



Municipality of North Cowichan

2019 – 2023 Capital Expenditure Program

December 3, 2018



Sources of Financing

- Capital projects are financed through a variety of sources including:
 - General Revenue
 - Gas Tax Revenue
 - Forestry
 - Appropriated Surplus
 - Reserve Funds
 - Development Cost Charges
 - Government Grants
 - Other Contributions/Cost Sharing Arrangements
 - Debt
- Only general revenue is funded directly from property taxes

What is Capital Expenditure Program

- Physical infrastructure is owned by local governments to enable service delivery
 - *Water and wastewater systems*
 - *Drainage and flood protection systems*
 - *Transportation systems*
 - *Civic facilities*
 - *Parks*
 - *Fleet*
 - *It may also include natural resources and the essential ecological functions nature provides.*
- Capital Expenditure Program is acquiring, replacing, refurbishing and upgrading this infrastructure

Property taxes is one source of funding for capital

- *2019 Capital Budget \$20m*
- *Property Taxes (target \$4.3 million – recommended 15% of Property Taxes)*
 - *2019 Proposed Budget - \$3,911,600 (13.6%)*
 - *2018 Budget - \$3,427,500 (12.4%)*
- *Reducing capital transfer would be a reversal of the effort Council took in 2011 to move capital towards sustainable level of 15% as per Revenue, Tax and Budget Policy.*

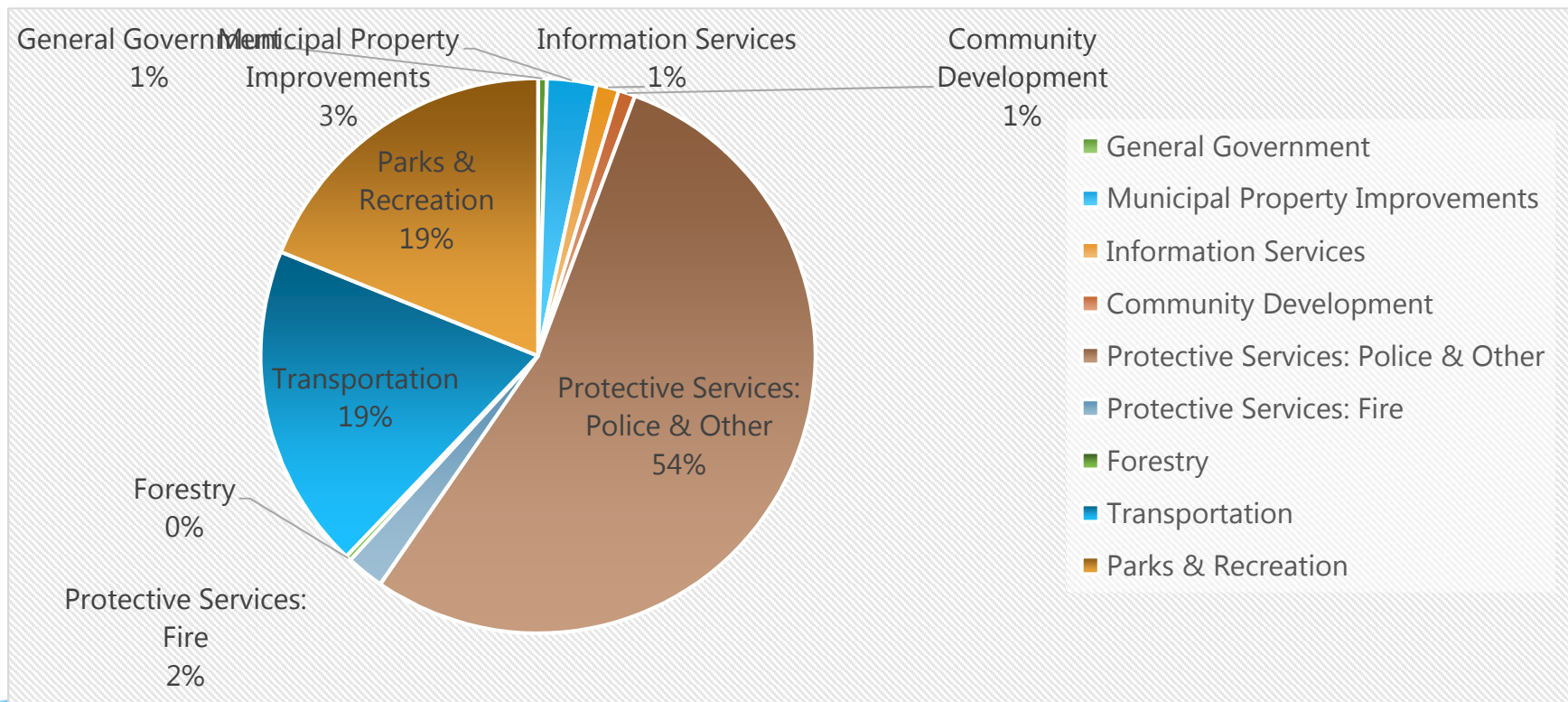
Capital Expenditure – Summary

	2018	2019	2020	2021	2022	2023
General Government	65,000	105,000	62,000	113,400	68,000	10,000
Land Development	770,000	-	2,650,000	-	-	-
Municipal Property Improvements	574,700	586,000	425,000	425,000	425,000	425,000
Information Services	351,500	270,000	322,000	150,000	130,000	152,000
Community Development	600,000	200,000	850,000	800,000	800,000	500,000
Protective Services: Police & Other	525,000	11,000,000	25,000,000	5,000,000	-	-
Protective Services: Fire	441,100	448,900	786,700	727,200	1,102,600	120,000
Forestry	50,000	65,000	-	55,000	-	55,000
Transportation	7,820,260	3,868,700	4,108,300	4,202,000	4,655,474	5,126,046
Parks & Recreation	3,932,000	3,851,000	1,562,500	862,500	1,915,000	998,000
Total	15,129,560	20,334,600	35,766,500	12,335,100	9,096,074	7,386,046

2018-2023 Capital Funding Summary

	2018	2019	2020	2021	2022	2023
General Revenue	3,427,536	3,911,600	4,074,800	3,916,600	4,407,400	4,724,046
Gas Tax Revenues	1,128,000	1,128,000	1,128,000	1,128,000	1,128,000	1,128,000
Appropriated Surplus	4,024,524	1,150,000	-	-	-	-
Reserve Funds	2,987,500	1,661,000	5,563,700	2,211,500	3,292,274	1,534,000
Development Cost Charges	64,000	96,000	-	64,000	118,400	-
Grants	2,817,000	2,396,000	-	15,000	20,000	-
Other Contributions/Cost Sharing	681,000	52,000	-	-	130,000	-
Debenture Debt	-	10,000,000	25,000,000	5,000,000	-	-
Total Sources of Financing	15,129,560	20,334,600	35,766,500	12,335,100	9,096,074	7,386,046

Capital Expenditures by Department

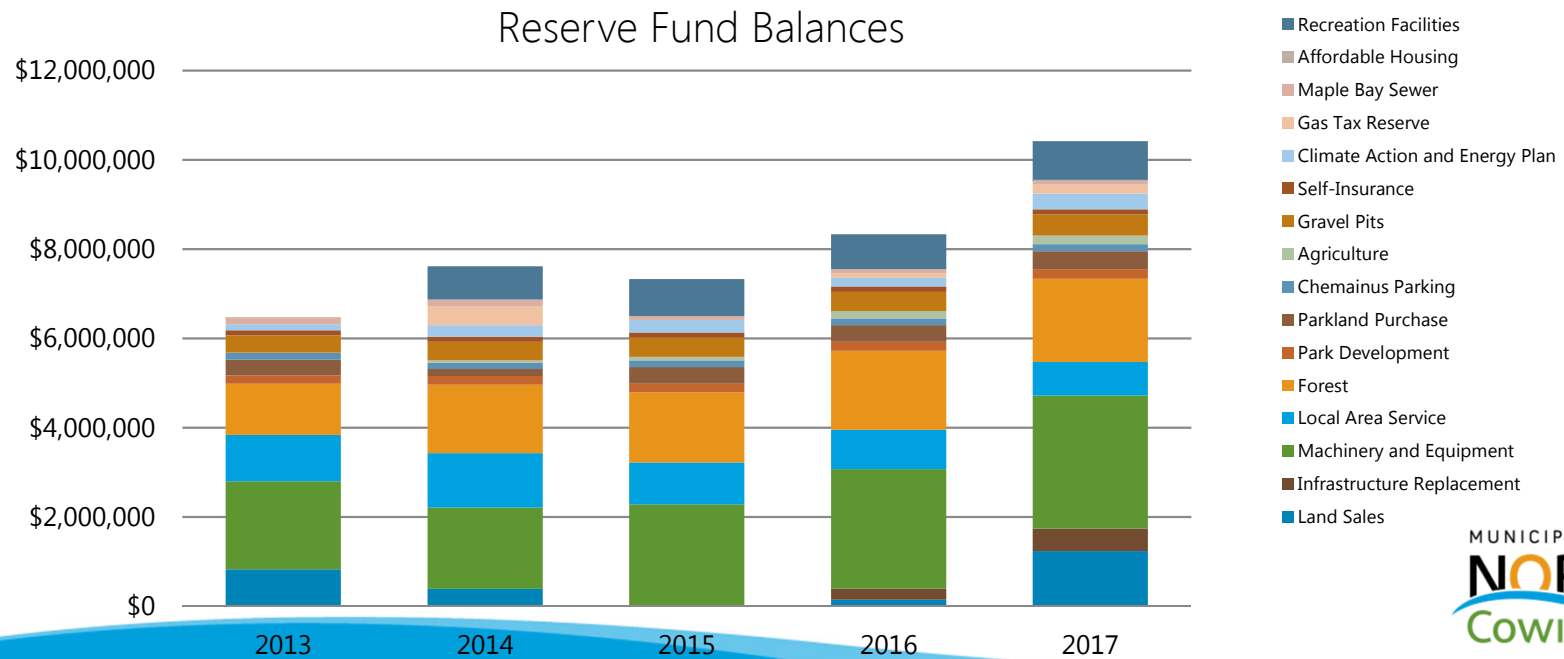


2019 Tax Supported Capital

Total Capital Expenditure Plan for 2019 - \$20,334,600

Office Equipment and Furniture	15,000
Municipal Building Maintenance	300,000
Information Services	270,000
Fire Halls	108,900
Forestry	65,000
Transportation - P/W and Eng. Capital	66,200
Transportation - Roads	1,651,000
Drainage Capital	421,500
Parks and Recreation	1,014,000
	3,911,600

Reserve Fund Balances 2013 -2017



Reserve Fund Balances

	2013	2014	2015	2016	2017
Land Sales	820,481	385,917	0	138,257	1,232,543
Machinery and Equipment	1,968,575	1,820,232	2,274,357	2,675,089	2,982,186
Local Area Service	1,039,722	1,216,897	938,331	881,380	752,833
Forest	1,148,454	1,537,081	1,571,361	1,773,911	1,864,667
Park Development	190,499	192,995	195,792	197,931	212,218
Parkland Purchase	352,891	155,439	373,298	377,377	405,359
Chemainus Parking	145,695	147,604	149,743	151,379	152,547
Agriculture	10,000	50,225	80,953	161,894	193,142
Self-Insurance	113,306	114,790	116,454	117,726	118,634
Climate Action and Energy Plan	136,969	256,763	279,395	197,966	348,593
Maple Bay Sewer	157,297	159,358	86,475	87,420	88,094
Recreation Facilities	0	748,222	829,802	784,201	863,910
Gas Tax Reserve	0	416,000	0	100,340	201,114
Infrastructure Replacement	0	0	0	250,000	501,928
Gravel Pits	384,897	410,902	428,920	433,606	474,363
Affordable Housing	0	0	0	0	22,081
	<u>\$ 6,468,786</u>	<u>\$ 7,612,425</u>	<u>\$ 7,324,881</u>	<u>\$ 8,328,477</u>	<u>\$10,414,212</u>

2019-2023 General Government

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Office Furniture & Equipment	10,000	10,000	10,000	10,000	10,000	10,000
Photocopier	20,000	-	-	-	-	-
Vehicles	35,000	95,000	52,000	103,400	58,000	-
Total	65,000	105,000	62,000	113,400	68,000	10,000

Sources of Financing

General Revenue	10,000	15,000	10,000	10,000	10,000	10,000
Appropriated Surplus	20,000	20,000	-	-	-	-
Office Vehicle Reserve	35,000	70,000	52,000	103,400	58,000	-
Total Sources of Financing	65,000	105,000	62,000	113,400	68,000	10,000

Land Development

- North Cowichan develops surplus land to fund Community Development Projects
- Cost of developing the land, subdivision costs etc. need to be budgeted
- 2019 is a “pause” year as we will have Urban Systems Land inventory, and may want to reevaluate the land development program.

2019-2023 Land Development

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Echo Heights Phase 2 Subdivision	-	-	1,750,000	-	-	-
Land Development	50,000	-	-	-	-	-
Chemainus Elementary	720,000	-	900,000	-	-	-
Total	770,000	-	2,650,000	-	-	-

Sources of Financing

Sale of Land Reserve	770,000	-	2,650,000	-	-	-
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2019-2023 Municipal Property Improvements

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Municipal Hall HVAC	180,000	-	-	-	-	-
Energy Projects	70,000	156,000	70,000	70,000	70,000	70,000
Building Maintenance	324,700	430,000	355,000	355,000	355,000	355,000
Total	574,700	586,000	425,000	425,000	425,000	425,000

Sources of Financing

General Revenue	450,000	300,000	425,000	425,000	425,000	425,000
Appropriated Surplus	124,700	130,000	-	-	-	-
CAEP Fund	-	156,000	-	-	-	-
Total Sources of Financing	574,700	586,000	425,000	425,000	425,000	425,000

2019-2023 Information Services

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Sharepoint/Document Manager	65,000	-	-	-	-	-
Enterprise Software	10,000	20,000	20,000	20,000	20,000	20,000
Server Upgrades	25,000	220,000	70,000	100,000	80,000	-
Council A/V Equip	30,000	-	12,000	-	-	62,000
Website Replacement	-	-	90,000	-	-	-
Network Equipment Replacement	41,500	30,000	80,000	30,000	30,000	30,000
Telephone System Replacement	180,000	-	50,000	-	-	40,000
Total	351,500	270,000	322,000	150,000	130,000	152,000

Sources of Financing

General Revenue	260,000	270,000	322,000	150,000	130,000	152,000
Appropriated Surplus	91,500	-	-	-	-	-
Total Sources of Financing	351,500	270,000	322,000	150,000	130,000	152,000

Community Development

- Large projects funded by Land Development Program
- Identified in :
 - *Chemainus Town Centre Revite Plan (2011)*
 - *Crofton Local Area Plan (2015)*
 - *Maple Bay Planning Exercise (2019)*

2019-2023 Community Development

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Chemainus Dog Park	75,000	-	-	-	-	-
Develop Parking Lot - Library	-	150,000	-	-	-	-
Chemainus Boardwalk	25,000	50,000	350,000	300,000	300,000	-
Crofton Waterfront / Boat Launch	-	-	-	-	500,000	500,000
Maple Bay Wharf / Waterfront	500,000	-	500,000	500,000	-	-
Total	600,000	200,000	850,000	800,000	800,000	500,000

Sources of Financing

Appropriated Surplus	75,000	-	-	-	-	-
Chemainus Offsite Parking	-	50,000	-	-	-	-
Sale of Land Reserve	525,000	150,000	850,000	800,000	800,000	500,000
Total Sources of Financing	600,000	200,000	850,000	800,000	800,000	500,000

New Hub Detachment

~ \$40 million

- Replaces existing Duncan/North Cowichan Detachment (funded 47% Province, North Cowichan 53%)
- Adds Shawnigan Lake Detachment, South Vancouver Island Traffic and Forensic Identification Section
- Requires new funding model with Province
- North Cowichan borrows 100% of the project cost, builds building, recovers Provincial share through lease payments

2019-2023 Police & Other

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Design and Engineering	25,000	-	-	-	-	-
New Detachment - Construction	500,000	11,000,000	25,000,000	5,000,000	-	-
Total	525,000	11,000,000	25,000,000	5,000,000	-	-

Sources of Financing

General Revenue	25,000	-	-	-	-	-
Appropriated Surplus	500,000	1,000,000	-	-	-	-
Debenture Debt	-	10,000,000	25,000,000	5,000,000	-	-
Total Sources of Financing	525,000	11,000,000	25,000,000	5,000,000	-	-

2019-2023 Fire Protection

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Fire Fighting Equip	93,100	108,900	120,000	120,000	120,000	120,000
Maple Bay – Pumper/Crew Cab	348,000	85,000	-	-	-	-
Crofton – Crew Cab/Tanker	-	85,000	-	-	375,400	-
Chemainus – Crew Cab	-	85,000	-	-	-	-
South End – Crew Cab/Pumpers	-	85,000	666,700	607,200	607,200	-
Total	441,100	448,900	786,700	727,200	1,102,600	120,000

Sources of Financing

General Revenue	93,100	108,900	120,000	120,000	120,000	120,000
Fire Truck Reserve	348,000	340,000	666,700	607,200	982,600	-
Total Sources of Financing	441,100	448,900	786,700	727,200	1,102,600	120,000

2019-2023 Forestry

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Forestry Vehicles	50,000	-	-	55,000	-	55,000
Bridge	-	65,000	-	-	-	-
Total						

Sources of Financing

General Revenue	-	65,000	-	-	-	-
Forestry Vehicle Replacement	50,000	-	-	55,000	-	55,000

2019-2023 Transportation

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Mach & Equip P/W	1,117,460	497,000	755,000	655,900	591,674	989,000
Mach & Equip Garbage	-	-	-	-	-	-
Operations Building Reno	-	-	-	-	400,000	400,000
Road Capital	5,578,100	2,875,000	2,815,000	2,950,000	3,066,500	3,127,800
Crosswalk Lighting	58,000	59,200	60,400	61,600	62,800	64,056
Drainage Capital	411,700	421,500	477,900	534,500	534,500	545,190
Flood Control (Canada Ave PS)	655,000	16,000	-	-	-	-
Total	7,820,260	3,868,700	4,108,300	4,202,000	4,655,474	5,126,046

2019-2023 Transportation Financing

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
General Revenue	1,721,160	2,138,700	2,235,300	2,349,100	2,807,400	3,019,046
Gas Tax Revenue	1,128,000	1,128,000	1,128,000	1,128,000	1,128,000	1,128,000
Appropriated Surplus	2,712,600	-	-	-	-	-
Reserve – Equip Replace	1,099,500	487,000	745,000	645,900	581,674	979,000
Reserve – Garbage Trucks	-	-	-	-	-	-
DCC – Roads	64,000	96,000	-	64,000	118,400	-
Other Contributions	655,000	-	-	-	-	-
Debenture Debt	-	-	-	-	-	-
Grants	440,000	19,000	-	15,000	20,000	-
Total Sources of Financing	7,820,260	3,868,700	4,108,300	4,202,000	4,655,474	5,126,046

2019 Transportation

	General Revenue	Fuel Tax	Appropriated Surplus	Reserves	DCC's	Debt	Grants
Engineering Office Equip	10,000	-	-	-	-	-	-
Mach & Equip P/W	-	-	-	487,000	-	-	-
Crosswalk Lighting	40,200	-	-	-	-	-	19,000
Roads Capital	1,651,000	1,128,000	-	-	96,000	-	-
Drainage Capital	421,500	-	-	-	-	-	-
Flood Control	16,000	-	-	-	-	-	-
Total	2,138,700	1,128,000	-	487,000	96,000	-	19,000

2019 -2023 Roads Program



2019-2023 Parks & Recreation

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Parks and Trails Capital	794,700	359,000	440,000	345,000	425,000	500,000
Fuller Lake Arena	535,000	520,000	1,000,000	350,000	350,000	375,000
Cowichan Aquatic Center	2,552,000	2,949,500	122,500	122,500	1,122,500	123,000
Cemetery	50,300	22,500	-	45,000	17,500	-
Total	3,932,000	3,851,000	1,562,500	862,500	1,915,000	998,000

Sources of Financing

General Revenue	868,276	1,014,000	962,500	862,500	915,000	998,000
Appropriated Surplus	500,724	-	-	-	-	-
Grants	2,377,000	2,377,000	-	-	-	-
Reserves and Other	186,000	460,000	600,000	-	1,000,000	-
Total Sources of Financing	3,932,000	3,851,000	1,562,500	862,500	1,915,000	998,000



Parks and Trails

- Increased investment in Parks and Trails results from Council's adoption of the Parks and Trails Master Plan in January of 2017.
- Master Plan provides direction for the resourcing, development, management, provision and expansion of our parks and trails over the next 15 years.

2019-2023 Parks

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Crofton Tennis Courts – Pickle Ball	51,000	-	-	-	-	-
Skate Park Expansion – South End	228,700	-	-	-	-	-
Kin Beach Gazebo	-	25,000	-	-	-	-
Evans Park Parking Lot	-	60,000	-	-	-	-
Dog Parks	-	-	25,000	25,000	25,000	-
Playground Replacement	180,000	70,000	50,000	50,000	100,000	-
Fuller Lake Tennis Courts –Pickle Ball	-	24,000	-	-	-	-
Other Parks Projects	30,000	25,000	195,000	135,000	25,000	200,000
Total	489,700	204,000	270,000	210,000	150,000	200,000

Sources of Financing

General Revenue	180,176	204,000	270,000	210,000	150,000	200,000
Appropriated Surplus	283,524	-	-	-	-	-
Other – City (Skateboard Park)	26,000	-	-	-	-	-
Total Sources of Financing	489,700	204,000	270,000	210,000	150,000	200,000

2019-2023 Trails

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Cross Trail	100,000	-	-	-	-	-
Way Finding	20,000	40,000	40,000	10,000	-	-
Kaspa Parking Lot Expansion	95,000	-	-	-	-	-
Vehicle Purchase	50,000	-	-	-	-	-
Environmental Assessment Mnt Tz	40,000	-	-	-	-	-
Crofton to Maple Bay Trail	-	60,000	60,000	60,000	60,000	-
Trail Development	-	30,000	15,000	50,000	200,000	300,000
Other	-	25,000	55,000	15,000	15,000	-
Total	305,000	155,000	170,000	135,000	275,000	300,000

Sources of Financing

General Revenue	205,000	155,000	170,000	135,000	275,000	300,000
Forest Legacy (Cross Trail)	100,000	-	-	-	-	-
Total Sources of Financing	305,000	155,000	170,000	135,000	275,000	300,000

2019-2023 Fuller Lake Arena

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Re- Roof	325,000	-	900,000	-	-	-
Ice Resurfacers	180,000	-	-	-	-	-
Security System	30,000	-	-	-	-	-
Facility Lighting	-	-	100,000	-	-	-
Parking Lot Renewal	-	70,000	-	-	-	-
Fitness Room Upgrades	-	-	-	35,000	-	-
Chiller and Compressor/Dehumidifier Upgrade	-	435,000	-	-	150,000	-
Other Capital	-	15,000	-	315,000	200,000	375,000
Total	535,000	520,000	1,000,000	350,000	350,000	375,000

Sources of Financing

General Revenue	257,800	460,000	400,000	350,000	350,000	375,000
Appropriated Surplus/Reserves	277,200	60,000	600,000	-	-	-
Total Sources of Financing	535,000	520,000	1,000,000	350,000	350,000	375,000

Compressor Chiller Replacement

- Upgrading of existing compressors with a primary variable speed compressors. Replacement of existing shell & tube chiller with a plate & frame chiller.
 - *Reduces ammonia load for refrigeration plant from 600 pounds down to 300 pounds*
 - *Eliminates expensive (\$75,000) mandated inspection of shell and tube chiller with new chiller which inspection will be approx. \$10,000 or less*

2019-2023 Cowichan Aquatic Centre

	2018 Budget	2019 Budget	2020 Budget	2021 Budget	2022 Budget	2023 Budget
Fitness Expansion	2,377,000	2,777,000	-	-	-	-
Fitness Equipment	20,000	22,500	22,500	22,500	22,500	23,000
Recreation Software	60,000	-	-	-	-	-
Sound Baffle Replacement	35,000	-	-	-	-	-
Sound System	-	150,000	-	-	-	-
Equipment	-	-	23,000	22,500	22,500	-
Re-Roof	-	-	-	-	1,000,000	-
Other	60,000	-	77,000	77,500	77,500	100,000
Total	2,552,000	2,949,500	122,500	122,500	1,122,500	123,000

Sources of Financing

General Revenue	175,000	172,500	122,500	122,500	122,500	123,000
Reserve	-	348,000	-	-	870,000	-
City	-	52,000	-	-	130,000	-
Grants	2,377,000	2,377,000	-	-	-	-
Total Sources of Financing	2,552,000	2,949,500	122,500	122,500	1,122,500	123,000

Aquatic Centre Renovation

- Project Cost \$2,777,000
 - *Expansion of fitness space on second floor*
 - *Develop new fitness client meeting space (e.g. take heart clients)*
 - *Increase competition, user group and program space on pool deck*
 - *Create additional program space*
 - *Relocate user group and pool storage space*

Aquatic Center Renovation

- Funding

- *Gas Tax Grant* \$2,377,000
- *North Cowichan*
(Sale of Land Reserve) 348,000
- *City of Duncan* 52,000

\$2,777,000

2019-2023 Parks & Recreation

Facility	2018	2019	2020	2021	2022	2023
Aquatic Centre – full roof	-	-	-	-	\$1,000,000	-
Arena – flat roof	\$325,000	-	-	-	-	-
Arena – roof over ice surface	-	-	\$900,000	-	-	-

Meeting Schedule - Budgets

DATE		ITEM	TIME/STATUS
June 20, 2018	COUNCIL	Budget Outlook and preliminary Council guidance on budget	
August 3, 2018	-	Department heads issued budget spreadsheets	
September 4, 2018	-	Department heads return completed budget spreadsheets	
October 10 – 31, 2018	-	Administrative review of Budgets	<i>ongoing</i>
November 19, 2018	COW*	Initial Operating Budget presented to Council	6 p.m.
December 3, 2018	COW	Financial Plan and proposed Capital Expenditure Plan (2019 – 2023)	6 p.m.
December 10, 2018	COW	Grant-in-Aid review and approval	6 p.m.
December 17, 2017	COW	Review Financial Plan and proposed Utility Budgets and Rates	6 p.m.
January TBD	COW	Review Financial Plan and Capital Expenditure Plan	6 p.m.