

HALDIMAND COUNTY

2019

Draft Tax Supported Capital Budget & Forecast 2019-2028

Committee of the Whole | March 5, 2019



Council Review of the 2019 Draft Budgets

Budget	Review Dates
Rate Supported Capital Forecast & Operating Budget Review	January 24 th , 2019
Tax Supported Capital Budget and Forecast	March 5 th , 2019
Tax Supported Operating Budget Review	April 2 nd , 3 rd and 4 th , 2019



3 Pillars of Financial Planning



Principles to Maintain Sustainability

- ✓ Establish targets/principles for adequate levels of capital replacement reserves to limit tax increases;
- ✓ Maintain assets in a condition to ensure safe, reliable and affordable delivery of service
- Maintain adequate resources to fund all current and future financial obligations



Principles to Mitigate Vulnerability

- ✓ Establish appropriate Development Charge rates and Local Service Policy to ensure growth pays for the necessary growth related infrastructure
- Limit/Manage the County's reliance on external revenue sources beyond the County's control

Principles to Maintain Flexibility

- ✓ Establish target debt repayment limits to ensure ability to take on new/unforeseen priority projects;

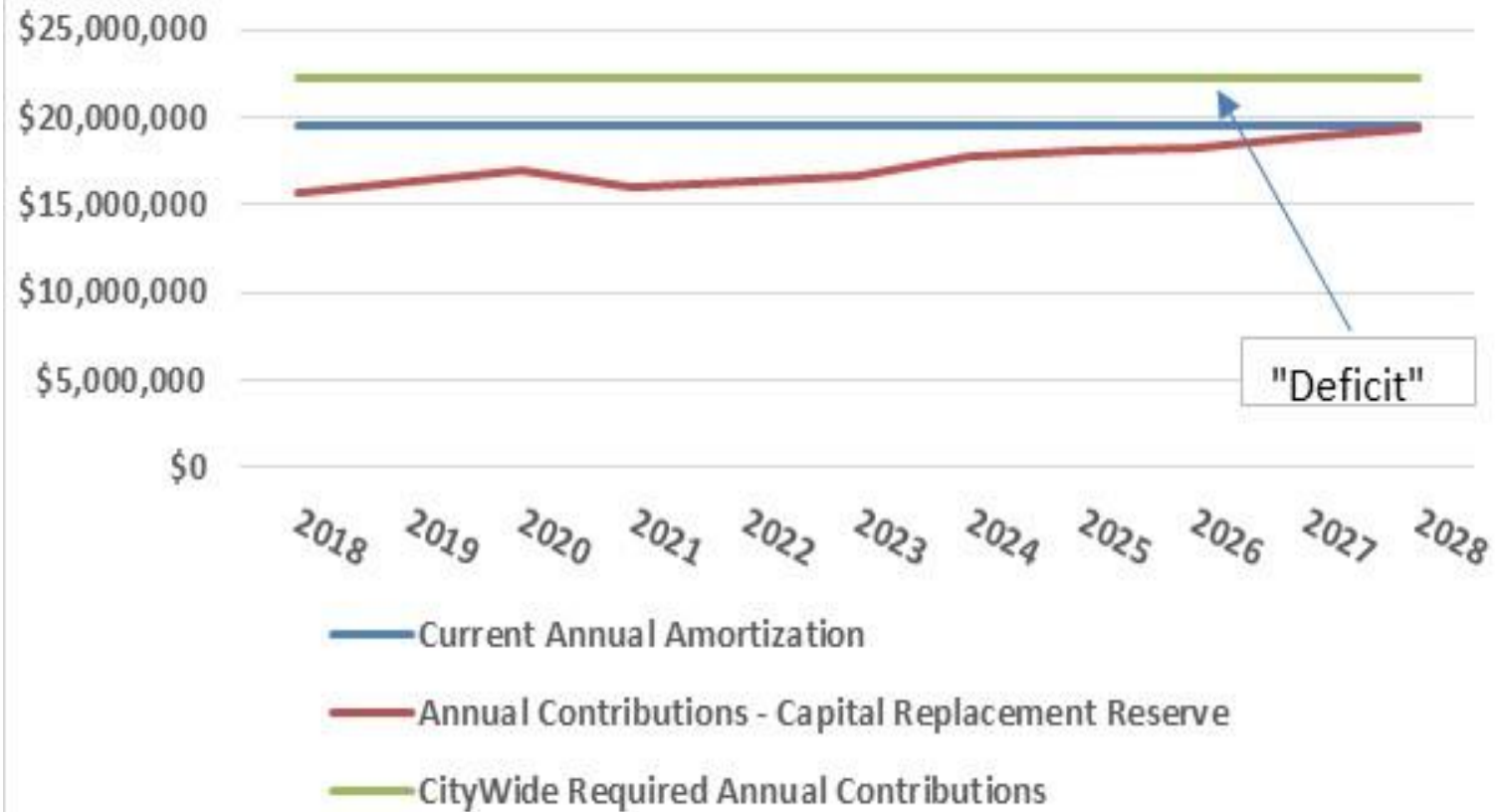


Haldimand's Current Infrastructure

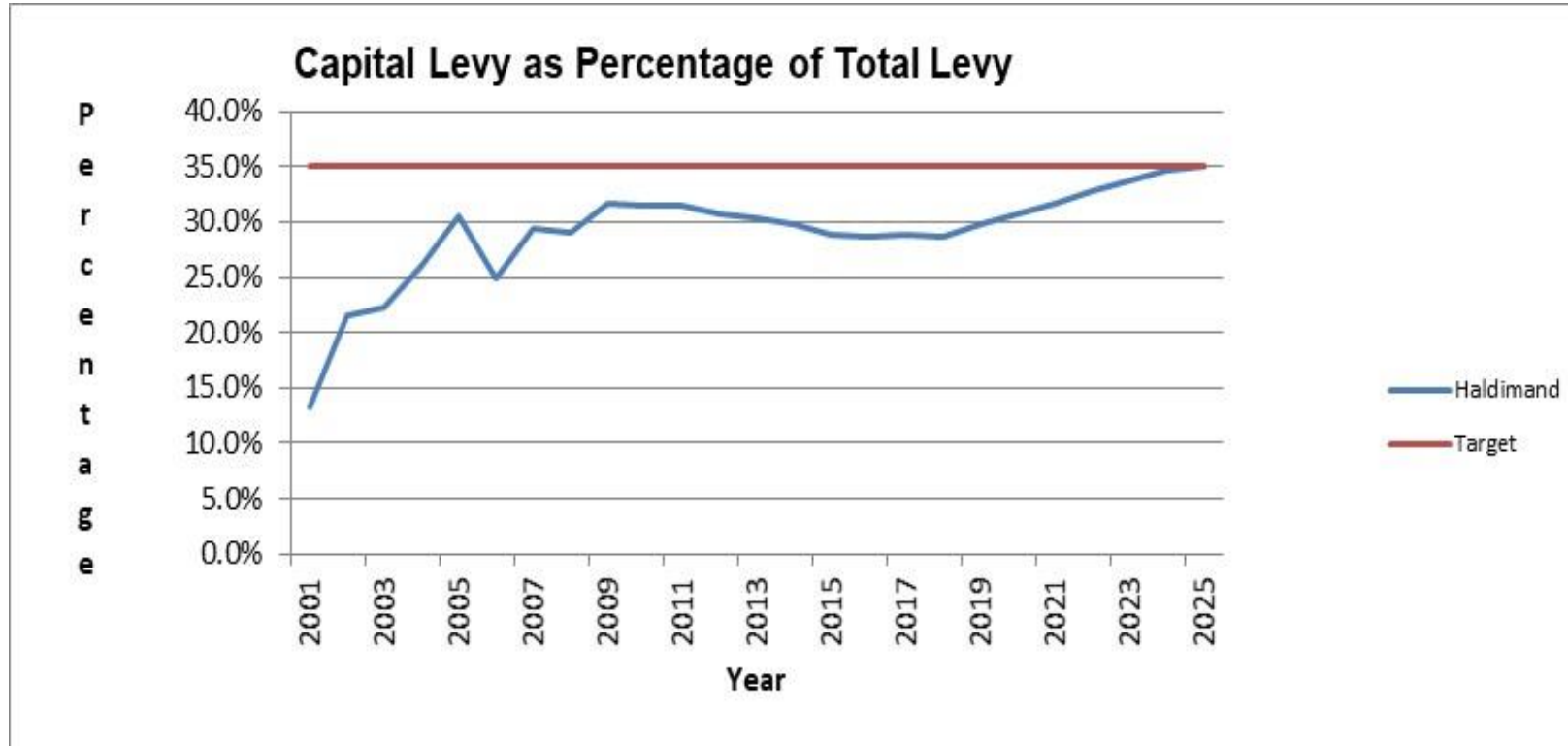
<u>2017 Net Book Value</u>	<u>Historical Cost</u>	<u>Net Book Value (NBV)</u>	<u>NBV as % of Cost</u>
Tax Supported Assets	\$639,843,778	\$314,976,975	49.2%
Water/Wastewater Assets	<u>\$214,805,896</u>	<u>\$137,805,601</u>	<u>64.2%</u>
Total Assets	<u>\$854,649,673</u>	<u>\$452,782,576</u>	<u>53.0%</u>



Haldimand County's Infrastructure Deficit



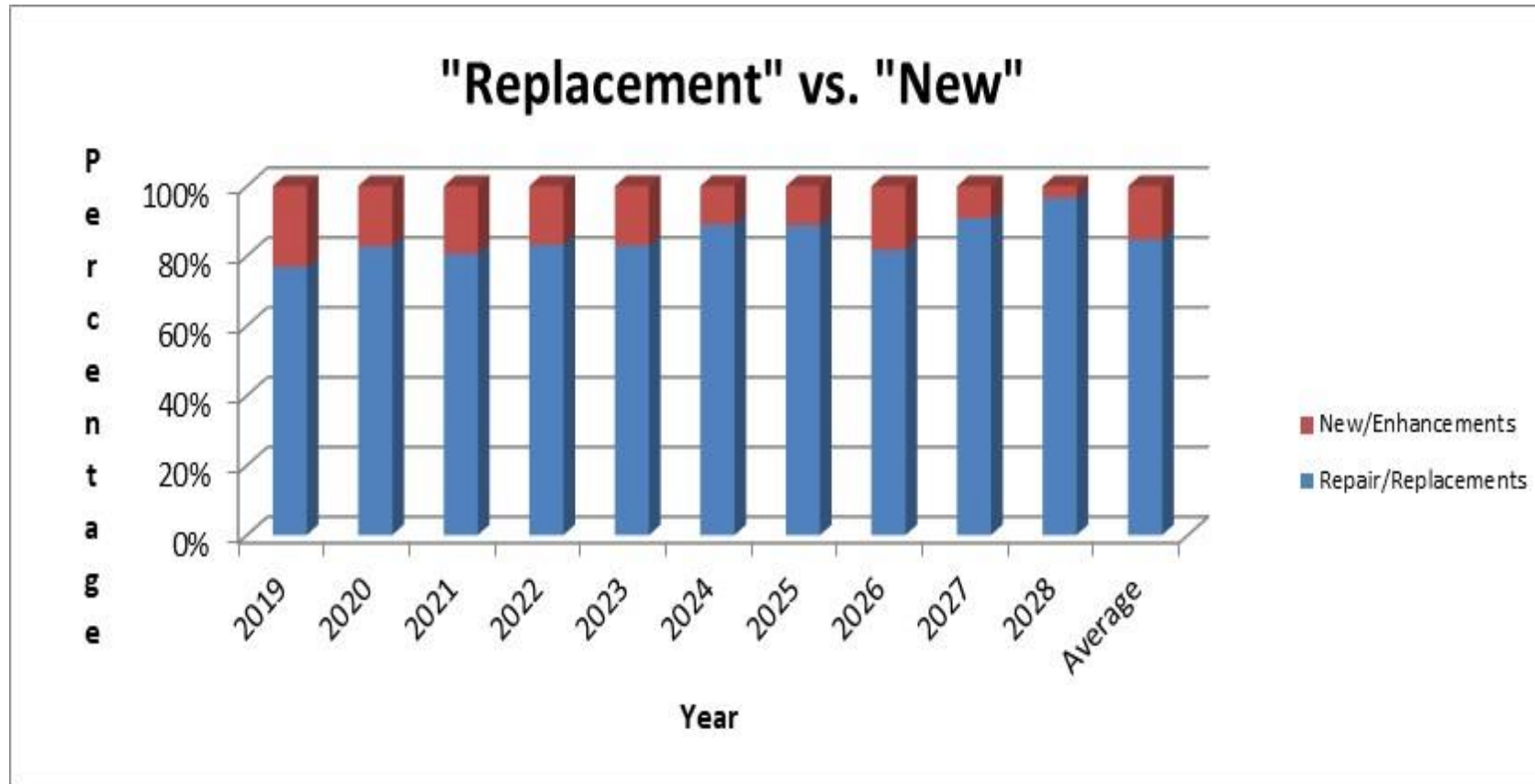
Targeted Capital Investment



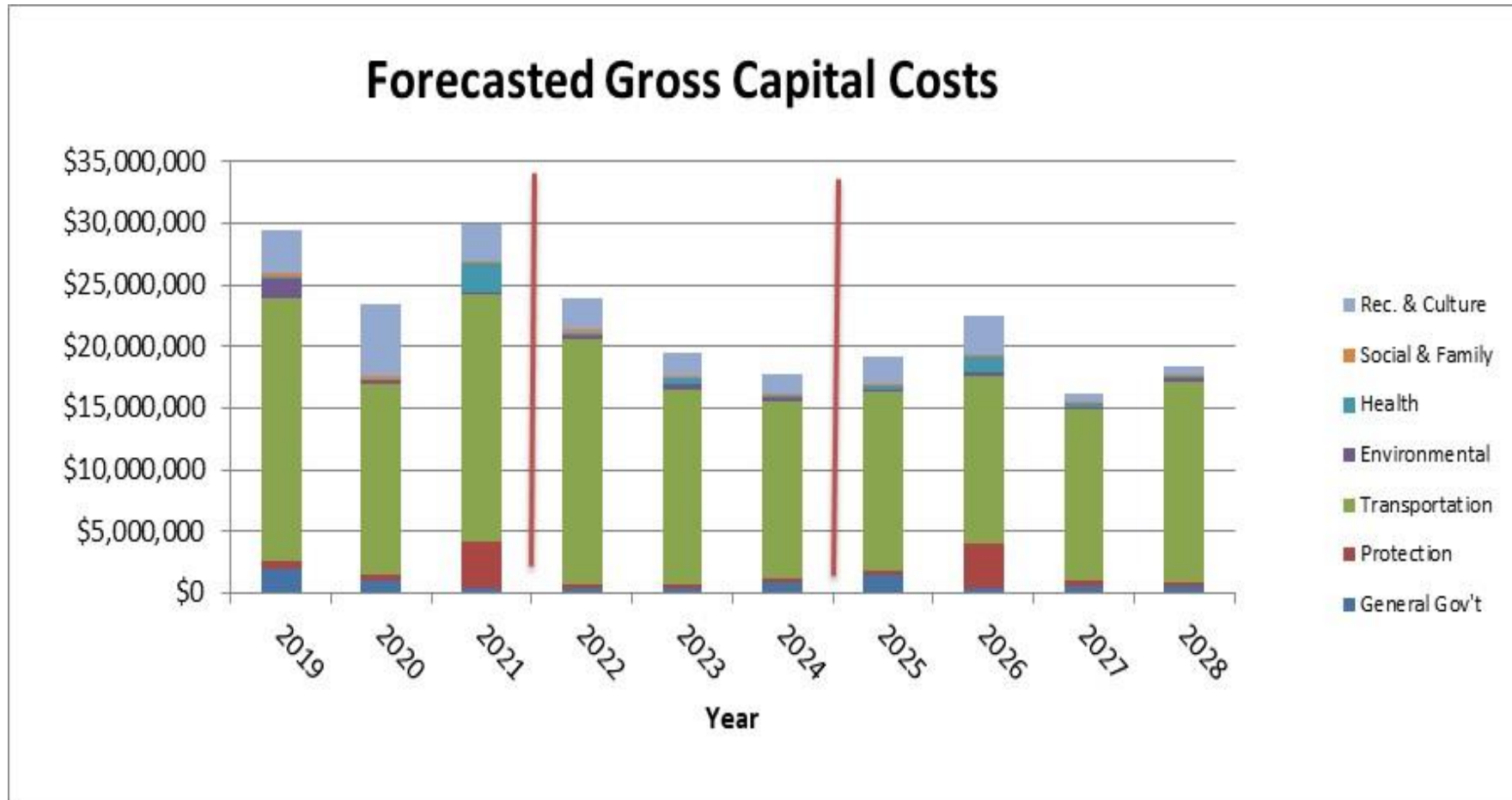
Note: The years 2001 through 2008 are based on reported expenditures in the annual Financial Information Return (FIR). As a result, the percentages can fluctuate year over year due to timing of completion of capital projects. The years 2009 to 2018 are based on the capital related levy in relation to the base levy for that year. The remaining years are based on the projections of the capital related levy in relation to the 2018 base levy.



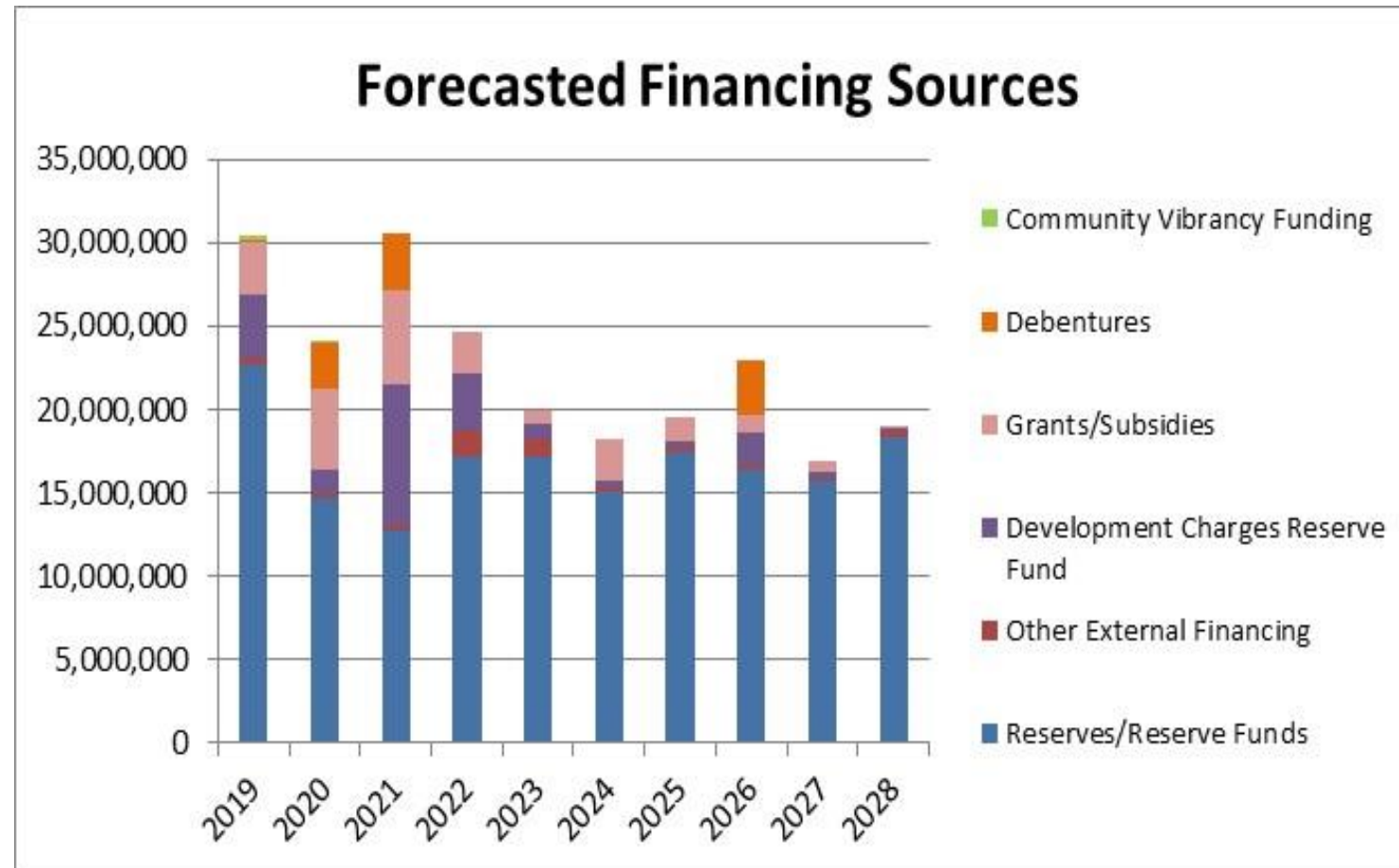
Focus on “State of Good Repair”



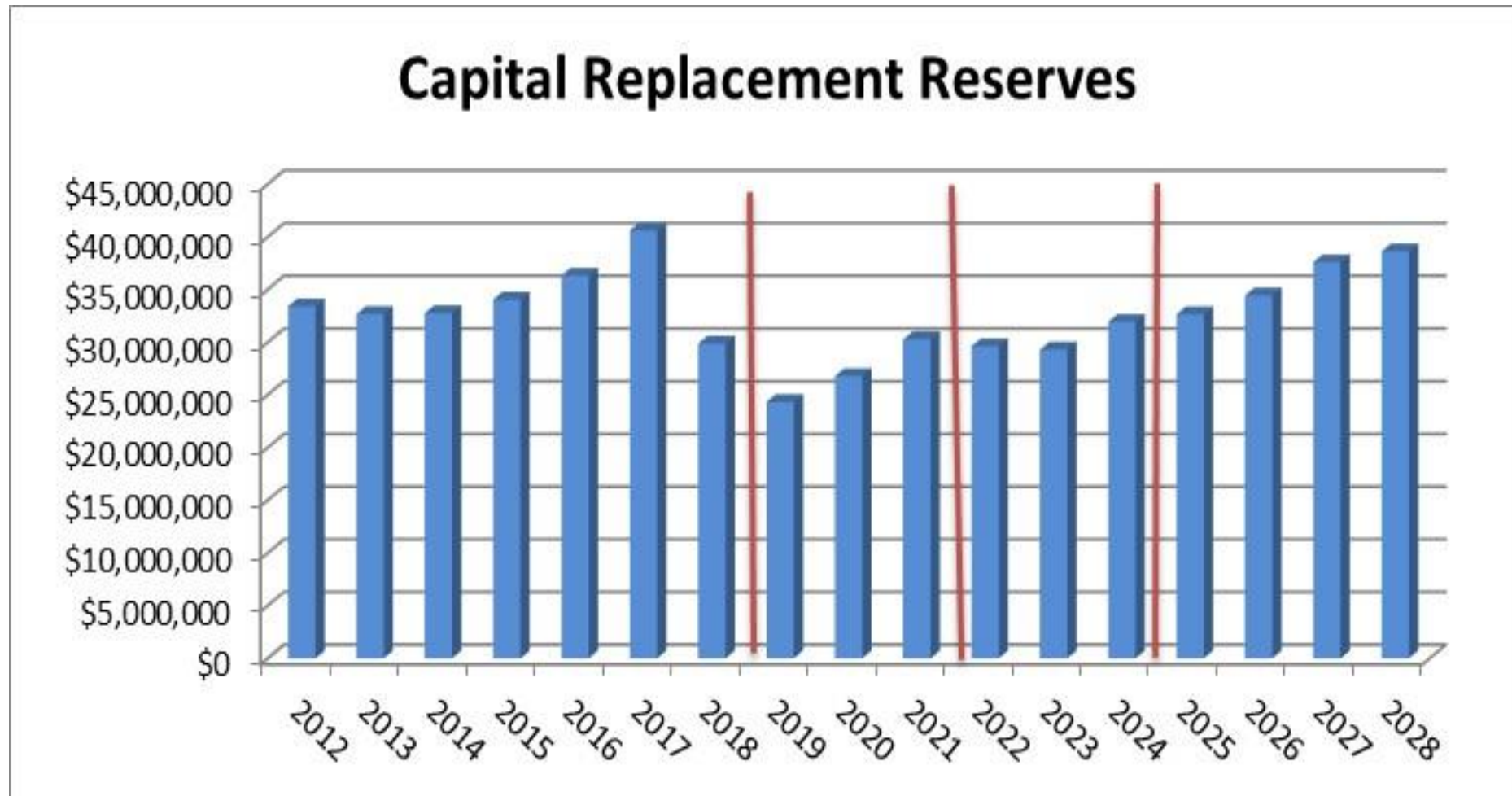
2019 Draft Tax Supported Capital Forecast



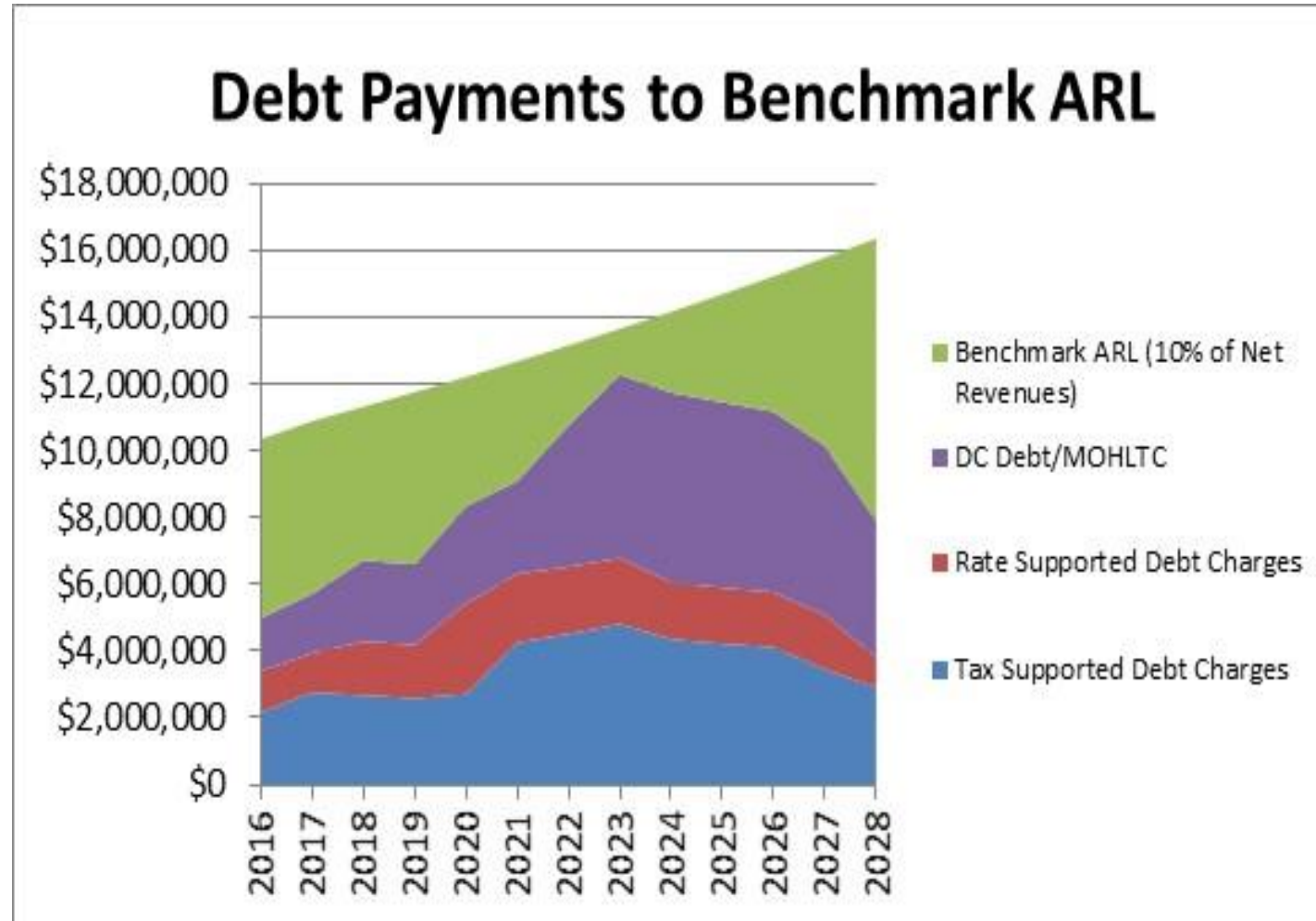
2019 Draft Tax Supported Capital Forecast



Impact on Reserves and Reserve Funds



Long Term Debt Financing



Impact Other Borrowing to Fund Current Capital Program

- **Development Charges:**
 - Growth related capital expenditures in advance of collection of Development Charges
 - Ensure reserve funds remain positive in aggregate – need to issue growth related debt
 - Growth has resulted in positive impacts in projected balances for Tax Supported areas only:
 - 2018 projected = although negative balance of \$824,000 in DCRF Roads; overall positive balance of \$1.95 million
 - DC Study update resulting in new rates in 2019 – Background study to be released no later than March 7, 2019



Final Comments

- Commitment to increased infrastructure investment - ensure safe reliable services to develop and grow the County
- Maintain credit rating based on financial parameters (i.e. adequate reserves for future infrastructure replacements)
- Financial flexibility – manage use of debt and maintain relative health of capital reserves

