basketball Court upgrades	100,000	100,000	0	0	
Tree Planting program	350,000	350,000	0	0	
Seymour Hannah - rink floor rehabilitation phase 2	2,000,000	80,144	192,000	1,727,856	2,000,000 November 30,2015 Council report
	<u>2,757,500</u>	<u>642,644</u>	<u>212,000</u>	<u>1,902,856</u>	
<u>ROAD CONSTRUCTION AND IMPROVEMENTS:</u>					
2017 Priority Program	<u>4,684,560</u>	<u>250,000</u>	<u>443,000</u>	<u>3,991,560</u>	
<u>STORM SEWER AND SEWER SEPARATION:</u>					
2017 Priority Program	<u>2,427,110</u>	<u>0</u>	<u>243,000</u>	<u>2,184,110</u>	
<u>REGIONAL PROJECTS CITY SHARE:</u>					
no program for 2017			0	0	
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
<u>NEW SIDEWALK CONSTRUCTION</u>					
2017 Priority Program	300,000		30,000	270,000	
2017 Walkway Improvements	50,000	50,000	0	0	
	<u>350,000</u>	<u>50,000</u>	<u>30,000</u>	<u>270,000</u>	
<u>SHORELINE PROTECTION:</u>					
Newport ROW	414,000	207,000	21,000	186,000	
	<u>414,000</u>	<u>207,000</u>	<u>21,000</u>	<u>186,000</u>	
<u>POLLUTION CONTROL AND BASEMENT FLOODING</u>					
2017 Program	1,000,000	400,000	60,000	540,000	
	<u>1,000,000</u>	<u>400,000</u>	<u>60,000</u>	<u>540,000</u>	
<u>FEDERAL GAS TAX FUNDED PROJECTS</u>					
Active Transportation Infrastructure	250,000	250,000			
Water Meter Replacement project	1,000,000	1,000,000			
Glendale Avenue	1,344,978	1,344,978			
Pelham Road Bridge Replacement	1,400,000	1,400,000			
	<u>3,994,978</u>	<u>3,994,978</u>	<u>0</u>	<u>0</u>	
<u>BUILDING IMPROVEMENTS</u>					
Robertson School - Annex Foundation	500,000		50,000	450,000	
Museum - HVAC	900,000		90,000	810,000	
Corporate Consolidation - phase 2	350,000		35,000	315,000	
Building Improvement Program, 2017	1,700,000	575,000	113,000	1,012,000	
	<u>3,450,000</u>	<u>575,000</u>	<u>288,000</u>	<u>2,587,000</u>	
<u>ACCESSIBILITY PROGRAMMES</u>					
2017 Accessibility Program	250,000		25,000	225,000	
	<u>250,000</u>	<u>0</u>	<u>25,000</u>	<u>225,000</u>	
<u>WATERCOURSES</u>					
Martindale Pond - weir replacement/dam safety review	270,000		27,000	243,000	
	<u>270,000</u>		<u>27,000</u>	<u>243,000</u>	
<u>BRIDGES AND CULVERTS</u>					
no program for 2017			0	0	
	<u>0</u>		<u>0</u>	<u>0</u>	
<u>FIRE SERVICES</u>					
no program for 2017			0	0	
	<u>0</u>		<u>0</u>	<u>0</u>	
<u>PARKING SERVICES</u>					
Race Street Parking lot	350,000		35,000	315,000	
Carlisle Garage Membrane repairs	100,000		10,000	90,000	
	<u>450,000</u>	<u>0</u>	<u>45,000</u>	<u>405,000</u>	
<u>CORPORATE INFRASTRUCTURE</u>					
Technology Upgrades - Phase 2	2,320,000		232,000	2,088,000	
	<u>2,320,000</u>	<u>0</u>	<u>232,000</u>	<u>2,088,000</u>	
<b>TOTAL 2017 CAPITAL FORECAST</b>	<u>\$22,368,148</u>	<u>\$6,119,622</u>	<u>\$1,626,000</u>	<u>\$14,622,526</u>	<u>\$2,012,500</u>

## CITY OF ST CATHARINES POTENTIAL CAPITAL PROJECTS

The list below includes the various capital projects that will require capital replacement or upgrades in years six through ten. This is not an exhaustive list. These projects have been listed without dollar amounts as the full scope of the capital needs is not yet completely assessed by Staff. Additionally, an estimate is less reliable the further out the year. Not included on the list are the regular on-going annual replacements to roads, sidewalks, sanitary sewers, watermains and park amenities.

### CAPITAL PROJECTS 2021 and beyond

Arena Complex - with Brock University and City of Thorold

Arena Upgrades - Ice Plants, Bleachers, Other

City Facilities - parking lot upgrades

City's Operational Fleet - vehicle yard

Civic Square

Destination Pool

Firehall #1 Rehabilitation

Firehall #2 Replacement

Firehall #3 Replacement

Old Courthouse - meeting FAD standards

Pollution Control - various tanks

Port Dalhousie Pier - upgrades beyond DFO works

Port Weller Community Centre - meeting FAD standards

Road and Drainage Improvements - infrastructure deficit

Robertson School - meeting FAD standards

Transportation Master Plan - action items

Watercourses - currently unfunded deficiencies

Watermain improvements - infrastructure deficit

City of St Catharines  
Infrastructure Levy projects  
2016 capital budget

<u>Department</u>	<u>Amount</u>
Parks, Recreation and Culture	
Playground equipment - West Park	\$100,000
Basketball Court - Eastport Park	70,000
Tree planting	315,000
Rotary Park improvements	12,500
Building and Improvements	
Market Square roof replacement	150,000
Traffic Signal Replacement Program	200,000
Sidewalk Construction	
2016 Walkway Improvements	50,000
	<u>\$897,500</u>
2016 Infrastructure Levy	<u>\$940,000</u>
Uncommitted funds	<u>\$42,500</u>

The uncommitted funds will remain in the reserve for use in future years.  
The funds are also available for use as matching dollars for Federal or  
Provincial Infrastructure funding programs.

**CITY OF ST. CATHARINES**  
**2016 UPDATED DEBT AND ANNUAL REPAYMENT LIMIT**

2016 Debt and Financial Obligation Limit ( based on 2014 FIR ):

Calculation of Debt Charges:

Total Principal	8,998,527
Total Interest	3,452,795
	<b>\$12,451,322</b>

Less:

Tile Drainage and Shoreline Assistance

NET DEBT CHARGES	<b>\$12,451,322</b>
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Calculation of Annual Repayment Limit:

Total Revenue Fund Revenue (sch10 9910)	\$176,899,216
Tile Drainage and Shoreline Assistance (SLC 12 1850 04)	0
Ontario Grants (SLC 10 0699 01+SLC 10 0810 01+ SLC10 0815 01)	(3,741,907)
Canada Grants (SLC 10 0820 01+SLC 10 0825 01)	(5,390,103)
Deferred Revenue Earned (Provincial Gas Tax) (SLC 10 830 01)	(3,116,920)
Deferred Revenue Earned (Canada Gas Tax) (SLC 10 831 01)	(3,901,812)
Other Municipalities including revenue for TCA (SLC 10 1098 01+SLC 101099 01)	(2,845,850)
Gain/Loss on sale of land & capital assets (SLC 10 1811 01)	(206,850)
Deferred revenue earned (Development Charges) (SLC 10 1812 01)	0
Deferred revenue earned (Recreation Land(the planning act) (SLC 10 1813 01)	0
Donated Tangible Capital Assets (SLC 53 0610 01)	(56,701)
Other Deferred revenue earned (SLC 10 1814 01)	(89,527)
Increase/Decrease in Gov't Business Enterprise equity (SLC 10 1905 01)	(3,750,839)

NET REVENUE FUND REVENUES	<b>\$153,798,707</b>
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25% OF NET REVENUE FUND REVENUE	<b>\$38,449,677</b>
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Adjustments to Annual Repayment Limit:

ANNUAL REPAYMENT LIMIT UNDER REGULATION	<b>\$25,998,355</b>
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2015 Unfinanced Capital Projects	\$45,092,228
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Capitalized Annual Repayment

Years 10

Rate 7.00%

Factor 0.14237750 (6,420,119)

Annual Repayment Limit under Regulation	25,998,355
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ADJUSTED ANNUAL REPAYMENT LIMIT	<b>19,578,236</b>
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Remaining Debt Capacity

Capitalized Debt Capacity	137,509,337
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2016 Capital Budget	(13,023,160)
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REMAINING DEBT CAPACITY	<b>\$124,486,177</b>
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CITY OF ST CATHARINES  
2015 UNFINANCED CAPITAL PROJECTS

2015 UNFINANCED CAPITAL PROJECTS/UNISSUED DEBT

Lakeside Skating Path	225,000
Arenas Improvement Program	1,170,000
Pearson Park	461,000
Happy Rolph's Bird Sanctuary	459,000
Lock III Complex	675,000
Senior and Community Centres	742,000
Berkley Park Soccer Field Conversion	73,000
RCS Administration - washroom/accessibility renovations	153,000
RCS Administration Building	945,000
RCS Buildings - various	1,812,500
Lancaster Park/Pool improvements	999,000
Centennial Park upgrades	175,000
Lancaster Park field lighting	648,000
Lakeside Park Improvements	1,516,000
Cemetery Buildings - Improvements	1,377,000
Heritage Buildings Restoration	2,828,500
TES/PRCS Operations Consolidation	4,117,000
Road Construction and Improvements	10,314,000
Storm Sewer and Separation	5,295,000
Sanitary Sewers	1,300,000
Watermains	423,000
Regional Projects - City's Share	383,200
Development Charges	46,028
Local Improvements	114,000
Fire	1,440,000
Pollution Control Plan	2,702,000
New Sidewalks	1,143,000
Shoreline Protection	0
Watercourse Rehabilitation	598,000
Parking Operations	2,958,000
2015 UNFINANCED CAPITAL PROJECTS	<u><u>\$45,092,228</u></u>

 CITY OF ST. CATHARINES	<b>Financial Management Services</b>			
	<b>Subject:</b>	Infrastructure Levy	<b>Policy #:</b>	2016-
	<b>Approved by:</b> Budget Standing Committee			
	<b>Issue Date:</b>	June 20, 2016	<b>Revision Date:</b>	
	<b>Review Date:</b>	June 30, 2021	<b>Page:</b>	1 of 2

## Policy:

To establish the parameters for the usage for the City's Infrastructure Levy. City Council, at the March 8, 2016 meeting, approved that a separate infrastructure tax rate be levied to help address the City's existing infrastructure deficit.

## Purpose:

An infrastructure levy is a tool that will help address the infrastructure deficit and demonstrate accountability and transparency to the taxpayers about how funds are allocated and for what purpose.

The City of St. Catharines' infrastructure deficit is approximated to be \$140 million in core infrastructure areas. The current annual investment in this area is \$14 million less than is necessary to maintain these assets. As a result, the City's infrastructure deficit continues to grow every year. The infrastructure levy is one tool that will help address this infrastructure deficit. For that reason, any funds not allocated in the year will be maintained in a reserve for use in future years for eligible projects.

## Scope:

Each year that this policy is in place, staff will include the infrastructure levy in the development of the annual operating budget. Currently the Budget Standing Committee has approved the infrastructure levy to be equal to one percent (1%) of the City's portion of the current year tax levy. The one percent (1%) is established for the five years or to be revised in conjunction with the Asset Management Plan.

There is no upper funding level for the Infrastructure Levy Reserve. Any unspent funds will remain in the reserve for allocation in the following year's capital budget.


## Application:

Eligible renewal and replacement projects to be funded from the infrastructure levy include:

- Road improvements
- Walkway improvements
- Traffic signal replacement
- Playground equipment
- Building improvements



# APPENDIX 2

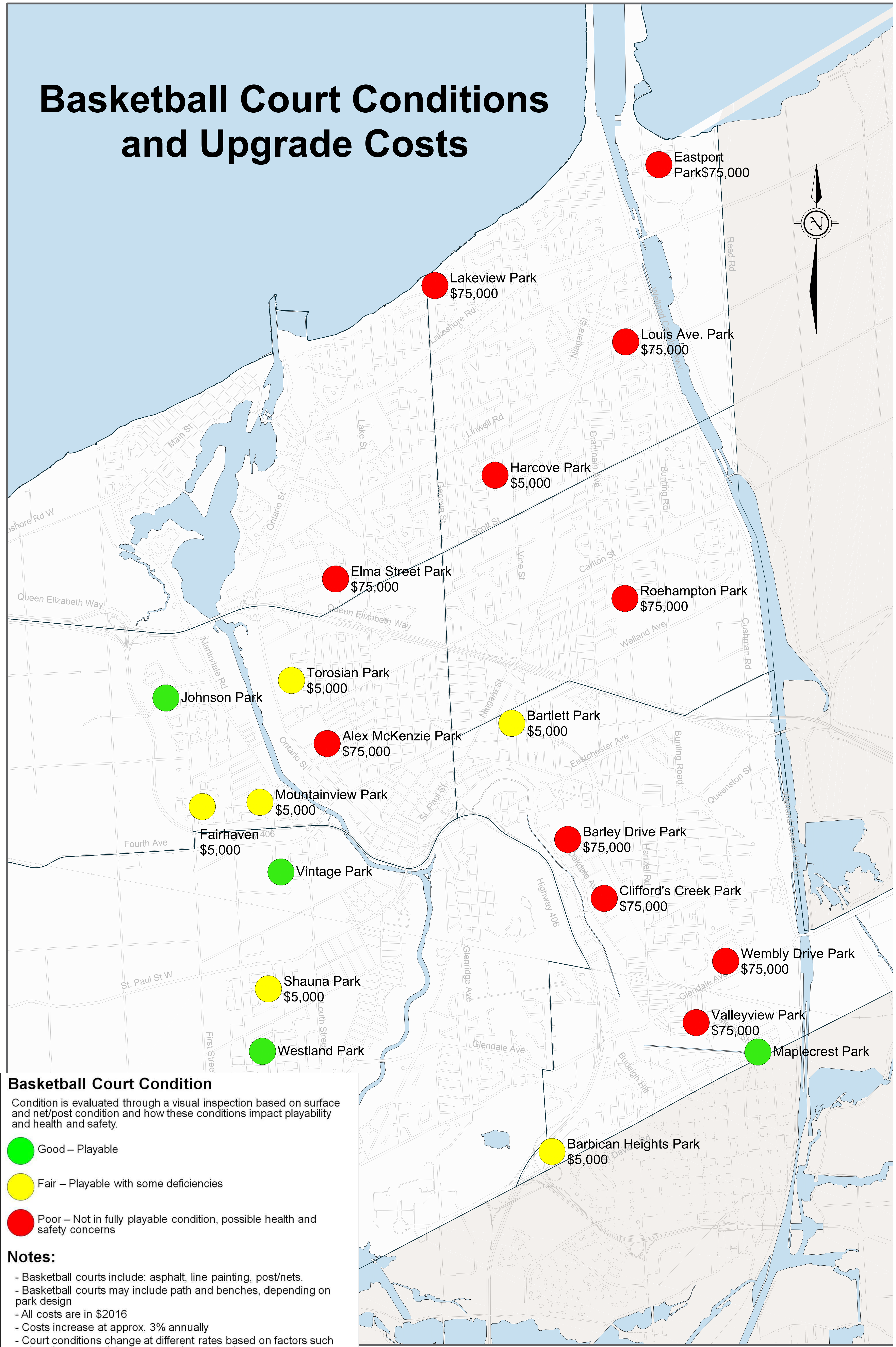
 CITY OF ST. CATHARINES	<b>Financial Management Services</b>			
	<b>Subject:</b>	Infrastructure Levy	<b>Policy #:</b>	2016-
	<b>Approved by:</b> Budget Standing Committee			
	<b>Issue Date:</b>	June 20, 2016	<b>Revision Date:</b>	
	<b>Review Date:</b>	June 30, 2021	<b>Page:</b>	2 of 2

- Tree Planting
- Sidewalk improvements
- Park amenities

Each year during the development of the City's annual capital budget and four-year forecast staff will identify projects to be funded from the infrastructure levy for Council's approval.

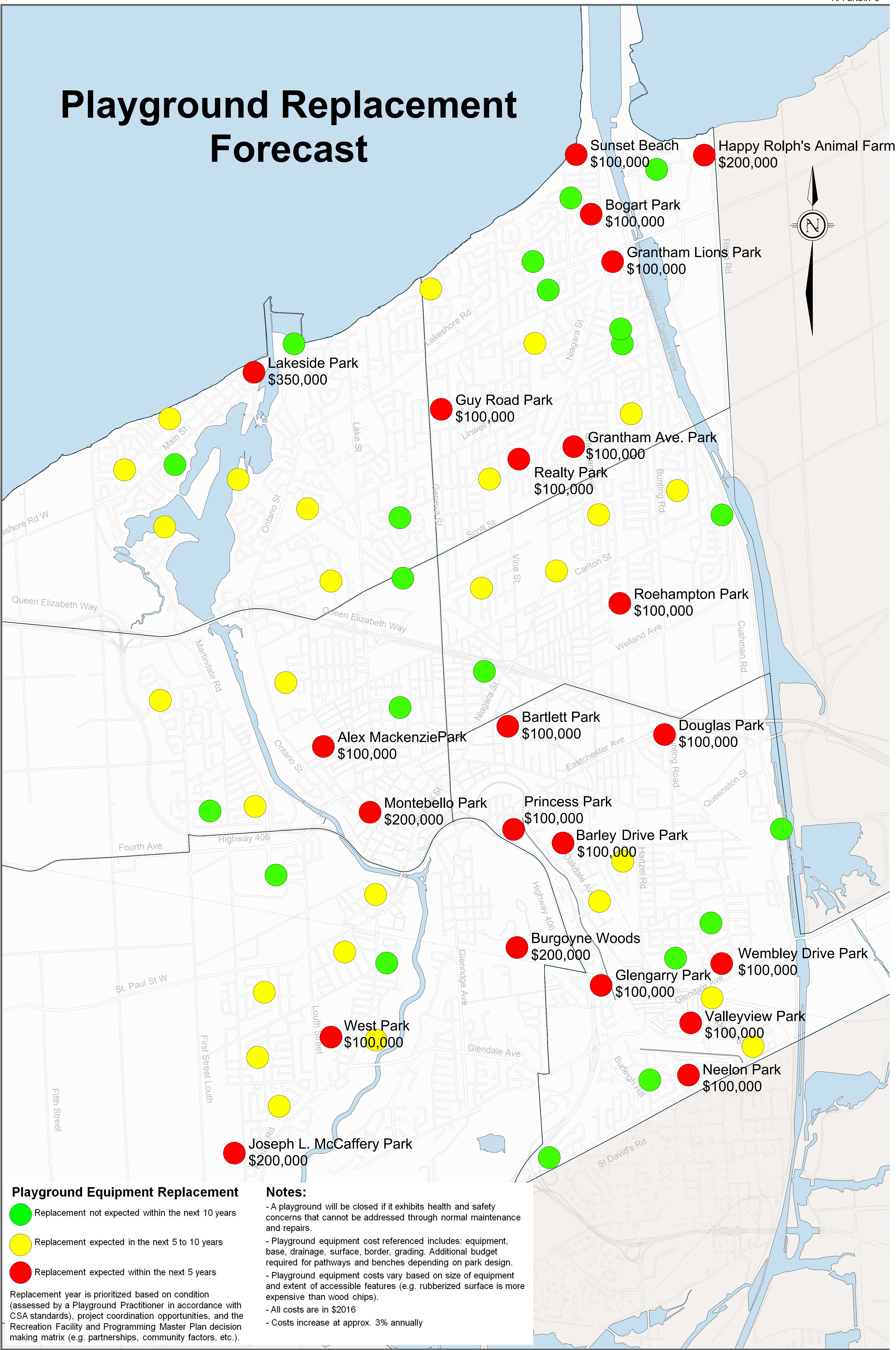


# Basketball Court Conditions and Upgrade Costs



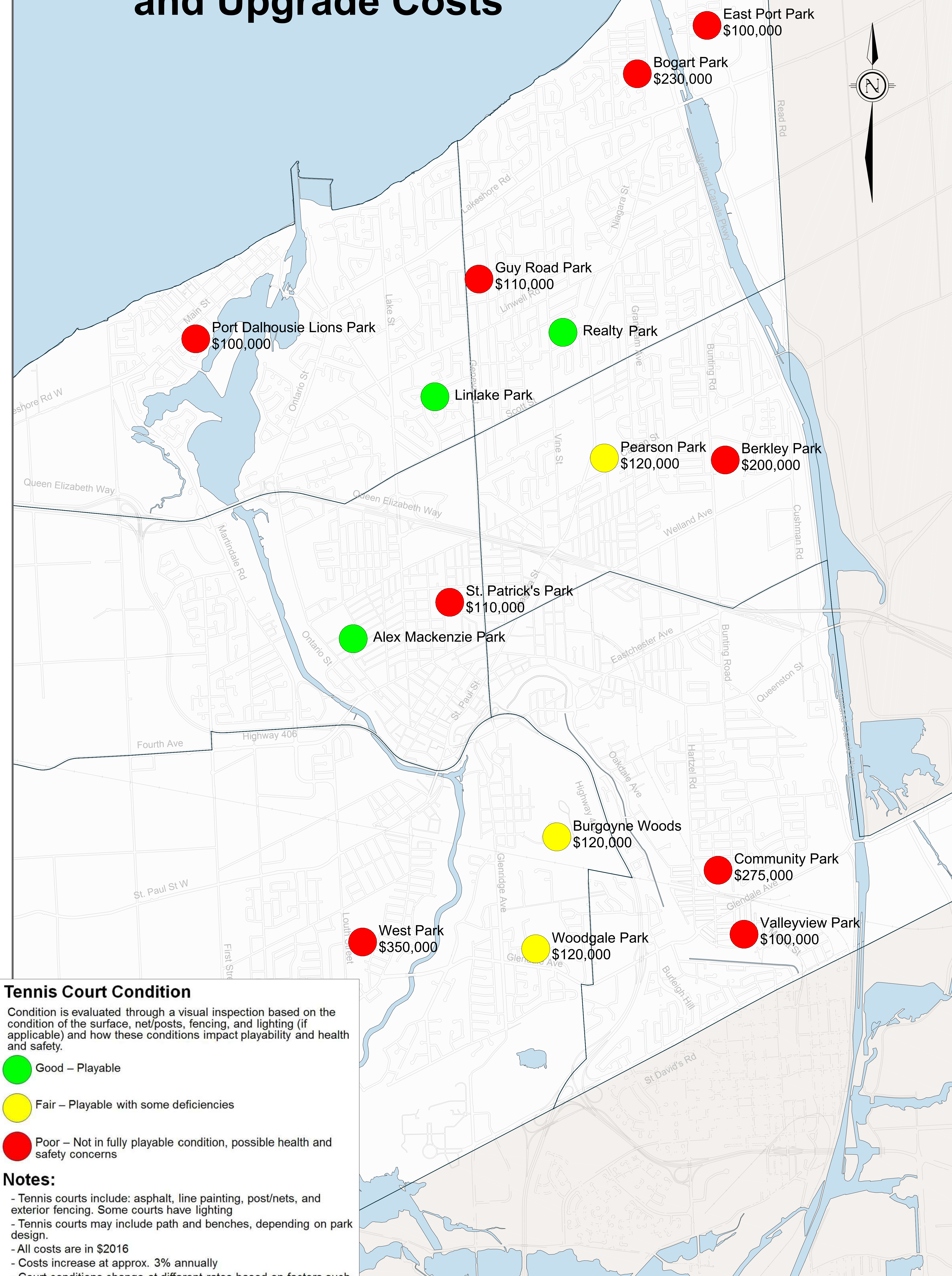


# Playground Replacement Forecast





# Tennis Court Conditions and Upgrade Costs



## Tennis Court Condition

Condition is evaluated through a visual inspection based on the condition of the surface, net/posts, fencing, and lighting (if applicable) and how these conditions impact playability and health and safety.

● Good – Playable

● Fair – Playable with some deficiencies

● Poor – Not in fully playable condition, possible health and safety concerns

## Notes:

- Tennis courts include: asphalt, line painting, post/nets, and exterior fencing. Some courts have lighting
- Tennis courts may include path and benches, depending on park design.
- All costs are in \$2016
- Costs increase at approx. 3% annually
- Court conditions change at different rates based on factors such as location, use, original construction method, etc.
- Court at Bogart Park includes basketball net.