

THE WAY WE FINANCE

# CAPITAL BUDGET DISCUSSIONS

2012-2014

December 5, 2011

TRANSFORMING | **EDMONTON**

BRINGING OUR CITY VISION TO LIFE



# AGENDA

- Summary to Date
- Funding Update
- Renewal vs. Growth Split
- Debt Options

# SUMMARY

- Total of 45 Capital motions were put on the floor
- 29 related to the Walterdale Bridge
  - \$227 million in additional projects were motioned
  - 1 motion for \$77 million was split between Walterdale Bridge and Developer Funding
- 7 motions recommended an increase to the Tax Levy
  - \$32.6 million or 3.4% increase
- 6 motions related reallocating specific projects
  - Westwood Garage, Central Station, Century Place, Strathcona Shooting Ranges and various projects in support of Art.
- 3 motions adjusted Debt - Walterdale Bridge, Land for LRT and Heritage Valley
- 1 motion impacted the Education Tax Room

# SUMMARY

**MSI Shortfall: 26,305**

Fast-Tracked in 2009-2011: 250,000

Fast Tracked in 2012-2014: -

Available 2015-2017: 262,300 net of previous fast-tracking

% draw: 10%

**Fuel Shortfall: 37,474**

Fast-Tracked in 2009-2011: 100,000

Fast Tracked in 2012-2014: -

Available 2015-2017: 239,800 net of previous fast-tracking

% draw: 16%

**PAYG Shortfall: 49,485**

( includes Active TPT portion currently assigned to GreenTrip)

# FUNDING

–Supplemental Capital Budget Adjustment	\$4.0 million
–Unused Education Property Tax	\$6.5 million
–Strathcona Shooting Range	<u>\$0.8 million</u>
Total Additional Funding	<u>\$11.3 million</u>

# SPLIT

–Proposed Capital Budget	Renewal – 51%
	Growth – 49%
–Including All Motions	Renewal – 46%
	Growth – 54%

# OPTION ASSUMPTIONS

## CAPITAL FUNDING SCENARIOS

### **Projects Recommended for Debt:**

	2012	2013	2014	2015	TOTAL
11-66-1673 SE to West LRT	60,000	60,000	41,000		161,000
12-66-1466 Walterdale Bridge	8,000	50,000	74,000		132,000
	68,000	110,000	115,000	-	293,000

### **Estimated Debt Servicing:**

11-66-1673 SE to West LRT	965	4,915	8,755	10,913
12-66-1466 Walterdale Bridge	129	1,367	5,265	9,159
	1,093	6,282	14,021	20,072

### **Tax Increase Required to Service Debt:**

	2012	2013	2014	2015	TOTAL
<u>Percentage</u> SE to West LRT	0.10%	0.38%	0.35%	0.19%	1.02%
Walterdale Bridge	0.01%	0.12%	0.36%	0.34%	0.83%
	0.11%	0.50%	0.71%	0.52%	1.85%
<u>Revenues</u> Estimated 1% Tax Levy	9,677	10,280	10,877	11,530	

# OPTION 1

## TAX LEVY APPLIED AS REQUIRED

		2012	2013	2014	2015
<u>Revenues</u>	SE to West LRT	965	4,915	8,755	10,913
	Walterdale Bridge	129	1,367	5,265	9,159
		1,093	6,282	14,021	20,072
<u>Debt</u>	Less : Debt Servicing	(1,093)	(6,282)	(14,021)	(20,072)
	Difference	-	-	-	-

# OPTION 2

2.07% / 0.0% LEVY APPLIED

		2012	2013	2014	2015
	SE to West LRT	1.13%			
	Walterdale Bridge	0.95%			
		<u>2.07%</u>			
<u>Revenues</u>	SE to West LRT	10,913	10,913	10,913	10,913
	Walterdale Bridge	9,159	9,159	9,159	9,159
		20,072	20,072	20,072	20,072
<u>Debt</u>	Less : Debt Servicing	(1,093)	(6,282)	(14,021)	(20,072)
	Difference	18,979	13,790	6,052	-



# OPTION 3

## LEVY APPLIED OVER 2012 & 2013

		2012	2013	2014	2015
	SE to West LRT	0.56%	0.53%		
	Walterdale Bridge	0.47%	0.45%		
		1.04%	0.98%		
<u>Revenues</u>	SE to West LRT	5,457	10,913	10,913	10,913
	Walterdale Bridge	4,580	9,159	9,159	9,159
		10,036	20,072	20,072	20,072
<u>Debt</u>	Less : Debt Servicing	(1,093)	(6,282)	(14,021)	(20,072)
	Difference	8,943	13,790	6,052	-