

HALDIMAND COUNTY

2024 Draft Tax Supported Capital Budget & Forecast 2024-2033

Special Council | February 1, 2024



Council Review of the 2024 Draft Budgets

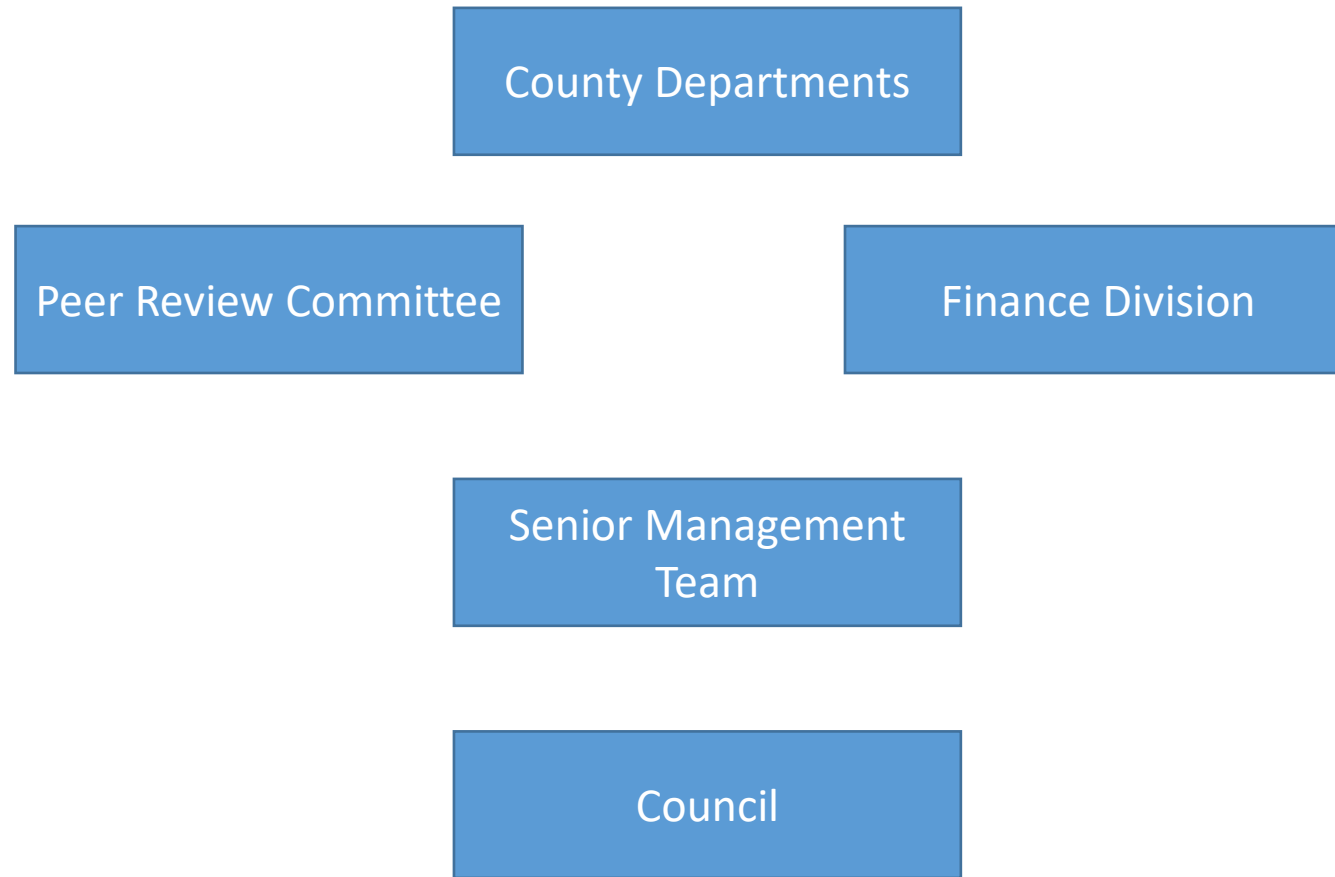
Budget	Review Dates
Rate Supported Operating Budget & Capital Forecast	Approved - December 7 th , 2023
Tax Supported Capital Budget and Forecast	February 1 st , 2024
Tax Supported Operating Budget Review	February 29 th , 2024

3 Pillars of Financial Planning



Capital Budgeting Process

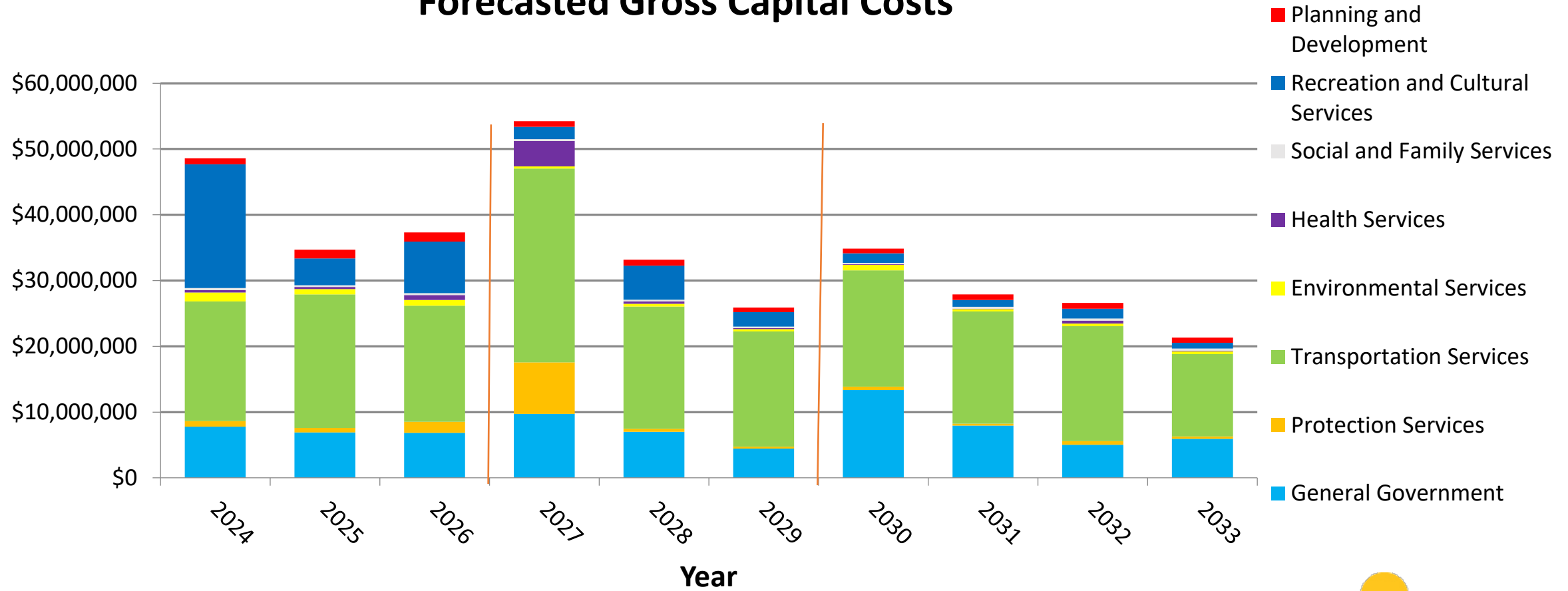
Prioritizing Capital Projects and Timing



Capital Project Plan

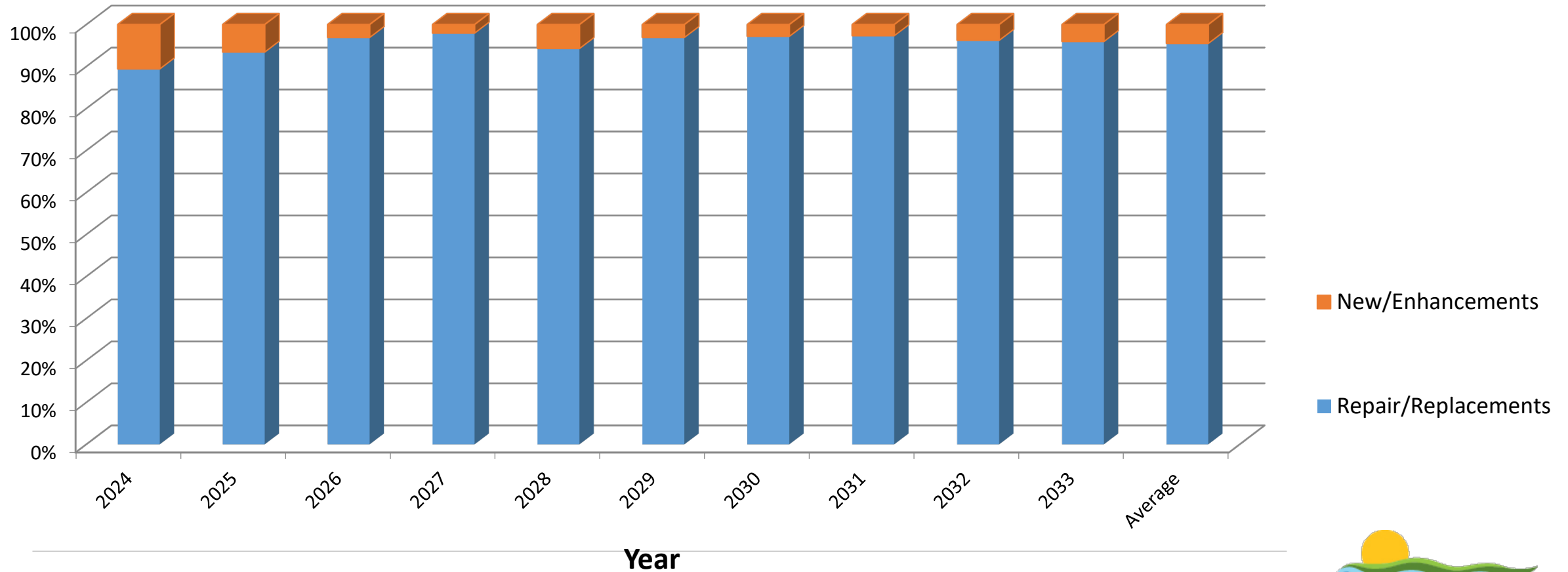
2024 Draft Tax Supported Capital Forecast

Forecasted Gross Capital Costs



Focus on "State of Good Repair"

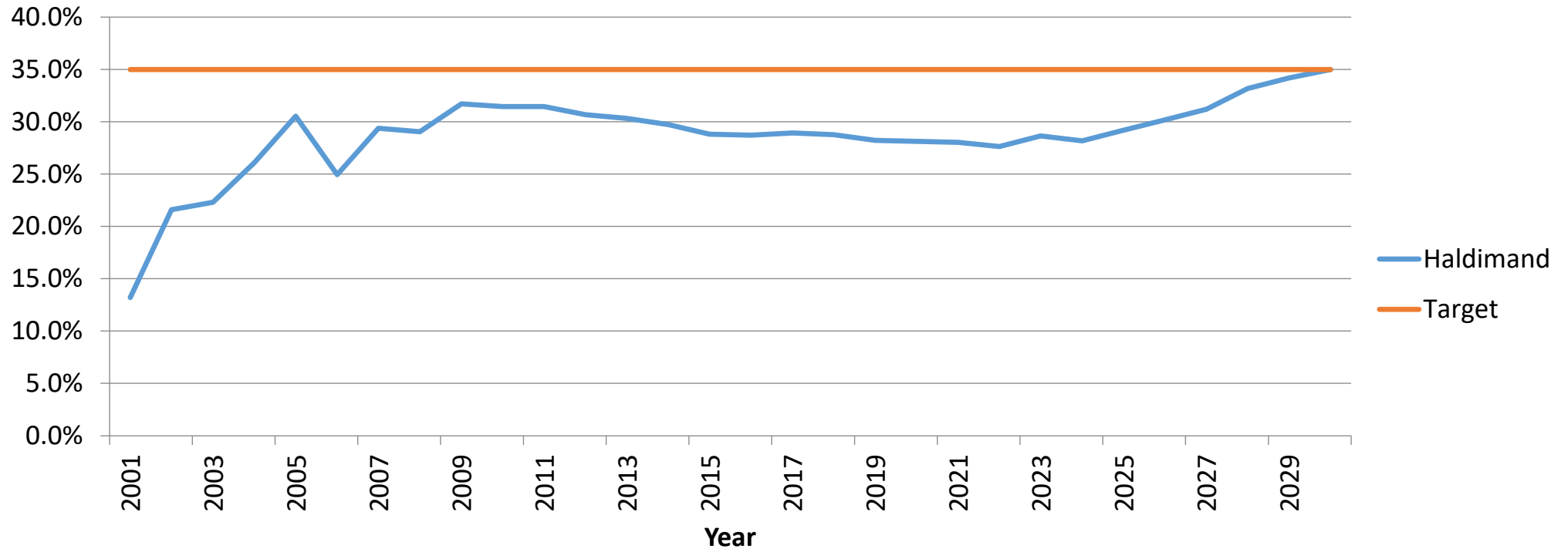
"Replacement" vs. "New"



Financing Strategy

Targeted Capital Investment

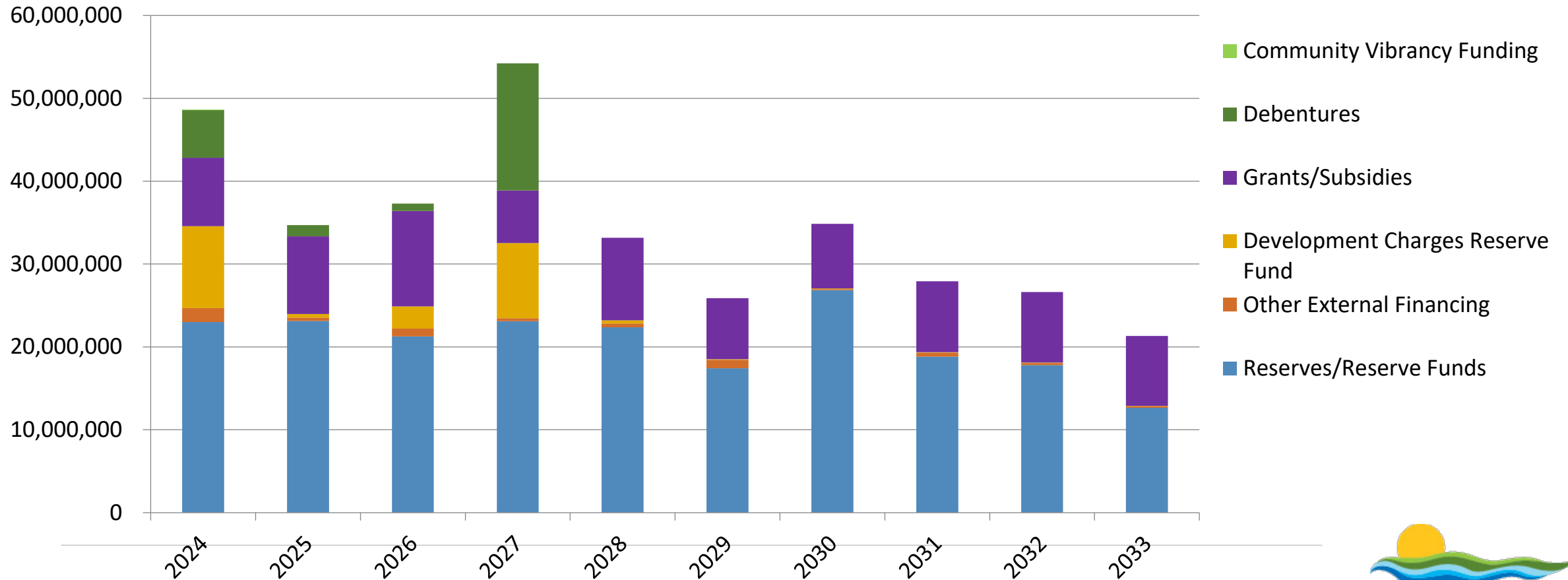
Capital Levy as Percentage of Total Levy



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 2022 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 2023 base levy.

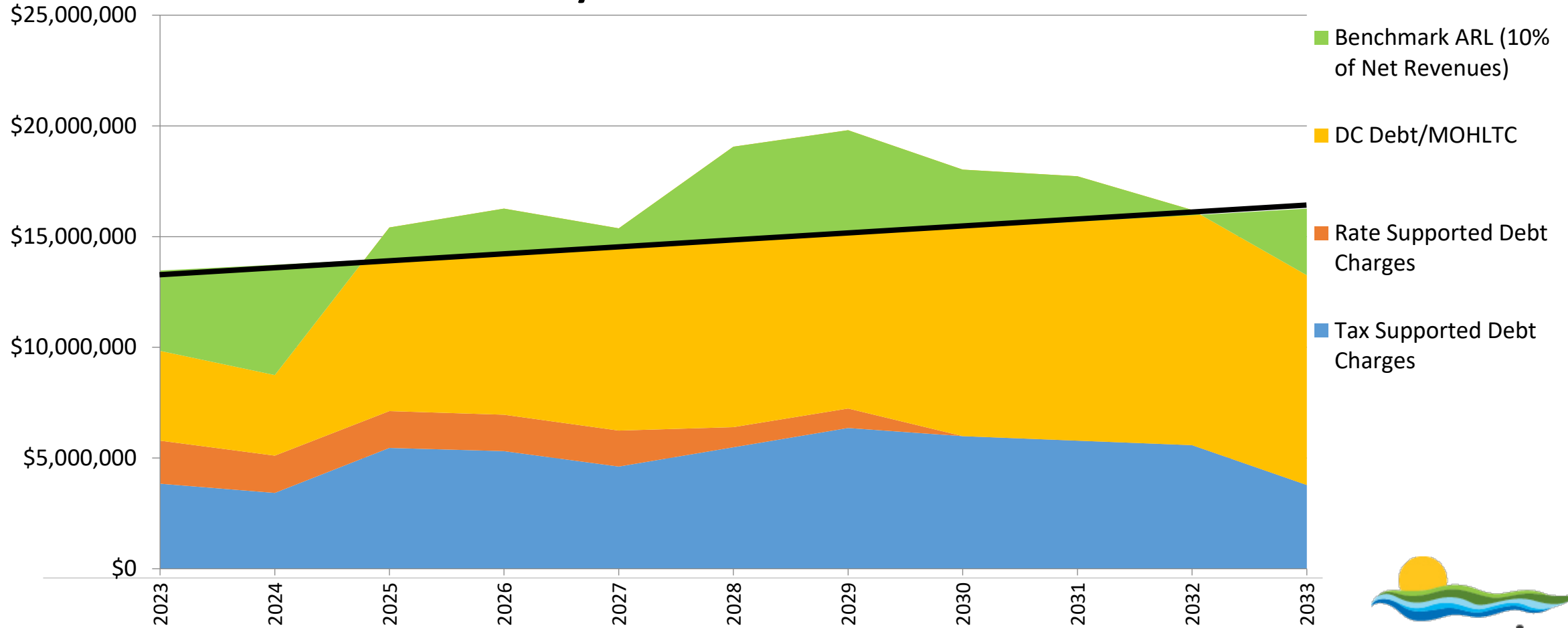
2024 Draft Tax Supported Capital Forecast

Forecasted Financing Sources



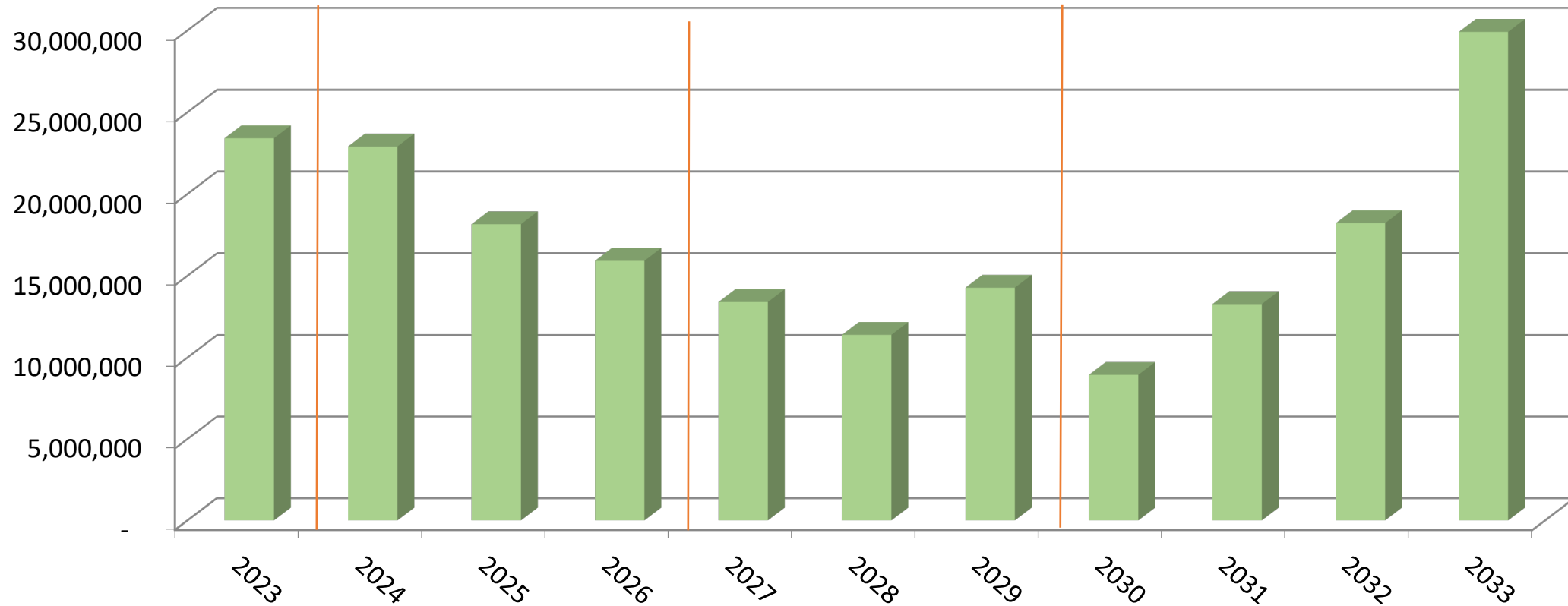
Long Term Debt Financing

Debt Payments to Benchmark ARL



Impact on Reserves and Reserve Funds

Capital Replacement Reserves



Capital Replacement Reserves (CRR)– Pressures

Both CRR-General & CRR-Roads Infrastructure facing pressures due to:

- Inflationary pressures
- Uncertainty in levels of grant funding (OCIF and CCBF)

Mitigation Measures:

- Focus on state of good repair and timing of projects
- Review of all reserves
- Reallocation of CCBF Funding from Rate Capital to Tax Capital

CRR- Roads Infrastructure

- A one-time contribution of \$3.0 million from the Investment Income Stabilization Reserve

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:

Financing Strategy Summary

- 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
- Attempt to align capital programs to the available funding envelopes

Key Takeaways

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- Staff employ a rigorous review process to ensure capital projects being recommended are aligned to Council priorities and community needs.
- Finance has reviewed the financing strategy and are confident the current budget is in line with the County's Financial Principles
- A comprehensive long term financial plan to address anticipated funding pressures/shortfalls – aligned with Asset Management legislative financial requirements
- Haldimand County has developed a robust toolbox for financial analysis to utilize with innovative thinking, constructive debate, and tough prioritization to ensure sustainable levels of service and funding into the future.

Council Role before Approval

- Review Project Expenditures
 - Ensure project recommendations are aligned to County priorities and requirements
- Review Financing Strategy
 - Ensure appropriate due diligence has been completed with a long-term sustainability perspective