

Town of Riverview

COUNCIL REPORT FORM



Presented to: Mayor and Town Council

Presented by: Colin Smith, CAO & Shannon Parlee, Director of Finance and Information Technology

Date: August 14th, 2023

Subject: Long Range Capital Plan - General Fund Only

BACKGROUND

Town Council has used the Town's Ten-Year Capital Plan as a critical planning tool that guides the Town's current operations and long-term infrastructure requirements. Council has committed to reviewing and updating their plan on an annual basis. For the most part since 2016, Council has been able to adhere to that annual practice.

In the 2022 ten-year plan review that occurred in September 2022, Council was presented an updated plan that included over \$20 million in increased costs for all the projects previously in the plan due to significant inflationary pressures. This placed substantial pressure on the affordability of the plan, in particular, the debt ratio, which, in the latter years of the plan, was projected to be over 16%. However, when the annual budget process was completed, there were strong assessment growth results which helped bring the overall ten-year plan within the planning parameters Council has agreed to for the ten-year planning model.

Those parameters have included:

- To see the tax rate only increase in the range of 6 cents in total over the ten-year period.
- To see that the debt ratio level be in the range of 16%.
- To adjust the ten-year plan revenue to better align with the level of funding we requested from the Federal and Provincial grants for the Riverview Recreation Complex (RRC) and the water renewal projects.
- To provide a small allocation of funding in the plan, for projects that have not been approved by Council, so it allows future Council an opportunity to add projects; and
- To ensure funding was included in the plan to factor in inflationary costs for local improvement projects and the RRC.

The 2023 General Fund updated ten-year plan before Council today totals \$141,620,817 over the ten-year period and meets all the budget parameters and in most case exceeds them:

- The debt ratio will remain healthy reaching its highest mark of 13.73% in 2031.
- The annual allocation for local improvements will continue over the ten-year period.

- The plan factors in the anticipated contributions for the RRC from both the Federal and Provincial governments.
- The tax rate will remain stable in 2024 and 2025 and see reasonable growth in the remaining years averaging less than 1 cent per year over year increase.

CONSIDERATIONS

Legal: - N/A

Financial: - N/A

Policy: - N/A

Stakeholders: - N/A

Strategic Plan:

An open and transparent budget process aligns to the overall direction established by the Strategic Plan.

Interdepartmental Consultation:

This report was collaborated on and prepared by both CAO, Colin Smith and Director of Finance and Information Technology, Shannon Parlee.

Communication Plan:

The updated 10-year plan has been communicated to the public via Council meetings since its introduction in 2015. This Council presentation is another opportunity to discuss the plan publicly.

RECOMMENDATION FROM STAFF

That Council endorse the updated 10-year general capital budget plan as presented on August 14, 2023, and direct staff to use it to guide the development of the annual general capital and operating budgets.