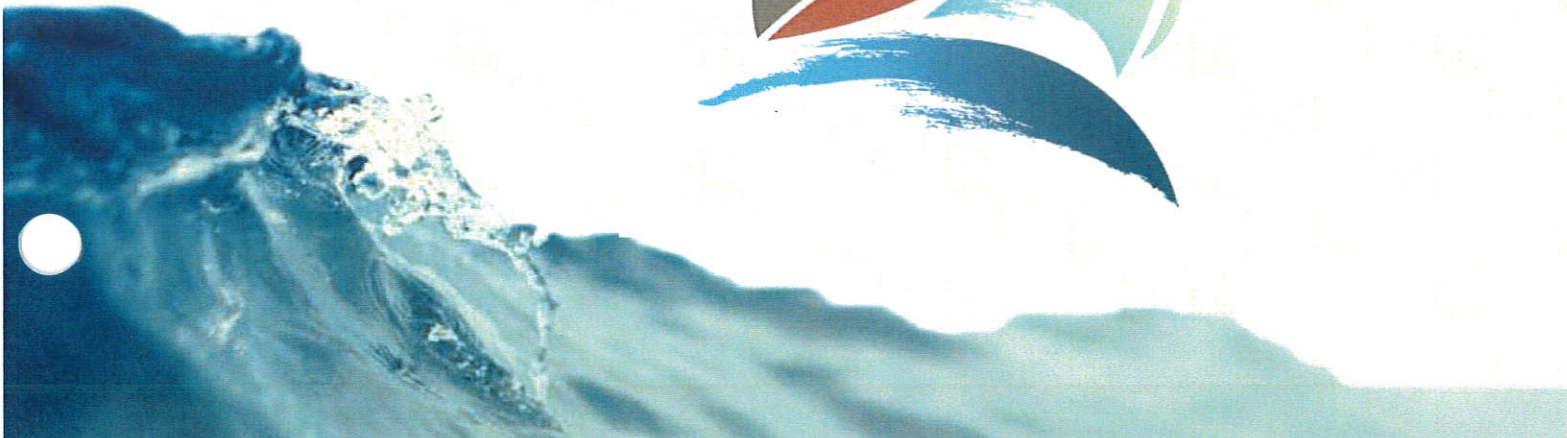




Five Year Capital Plan

The City of Kenora, Ontario, Canada

*Lake of the Woods*  
**KENORA**



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*Introductory  
Information*

City Council

**Kenora City Council**

From Left to Right:

- ❑ Councillor Dan Reynard
- ❑ Councillor Mort Goss
- ❑ Mayor David Canfield
- ❑ Councillor Rory McMillan
- ❑ Councillor Sharon Smith
- ❑ Councillor Colin Wasacase
- ❑ Councillor Louis Roussin



## Introductory Information

### City Strategic Plan and Guiding Principles

The City's corporate Strategic Plan lays the foundation for the City's future. We call our Strategic Plan, *Kenora: Our Vision is 2020*. The cornerstones of our Strategic Plan are the Vision and Mission Statements.

#### Vision Statement

Kenora is a City of choice, renowned as a sustainable, lifestyle community supported by a Municipality committed to excellence.

#### Mission Statement

To deliver quality, cost-effective Municipal Services.

### City Strategic Plan and Guiding Principles

The City's values as defined in its Strategic Plan, provide the City with guidelines for evaluating and determining its actions. To help ensure the City budget considerations are done in conjunction with these values as presented within the strategic plan, they are reviewed in conjunction with the budget deliberations, and have been set out below:

- ❑ **Trust & Respect:** We demonstrate integrity, honesty, fairness, transparency and accountability in all of our actions, fostering a corporate culture intended to promote trust and respect of our staff, our community and our partners.
- ❑ **Communication:** We ensure respectful and inclusive communications with our staff, community and partners.
- ❑ **Commitment:** We value employees that are committed to service the interests of the community.
- ❑ **Innovation:** We strive for continuous service improvements through innovation, leadership and best practices.
- ❑ **Preparedness:** We consider community, public and workplace safety in every decision that we make.
- ❑ **Fiscal Responsibility:** We manage the municipal finances in a responsible, prudent and transparent manner.
- ❑ **Environmental Stewardship:** We are committed stewards of the land and lakes that enrich our lives.



# City of Kenora 2018 Five Year Capital Plan

## City Brand and Brand Promise

In 2013, Council officially adopted the City's new Brand recognizing Kenora as "North America's Premier Boating Destination".

Council further adopted the resulting Brand Promise, which reads as follows:

*Kenora is North America's Premier Boating Destination. We are the connection to Lake of the Woods and its 14,522 Islands.*

*Through our events and amenities we celebrate our history and build our future.*

*We love our lake; we are its stewards and we nurture its pristine environment.*

Where possible, recognition of the Brand and Promise was given consideration in reviewing the City's proposed capital projects and unusual spending within this five year plan.

## Capital Plan Principles

In developing the five-year capital plan for the years 2018 through 2022, the City has adhered to certain capital budget principles that it has established to guide overall spending within the capital budget process. These principles are as follows:

- ❑ Projects will be reviewed in conjunction with the principles as set out within the City's strategic plan and in recognition of the City's Brand and Brand Promise.
- ❑ Priority will be given to projects that have previously received Council commitment.
- ❑ Priority will be given to projects which, left undone, would represent a significant safety concern / hazard to the community.
- ❑ Priority will be given to projects based on need, with funds allocated primarily to higher need areas.
- ❑ Priority will be given to meaningful projects that are eligible for funding from senior levels of government.
- ❑ Priority will be given to coordinating projects between departments to help ensure that unnecessary spending is eliminated.

The City utilities are dealt with through an independent budget process, in accordance with Council direction to establish these operations as self-supporting utilities independent of tax dollars. A separate budget is developed for each of these entities.



## Introductory Information

### City Brand and Brand Promise

### Capital Plan Principles

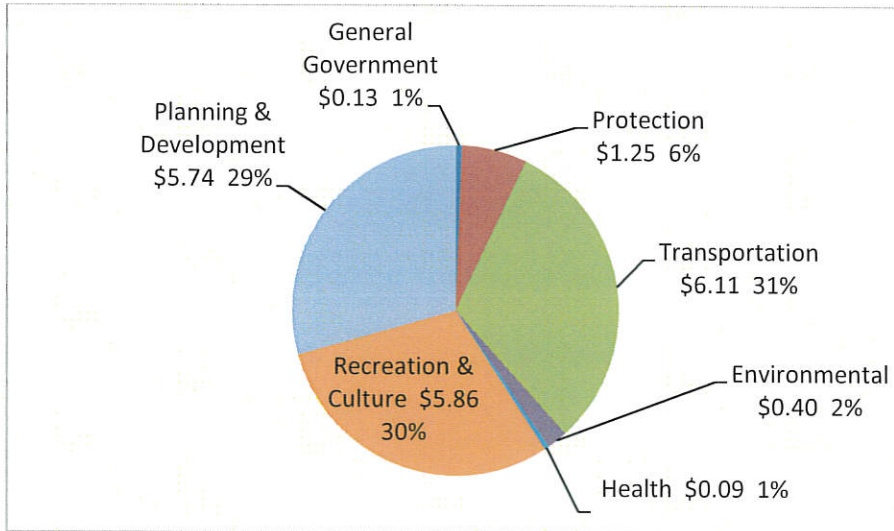


# City of Kenora 2018 Five Year Capital Plan

## 2018 Capital Plan Highlights

The City of Kenora 2018 Capital Plan includes \$19.58 million in total cost of capital projects.

The following pie chart shows gross planned capital spending for 2018 by functional area:



## 2018 Capital Plan Highlights

Transportation, or more specifically, roads and bridges continue to represent the largest demand on City capital resources as well as the most significant portion of the City's infrastructure funded through property tax dollars.

The City's net tax levy allocation to capital spending is \$2.15M in 2018. Of this amount, 80%, or \$1.7M is allocated directly to spending on municipal roads. In fact, the five year capital plan allocates \$1.7M in property taxes annually for the next five years to roads capital spending. Property taxes are the primary source of funding for municipal roads excepting major projects such as Downtown Revitalization.



## **Unusual Spending**

The City's five year capital plan includes non-capital works classed as "Non-Capital Special Projects / Unusual Spending" (referred to as "unusual spending"). While these works are not capital in nature, they are budgeted for through the City's five year capital planning process. Unusual spending refers to larger value non-capital works that are not typical from year to year. The City has listed out the "Non-Capital Special Projects / Unusual Spending" in Index #9 of the capital budget. This spending is not included in the total capital spending in 2018 (Indexes #1 through #7). The unusual spending included in the City's 2018 budget is \$2.34 million in total costs, with a net tax levy allocation of about \$.45 million.

## **Net Tax Levy Allocation**

For 2018, the City is allocating close to \$2.6 million of the net tax levy to its combined capital and unusual spending programs.

## **Reserves and Reserve Funds**

To help equalize, stabilize and fund certain annual capital expenditures, the City has established a number of reserves and reserve funds. All funds set aside in either reserves or reserve funds are allocated to a specific purpose. Certain expenditures are fully funded through reserves, such as equipment replacement. Overall, in 2018, the City is estimating it will put aside \$1.66 million into non-utility reserves.



## *Capital Plan Highlights*

Unusual Spending

Net Tax Levy Allocation

Reserves and Reserve  
Funds



# City of Kenora 2018 Five Year Capital Plan

Planned contributions to capital works and special projects from reserve and reserve funds for the 2018 five-year capital plan are:

### Capital Works

- 2018 - \$3.26M
- 2019 - \$1.25M
- 2020 - \$.87M
- 2021 - \$.81M
- 2022 - \$1.03M

### Special Projects

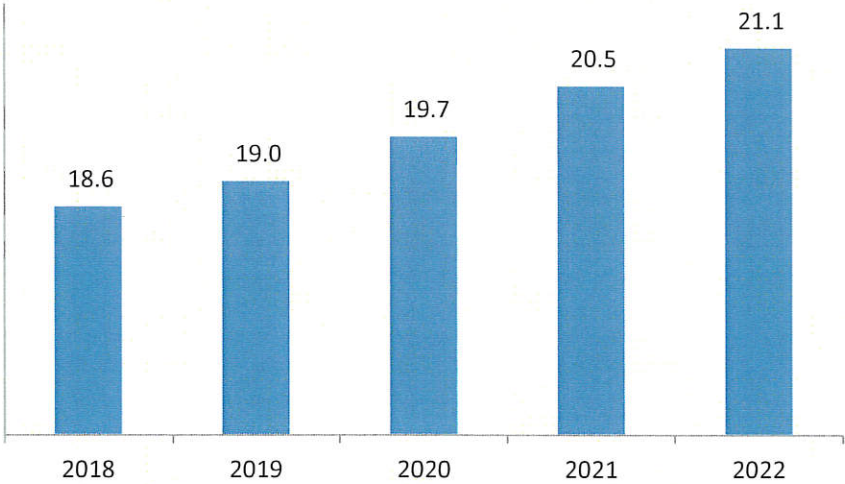
- 2018 - \$ .9M
- 2019 - \$ .06M
- 2020 - \$ .1M
- 2021 - \$ 0M
- 2022 - \$ .1M



## Capital Plan Highlights

### Reserves and Reserve Funds (Cont.)

In 2018, the City is anticipating maintaining the overall balance of non-utility reserves over the next five years. The following chart illustrates the projected non-utility reserves in \$ millions over the next five years:





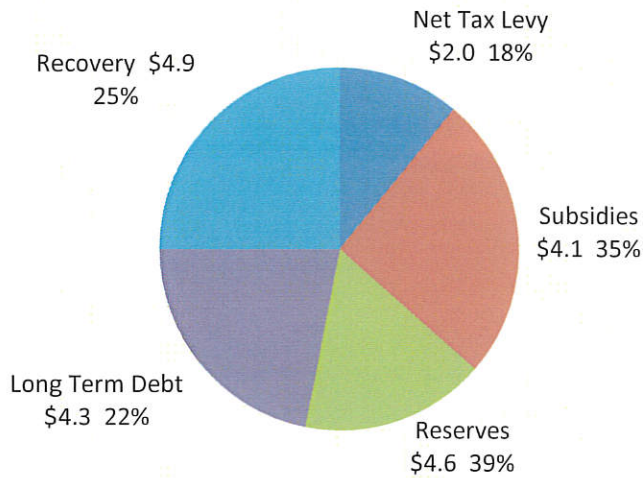


## Capital Plan Highlights

### Other Funding Sources

Another proposed source of funding for the 2018 capital plan is funding from senior levels of government including a planned use of the City's Federal Gas Tax funding. Combined, this funding represents an anticipated 36% of the City's 2018 planned capital spending.

The remaining funding sources for the 2018 capital plan are represented by issuing long term debt (\$4.3), net tax levy (\$2.0M) and recoveries (\$4.9M). The following pie chart illustrates the breakdown of funding sources for capital spending planned in 2018:



Other Funding Sources



## Deleted Projects

Generally, sufficient funding is not available to meet the various requests submitted under the City's capital plan process. Projects that are not approved through the capital plan process are tracked on a deleted list. Based on available funding, the City has cut capital and unusual spending projects combined of a total cost of \$1.9M, most of which would have been funded by the net tax levy.

All projects listed as deleted continue to be City priorities. Should additional funding be made available, these projects may become a priority for potential funding, pending the development of those plans. A complete list of deleted projects can be found in Index #10 of this budget.

## Projects for Long Term Debt Financing

The City has identified several significant projects for consideration of funding with long term debt. Typically, the net costs for projects on this list are well in excess of what the City historically contributes to capital expenditures through the tax levy. The following projects, shown with their total projected cost, are currently being considered in the 2018 five year capital plan, but would require long term debt financing to proceed. This list is over and above any projects approved in the capital budget for funding through long term debt issuance:

- ❑ Fitness Expansion - \$.4M
- ❑ 4 Plex Baseball Diamonds at the KRC - \$2M
- ❑ Beaches, Parks & Trails - \$3.8M

These projects are being held for Council consideration pending the development of a business plan that would support the associated long term debt issuance to fund the related project. Index #8 of this budget provides some summary budget information on these projects, including the proposed year of implementation, total projected cost; total anticipated funding through long term debt issue, estimated annual repayment amounts, and the potential percentage impact on the tax rate if costs relating to the debt repayment were added directly to property taxes.



## Capital Plan Highlights

### Deleted Projects

### Projects for Long Term Debt Financing

**Review of Higher Value 2018 Capital Projects**

The following table summarizes capital projects included in the 2018 five year capital plan approved project lists (in thousands of dollars) that have a total cost estimate of \$100,000 or higher:



	Total Cost
<b>Protection</b>	
Aerial Fire Truck	1,200
<b>Transportation</b>	
Seventh Avenue South Bridge	2,000
Coker Bailey Bridge Engineering Design	150
Municipal Paving	1,444
Surface Treated Roads	225
Dufrense Island North Entrance	425
Transit Bus	510
Handi Transit Bus	125
Roads Grader	350
Plow Dump Truck	235
<b>Environmental</b>	
Storm Sewers	150
Hooterville Trail on Essex Road	175
<b>Recreation &amp; Cultural</b>	
Central Community Club Rehab	100
Splash Pad	450
JM Mezzanine Level	508
Art Centre Project	3,800
<b>Planning &amp; Development</b>	
Harbourfront Bus. Dev. Plan & Design	100
First Street Development	5,500
<b>Total Significant Projects</b>	<b>17,447</b>
Projects less than \$100K	2,130
<b>Total Planned 2018 Capital</b>	<b>\$ 19,577</b>

*Capital Plan  
Discussion*

Review of Higher Value  
2018 Capital Projects



## Infrastructure Deficit

As with most municipalities, Kenora has a significant infrastructure deficit.

The most significant portion of the non-utility infrastructure deficit is represented by the City's road and bridge infrastructure. In 2018, the draft budget includes estimated capital and unusual expenditures of about \$5.3 million on City roads and bridges. In comparison, the City's entire tax levy allocation to capital and unusual spending is only \$2.6 million for 2018.

In 2016, the City produced, with the help of funded consultants, an Asset Management Plan. This plan indicates an annual funding deficit on roads and bridges of \$1.8 million. While the City continues to address the infrastructure deficit to the best of its ability, senior government funding will have to make up the short fall in the long run.



## *Capital Plan Discussion*

### Infrastructure Deficit

