

Capital Budget Adjustments

1. Recosting and Scope Change Adjustment - Increase

Profile Number	Profile Name	Funding Source	2023	2024	2025	2026	Beyond 2026	Total
20-83-9001	Downtown District Energy Initiative	Tax-Supported Debt	1,916,727	3,833,454	1,916,727	-	-	7,666,908
CM-83-0001	District Energy Network Strategy and District Energy Nodes	Tax-Supported Debt	-	(3,833,454)	(3,833,454)	-	-	(7,666,908)

The Downtown District Energy Initiative project requires an additional \$7,666,908 in funding due to advanced design considerations, scope adjustments, and inflationary pressures, as outlined in the June 23, 2023, Integrated infrastructure Services report IIS01386. The funding source for this adjustment will be a transfer of tax-supported debt from existing capital profile CM-83-0001 - District Energy Network Strategy and District Energy Nodes. The impact of removing \$7,666,908 from this profile will need to be further evaluated to determine scope reductions of this previously approved work.

2. Funding Source Adjustment

Profile Number	Profile Name	Funding Source	2023	2024	2025	2026	Beyond 2026	Total
20-83-9001	Downtown District Energy Initiative	Self-Liquidating Debentures	(13,771,441)	-	-	-	-	(13,771,441)
20-83-9001	Downtown District Energy Initiative	Tax-Supported Debt	13,771,441	-	-	-	-	13,771,441

This funding source adjustment is required to convert \$13,771,441 of self-liquidating debentures into \$13,771,441 of tax-supported debt. This adjustment is recommended based on the changes to the project scope outlined in the June 23, 2023, Integrated infrastructure Services report IIS01386 and the uncertainty related to the future expansion of the district energy systems and related financial sustainability (i.e. future expansion is required to generate the necessary revenues to pay for the capital). If future expansion is approved, and rates are sufficient to cover previously approved capital, a future funding source adjustment will be brought forward to convert a portion of this debt back to self-liquidating. Until such time, the debt servicing payments required on approved capital spending should be funded with tax levy.