

GENERAL CAPITAL BUDGET

The Treasurer reviewed the five-year reserve schedule and explained how the CPI growth mechanism has been built-in to the schedule, aligned over five years, in accordance with the City's reserve policy, as follows:

2011 Reserve level	\$6,533,442	Audit:	
2006 Reserve level	<u>(5,934,159)</u>	Cost to Grow:	\$675,709
Growth	\$ 599,283	Less: RCMP Radio	(68,673)
		Gen Cap Bud	(7,502)
		Ut Cap Budget	<u>(250)</u>
			\$599,283

The City will only see growth within the general reserves because it is totally funded by interest earnings. Surpluses are now being applied to the special projects budget. The management team is satisfied that this is a workable budget.

Council reviewed the 2007 capital budget (total drawdown of \$7,502 over five years) on a line-by-line basis and noted the following:

1. Additional information on the NLP pool filters is to be obtained by the Director of Planning, Development & Leisure Services.
2. The Director of Works & Utilities is to provide clarification of the rental costs to be applied to the purchase of the skid steer snow blower, being presented to Council for approval on January 15, 2007.
3. The Treasurer is working with the departments to break the existing cycle of large equipment replacement demands over a short period by attempting to equalize the equipment purchases.
4. Council was comfortable with the fact that reserve growth is aligned over the five-year cycle, but not on a year-by-year basis.

UTILITY CAPITAL BUDGET

With the identified cuts, the utility reserves see a five-year drawdown of \$250.

1. The Director of Works & Utilities is to provide information on the 1985 ½ ton truck . Unit 14.
2. The Director is to research the amount of money the City has spent on backhoe rental costs over the last few years.

2007 – 2011 SPECIAL PROJECTS

1. The City would have to sacrifice a number of regular sites to install drive-thru sites at the campground. There are also a number of electrical issues as well. The Department plans to do some work on the west half of the grounds to accommodate large trailers.
2. Council agreed that when special projects come in under budget, the surplus funds are to be allocated to other projects in the plan. Any new projects need to be identified and included in the five-year special projects plan.
3. Fencing of the borrow pit at the airport is to be moved from the operational budget to the special projects budget.
4. The workshop addition tender process is to be discussed further by the Works & Utilities Committee.
5. The Automated Waste Collection Project was referred to the Works & Utilities Committee for discussion and a recommendation back to Council.

Multi-Purpose Facility

Councillor Abbott reviewed the progress of the Facility Planning Committee to date, who has agreed that performing arts must be the primary component of the facility.

Proposed timeframe:

- 2007 . Design and prep work
- 2008 . Tender Project: January . February
Construction Start: June . July
- 2009 . End Construction: August . September

As part of their mandate, the Committee reviewed all options and attempted to incorporate the uses of the NELC; however, they have determined that this is not realistic on a \$5 Million budget. The Committee would like Council to consider increasing their contribution to \$8 Million, which would mean a total project budget of \$10 Million if the City was able to obtain the Building Communities grant and undertake other fundraising initiatives.

The Treasurer reviewed potential financing options for the multi-purpose facility:

1. The Committee is recommending the City use the former NLP payment of \$187,000 to accelerate the Capital Trust Fund repayment schedule to have all internal debt repaid by 2009, resulting in an internal interest savings of \$183,956. That means the City will have \$511,550 already built in to the mill rate, available for new works projects after 2009.
2. There is a strong possibility the City will have to borrow externally to make this budget work. Conceptually, the City could finance \$6 Million internally and externally borrow \$2 Million. The Department will attempt to find a creative way to use the reserves and the investment policy to ensure that the City does not have to sacrifice the capital program or reduce service levels.
3. There will need to be a mill rate increase to finance this project. The Director of Planning, Development & Leisure Services and the City Treasurer estimate a 2 mill total increase to meet the capital requirements. The operation of the facility will have an impact on the budget as well.
4. Progress on this project is crucial to meet the grant deadline of April 30, 2007.

Councillor Abbott summarized that the Committee is looking for direction on accelerating the CTF payments, external borrowing, increasing the mill rate, increasing the City commitment to the project to \$8 Million and approval of the timelines.

FUTURE BUDGET DATES

Thursday, February 1, 2007 5:00 p.m.
Thursday, March 15, 2007 5:00 p.m.

Administration is to compile information on the flagged items, prepare options for balancing and present a realistic capital program to include the facility and financing for all other items (main lift, heavy industrial infrastructure upgrade, etc.).

The public portion of the meeting ended at 9:29 p.m.

The remainder of the Committee of the Whole was closed to the public due to the fact that the item on the agenda is included in the list of exemptions found in Part III of *The Local Authority Freedom of Information and Protection of Privacy Act*.

LAND NEGOTIATIONS

The meeting adjourned at 9:45 p.m.

Mayor

City Clerk