

# HALDIMAND COUNTY

## 2022 Draft Tax Supported Capital Budget & Forecast 2022-2031

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Committee of the Whole | March 3, 2022



# Council Review of the 2022 Draft Budgets

Budget	Review Dates
Rate Supported Operating Budget & Capital Forecast	January 13 <sup>th</sup> , 2022
Tax Supported Capital Budget and Forecast	March 3 <sup>rd</sup> (March 4 <sup>th</sup> , 2021 if required)
Tax Supported Operating Budget Review	March 31 <sup>st</sup> (April 1 <sup>st</sup> , 2022 if required)

# 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
- Review process – Peer Review Committee

# 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

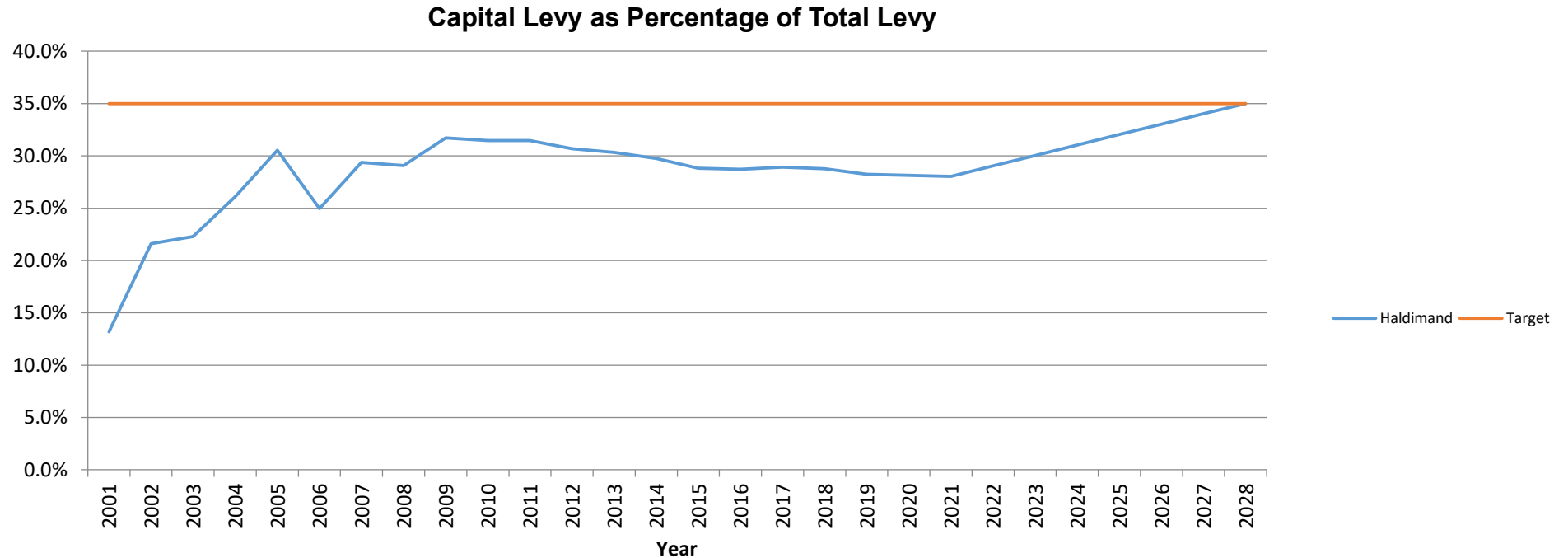
# Principles to Maintain Flexibility

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

# Prioritizing Capital Projects and Timing

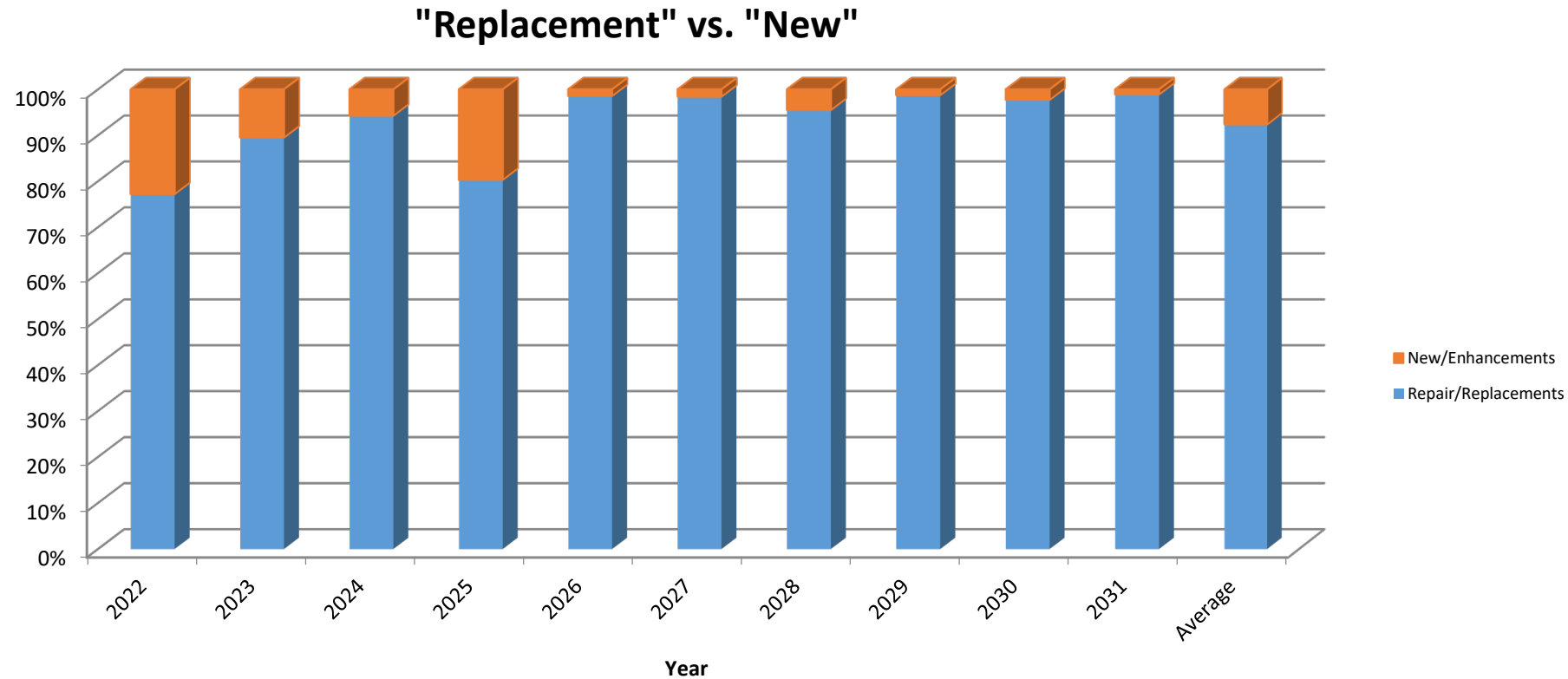
- Internal development of capital projects and timing
- Cross section of county managers who rank and evaluate current year project to ensure fair and equitable treatment
- Project ranked on the following:
  - Alignment with Corporate Strategic Priorities
  - Wide/Narrow Interest Group/Stakeholders
  - Contractual/Legislated Obligation
  - Health and Safety/Risk Management
  - Operating Budget/Financial Impact
- Available financing/financing principles may impact timing of projects (e.g. commitment to replacement vs. new initiatives , available capital replacement reserves, etc.)

# 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 year 2009 to 2021 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 2021 base levy.*

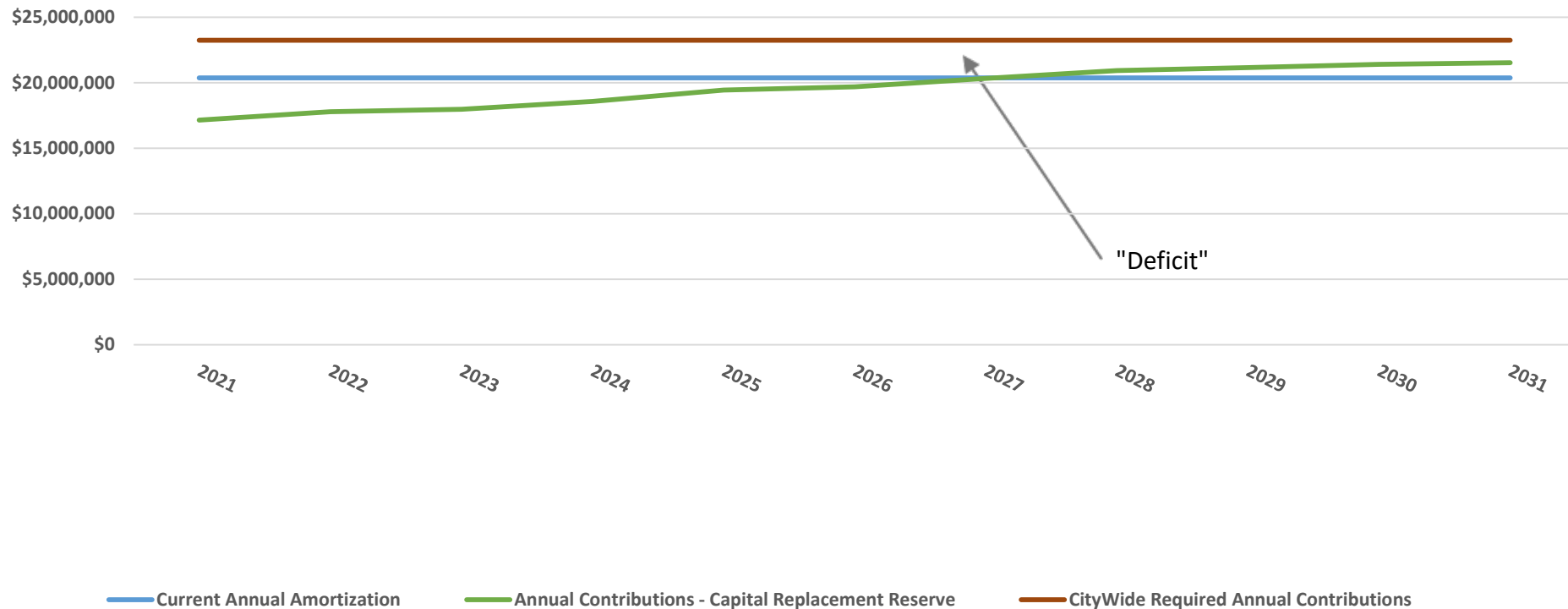
# Focus on "State of Good Repair"





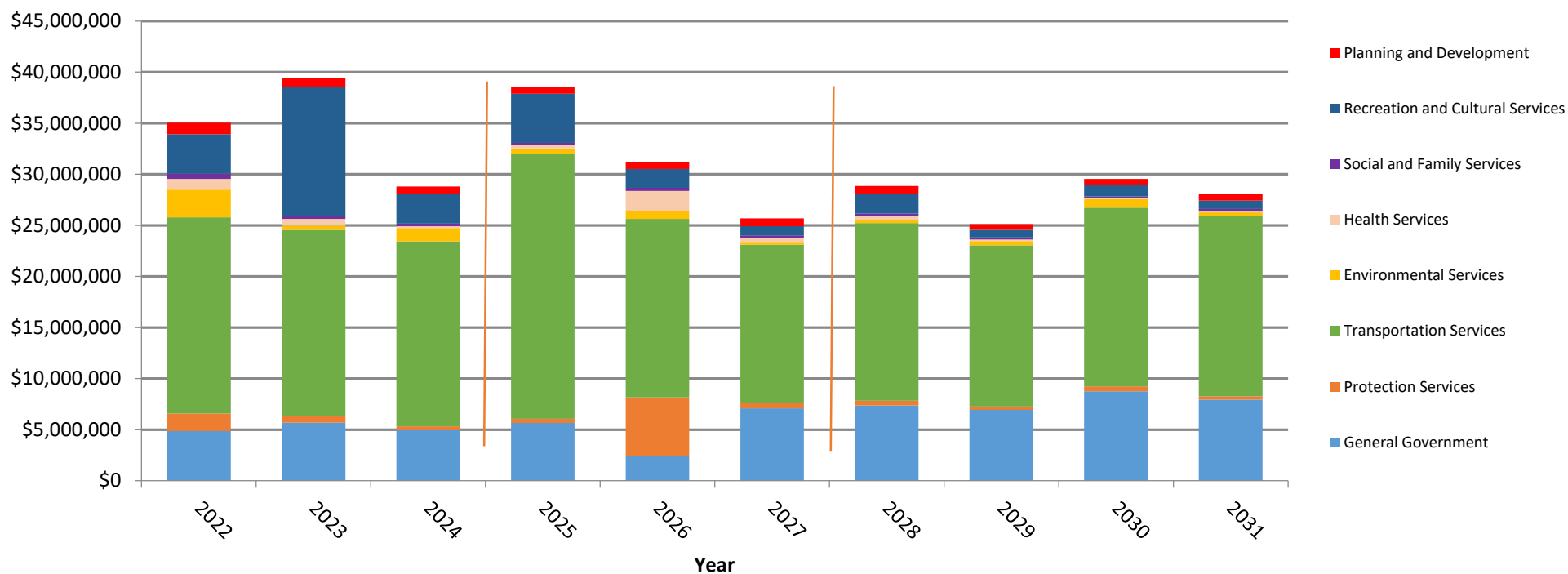
# Haldimand's Current Infrastructure

Haldimand County's Infrastructure Deficit



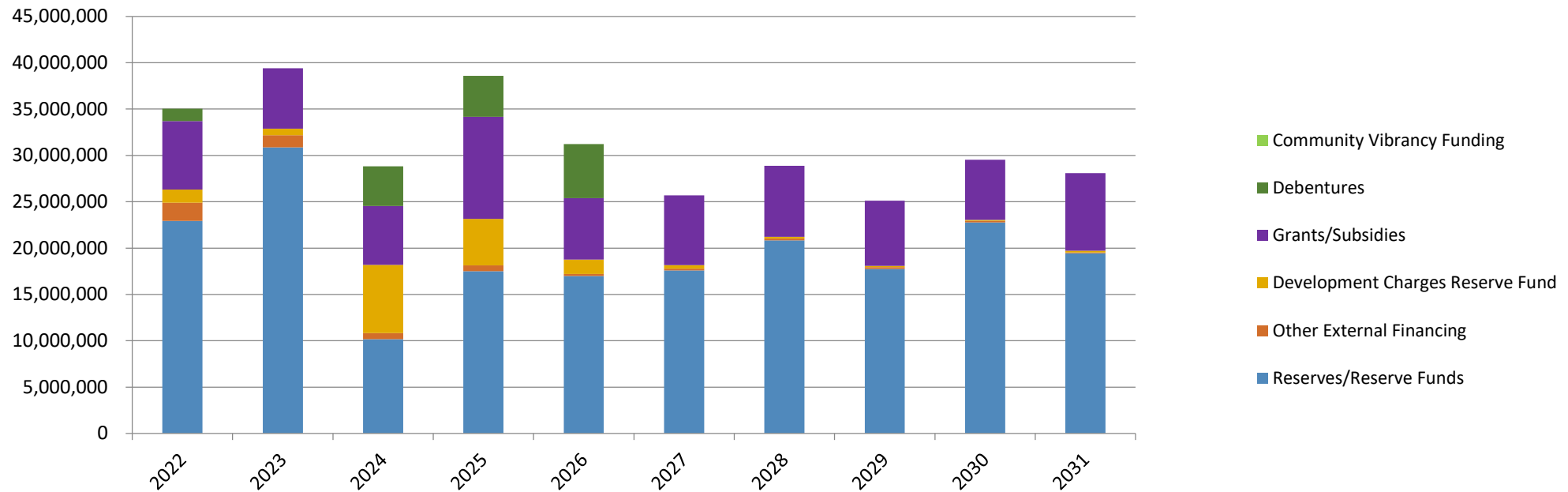
# 2022 Draft Tax Supported Capital Forecast

## Forecasted Gross Capital Costs



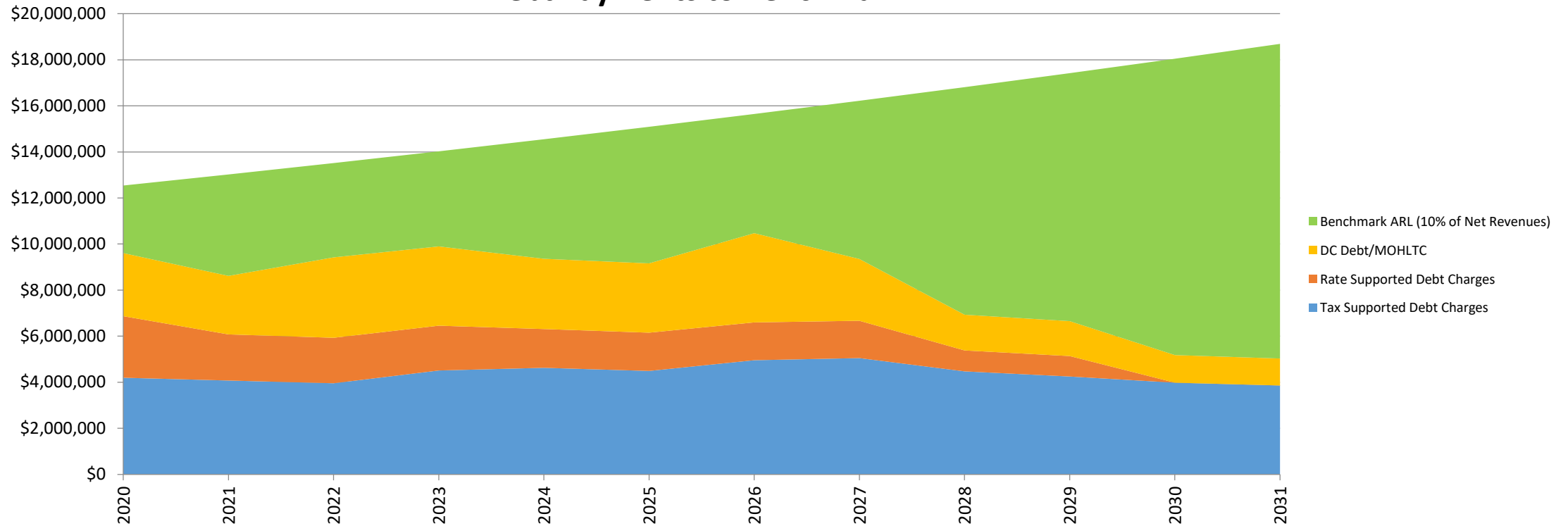
# 2022 Draft Tax Supported Capital Forecast

## Forecasted Financing Sources



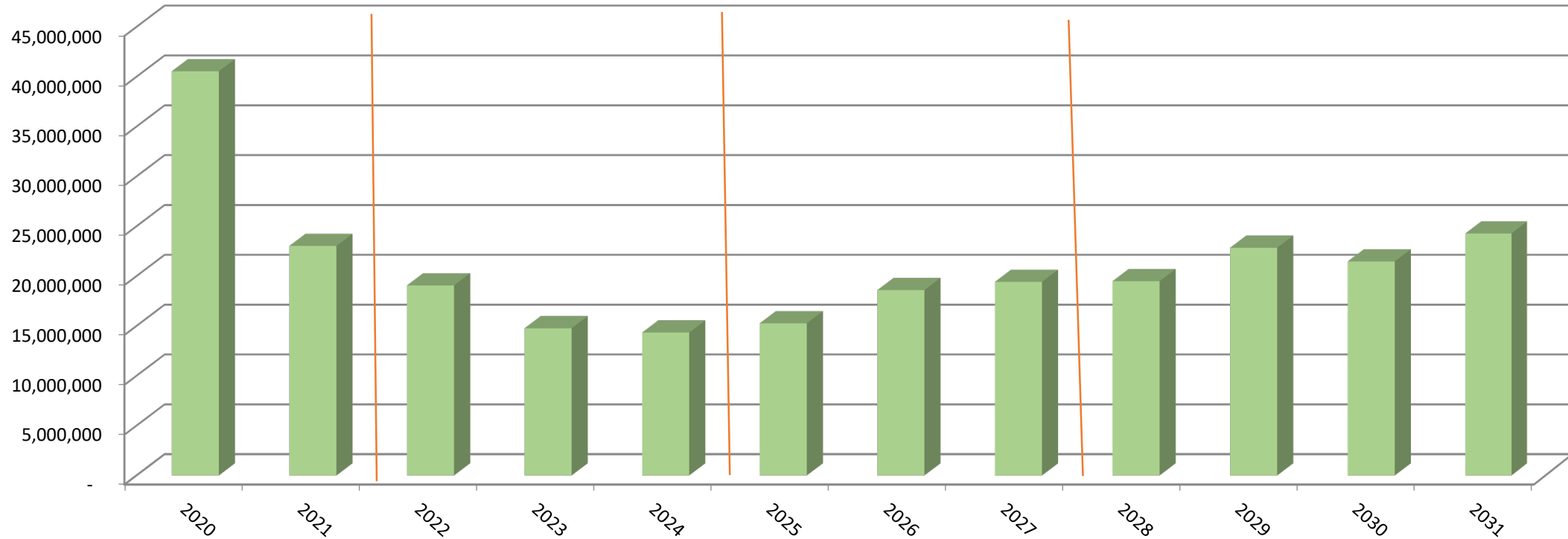
# Long Term Debt Financing

## Debt Payments to Benchmark ARL



# Impact on Reserves and Reserve Funds

## Capital Replacement Reserves



# 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:

# 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