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# TOWN OF RIVERVIEW

Ten-Year General & Utility Capital Budget (2024-2033): June 2024 Update





# Ten-Year Capital Plan 2024-2033



## Summary of Presentation:

- Review of General Capital Budget Parameters
  - New Factors
- Review of Utility Capital Budget Parameters

# History of the Ten-Year Plan:

## *Fluctuation Over the Years*



<b>2015</b> <ul style="list-style-type: none"> <li>2015 to 2024 - \$145.0 million</li> <li>Assumed growth rate of 3.75%</li> <li>Tax rate projection – 1.6888 in 2024</li> </ul>	<b>2016</b> <ul style="list-style-type: none"> <li>Assumed growth rate in 2016 of 0.7%</li> <li>Staff informed Council – Capital plan needed to be reviewed &amp; updated</li> </ul>	<b>2017</b> <ul style="list-style-type: none"> <li>Reduced projected growth rate to between 1% to 2%</li> <li>Plan reduced to \$101.0 million (CAO deferred projects)</li> <li>Tax rate projected to over 1.75 in 2024</li> </ul>
<b>Start of 2018</b> <ul style="list-style-type: none"> <li>2018 to 2027 - \$110.0 million</li> <li>Assumed growth rate 0.5% to 1.0%</li> <li>Tax rate projection – 1.84 in 2027</li> </ul>	<b>2018 to 2027 approved plan</b> <ul style="list-style-type: none"> <li>2018 to 2027 - \$82.0 million</li> <li>Assumed growth 0.5% to 1.0%</li> <li>Tax rate projection – 1.68 in 2027</li> </ul>	<b>2019</b> <ul style="list-style-type: none"> <li>2019 to 2028 - \$92.0 million</li> <li>Assumed growth rate of 2.0% to 1.25%</li> <li>Tax rate projection – 1.65 in 2028</li> </ul>
<b>2020</b> <ul style="list-style-type: none"> <li>2020 to 2029 - \$102.0 million</li> <li>Assumed growth rate of 2.0% in 2020 and 1.5% for 2 years and then up to 2.0%</li> <li>Tax rate projection - 1.645 in 2029</li> </ul>	<b>2021</b> <ul style="list-style-type: none"> <li>\$103.0 million</li> <li>Assumed growth rate of 2.5% in 2023 and 2% remaining years</li> <li>Tax rate projection – 1.6 in 2030</li> <li>Debt ratio of 17.8% in 2023</li> </ul>	<b>2022</b> <ul style="list-style-type: none"> <li>\$124.0 million</li> <li>Debt ratio 16.36%</li> <li>Tax rate projection to 1.61</li> </ul>
<b>2023 Plan</b> <ul style="list-style-type: none"> <li>\$141.6 million</li> <li>Assumed growth in tax base of 3% in 2024 and 2025, then a 2.5% increase onward for the remaining years</li> <li>Tax rate flat for 2024 and 2025</li> <li>Tax rate increase projected to 1.545 by 2032</li> <li>Debt ratio a low of 8.68% in 2023 and projected high of 13.73% in 2031</li> </ul>		
<b>2024 Proposed Plan</b> <ul style="list-style-type: none"> <li>\$166.2 million in total spending</li> <li>Assumed growth in tax base of 10% in 2025; 8% in 2026; 6% in 2027 and 3% thereafter</li> <li>Tax rate to remain flat for the five years then increase gradually to 1.4521 by the end of the ten years.</li> <li>Debt ratio a low of 7.34%. Debt ratio will reach a high of 12.02%.</li> </ul>		

# General Capital Budget Plan:

*Three significant factors that have changed*



Assessment Growth  
Projections – Aligned with  
current experience

+

Riverview Recreation  
Complex Tender Results –  
Higher than Class A  
estimates

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Road Construction Projects  
– Costs escalation trend  
continuing – impacting  
budgets and pace

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# General Capital Budget Plan:

## *Overview of the Recommended Model*



### Proposed Ten-Year Model Parameters:

- **Assessment Growth:** 2025: 10% vs. 6%; 2026: 8% vs. 6%; 2027: 6% vs 3%; 2028-2029: 3% no change; 2030-2033: 3% vs. 2.5%.
- **Riverview Recreation Complex:** Tender results are higher due to demands on the construction industry – model adjusted to reflect tender results.
- **Road Construction Projects:** Budgets and pace of projects required a modification – on average, the cost of projects have increased 2.1 times for the same street compared to a few years ago.

# Capital Plan Scenarios: General Fund



	1) Previous plan	2) Recommended Plan	3) Three cent reduction in 2025	4) Five cent reduction in 2025	5) Increased budget to keep pace of streets	6) Scenario 5 with a three cent reduction in 2025
<b>Total ten-year capital spend</b>	\$141.1 million	\$166.2 million	\$166.2 million	\$166.2 million	\$178.3 million	\$178.3 million
<b>Tax rate projections at the end of ten years (2033)</b>	1.5130 per \$100	1.4521 per \$100	1.4418 per \$100	1.4350 per \$100	1.4949 per \$100	1.4867 per \$100
<b>Debt rate projections at the end of ten years (2033)</b>	2033 – 10.70%	11.16% (highest at 12.02%)	12.51% (highest at 13.12%)	13.43% (highest at 13.87%)	13.55% (highest 14.42%)	14.99% (highest at 15.51%)
<b>Total borrowing required over the ten-year period</b>	\$36.5 million	\$43.9 million	\$52.4 million	\$58 million	\$57.5 million	\$65.7 million
<b>Capital from operating Investment over the ten-year period</b>	\$45.9 million	\$65.1 million	\$56.7 million	\$51 million	\$63.6 million	\$56.2 million

# Recommended Option:

## *A Sustainable Approach*



### Scenario 2:

- Total ten-year capital spend: \$166.2 million
- Tax rate projection at the end of ten years: 1.4521 per \$100
- Debt ratio projection at the end of ten years: 11.16% (highest at 12.02%)
- Total borrowing required over ten years: \$43.9 million
- Capital from operating investment over ten years: \$65.1 million

# Utility Capital Budget:

## *Ten-year Review*



### Highlights:

- **Resident User Rate Stability:** User Rate of \$912 projected to remain unchanged through 2026.
- **Watermain Replacement Investment:** \$12.7 million for Watermain Replacement projects (part of Local Improvement); \$20.4 million for Watermain Renewal projects (trench only).
- **Water Master Plan Commitment:** Over \$7 million allocated for Water Master Plan Projects.
- **Sanity Sewer Renewal:** \$14 million earmarked for Sanity Sewer Renewal Projects, including items identified in the Sewer Master Plan.





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Questions?

