



# 2025

## Capital Budget & Long Term Capital Plans

November 19, 20, 26 + 28, 2024



# Legislated Requirements

## Section 283.1 of the MGA

1. Annual Budget requirements for operating and capital budgets are unchanged.
2. At a minimum a “written” three year financial plan and a “written” five year capital plan must be prepared.
3. Multi-year plans do not include the year in which they are prepared
4. Council must review and update these plans annually

# Tangible Capital Assets (TCA)

- Tangible Capital Assets are non-financial assets having physical substance that are acquired, constructed, or developed and are held for use in the production or supply of goods and services to others; for administrative purposes, or for the development, construction, maintenance or repair of other tangible assets; have useful economic lives extending beyond an accounting period; are to be used on a continuing basis and are not for resale in the ordinary course of operations. Beneficial ownership and control clearly rests with the Town.
- Tangible Capital Assets do not include such things as:
  - Inventories held for resale (including land);
  - Capital grants;
  - Intangible assets, except for software which is tangible for the purpose of capitalization
  - Feasibility studies, business cases, management reviews (post implementation); and
  - Assets below the thresholds as outlined in the TCA Policy (under \$5,000)

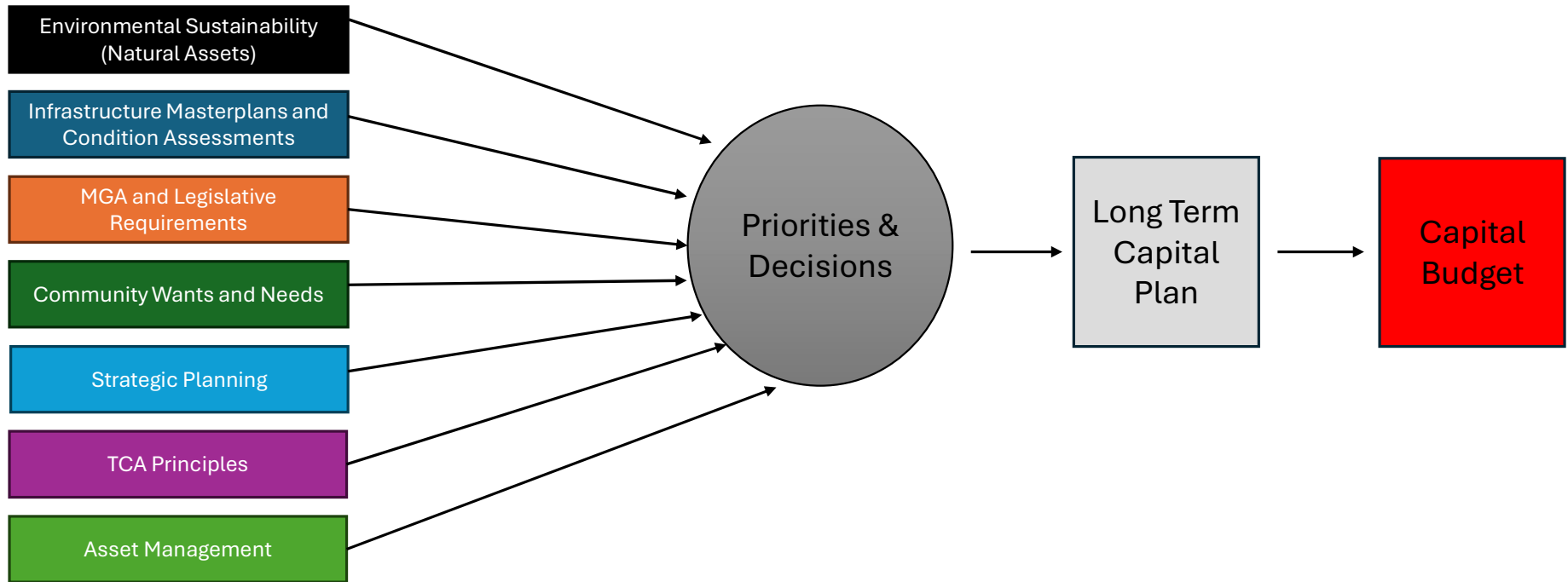
# Capital in the Municipal Context

- It is critical to understand fundamentally what capital is and how it functions in the municipal context when developing the capital budget and planning processes
- The end function and service provided has to be well understood to determine priorities
  - *Essential Core Capital* – roads, water lines, sewer, reservoirs
  - *Service Capital* – fire trucks, graders, fleet
  - *Support Capital* – software, hardware (servers), furniture, administrative buildings
  - *Social Capital* – recreation facilities, cultural facilities
- Social capital must be understood for its value to the community as “needs lists” are developed
- The political aspect of social capital requires awareness in the capital planning process as it competes for resources with other capital groups.

# Capital Competes for Resources



# Capital Planning Inputs



# Potential Projects – Factors for Evaluation

- Health and safety concerns
- Legal obligations and mandates
- Provincial or federal government legislation, grants, policy
- Economic, environmental, or social value to the community or region
- Operational benefits to the municipality
- Specific needs or demands for new/improved services or cost savings
- Investment return (e.g. saving on maintenance, new assessment)
- Capacity to leverage other resources (e.g. matching funds)
- Project feasibility (cost, time frames, management capacity)
- Strategic importance and politics (non-weighted criteria)



# Community Expectations

Demands for:

- Higher levels of service – snow removal, grass cutting, pest management, etc.
- New services – recreational programming, waste management, etc.
- New facilities – fire, pool, other recreational facilities, etc.

## vs. Resource Availability

- Tax projections
- Fees and charges projections – rate, growth, new
- Utility Rates – rate, growth, new
- Grants, debt capacity, reserves
- Political environment



Town of Redwater  
Capital Budget 2025 - DRAFT



Project	Department	GRANTS				Technology Reserve	Offsite Levy	General Utility Reserve	Recreation Agreement Reserve	Other Reserves	Debt	Unfunded Capital Projects	Capital Budget 2025
		LGFF	CCBF	STIP	CFEP								
Server Replacement	Administration					25,500							25,500
Town Office Security Cameras	Administration					8,800							8,800
Cold Storage Door Replacement	Fire									20,000			20,000
Gas Line Replacements	Gas							100,000					100,000
Gas Docking Station	Gas							6,700					6,700
Dog Park	Parks									50,000			50,000
Arena Upgrades (CFEP)	Pembina Place				59,259				59,259				118,518
Roof - Main Arena	Pembina Place								140,000				140,000
Roof - Curling & Cultural Center	Pembina Place								191,000				191,000
Rooftop Units	Pembina Place								25,000				25,000
Pembina Place - Dance Floor Resurfacing	Pembina Place								6,000				6,000
Main Pool Epoxy + Tile Pool Basin Perimeter	Pool								10,000				10,000
Main Pool Pump	Pool								12,000				12,000
Line Camera with Attachment	Public Works							15,500					15,500
Smart Manhole Cover	Public Works							12,000					12,000
Fence - Public Works Shop	Public Works									40,000			40,000
Cameras - Public Works Shop	Public Works					22,000							22,000
ATCO Trailer - Public Works Breakroom	Public Works											90,000	90,000
Aerzen Blower + Commissioning	Sewer							26,000					26,000
Lift Station Pump	Sewer							13,000					13,000
Lift Station Upgrade Pre-Eng (50% 2024, 50% 2025)	Sewer	150,000											150,000
Sidewalk Replacement	Streets		72,000										72,000
Intersection Upgrade HWY38 + Ochre Park Road cf 2024	Streets						350,000						350,000
52 Ave (52st to 50st) Watermain Project - Phase 2	Infrastructure									105,000	465,000		570,000
Pre-Engineering 47th Ave (Phases 1-4)	Infrastructure		110,000										110,000
Street Overlay - 64th Street	Infrastructure	90,000											90,000
Bridge Rehab (carryforward)	Streets			359,520						119,840			479,360
Tenco Sander w/ Vibrator + Stand	Streets	52,000											52,000
RPM Backhoe Mounted Blower	Streets											177,000	177,000
Engine Pumps Replacement (Phase 2 PH Reno)	Water	175,000											175,000
Hydrant Replacement (3)	Water							50,000					50,000
Hydrant Buddy	Water							6,800					6,800
Water Fill Station/Reservoir - Cameras	Water					7,100							7,100
<b>Total Budget</b>		<b>\$467,000</b>	<b>\$182,000</b>	<b>\$359,520</b>	<b>\$59,259</b>	<b>\$63,400</b>	<b>\$350,000</b>	<b>\$230,000</b>	<b>\$443,259</b>	<b>\$334,840</b>	<b>\$465,000</b>	<b>\$267,000</b>	<b>\$3,221,278</b>

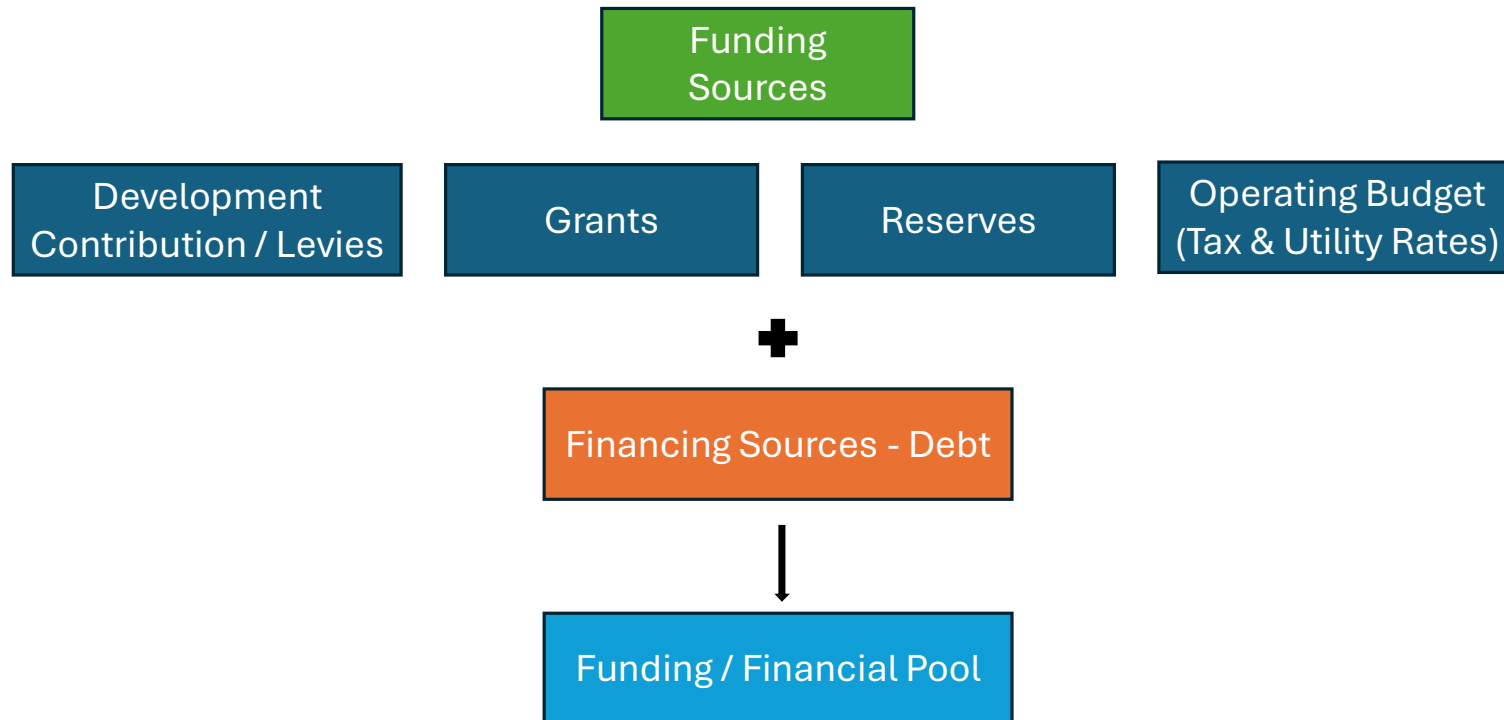
# 10 Year Road Overlay Plan

Completion Year	Project	Capital Plan name	Actual Location Description	Sq/M	\$/Quote
				2024- \$26 Sq/M	
2025	Surface Rehab	64 St	64 St (65 St to 53A Ave)	Quote	\$ 90,000.00
2026	Surface Rehab	44 St	44St (HWY to 51 Ave E)	Quote	\$ 85,000.00
2027	Surface Rehab	52 Ave	52 Ave (54 St. to 51 St).	353x10	\$ 92,000.00
2028	Surface Rehab	48 St	48 St (50 Ave to 49 Ave)	152x14	\$ 56,000.00
2029	Surface Rehab	50 St	50 St (50 Ave to 49 Ave)	168x14	\$ 62,000.00
2030	Surface Rehab	47 Ave	47 Ave (49 St. to 46 St.)	476x9	\$ 113,000.00
2031	Surface Rehab	50 St	50 st (52 Ave to 51 Ave)	119x10	\$ 31,000.00
2032	Surface Rehab	53 Ave	53 Ave (54 St. to 47 St)	748x9	\$ 175,000.00
2033	Surface Rehab	54 St	54 St (53 Ave to 51 Ave)	325x9	\$ 76,050.00
2034	Surface Rehab	49 St	49 St (50 Ave to 49 Ave)	182x14	\$ 66,248.00
2035	Surface Rehab	51 St	51 st (50 Ave to 51 Ave & 52 Ave to 51 Ave)	155x10/145x10	\$ 78,000.00
2036	Surface Rehab	48 Ave	48 Ave (49 St. Alley to 48 St.)	285x16	\$ 120,000.00
					<b>\$ 1,044,298.00</b>

# 10 Year Gas Line Replacement Plan

Completion Year	Project	Capital Plan name	Quote
			\$600/Lineal M
2025	Line Replacement	Multi site Down Town connections	\$ 90,000.00
2026	Line Replacement	65 st URW	\$ 110,000.00
2027	Line Replacement	65 st URW	\$ 130,000.00
2028	Line Replacement	HWY 38	\$ 430,000.00
2029	Line Replacement	53A Ave URW	\$ 150,000.00
2030	Line Replacement	53 A Ave URW	\$ 141,000.00
2031	Line Replacement	53 A Ave URW	\$ 150,000.00
2032	Line Replacement	61 St west	\$ 120,000.00
2033	Line Replacement	65 St URW	\$ 102,000.00
2034	Line Replacement	Gate station 44 St	\$ 170,000.00
2035	Line Replacement	Tee fitting Eastview Crescent to reg station #1	\$ 152,000.00
2036	Line Replacement	TC main line	\$ 290,000.00
2037	Line Replacement	TC main line	\$ 290,000.00
2038	Line Replacement	TC main line	\$ 290,000.00
			<b>\$ 2,525,000.00</b>

# Capital Funding / Financial Pool



# Estimating Fiscal Capacity

## "Funding Pool" Explained

- For long term capital planning, **forecasting** funding sources is a critical step
- **All funding** sources combined form a municipality's "**funding pool**".
- Debt adds to the pool capacity but is not a funding source. **Debt is a financing source.**
- If debt is utilized, the ultimate **funding source must be identified.**
- Debt is a financing tool that is funded from:
  - Taxes
  - Utility rates
  - User fees
  - Developer levies
  - Community and intermunicipal partner contributions
  - Other
- The debt limit of a municipality at a point in time is:
  - In respect to the municipality's total debt, 1.5 times the revenue of the municipality
  - In respect to the municipality's debt service, 0.25 times the revenue of the municipality

# Grant Continuity

		Projected at Dec 31 2024	Grants 2025 Projected	2025 Budgeted Projects	Total \$	Projected at Dec 31 2025
Local Government Fiscal Framework (LGFF) (previously MSI)						
			459,516	Lift Station Upgrade	- 150,000	
				Street Overlay 64th Street	- 90,000	
				Tenco Sander w/ Vibrator and Stand	- 52,000	
				Engine Driven Pump Replacement	- 175,000	
		<b>55,674</b>				<b>48,190</b>
Canada Community Building Fund (previously FGTF)						
			173,214	Sidewalks	- 72,000	
				Pre-Engineering 47th Street (Phase 1-4)	- 110,000	
		<b>15,542</b>				<b>6,756</b>
Strategic Transportation Infrastructure Program (STIP)		<b>359,520</b>		Bridge rehab (CF from 2025)	- 359,520	-
		<b>430,736</b>	<b>632,730</b>		<b>-1,008,520</b>	<b>54,946</b>

# Local Government Fiscal Framework - Capital

- Formerly MSI
- 2025 allocation is \$459,516, increase from \$417,202 in 2024.
- Eligible projects include purchase, construction, development, betterment, rehabilitation and non-route maintenance of capital assets
- Other eligible projects:
  - Studies, plans and system-wide reviews that directly relate to capital infrastructure
  - Relocations and adjustments of associated utilities
- Minimum LGFF funding required on an application must be at least 10% of current year's allocation. This threshold is \$45,952 based on the current year allocation.



# Canada Community-Building Fund

- Formerly Gas Tax Fund
- Intended to cover capital costs only, cannot be used for maintenance costs, operating costs, debt reduction or replacement of existing municipal infrastructure expenditures.
- 2025 allocation is \$173,214, increase from \$128,521 in 2024.
- Funding can be carried forward up to five years if unused.
- May be used to fund the municipal portion of provincial grant programs that require a municipal contribution, unless doing so is prohibited by that program.
- Fund may not be used to fund municipal or provincial contributions of federal grant programs.

<b>Town of Redwater</b>						
<b>RESERVES CONTINUITY 2025 BUDGET</b>						
Reserve account	Code	Project	Total Projected 2024	2025 PROJECTS	2025 Allocations	Total Projected 2025
<b>COUNCIL</b>	4-11-00-764	Antique Fire Truck	<b>1,023</b>			<b>1,023</b>
<b>OPERATING</b>	4-12-00-764	Technology Reserve (formerly Computer & Tech upgrades)	<b>89,697</b>	Addition budgeted for tech	35,000	
				Server Replacement (Capital)	- 25,500	
				Town Office Security Cameras (Capital)	- 8,800	
				Public Works Shop Cameras (Capital)	- 22,000	
				Water Fill Station/Reservoir Cameras (Capital)	- 7,100	
				Council Tablets/Laptop (Operating)	- 7,708	
				Computer Upgrades (Operating)	- 3,742	
		Administration Building				<b>49,847</b>
		Taxation mitigation reserve				
		Staff Wellness				
		FCM Asset Management				
		Consulting - special projects	<b>53,462</b>			<b>53,462</b>
<b>LEASE BUILDING</b>	4-13-00-764	General Building Maintenance Reserve	<b>37,600</b>	Lease Revenue less Expenses	17,537	<b>55,137</b>
<b>FIRE</b>	4-23-00-764	Future Capital - equipment	<b>213,742</b>	Per Policy (sales-veh exp)	1,550	<b>215,292</b>
		General building	<b>21,509</b>	Cold Storage Door (Capital)	- 20,000	<b>1,509</b>
<b>DISASTER SERVICES</b>		Surplus SREMP	<b>5,005</b>			<b>5,005</b>
<b>BYLAW</b>		Replacement Truck - build up reserve	<b>30,000</b>			<b>30,000</b>
<b>STREETS</b>	4-32-00-764	Sidewalks		Sidewalks Capital Transfer	90,000	
		General Street reserve		Plus p/y "borrowed" amount added back	15,639	
		Inclement weather/snow clearing		Fence - Public Works Shop	- 40,000	
		Bridge funding	<b>207,794</b>			<b>273,433</b>
<b>WATER &amp; SEWER</b>	4-41-00-764	Water & sewer capital upgrades	<b>107,107</b>	Franchise for Water & Sewer	37,685	<b>189,584</b>
				Main Repairs (Operating)	- 25,000	
				UIRR	76,392	
				Offset transfer for new debt (52Ave Proj)	- 54,600	
				Annexed Land Transfer from Admin	48,000	

Town of Redwater						
<b>RESERVES CONTINUITY 2025 BUDGET</b>						
Reserve account	Code	Project	Total Projected 2024	2025 PROJECTS	2025 Allocations	Total Projected 2025
<b>CEMETERY PERPETUAL CARE</b>	4-56-00-764	Perpetual Care	<b>7,758</b>	Per bylaw (per sales)	400	<b>8,158</b>
		Columbarium				
<b>EC DEV</b>		Downtown Business Revitalization	<b>13,560</b>	Transfer of 2025 Bus Licences	10,000	<b>21,060</b>
				<b>Downtown Revitalization Grant</b>	<b>- 2,500</b>	
<b>P&amp;D - GENERAL</b>	4-66-00-764	Lot proceeds for 2.5 acre - building up lot	<b>53,112</b>			<b>53,112</b>
		MDP				
		LUB				
		Offsite Levy Bylaw				
		P&D contingency consulting Rosaterra				
		P&D development contingency Rosaterra				
<b>POOL</b>	4-71-00-764	Building reserve / future pool option replacement	<b>147,459</b>			<b>147,459</b>
		Parking lot				
<b>SPECIAL PROJECTS</b>	4-72-00-764	Derrick Repairs	<b>113,264</b>	Balance back from operating in 2024	57,351	<b>118,815</b>
		Walking Trails				
		Playground upgrades				
		Ball Diamond/soccer pitch				
		Skate park		<b>Dog Park (previously allocated to skate park)</b>	<b>- 50,000</b>	
		Community Garden				
		Program subsidy (to release in correspondence with applications)				
		Donation - families in need				
		Arboretum - Green Space reserve donation		<b>Replacement trees/shrubs</b>	<b>- 1,800</b>	
		NWR Granting for FCSS received 2022 c/f				

# Town of Redwater

## RESERVES CONTINUITY 2025 BUDGET

Reserve account	Code	Project	Total Projected 2024	2025 PROJECTS	2025 Allocations	Total Projected 2025
PEMBINA PLACE	4-73-00-764	Facility Reserve General Backup generator/wiring Parking Lots Capital upgrades - Rec agreement	400,000	Rec Agreement Transfer Town & County Roof - Main Arena Roof - Cultural & Curling Center Rooftop Units Pembina Place - Dance Floor Resurfacing Main Pool Epoxy + Tile Pool Basin Perim. Main Pool Pump Arena Upgrades (CFEP Matching)	100,000 - 140,000 - 191,000 - 25,000 - 6,000 - 10,000 - 12,000 - 59,259	56,741
			97,617	Naming Rights	10,000	107,617
GAS	4-91-00-764	General Utility Reserve (gas, water, sewer, storm sewer)	599,481	Gas Line Replacements (Capital) Gas Docking Station (Capital) Rigid Camera w/ Attachment (Capital) Smart Manhole Cover (Capital) Aerzen Blower (Capital) Lift Station Pump (Capital) Hydrant Replacments (Capital) Hydrant Buddy (Capital)	- 100,000 - 6,700 - 15,500 - 12,000 - 26,000 - 13,000 - 50,000 - 6,800	576,834
			2,199,189	2025 UCI fees budgeted & garbage dividend	207,353	1,964,087
					-235,102	1,964,087

# Town of Redwater

## RESERVES CONTINUITY 2025 BUDGET

Reserve account	Code	Project	Current	Total
PLANNING-OFFSITES	4-66-00-765	<b>Sanitary Sewer</b>		
		- Alluvium	31,806	
		- Rosaterra	28,447	
		- Golfside	37,905	
		- 1701917 AB	140,574	
		- Redwater Landing	13,338	<b>252,071</b>
		<b>Water</b>		
		- Rosaterra	14,712	
		- Golfside	19,604	
		- 2024 - Pump House Engineering (MCC and backup generator)	-15,000	<b>19,315</b>
		<b>Storm Drainage</b>		
		- Rosaterra	22,482	
		- Golfside	29,957	<b>52,438</b>
		<b>Arterial Roads</b>		
		- Rosaterra	29,235	
		- Golfside	38,955	
		- Alluvium	54,638	
		- 1701917 AB	241,484	
		- Redwater Landing	39,061	
		'- HWY38/Ochre Park Intersection Upgrade (2024 CF)	-350,000	<b>53,373</b>
		<b>Recreation</b>		
		- Rosaterra	3,940	<b>3,940</b>
		<b>381,138</b>		

# Capital Gap Calculated

- It is legislated by the MGA that matching funds be identified annually for the **Annual Capital Budget**.
- For the Five-Year Capital Plan, the **funding pool** is calculated and it is subtracted from the needs list to determine the capital gap.
- It is important to remember the numbers are cumulative. The capital gap forecasts the growing gap as capital “needs” utilize funds.
- All projects approved annually must be incorporated into the forecast to ensure the gap is not underestimated, as approved projects reduce available funding.
- The capital gap is an essential tool in determining the long-term capital challenge.

# Five Year Capital Plan

- Assumptions made regarding future grant funding – difficult to make at this time
- Established Town Reserves are included as a source of funding
- Reserve strategies through 3 Year Operating Plan included
- Review Debt Capacity Available for any “Capital Gap”
- Can the 5 Year Plan be funded?
- Other funding strategies available other than debt:
  - Other Grants
  - Ensuring annual additions to Town Reserves for future projects
  - Taxation
  - Community Contributions – seek donations
- Plan is intended to show focus to attainable projects and show the “gap” in funding to seek alternatives before the project start dates.
- Document is reviewed annually by Council.



# 5 Year Funded Capital Plan

Summary Capital Expense	2025	2026	2027	2028	2029
Sidewalks	\$ 72,000	\$ 133,900	\$ 137,917	\$ 142,055	\$ 146,316
Parking Lots	\$ -				
Streets	\$ 919,360	\$ 87,550	\$ 97,603	\$ 61,193	\$ 69,782
Infrastructure	\$ 906,000	\$ 614,819	\$ 602,981	\$ 948,889	\$ 662,213
Buildings	\$ 888,518	\$ 3,397,849	\$ 95,481	\$ 12,020	\$ 886,338
Vehicles		\$ 61,800	\$ 63,654	\$ -	\$ 889,152
Equipment	\$ 168,400	\$ 45,320	\$ -	\$ 61,193	\$ -
<b>Total</b>	<b>\$ 2,954,278</b>	<b>\$4,341,238</b>	<b>\$997,636</b>	<b>\$1,225,349</b>	<b>\$2,653,801</b>

Summary Potential Funding Pool	2025	2026	2027	2028	2029
Local Government Fiscal Framework (LGFF) replaces MSI (\$459k annually)	\$ 467,000	\$ 324,350	\$ 224,911	\$ 299,438	\$ 69,782
CCBF (\$173k annually)	\$ 182,000	\$ 133,900	\$ 137,917	\$ 142,055	\$ 146,316
CFEP Grant	\$ 59,259	\$ -	\$ -	\$ -	\$ -
Potential cost sharing Grant opportunities AMWWP/DRP for Lift Station		\$ 3,172,849	\$ -	\$ -	\$ -
STIP for bridge rehab	\$ 359,520	\$ -	\$ -	\$ -	\$ -
Town Reserves + Offsite Levies	\$ 1,421,499	\$ 208,620	\$ 169,744	\$ 292,820	\$ 168,826
Taxation	\$ -	\$ 50,000	\$ -	\$ 12,020	
<b>Total Funding Pool</b>	<b>\$ 2,489,278</b>	<b>\$ 3,889,719</b>	<b>\$ 532,572</b>	<b>\$ 746,332</b>	<b>\$ 384,924</b>

# 5 Year Funded Capital Plan

5 Year Potential Capital Gap	2025	2026	2027	2028	2029
Cumulative Needs List	\$ 2,954,278	\$ 4,341,238	\$ 997,636	\$ 1,225,349	\$ 2,653,801
Cumulative Funding	\$ 2,489,278	\$ 3,889,719	\$ 532,572	\$ 746,332	\$ 384,924
Funding (Surplus) <b>Shortfall</b>	\$ 465,000	\$ 451,519	\$ 465,064	\$ 479,016	\$ 2,268,877
Debt Capacity Available	\$ 7,402,539	\$ 6,937,539	\$ 6,486,020	\$ 6,020,956	\$ 5,541,940
5 Year Capital Gap	\$ 6,937,539	\$6,486,020	\$6,020,956	\$5,541,940	\$3,273,062

Other Funding Strategies (outside of new debt)	2025	2026	2027	2028	2029
Increase to Franchise Fee					
Naming rights for Pembina Place/Swimming Pool					
Taxation Capital Contribution / Utility Rates Capital Rider / User Fees	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Partnerships with Sturgeon County / ICF Agreements	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

# Questions

