

TOWN OF SEDGEWICK BUDGET

2021

CAPITAL - CURRENT



Current

Category	Project	2021 Budget	Funded by Sale of Asset	Funded by Grants	Funded by Reserves	Funded by Debenture	Funded by 2021 Taxes
Public Works	Street Sweeper	\$50,000			\$50,000		
Public Works	Flat Deck Water Truck	\$20,000			\$20,000		
Recreation	Arena Roof and HVAC	\$1,300,000		\$1,212,876	\$0	\$87,124	
		\$1,370,000	\$0	\$1,212,876	\$70,000	\$87,124	\$0

2021 Capital Budget

The capital budget for 2021 includes 3 projects for a total of \$1,370,000. The projects include the following:

- 1) Street Sweeper- The current sweeper is 32 years old. The unit does not pickup well, has issues with inconsistent spraying of water and does not meet today's safety standards. A used regenerative vacuum sweeper will be sought out in 2021 and will have an expected remaining lifespan of 15 years. The sweeper will be funded through reserves.
- 2) Flat Deck Water Truck- The current truck requires a lot of work and repairs which would exceed the value of the unit. The current truck is 22 years old. A used 1 tonne (3500) flat deck with a 9' to 11' deck will be sought out in 2021 and will have an expected remaining lifespan of 15 years. The truck will be funded through reserves.
- 3) Arena Roof Repair- The arena roof requires perment repair in 2021. The job consists of removing the current roof, adding structural purlins, and installing a new roof system. Also required is an update of the HVAC system with a make up air unit and natural gas heaters installed. The job is expected to be tendered in March and completed before September. The new roof will be funded mostly through MSI and GTF funding.

TOWN OF SEDGEWICK BUDGET

2022-2026

CAPITAL - FORECAST



Forecast							
Category	Project	2022	2023	2024	2025	2026	5 Year Total
Public Works	Grader	\$150,000					\$150,000
Public Works	Bucket Truck			\$40,000			\$40,000
Public Works	Utility Tractor			\$35,000			\$35,000
Public Works	Backhoe					\$130,000	\$130,000
Public Works	Pickup Truck		\$45,000				\$45,000
Water	Raw Water System Upgrade	\$400,000					\$400,000
Sewer	Sanitary Sewer Replacement Program			\$600,000		\$600,000	\$1,200,000
Grants and Reserves							
Accumulated MSI Funds*		\$250,000	\$347,000	\$572,000	\$297,000	\$522,000	
Accumulated FGTF*		\$50,000	\$100,000	\$150,000	\$100,000	\$150,000	
Accumulated Reserve Funds*		\$1,029,875	\$807,875	\$585,875	\$740,875	\$865,875	
Total Cost of Capital Projects		\$550,000	\$45,000	\$675,000	\$0	\$730,000	\$2,000,000
Funding Source							
From MSI		\$128,000		\$500,000		\$500,000	
From FGTF				\$100,000		\$100,000	
From Reserves		\$422,000	\$45,000	\$75,000		\$130,000	
From Operating							
From Other							
Unfunded		\$0	\$0	\$0	\$0	\$0	
*Notes and Assumptions							
MSI Capital		adding	\$250,000 per year	decline of	10%	per year	
FGTF		adding	\$50,000 per year				
Reserves		adding	\$200,000 per year				

2021-2025 Capital Forecast

Projects

The capital forecast for 2022-2026 remains focused on the replacement of public works equipment. In the next 5 years the Town plans on replacing the grader, bucket truck and utility tractor. Current models of the equipment are for the most part past their life cycle and in many cases are expected to cause safety/operational issues for staff if not replaced as per the forecast. The town also has an agreement to replace a 1/2 ton pickup truck in 2023. There will need to be a concerted effort to put away funds into reserves in a timely fashion to meet these milestones. To date we have been able to achieve this by direct transfers from the operating budget to the capital budget each year.

The arena roof requires and emergency repair that must be completed in 2021. This project includes replacement of the roof and also an update of the ventilation system to meet today's code. The project is expected to be funded through already allocated grant funding.

Other items planned in the next 5 years include 5-6 blocks of sanitary sewer replacement and the replacement of the water treatment plants three filters. Both of these projects have been delayed one and two years, respectively, due to the emergency arena roof repair.

The three filters at the water treatment plant have a life expectancy of 35 years and are past their expected service life including the greensand media within. In addition, the existing raw water and back wash piping is failing and should be updated to be capable of automation so as to be included in SCADA programming. In 2018 the project was estimated to cost \$400,000.

It is estimated that a block of sani sewer replacement generally costs \$200,000. This estimate is based on doing more than 1 block at a time so as to minimize mobilization costs. The earliest construction season that the town would be able to proceed with more than one block would be 2024 when there would be approximately \$600,000 available. WE expect to complete 3 blocks with this amount (largely dependent on amount of paving that would need to be done). With approximately 13 blocks of clay tile sewer main still to be replaced, if two cycles are completed as per the forecast (2022 & 2025) then at least 7 blocks would remain after 2025 with a completion year of approximately 2034.

Funding

Identified sources of funding over the next five years include the Municipal Sustainability Initiative capital grant (MSI) and its successor the Local Government Fiscal Framework, the Federal Gas Tax Fund Grant (FGTF) and restricted reserves. By the end of 2021, the Town will have essentially used all of it's MSI allocated funds through 2021 due to the arena roof repair. The forecast estimates a decrease of MSI Capital funding of 10% year over year although this needs to be reevaluated in teh future as it should be noted that MSI will come to an end in 2021-22 and be replaced by the Local Government Fiscal Framework and be dependent thereafter on levels of provincial revenue.

The FGTF has consistently allocated \$50,000 to the Town of Sedgewick since 2010. As of 2020, \$150,000 has been allocated to the Town remaining unspent with a further \$50,000 expected to be allocated in 2021. This \$200,000 is expected to completely go towards funding the arena roof project. The forecast has assumed a consistent \$50,000 FGTF payment over the next 5 years.

The Town currently has 10 'restricted' reserve funds that total \$760,390. This number has been decreasing in recent years from \$1,768,760 in 2018, \$1,224,153 in 2019 and \$945,916 in 2020. Funds are placed into reserves within a general category such as water infrastructure, sewer infrastructure or public works. Despite this, by resolution, the funds can be allocated to a project as per Council's wishes. Policy 18-12 places minimum threshold balances on reserves and currently both the General Capital reserve and the Recreation Capital reserve are below their respective thresholds with the General Operating, Recreation Operating and Public Works Equipment reserves all having balances just slightly above their respective thresholds. The operational budget adopted by Council in 2019 included a 3-year payback period to replenish both of these reserves to above their minimum levels. The Water, Sewer and Natural Gas infrastructure reserves are contributed to each year due to the accompanying charge on utility bills. The Recreation Capital reserve sees a small contribution each year due to sponsorship agreements. The other reserves are not regularly contributed to.

The forecast has assumed that \$200,000 will be added to the Town's reserves each year. in 2018 \$337,540 was transferred to reserves, in 2019 \$208,846 and in 2020 \$318,156. In 2021, it is expected that \$338,952 will be moved into restricted reserves although \$70,000 of this is to be used immediately in 2021 for public works equipment.

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Capital Reserves and Grants - Sources of Funding

Capital Reserves	Jan. 1 2021 Amount	To be Used	Remaining	Policy 18-12
49700900 - General Operating	\$82,955	\$0	\$82,955	min \$75,000
49700901 - General Capital	\$136,127	\$0	\$136,127	min \$150,000
49700995 - PW Equipment	\$187,332	\$70,000	\$117,332	min \$40,000
Street Sweeper		\$50,000		
Flat Deck Water Truck		\$20,000		
49700997 - Rec Operating	\$72,534	\$0	\$72,534	min \$50,000
49700998 - Rec Capital	\$69,645	\$0	\$69,645	min \$75,000
49741991 - Water Infrastructure	\$199,521	\$0	\$199,521	no min
49742901 - Sewer Infrastructure	\$170,258	\$0	\$170,258	no min
49791900 - Natural Gas Infrastructure	\$124,458	\$0	\$124,458	no min
49791901 - Cemetery	\$22,273	\$0	\$22,273	min \$5000
Total Capital Reserves	\$1,065,103	\$70,000	\$995,103	

Grants	Jan 1. 2021	Use in 2021	Allocated 2021	Ending 2020
497321000 - MSI Capital	\$545,770	\$804,424	\$258,654	\$0
Arena Roof and HVAC		\$804,424		
49701005 - FGTF	\$152,425	\$202,425	\$50,000	\$0
Arena Roof and HVAC		\$202,425		
497xxx - Municipal Stimulus Program	\$0	\$96,400	\$96,400	\$0
Arena Roof and HVAC		\$96,400		
497xxx - Recreation Board Grant	\$109,627	\$109,627	\$0	\$0
Arena Roof and HVAC		\$109,627		
Total Grants	\$698,195	\$1,212,876	\$308,654	\$0

List of Reserves

		Jan. 1, 2020	2020 Contribution	2020 Used	To 2021 Operating	From 2021 Operating	Available
Restricted Reserves							
49700900	General Operating	\$87,455	\$0	(\$4,500)	(\$0)		\$82,955
49700901	General Capital	\$118,632	\$27,995	(\$24,500)	(\$0)	\$14,000	\$136,127
49700995	PW Equipment	\$55,932	\$110,000	(\$123,600)	(\$0)	\$145,000	\$187,332
49700997	Rec Operating	\$205,099	\$0	(\$132,565)	(\$0)		\$72,534
49700998	Rec Capital	\$119,725	\$22,000	(\$85,435)	(\$0)	\$13,355	\$69,645
49723901	Fire Capital	\$36,089	\$0	(\$1,317)	(\$0)		\$34,772
49741991	Water Infrastructure	\$129,310	\$74,211	(\$79,500)	(\$0)	\$75,500	\$199,521
49742901	Sewer Infrastructure	\$59,928	\$62,080	(\$15,000)	(\$0)	\$63,250	\$170,258
49791900	Natural Gas Capital Reserve	\$133,758	\$22,320	(\$60,000)	(\$0)	\$28,380	\$124,458
49791901	Cemetery	\$22,273	\$0	(\$0)	(\$0)		\$22,273
All Reserves		\$968,201	\$318,606	(\$526,417)	(\$0)	\$339,485	\$1,099,875

List of Available Grants

		Jan. 1, 2020	2020 Contribution	2020 Used	To 2021 Operating	From 2021 Operating	Available
MSI Op.							
49701009	MSI Operating Grant	\$0	\$38,775	(\$38,775)	(\$37,644)	\$37,644	\$0
49701006	MSI Operating Interest						\$0
Total MSI Op.							\$0
MSI Capital							
497321000	MSI Capital Grant	\$607,976	\$249,194	(\$311,400)			\$545,770
49701010	MSI Capital Interest						\$0
Total MSI Cap.							\$545,770
FGTF							
49701005	FGTF Grant	\$102,425	\$50,000	(\$0)			\$152,425
49701008	FGTF Interest						\$0
Total FGTF							\$152,425
All Grants		\$710,401	\$337,969	(\$350,175)			\$698,195