Salmon Arm

City of Salmon Arm

Memorandum from the Chief Financial Officer and Chief Administrative Officer

To:	Mayor Cooper and Members of Council
Date:	June 21, 2017
Subject:	Debt Strategy and Capital Plan - Update

Recommendation

That the capital projects, associated debt strategy and applicable reserve transfers as identified in Schedule 1 be incorporated into the Financial Plan;

Background

In 2013, Council adopted a Strategic Plan through an extensive staff review and public consultation process. In 2014, the initiatives and projects were analysed and a capital plan of major projects with various funding mechanisms were identified, presented and subsequently adopted by Council. The Debt Strategy and Capital Plan was updated and presented to Council in October 2016. This Plan has been revisited based on Council direction and feedback.

A number of projects identified in the 2014 Plan have been completed or are in progress, as follows:

- Shuswap Memorial Cemetery – Development - Completed
- Foreshore Sanitary Sewer Main Construction - Completed
- Blackburn Park Development – Near Completion
- Jackson Revitalization - Completed
- Hudson Ave NE (Ross St – 6 St NE) – In Progress

Other major projects contained in the 2017 Budget:

- Property Acquisition – 720 – 22 St. SE - Completed
- Fuel System Upgrade – Shuswap Regional (Salmon Arm) Airport – Completion Scheduled for 2017
- Glycol Cooling System – Shaw Centre – Completion Scheduled for 2017
- WPCC - Ultraviolet (UV) Light Disinfection System Upgrade - Completion Scheduled for 2017

This Debt Strategy and Capital Plan was a resounding success, allowing the City to complete key projects, while professionally managing day to day activities. The time has come for a refresh and identification of new goals looking forward.

Note: Both the College Site Servicing Project and 10 Ave SW - Frontage Road Project originally scheduled for completion in 2020 have been eliminated from the Plan. Should the Province move forward with a new Campus in Salmon Arm, the costs associated with servicing the site can be revisited by Council. With respect to the 10 Ave SW - Frontage Road Project it is envisioned that this project will be funded by the Ministry of Transportation and Infrastructure.

The following major projects have been identified/re-established in the Plan:

- Ross St. Underpass (2019) - Appendix 1;
- 20 Ave/20 St. Intersection Realignment (2020) - Appendix 2;
  All property acquisition addressed.
- Shoemaker Hill/Auto Road Extension (2023) - Appendix 3;
  Some property acquisition required.
- Downtown Parkade (2023) - Appendix 4;
- West Bay Connector Trail (2027);
- SASCU Recreation Centre Pool (2027) - Appendix 5;
- Public Works Relocation (2030); and
- Track and Field - Okanagan & 30 St. (2035) - Appendix 6.

All of these projects can be planned, financed and constructed over the next eighteen (18) years without significant impact to the City's overall finances or the City's municipal property tax rate. If approved by Council, City staff will be able to work towards achieving these objectives while maintaining a focus on delivery of key services to the Community. It is envisioned that all projects will be undertaken through various funding mechanisms such as Community Works Fund, Reserves and Federal Grants. Projects identified as being funded through debenture debt are as follows:

1. Ross St. Underpass (2019) - $10,280,000.00 - It is anticipated that the City will be in a position to fund 56% of this project through various funding sources other than debt. It is envisioned that 44% of the project cost will be financed though debenture debt and that the debt repayment will be offset by the elimination of the Shaw Centre debt repayment. It is anticipated that there will not be a tax increase associated with this project.

2. Downtown Parkade (2023) - $7,500,000.00 - While this project is quite straight forward, the financing and specified area tax scheme is complicated and will be addressed in detail through a separate report to Council and the Downtown Parking Commission. Although it is envisioned that 46% of this project will be financed it is not envisioned that there will be a tax increase. The debt repayment will be offset by the elimination of the reserve transfer for same.

3. SASCU Recreation Centre - Pool Replacement (2027) $12,000,000.00 - The financing for this project includes two (2) funding sources that cannot be confirmed at this time - a Federal Grant of $6,000,000.00 and a CSRD contribution of $1,000,000.00, thus reducing the borrowing requirement to $5,000,000.00. Due to the cost of this initiative it is recommended that the remainder be funded by way of debenture debt. The further requirement for elector assent ensures that this decision is reflective of the needs and wants of the Community. The debt repayment <u>may</u> result in a tax increase (less than 2%); however, there will be many options to mitigate this over the next ten (10) years. It should be noted that the cost may vary widely depending upon the outcome of a needs analysis/feasibility study to be undertaken by the Shuswap Recreation Society and Council may choose to increase the budget through taxation, change timelines, etc.

It has been proposed that the Track and Field Project be located on the existing Public Works Shop and Yard site. However, a site has not yet been identified for the relocation of the Public Works Shop and Yard. It is still recommended that the Track and Field Development Project remain in the Debt Strategy and Capital Plan because without starting the long term financial planning process, this project would likely not be viable.

The Debt Strategy and Capital Plan contain a number of assumptions and budget actions over the next fifteen (15) years of which are achievable without direct tax implications. As long as the plan is followed, for the most part, and not withstanding unforeseen issues, all of the projects can be completed by the City.

It should be noted that the balance of existing reserves and annual funding thereof have been assessed with a view of reallocating wherever it is prudent to do so. As a result, $255,000.00 is proposed to be reallocated to achieve the goals set out in the Debt Strategy and Capital Plan.

Schedule 1 outlines the total project costs and associated funding sources. The timing of final project approval, cost, borrowing, construction, etc. may vary depending on circumstance.

The Debt Strategy and Capital Plan identifies debentures that will be paid out over the life of the Plan - two (2) loans will be paid out in 2019.

- Shaw Centre; and
- Water System Upgrade.

There is not a tax rate increase associated with the proposed financing plan with the exception of the SASCU Recreation Centre - Pool Replacement (which could be mitigated through continued financial planning), it is envisioned that as a result of past strategic financial planning (i.e. accumulated reserves), early payout of existing debentures, etc. that the new debenture payments will be adequately provided for within existing budgets.

Note: Water and Sewer major projects have not been included and may have an impact on the General Fund. It is envisioned that the Debt Strategy and Capital Plan will be revised to include the Water and Sewer Projects as soon as the information becomes available. One water project on the horizon is the Zone 5 Booster Station and supply line from that station to the Industrial Park reservoir for $4,750,000.00 (Note: the City has applied for a grant in the amount of $1,950,000.00).

Notable projects not addressed:

- Performing Art Centre; and
- Shaw Centre – 3rd Sheet of Ice.

While potential locations have been identified for these projects (which did not form part of the Corporate Strategic Plan); demand and funding assessment, site planning, etc. by 3rd parties is required.

This Debt Strategy and Capital Plan Update provides for a mix of required infrastructure and recreation priorities based on historic and emerging trends. Council may find that some other mix is more appropriate.

Monica Dalziel, CPA, CMA

Carl Bannister, MCIP

Long Term Debt Strategy and Capital Plan
As at June 19, 2017

Schedule 1

	Debenture Debt				Debenture Repayments				Existing
	General	Water	Sewer	Total	General	Water	Sewer	Total	Debt Ratio
2016									
Existing Debenture Debt	$ 13,360,342.39	$ 9,005,802.65	$ 3,223,959.15	$ 25,590,104.19	$ 1,904,876.76	$ 1,030,255.95	$ 279,697.34	$ 3,214,830.05	43.99%
Paid Out Debentures:									
- 921 - 17 Street SW Property	-	-	-	-	(101,052.56)	-	-	(101,052.56)	
	$ 13,360,342.39	$ 9,005,802.65	$ 3,223,959.15	$ 25,590,104.19	$ 1,803,824.20	$ 1,030,255.95	$ 279,697.34	$ 3,113,777.49	42.61%
2017									
New Debentures									
- Tennis Club - Loan Guarantor	-	-	-	-	45,764.45	11,668.80	-	57,433.25	
	$ 13,360,342.39	$ 9,005,802.65	$ 3,223,959.15	$ 25,590,104.19	$ 1,849,588.65	$ 1,041,924.75	$ 279,697.34	$ 3,171,210.74	43.40%
Interest Rate Change	-	-	-	-	-	-	-	-	
	$ 13,360,342.39	$ 9,005,802.65	$ 3,223,959.15	$ 25,590,104.19	$ 1,849,588.65	$ 1,041,924.75	$ 279,697.34	$ 3,171,210.74	43.40%
Debenture Reductions:									
Principal Debenture Repayments	(547,206.54)	(457,981.23)	(161,923.29)	(1,167,111.06)	-	-	-	-	
Acturial Debenture Reductions	(416,319.15)	(190,825.43)	(90,323.55)	(697,468.13)	-	-	-	-	
	$ 12,396,816.70	$ 8,356,995.99	$ 2,971,712.31	$ 23,725,525.00	$ 1,849,588.65	$ 1,041,924.75	$ 279,697.34	$ 3,171,210.74	43.40%
2018									
Debenture Reductions:									
Principal Debenture Repayments	(547,206.54)	(457,981.23)	(161,923.29)	(1,167,111.06)	-	-	-	-	
Acturial Debenture Reductions	(460,005.59)	(217,138.45)	(101,947.76)	(779,091.80)	-	-	-	-	
	$ 11,389,604.57	$ 7,681,876.31	$ 2,707,841.26	$ 21,779,322.14	$ 1,849,588.65	$ 1,041,924.75	$ 279,697.34	$ 3,171,210.74	43.40%
2019									
New Debentures									
- Underpass	4,530,000.00	-	-	4,530,000.00	276,417.25	-	-	276,417.25	
	$ 15,919,604.57	$ 7,681,876.31	$ 2,707,841.26	$ 26,309,322.14	$ 2,126,005.89	$ 1,041,924.75	$ 279,697.34	$ 3,447,627.98	47.18%
Debenture Reductions:									
Principal Debenture Repayments	(547,206.54)	(457,981.23)	(161,923.99)	(1,167,111.76)	-	-	-	-	
Acturial Debenture Reductions	(505,688.04)	(244,520.32)	(114,118.60)	(864,326.96)	-	-	-	-	
	$ 14,866,709.99	$ 6,979,374.76	$ 2,431,798.67	$ 24,277,883.42	$ 2,126,005.89	$ 1,041,924.75	$ 279,697.34	$ 3,447,627.98	47.18%
Paid Out Debentures:									
- Shaw Centre	-	-	-	-	(452,544.42)	-	-	(452,544.42)	
- Water System	-	-	-	-	-	(64,649.20)	-	(64,649.20)	
	$ 14,866,709.99	$ 6,979,374.76	$ 2,431,798.67	$ 24,277,883.42	$ 1,673,461.47	$ 977,275.55	$ 279,697.34	$ 2,930,434.36	40.10%
2020									
Debenture Reductions:									
Principal Debenture Repayments	(410,378.19)	(424,832.03)	(161,923.99)	(997,134.21)	-	-	-	-	
Acturial Debenture Reductions	(245,281.29)	(227,759.81)	(126,862.18)	(599,903.28)	-	-	-	-	
	$ 14,211,050.51	$ 6,326,782.92	$ 2,143,012.50	$ 22,680,845.93	$ 1,673,461.47	$ 977,275.55	$ 279,697.34	$ 2,930,434.36	40.10%
2021									
Debenture Reductions:									
Principal Debenture Repayments	(410,378.19)	(424,832.03)	(161,923.99)	(997,134.21)	-	-	-	-	
Acturial Debenture Reductions	(267,591.94)	(253,863.49)	(140,205.89)	(661,661.32)	-	-	-	-	
	$ 13,533,080.39	$ 5,648,087.40	$ 1,840,882.62	$ 21,022,050.41	$ 1,673,461.47	$ 977,275.55	$ 279,697.34	$ 2,930,434.36	40.10%
2022									
Debenture Reductions:									
Principal Debenture Repayments	(410,378.19)	(424,832.03)	(161,923.99)	(997,134.21)	-	-	-	-	
Acturial Debenture Reductions	(314,847.44)	(281,011.30)	(154,174.93)	(750,033.67)	-	-	-	-	
	$ 12,807,854.76	$ 4,942,244.07	$ 1,524,783.70	$ 19,274,882.53	$ 1,673,461.47	$ 977,275.55	$ 279,697.34	$ 2,930,434.36	40.10%
Paid Out Debentures:									
- Water System	-	-	-	-	-	-	-	-	
- Sewer System	-	-	-	-	-	-	(19,037.88)	(19,037.88)	
	$ 12,807,854.76	$ 4,942,244.07	$ 1,524,783.70	$ 19,274,882.53	$ 1,673,461.47	$ 977,275.55	$ 260,659.46	$ 2,911,396.48	39.84%
2023									
Debenture Reductions:									
Principal Debenture Repayments	(410,378.19)	(424,832.03)	(150,688.11)	(985,898.33)	-	-	-	-	
Acturial Debenture Reductions	(351,929.16)	(309,245.04)	(150,233.41)	(811,407.61)	-	-	-	-	
	$ 12,045,547.41	$ 4,208,167.00	$ 1,223,862.18	$ 17,477,576.59	$ 1,673,461.47	$ 977,275.55	$ 260,659.46	$ 2,911,396.48	39.84%
Paid Out Debentures:									
Fire Hall & Little Mtn Upgrades	-	-	-	-	(15,372.78)	-	-	(15,372.78)	
- Sewer System	-	-	-	-	-	-	(147,476.17)	(147,476.17)	
	$ 12,045,547.41	$ 4,208,167.00	$ 1,223,862.18	$ 17,477,576.59	$ 1,658,088.69	$ 977,275.56	$ 113,183.29	$ 2,748,547.53	37.61%
2023									
New Debentures									
- Downtown Parkade	3,450,000.00	-	-	3,450,000.00	210,516.45	-	-	210,516.45	
	$ 15,495,547.41	$ 4,208,167.00	$ 1,223,862.18	$ 20,927,576.59	$ 1,868,605.14	$ 977,275.55	$ 113,183.29	$ 2,959,063.98	40.49%
2024									
Debenture Reductions:									
Principal Debenture Repayments	(473,820.96)	(424,832.03)	(63,649.94)	(962,302.93)	-	-	-	-	
Acturial Debenture Reductions	(377,810.90)	(338,608.11)	(20,164.88)	(736,583.89)	-	-	-	-	
	$ 14,643,915.55	$ 3,444,726.86	$ 1,140,047.36	$ 19,228,689.77	$ 1,868,605.14	$ 977,275.55	$ 113,183.29	$ 2,959,063.98	40.49%
2025									
Debenture Reductions:									
Principal Debenture Repayments	(473,820.96)	(424,832.03)	(63,649.94)	(962,302.93)	-	-	-	-	
Acturial Debenture Reductions	(419,251.33)	(369,145.73)	(23,098.40)	(811,495.46)	-	-	-	-	
	$ 13,750,843.26	$ 2,650,749.10	$ 1,053,299.02	$ 17,454,891.38	$ 1,868,605.14	$ 977,275.55	$ 113,183.29	$ 2,959,063.98	40.49%
2026									
Debenture Reductions:									
Principal Debenture Repayments	(473,820.96)	(424,832.03)	(63,649.94)	(962,302.93)	-	-	-	-	
Acturial Debenture Reductions	(462,471.91)	(400,904.86)	(26,134.59)	(889,511.36)	-	-	-	-	
	$ 12,814,550.40	$ 1,825,012.21	$ 963,514.49	$ 15,603,077.10	$ 1,868,605.14	$ 977,275.55	$ 113,183.29	$ 2,959,063.98	40.49%
Paid Out Debentures:									
Water System	-	-	-	-	-	(82,944.06)	-	(82,944.06)	
Water System	-	-	-	-	-	(26,562.51)	-	(26,562.51)	
	$ 12,814,550.40	$ 1,825,012.21	$ 963,514.49	$ 15,603,077.10	$ 1,868,605.14	$ 867,768.98	$ 113,183.29	$ 2,849,557.41	38.99%
2027									
New Debentures									
- SASCU Rec. Centre - Pool Replacement	5,000,000.00	-	-	5,000,000.00	305,096.30	-	-	305,096.30	
	$ 17,814,550.40	$ 1,825,012.21	$ 963,514.49	$ 20,603,077.10	$ 2,173,701.44	$ 867,768.98	$ 113,183.29	$ 3,154,653.71	43.17%
Debenture Reductions:									
Principal Debenture Repayments	(473,820.96)	(371,604.96)	(63,649.94)	(909,075.86)	-	-	-	-	
Acturial Debenture Reductions	(507,551.21)	(370,534.32)	(29,277.05)	(907,362.58)	-	-	-	-	
	$ 16,833,178.23	$ 1,082,872.93	$ 870,587.50	$ 18,786,638.66	$ 2,173,701.44	$ 867,768.98	$ 113,183.29	$ 3,154,653.71	43.17%
Paid Out Debentures:									
Blackburn Park	-	-	-	-	(40,890.88)	-	-	(40,890.88)	
	$ 16,833,178.23	$ 1,082,872.93	$ 870,587.50	$ 18,786,638.66	$ 2,132,810.56	$ 867,768.98	$ 113,183.29	$ 3,113,762.83	42.61%
2028									
Debenture Reductions:									
Principal Debenture Repayments	(562,125.08)	(371,604.96)	(63,649.94)	(997,379.98)	-	-	-	-	
Acturial Debenture Reductions	(476,882.22)	(400,219.99)	(32,529.49)	(909,631.70)	-	-	-	-	
	$ 15,794,170.93	$ 311,047.98	$ 774,408.07	$ 16,879,626.98	$ 2,132,810.56	$ 867,768.98	$ 113,183.29	$ 3,113,762.83	42.61%
Paid Out Debentures:									
Water System	-	-	-	-	-	(720,735.75)	-	(720,735.75)	
	$ 15,794,170.93	$ 311,047.98	$ 774,408.07	$ 16,879,626.98	$ 2,132,810.56	$ 147,033.23	$ 113,183.29	$ 2,393,027.08	32.75%

	Debenture Debt				Debenture Repayments				Existing Debt Ratio
	General	Water	Sewer	Total	General	Water	Sewer	Total	
2029									
Debenture Reductions:									
Principal Debenture Repayments	(562,125.08)	(69,369.21)	(63,649.94)	(695,144.23)	-	-	-	-	
Acturial Debenture Reductions	(519,522.40)	(71,092.89)	(95,895.77)	(626,511.06)	-	-	-	-	
	$ 14,712,523.45	$ 170,585.88	$ 674,862.36	$ 15,557,971.69	$ 2,132,810.56	$ 147,033.23	$ 113,183.29	$ 2,393,027.08	32.75%
Paid Out Debentures:									
Underpass 20 St/21St	-	-	-	-	(187,204.38)	-	-	(187,204.38)	
	$ 14,712,523.45	$ 170,585.88	$ 674,862.36	$ 15,557,971.69	$ 1,945,606.18	$ 147,033.23	$ 113,183.29	$ 2,205,822.70	30.18%
2030									
Debenture Reductions:									
Principal Debenture Repayments	(478,170.70)	(69,369.21)	(63,649.94)	(611,189.85)	-	-	-	-	
Acturial Debenture Reductions	(463,990.71)	(76,711.36)	(39,379.87)	(580,081.94)	-	-	-	-	
	$ 13,770,962.05	$ 24,505.31	$ 571,832.55	$ 14,366,699.91	$ 1,945,606.18	$ 147,033.23	$ 113,183.29	$ 2,205,822.70	30.18%
Paid Out Debentures:									
Water System	-	-	-	-	-	(144,598.77)	-	(144,598.77)	
	$ 13,770,362.05	$ 24,505.31	$ 571,832.55	$ 14,366,699.91	$ 1,945,606.18	$ 2,434.46	$ 113,183.29	$ 2,061,223.93	28.21%
2031									
Debenture Reductions:									
Principal Debenture Repayments	(478,170.70)	(862.44)	(63,649.94)	(542,683.08)	-	-	-	-	
Acturial Debenture Reductions	(503,009.92)	(954.59)	(42,985.91)	(546,950.42)	-	-	-	-	
	$ 12,789,181.42	$ 22,688.28	$ 465,196.70	$ 13,277,066.40	$ 1,945,606.18	$ 2,434.46	$ 113,183.29	$ 2,061,223.93	28.21%
2032									
Debenture Reductions:									
Principal Debenture Repayments	(478,170.70)	(862.44)	(63,649.94)	(542,683.08)	-	-	-	-	
Acturial Debenture Reductions	(543,729.03)	(1,027.27)	(46,718.17)	(591,474.47)	-	-	-	-	
	$ 11,767,281.69	$ 20,798.57	$ 354,828.59	$ 12,142,908.85	$ 1,945,606.18	$ 2,434.46	$ 113,183.29	$ 2,061,223.93	28.21%
2033									
Debenture Reductions:									
Principal Debenture Repayments	(478,170.70)	(862.44)	(63,649.94)	(542,683.08)	-	-	-	-	
Acturial Debenture Reductions	(586,222.75)	(1,102.86)	(50,581.05)	(637,906.66)	-	-	-	-	
	$ 10,702,888.24	$ 18,833.27	$ 240,597.60	$ 10,962,319.11	$ 1,945,606.18	$ 2,434.46	$ 113,183.29	$ 2,061,223.93	28.21%
2034									
Debenture Reductions:									
Principal Debenture Repayments	(478,170.70)	(862.44)	(63,649.94)	(542,683.08)	-	-	-	-	
Acturial Debenture Reductions	(630,581.41)	(1,181.47)	(54,579.14)	(686,342.02)	-	-	-	-	
	$ 9,594,136.13	$ 16,789.36	$ 122,368.52	$ 9,733,294.01	$ 1,945,606.18	$ 2,434.46	$ 113,183.29	$ 2,061,223.93	28.21%
Paid Out Debentures:									
- Civic Building	-	-	-	-	(641,434.21)	-	-	(641,434.21)	
	$ 9,594,136.13	$ 16,789.36	$ 122,368.52	$ 9,733,294.01	$ 1,304,171.97	$ 2,434.46	$ 113,183.29	$ 1,419,789.72	19.43%
2035									
Debenture Reductions:									
Principal Debenture Repayments	(329,161.49)	(862.44)	(63,649.94)	(393,673.87)	-	-	-	-	
Acturial Debenture Reductions	(181,875.44)	(1,263.23)	(58,718.58)	(241,857.25)	-	-	-	-	
	$ 9,083,099.21	$ 14,663.69	$ 0.00	$ 9,097,762.90	$ 1,304,171.97	$ 2,434.46	$ 113,183.29	$ 1,419,789.72	19.43%
Paid Out Debentures:									
- Blackburn Park Improvements	-	-	-	-	(31,430.54)	-	-	(31,430.54)	
- Sewer System	-	-	-	-	-	-	(113,183.29)	(113,183.29)	
	$ 9,083,099.21	$ 14,663.69	$ 0.00	$ 9,097,762.90	$ 1,272,741.43	$ 2,434.46	$ -	$ 1,275,175.89	17.45%
2036									
Debenture Reductions:									
Principal Debenture Repayments	(311,480.95)	(862.44)	-	(312,343.39)	-	-	-	-	
Acturial Debenture Reductions	(156,374.62)	(1,348.26)	-	(157,722.88)	-	-	-	-	
	$ 8,615,243.64	$ 12,452.99	$ 0.00	$ 8,627,696.63	$ 1,272,741.43	$ 2,434.46	$ -	$ 1,275,175.89	17.45%
Paid Out Debentures:									
- Tennis Club - Loan Guarantor	-	-	-	-	(45,764.45)	-	-	(45,764.45)	
- Civic Building	-	-	-	-	(24,972.81)	-	-	(24,972.81)	
	$ 8,615,243.64	$ 12,452.99	$ 0.00	$ 8,627,696.63	$ 1,202,004.17	$ 2,434.46	$ -	$ 1,204,438.63	16.48%
2037									
Debenture Reductions:									
Principal Debenture Repayments	(299,014.14)	(862.44)	-	(299,876.58)	-	-	-	-	
Acturial Debenture Reductions	(167,943.16)	(1,436.68)	-	(169,379.84)	-	-	-	-	
	$ 8,148,286.35	$ 10,153.87	$ 0.00	$ 8,158,440.22	$ 1,202,004.17	$ 2,434.46	$ -	$ 1,204,438.63	16.48%
2038									
Debenture Reductions:									
Principal Debenture Repayments	(299,014.14)	(862.44)	-	(299,876.58)	-	-	-	-	
Acturial Debenture Reductions	(182,221.61)	(1,528.65)	-	(183,750.26)	-	-	-	-	
	$ 7,667,050.60	$ 7,762.78	$ 0.00	$ 7,674,813.38	$ 1,202,004.17	$ 2,434.46	$ -	$ 1,204,438.63	16.48%
2039									
Debenture Reductions:									
Principal Debenture Repayments	(299,014.14)	(862.44)	-	(299,876.58)	-	-	-	-	
Acturial Debenture Reductions	(165,797.27)	(1,624.29)	-	(167,421.56)	-	-	-	-	
	$ 7,202,239.19	$ 5,276.05	$ 0.00	$ 7,207,515.24	$ 1,202,004.17	$ 2,434.46	$ -	$ 1,204,438.63	16.48%
Debenture Debt - Paydown									
- Underpass	(1,971,476.97)	-	-	(1,971,476.97)	(276,416.07)	-	-	(276,416.07)	
	$ 5,230,762.22	$ 5,276.05	$ 0.00	$ 5,236,038.27	$ 925,588.10	$ 2,434.46	$ -	$ 928,022.56	12.70%
2040									
Debenture Reductions:									
Principal Debenture Repayments	(203,798.07)	(862.44)	-	(204,660.51)	-	-	-	-	
Acturial Debenture Reductions	(130,190.37)	(1,723.76)	-	(131,914.13)	-	-	-	-	
	$ 4,896,773.78	$ 2,689.85	$ 0.00	$ 4,899,463.63	$ 925,588.10	$ 2,434.46	$ -	$ 928,022.56	12.70%
Paid Out Debentures:									
- Shuswap Memorial Cemetery	-	-	-	-	(54,237.52)	-	-	(54,237.52)	
	$ 4,896,773.78	$ 2,689.85	$ 0.00	$ 4,899,463.63	$ 871,350.58	$ 2,434.46	$ -	$ 873,785.04	11.96%
2041									
Debenture Reductions:									
Principal Debenture Repayments	(177,610.55)	(862.44)	-	(178,472.99)	-	-	-	-	
Acturial Debenture Reductions	(68,635.92)	(1,827.41)	-	(70,463.33)	-	-	-	-	
	$ 4,650,527.31	$ (0.00)	$ 0.00	$ 4,650,527.31	$ 871,350.58	$ 2,434.46	$ -	$ 873,785.04	11.96%
Paid Out Debentures:									
- Water System	-	-	-	-	-	(2,434.46)	-	(2,434.46)	
	$ 4,650,527.31	$ (0.00)	$ 0.00	$ 4,650,527.31	$ 871,350.58	$ (0.00)	$ -	$ 871,350.58	11.92%

Down Payment Assumptions:

	Underpass	20 Ave/20 Street Intersection Realignment	Shoemaker Hill and Auto Road Extension	Hudson Avenue Revitalization	Downtown Parkade	Public Works Relocation	Track & Field Okanagan & 30 St	West Bay Connector Trail	SASCU Rec. Centre Pool Replacement
	2019	2020	2023	2017	2023	2030	2035	2027	2027
Total Cost	$ 10,280,000.00	$ 1,100,000.00	$ 3,000,000.00	$ 2,063,985.00	$ 7,500,000.00	$ 2,000,000.00	$ 7,500,000.00	$ 1,000,000.00	$ 12,000,000.00
Less:									
General Capital Reserve	-	-	-	-	-	-	-	-	-
Water/Sewer Component (Reserves)	-	(275,000.00)	-	-	-	-	-	-	-
	10,280,000.00	825,000.00	3,000,000.00	2,063,985.00	7,500,000.00	2,000,000.00	7,500,000.00	1,000,000.00	12,000,000.00
Less:									
Shoemaker Hill/ Auto Road Ext. Reserve	-	-	(1,700,000.00)	-	-	-	-	-	-
Downtown Specified Area Parking Reserve	-	-	-	-	(1,982,273.13)	-	-	-	-
Downtown Parking Reserve (City)	-	-	-	-	(2,067,726.87)	-	-	-	-
Public Works Relocation Reserve	-	-	-	-	-	(2,000,000.00)	-	-	-
Federal Grant	-	-	-	-	-	-	-	-	(6,000,000.00)
CSRD - Contribution	-	-	-	-	-	-	-	-	(1,000,000.00)
Proceeds from Sale of 1361 - 30 St SW	-	(100,000.00)	-	-	-	-	-	-	-
Underpass Reserve	(1,525,000.00)	-	-	-	-	-	-	-	-
20 Ave/20 St Intersection Realignment Res.	-	(345,000.00)	-	-	-	-	-	-	-
Debt Reserve (Bylaw No. 2841 - Shaw)	(125,000.00)	-	-	-	-	-	-	-	-
Community Works Fund Grant	(3,100,000.00)	(380,000.00)	(1,300,000.00)	(1,575,000.00)	-	-	(2,500,000.00)	-	-
Downtown Brick Strips Reserve	-	-	-	(60,000.00)	-	-	-	-	-
Hudson Revitalization	-	-	-	(170,105.00)	-	-	-	-	-
West Bay Connector Trail Reserve	-	-	-	-	-	-	-	(1,000,000.00)	-
Track & Field (Okanagan & 30 St) Reserve	-	-	-	-	-	-	(5,000,000.00)	-	-
Unexpended Reserve	-	-	-	(258,880.00)	-	-	-	-	-
CPR	(1,000,000.00)	-	-	-	-	-	-	-	-
	$ 4,530,000.00	$ (0.00)	$ (0.00)	$ -	$ 3,450,000.00	$ -	$ -	$ 0.00	$ 5,000,000.00

Underpass Reserve

Balance - December 31, 2017	$ 1,013,247.38
Contribution - 2018	218,700.00
Contribution - 2019	218,700.00
Accumulated Interest - 2.5%	74,352.62
	$ 1,525,000.00

20 Ave/20 St Intersection Realignment Reserve

Balance - December 31, 2017	$ 2,021.15
Transfer From 10 Ave SW Road Reserve	133,973.57
Contribution - 2017 (One Time - 2017)	10,000.00
Contribution - 2018	59,630.00
Contribution - 2019	59,630.00
Contribution - 2020	59,630.00
Accumulated Interest - 2.5%	20,115.28
	$ 345,000.00

Public Works Relocation Reserve

Contribution - 2021 ($59,630)	$ 59,630.00
Contribution - 2022 ($218,700 + $160,000 + $59,630)	119,330.00
Contribution - 2023 ($218,700 + $59,630)	278,330.00
Contribution - 2024	278,330.00
Contribution - 2025	278,330.00
Contribution - 2026	278,930.00
Contribution - 2027	278,930.00
Contribution - 2028	175,330.00
Accumulated Interest - 2.5% (Interest to 203	254,060.00
	2,000,000.00

West Bay Connector Trail

Balance - December 31, 2017	$ 61,064.92
Yearend Transfer (One Time) 2017	50,000.00
Contribution - (New) - 2018	30,000.00
Contribution - 2019 (One time use - Shaw Centre I	110,250.00
Contribution - 2020 (Add remaining Shaw Pymt)	206,130.00
Contribution - 2022	206,130.00
Contribution - 2023	206,130.00
Accumulated Interest - 2.5% (Interest to 202	127,582.11
	1,000,000.00

Specified Area Reserve (Parking)

Balance - December 31, 2017	$ 1,520,465.00
Specified Area Levy - 2018	75,000.00
Specified Area Levy - 2019	60,000.00
Specified Area Levy - 2020	50,000.00
Specified Area Levy - 2021	40,000.00
Specified Area Levy - 2022	25,000.00
Accumulated Interest - 2.5% (2018 - 2022)	211,808.13
	1,982,273.13

Reallocation of Reserve Transfers to 20 Ave/20 St Inter.

Ortho Project - 2018	$ 15,000.00
Debt Reserve (Civic Bldg) - 2018	35,000.00
GPS - 2018	5,000.00
Records Mgmt System - 2018	5,000.00
Electronic Ticket Writer	2,000.00
	$ 62,000.00
Trans. To Shoemaker/ Auto Road	(62,000.00)
	-

Shoemaker Hill/Auto Road Ext. Reserve

Balance - December 31, 2017	$ 554,538.42
Transfer to Downtown Parkade	(265,000.00)
	$ 289,538.42
Contribution - 2017 ($62,000 + $25,000)	87,000.00
Contribution - 2018	87,000.00
Contribution - 2019	87,000.00
Contribution - 2020	87,000.00
Contribution - 2021	87,000.00
Contribution - 2022	87,000.00
Contribution - 2023	87,000.00
Reallocate Underpass Trans - 2020	218,700.00
Reallocate Underpass Trans - 2021	218,700.00
Reallocate Underpass Trans - 2022	160,000.00
Accumulated Interest - 2.5%	204,061.58
	$ 1,700,000.00

Track & Field (Okanagan & 30 St)

Contribution - 2024	206,130.00
Contribution - 2025	206,130.00
Contribution - 2026	206,130.00
Contribution - 2027	206,230.00
Contribution - 2028 ($206,130 + $30,000)	236,130.00
Contribution - 2029 ($206,130 + $278,330)	484,430.00
Contribution - 2030	484,430.00
Contribution - 2031	484,430.00
Contribution - 2032	484,430.00
Contribution - 2033	464,430.00
Contribution - 2034	484,430.00
Contribution - 2035	430,430.00
Interest - 2.5% (Interseat to 2026)	601,413.60
	$ 5,000,000.00

Downtown Parkade

Balance - December 31, 2017	$ 516,998.39
Transfer from Shoemaker Hill Res.	265,000.00
Transfer from Various Reserves	255,129.77
Specified Area Levy - 2018	125,000.00
Specified Area Levy - 2019	145,000.00
Specified Area Levy - 2020	165,000.00
Specified Area Levy - 2021	185,000.00
Specified Area Levy - 2022	200,000.00
Accumulated Int. - 2.5% (2018 - 20	210,598.71
	$ 2,067,726.87

Community Works Fund

Balance - December 31, 2017	$ 3,176,326.51
Interest - 2017 - 2.5%	44,067.38
	3,220,393.89
Hudson Ave NE (Ross St - 6 St NE)	(1,575,000.00)
	1,645,393.89
Contribution - 2018 (Net of $100,000)	689,212.41
Contribution - 2019 (Net of $200,000)	626,788.32
Underpass Project - 2019	(3,100,000.00)
Interest - 2018 - 2019 - 2.5%	132,400.02
	(6,205.36)
Contribution - 2020 (Net of $200,000)	626,788.32
Interest - 2020 - 2.5%	15,514.57
20 Ave/20 St Intersection Realignment	(380,000.00)
	256,097.54
Contribution - 2021 (Net of $200,000)	626,788.32
Contribution - 2022 (Net of $200,000)	626,788.32
Interest - 2021 - 2022 - 2.5%	59,814.00
	1,569,488.18
Shoemaker Hill/ Auto Road Extension	(1,300,000.00)
	269,488.18
Contribution - 2023 (Net of $200,000)	626,788.32
Contribution - 2024 (Net of $200,000)	626,788.32
Contribution - 2025 (Net of $200,000)	626,788.32
Contribution - 2026 (Net of $200,000)	626,788.32
Contribution - 2027 (Net of $200,000)	626,788.32
Interest - 2021 - 2027 - 2.5%	271,570.22
	$ 3,675,000.00
Track and Field Facility (Ok Ave & 30 S	(2,500,000.00)
	1,175,000.00

Short Term Debt:

Maximum Limit	$ 895,200.00
Outstanding: Nil	-
Borrowing Capacity Available	$ 895,200.00

Various Reserve Contributions to the Downtown Parkade Reserve

Ortho Project - 2017	$ 50,000.00
Debt Retirement (Civic Building) - 2017	60,129.77
Office Equipment and Furniture - 2017	50,000.00
Photocopier/Printer Replacement - 201	25,000.00
Records Management - 2017	50,000.00
Electronic Ticket Writer - 2017	20,000.00
	$ 255,129.77
Transfer to Downtown Parkade Reserv	(255,129.77)
	$ -

Debt - Early Retirement Reserve

Available Funds - 2035	$	54,000.00	
Available Funds - 2036		484,430.00	
Available Funds - 2037		484,430.00	
Available Funds - 2038		484,430.00	
Available Funds - 2039		484,430.00	
Interest - 2035 - 2039 - 2.5%		128,280.00	
	$	2,120,000.00	
Payout Underpass Debenture - 2039		(1,971,476.97)	
	$	148,523.03	
Reallocation of Debt Payments - 2023		15,372.78	Fire Hall/Little Mtn Upgrades
Reallocation of Debt Payments - 2024		15,372.78	Fire Hall/Little Mtn Upgrades
Reallocation of Debt Payments - 2025		15,372.78	Fire Hall/Little Mtn Upgrades
Reallocation of Debt Payments - 2026		15,372.78	Fire Hall/Little Mtn Upgrades
Reallocation of Debt Payments - 2027		56,263.66	Blackburn Park Upgrades
Reallocation of Debt Payments - 2028		56,263.66	Blackburn Park Upgrades
	$	322,541.47	

	$	322,541.47	
Reallocation of Debt Payments - 2029		56,263.66	Blackburn Park Upgrades
Reallocation of Debt Payments - 2030		56,263.66	Blackburn Park Upgrades
Reallocation of Debt Payments - 2031		56,263.66	Blackburn Park Upgrades
Reallocation of Debt Payments - 2032		56,263.66	Blackburn Park Upgrades
Reallocation of Debt Payments - 2033		56,263.66	Blackburn Park Upgrades
	$	603,859.77	
Reallocation of Debt Payments - 2034		697,697.87	Civic Building
Reallocation of Debt Payments - 2035		729,128.41	Blackburn Park Upgrades
Reallocation of Debt Payments - 2036		754,101.22	Civic Building
Reallocation of Debt Payments - 2037		754,101.22	Civic Building
Reallocation of Debt Payments - 2038		754,101.22	Civic Building
Reallocation of Debt Payments - 2039		1,030,517.29	Underpass
Reallocation of Debt Payments - 2040		1,084,754.81	Shuswap Memorial Cemetery
Available (Excludes Interest Earned)	$	7,012,121.58	

Assumptions:

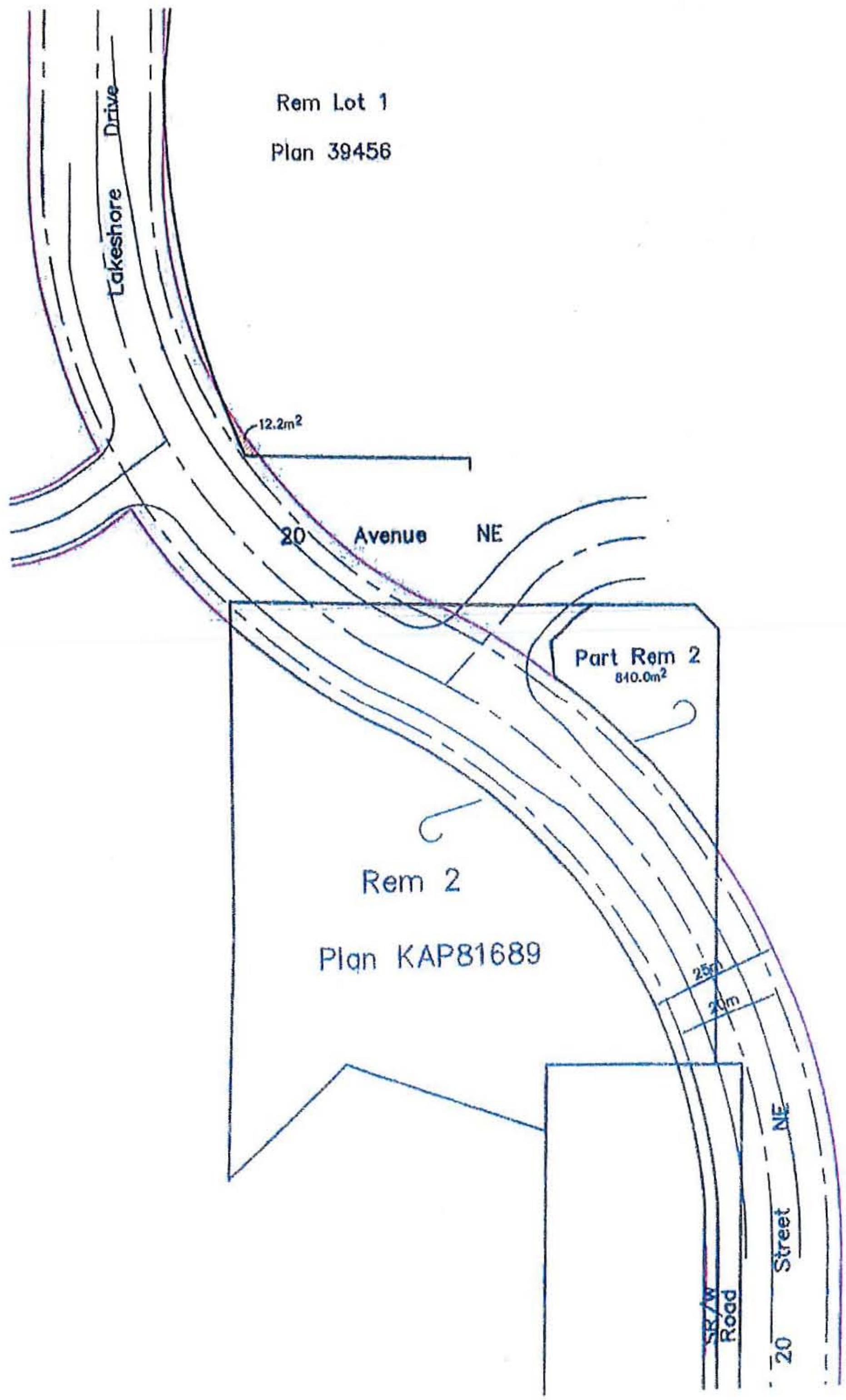
Anaylsis assumes that the Community Works Fund will continue until 2027
Anaylsis assumes 30 year amortization and interest at 4%
Analysis does not incorporate a Federal Grant for the Underpass Project - should one be secured it would decrease the debenture debt
Analysisassumes a Federal Grant for the SASCU Centre Pool Replacement Project
Note: A one time trasfer to reserve/debt repayment is available in 2035 - $54,000.00
Note: An ongoing transfer to reserve/debt repayment is available in 2036 - $484,430.00

Tax Rate Implications

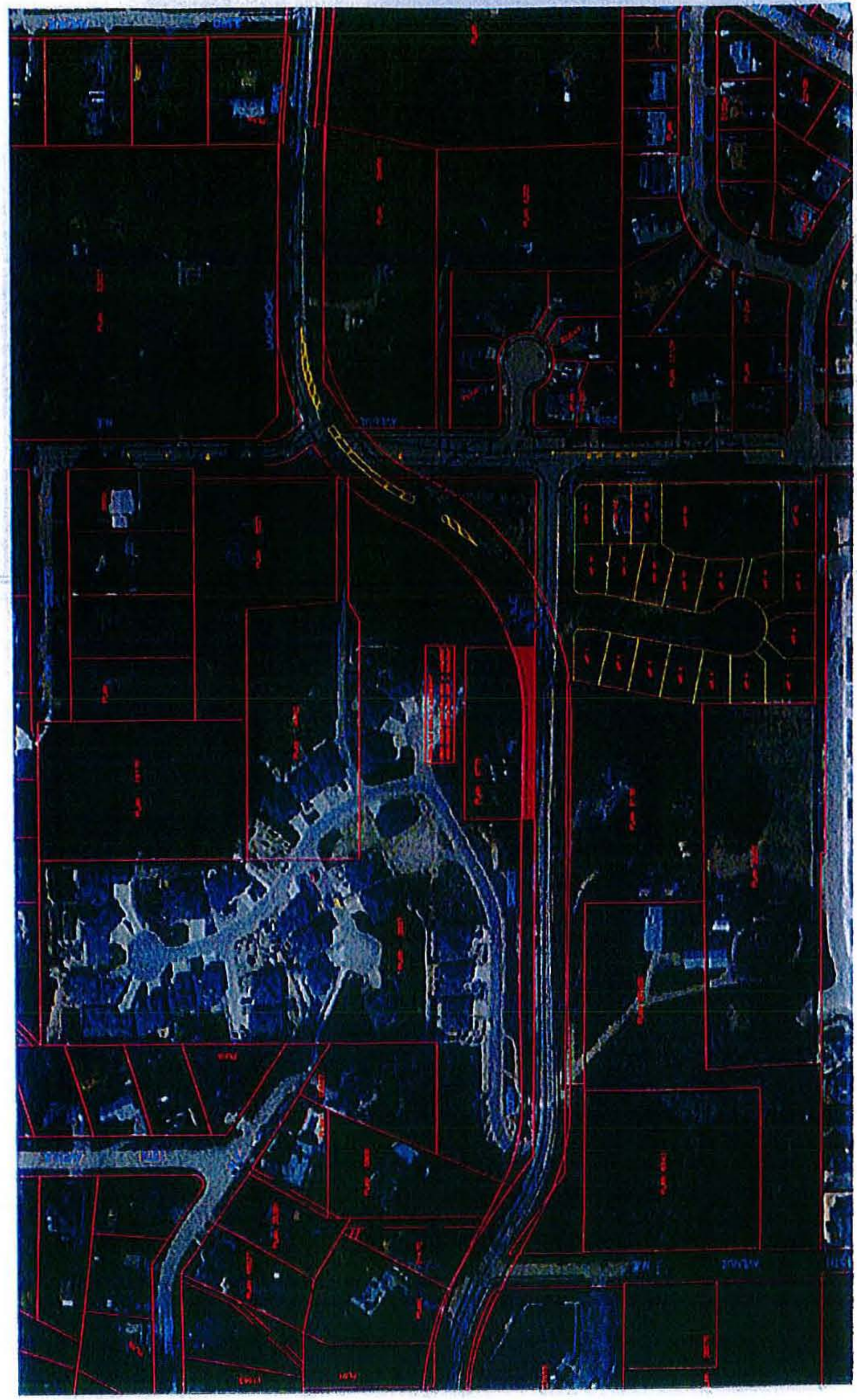
	Debenture Borrowings				Repayment	
	General	Water	Sewer	Total		
- Underpass (2019)	$ 4,530,000.00	$ -	$ -	$ 4,530,000.00	$ 276,417.25	Referendum - Funded From Eliminated Shaw Centre Debt Repayment ($452,544.42)
- 20 Ave/20 St Intersection Realign. (2020)	(0.00)	-	-	(0.00)	(0.00)	No Borrowing Anticipated
- Shoemaker Hill/Auto Road Ext. (2023)	(0.00)	-	-	(0.00)	(0.00)	No Borrowing Anticipated
- Hudson Ave Revitalization (2017)	-	-	-	-	-	No Borrowing Anticipated
- Downtown Parkade (2023)	3,450,000.00	-	-	3,450,000.00	210,516.45	Referendum - Funded From Eliminated Transfer to Reserve for Same Amount
- Public Works - Relocation (2030)	-	-	-	-	-	No Borrowing Anticipated
- Track & Field - Okanagan & 30 St (2035)	-	-	-	-	-	No Borrowing Anticipated
- Westbay Connector Trail (2027)	0.00	-	-	0.00	0.00	No Borrowing Anticipated
- SASCU Centre - Pool Replacement (2027)	5,000,000.00	-	-	5,000,000.00	$ 305,096.30	Referendum - Tax Increase - 2% (Likely Less)
	$ 12,980,000.00	$ -	$ -	$ 12,980,000.00	$ 792,029.99	

Ross Street Underpass

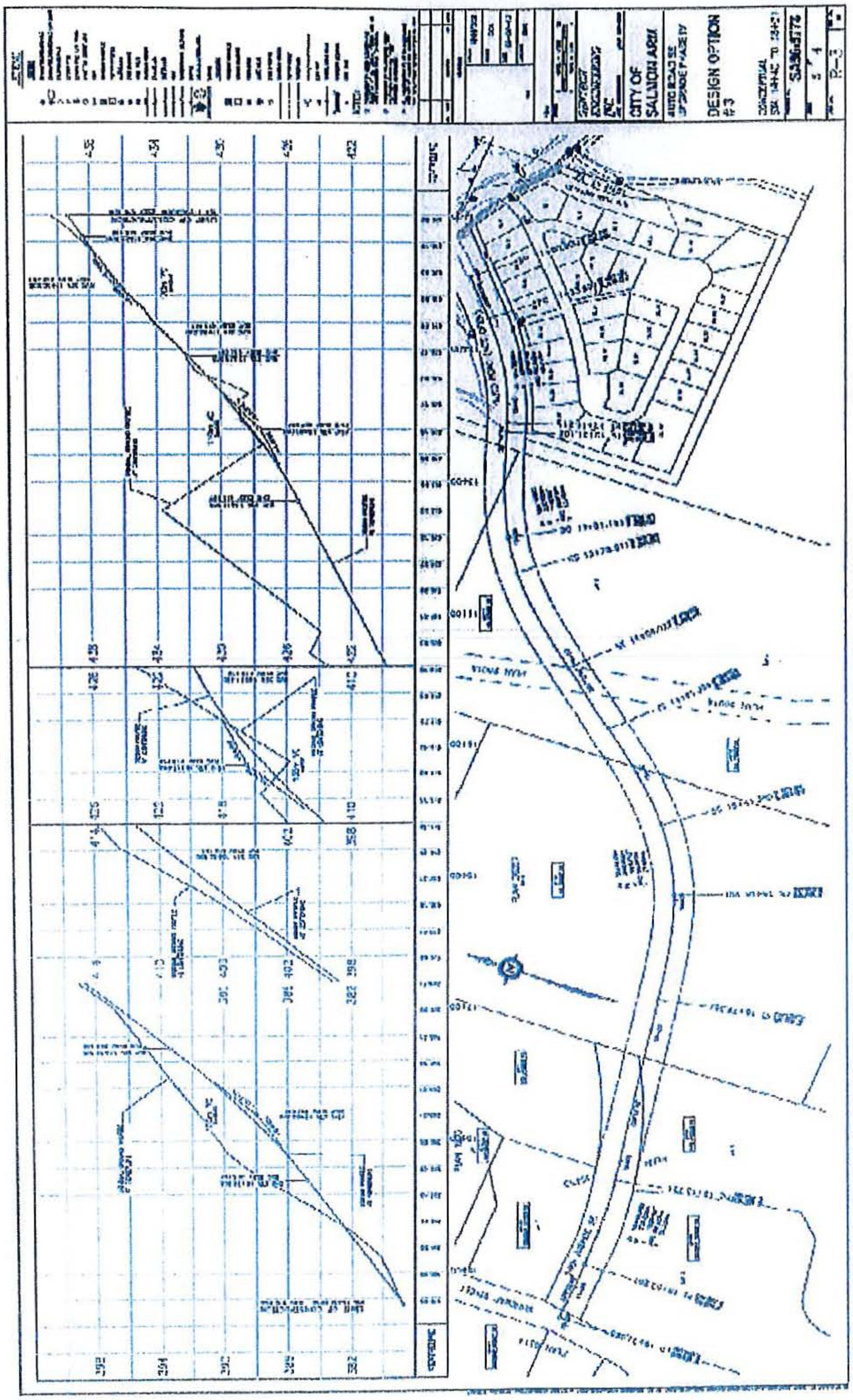
20 Avenue/20 Street Intersection Realignment



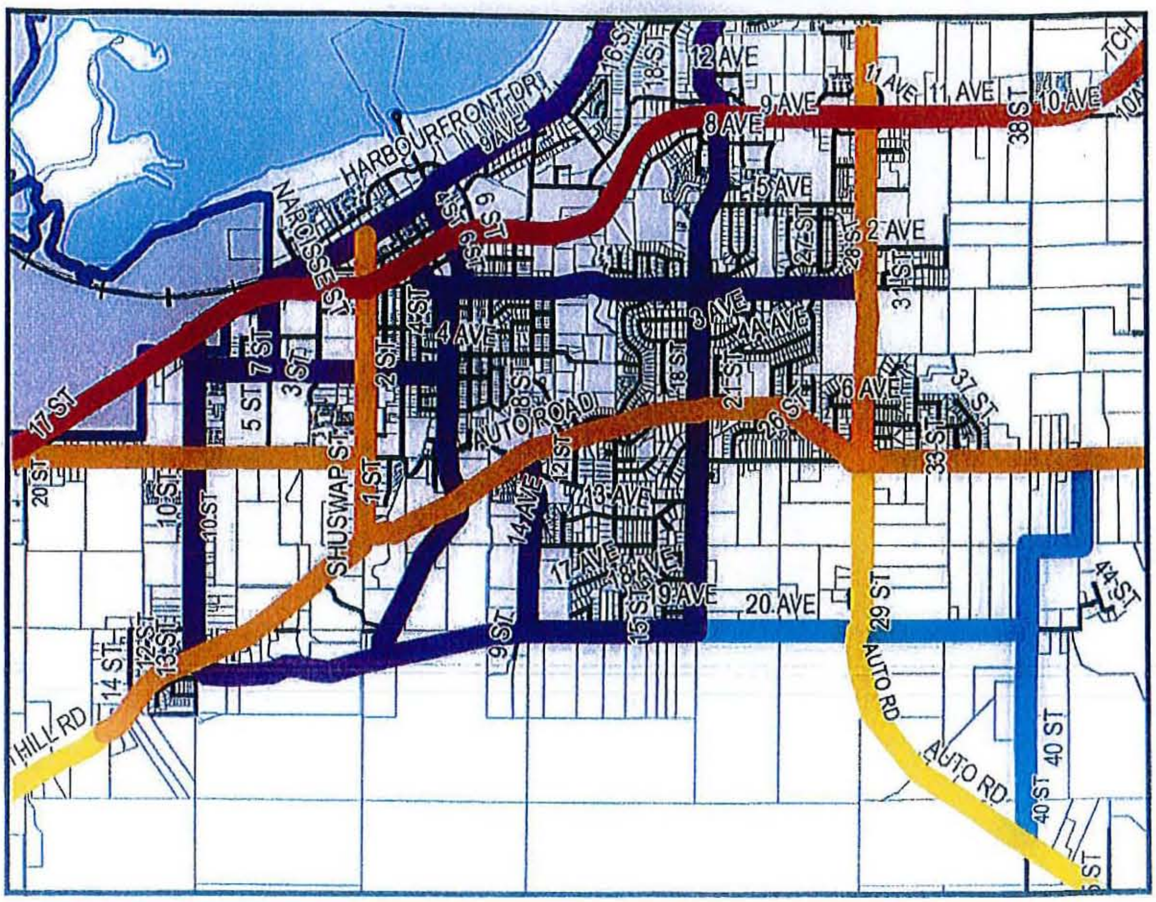
20 Avenue/20 Street Intersection Realignment



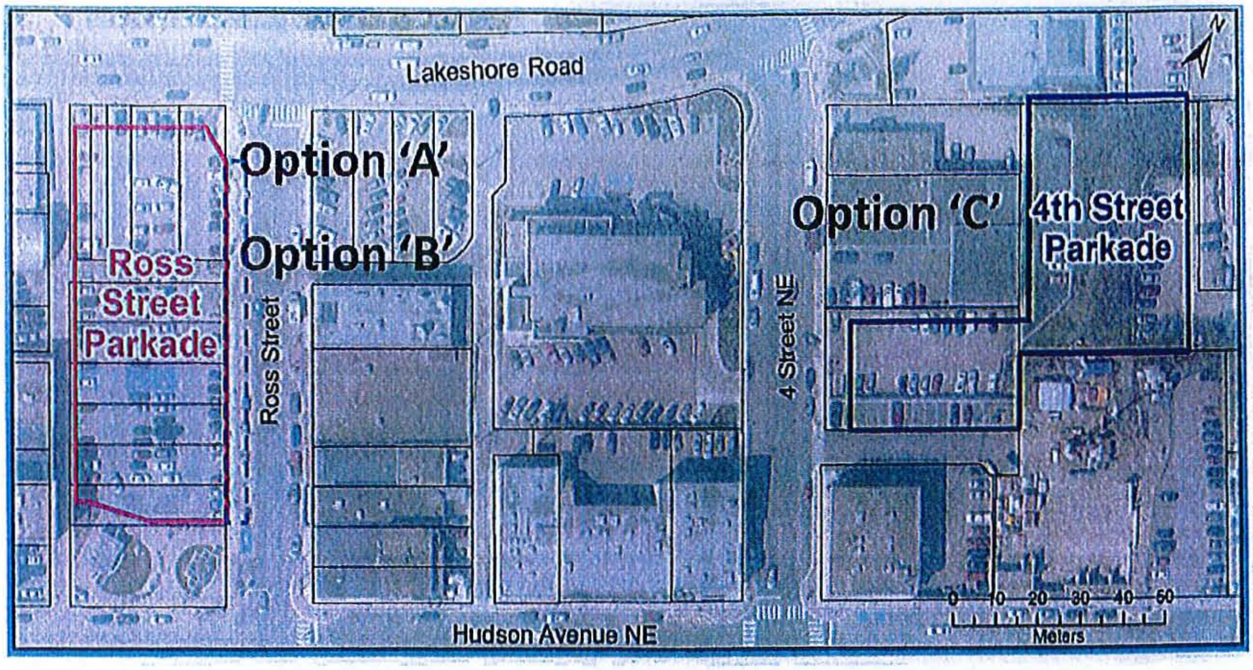
Shoemaker Hill/Auto Road Extension

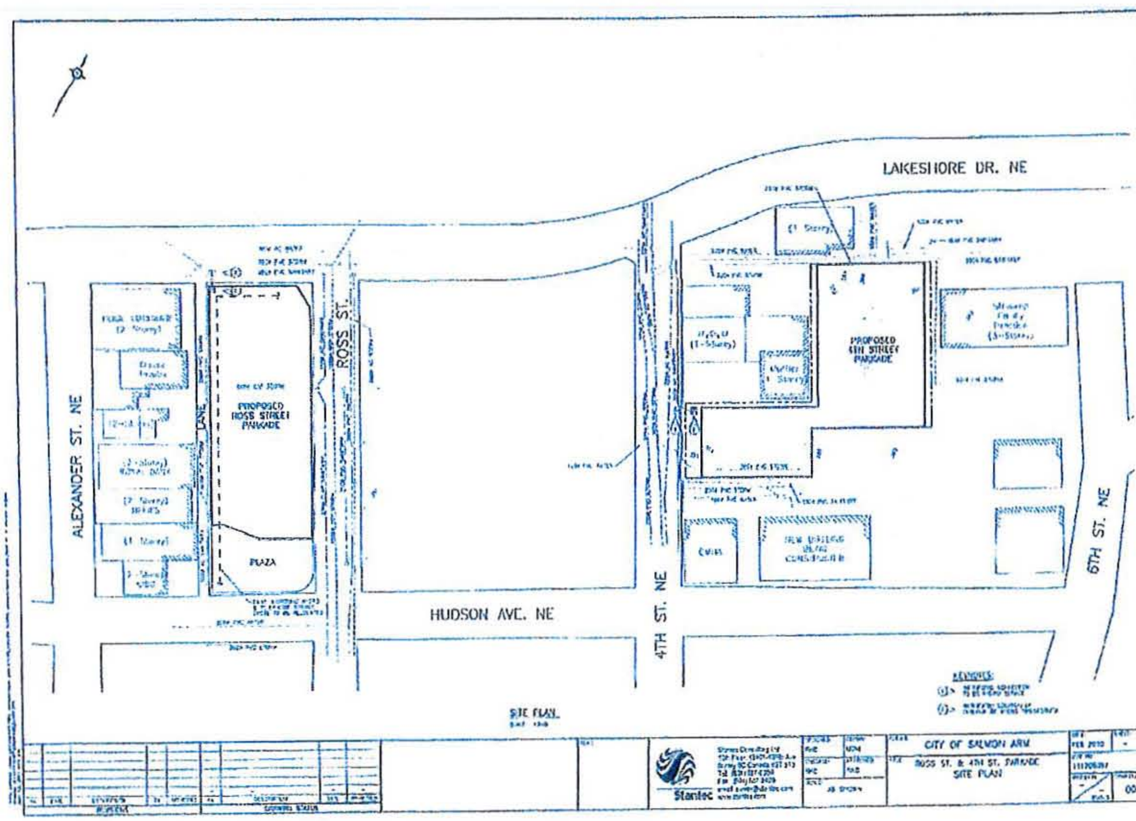


Shoemaker Hill/Auto Road Extension

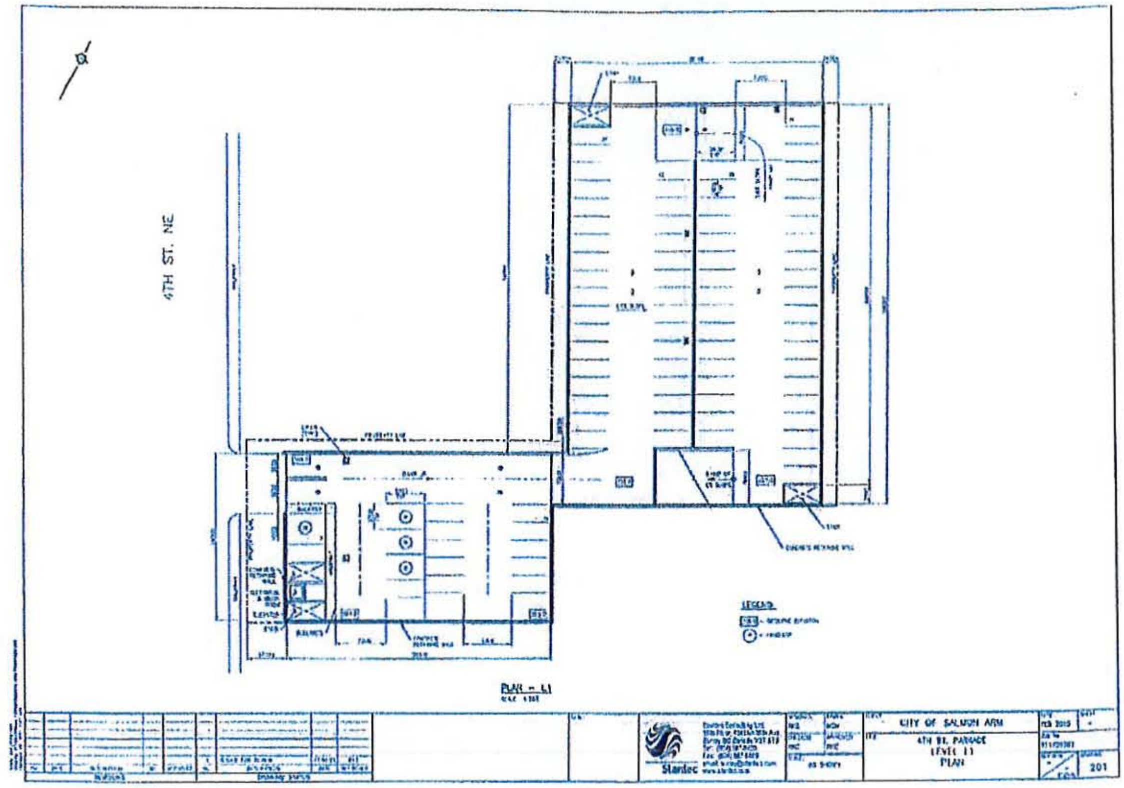


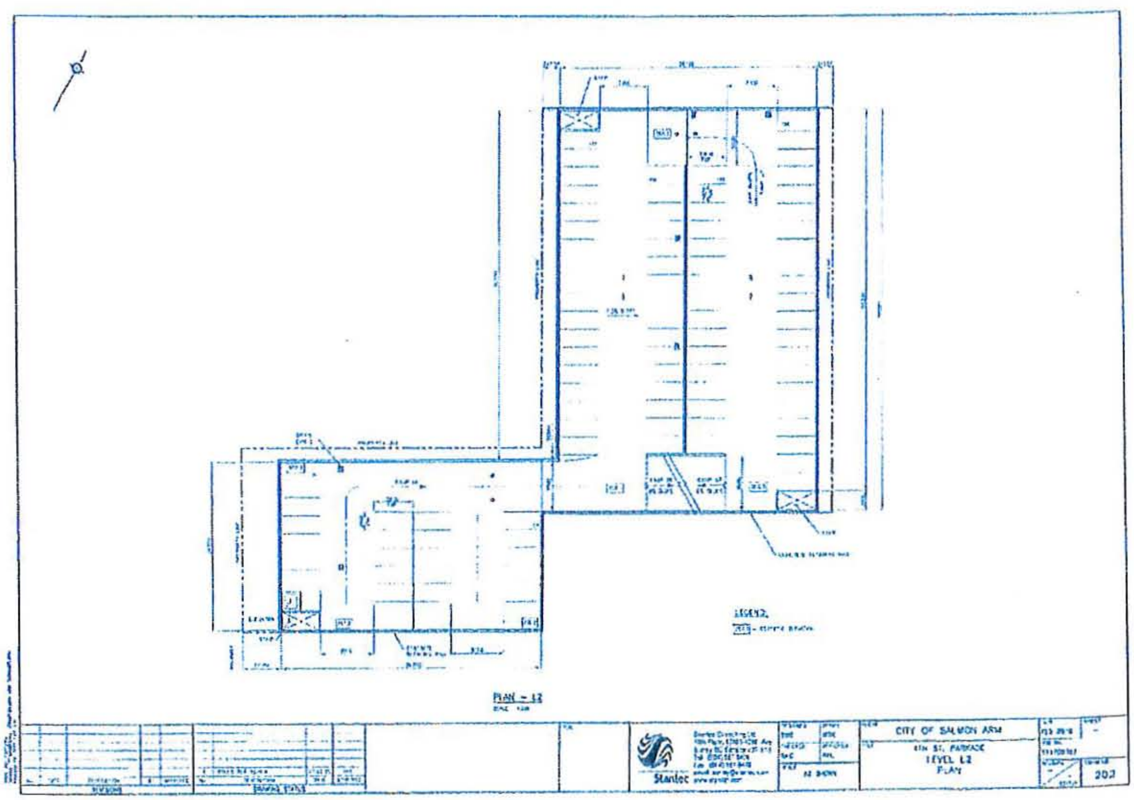
Downtown Parkade



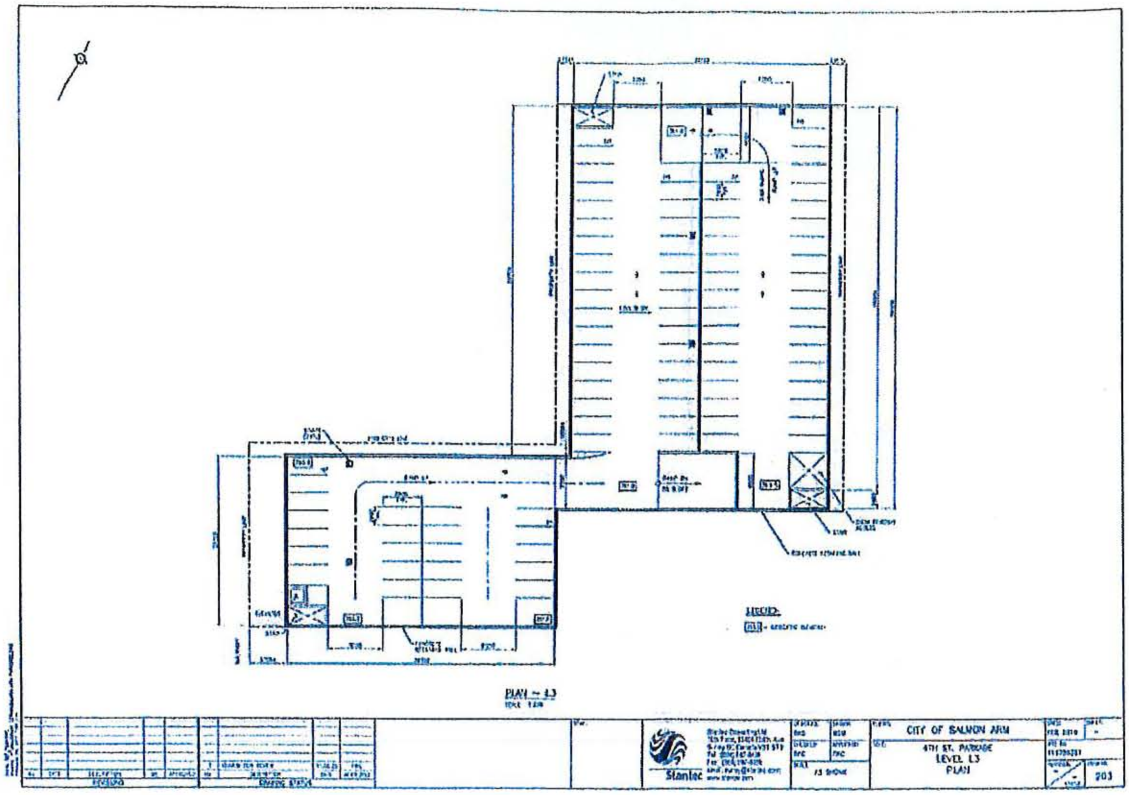


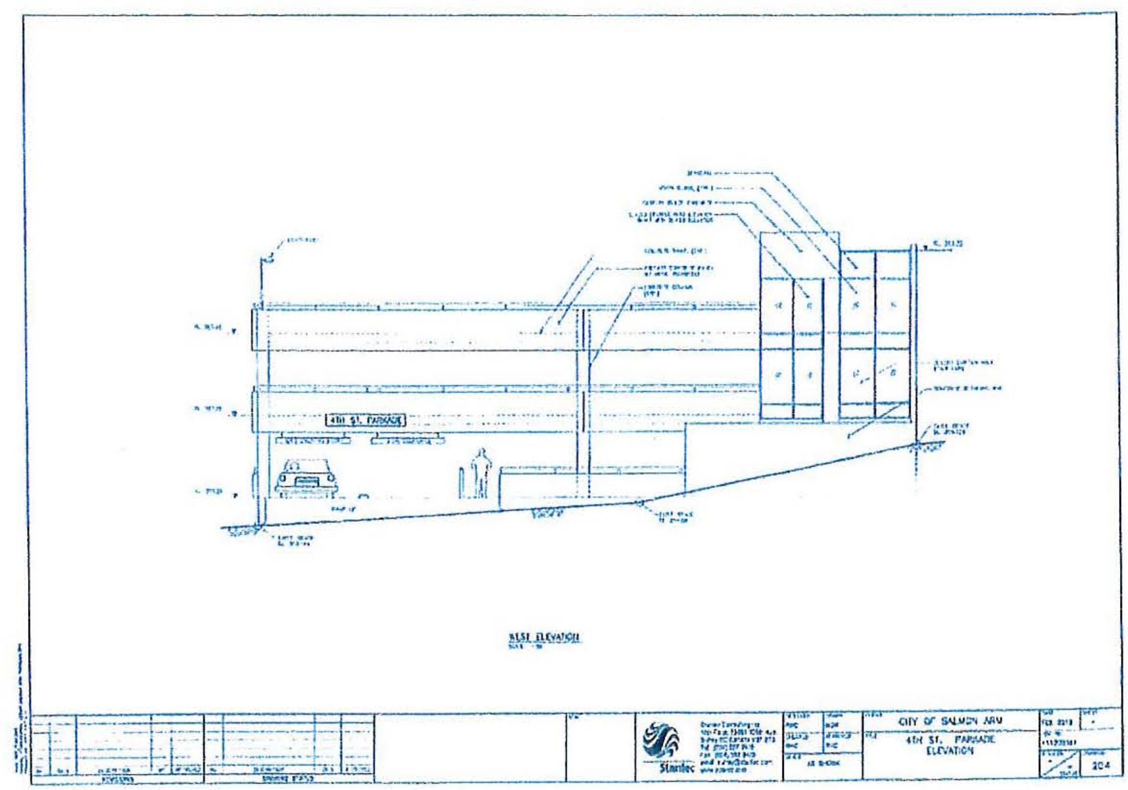
Downtown Parkade



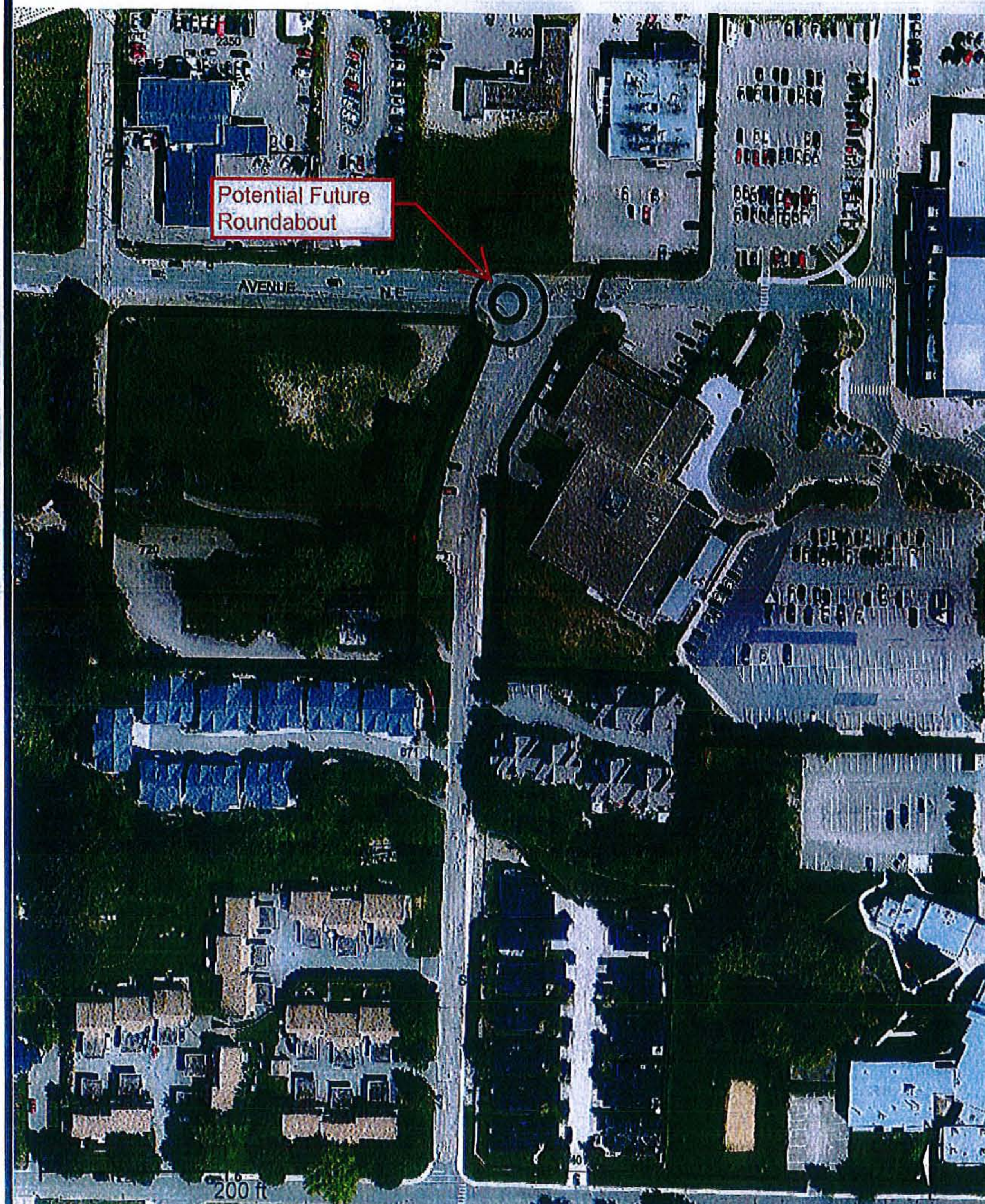


Downtown Parkade





Appendix 5



Track and Field – Okanagan & 30 Street