

Flagged Items

- Capital
- Debt

Flagged Items

- Capital Projects
 - Concern re number of outstanding capital projects and ability to complete
- Debt Payments
 - Concern re impacts of West Road and MPLC on property taxes

Capital Projects

- Issues Identified
 - # of outstanding projects
 - \$'s held in abeyance
 - Impacts on cash flow / investing
 - Improved accountability
 - Over/under spending
- We're Not Alone

Capital Projects

- Fiscal Reform
 - Improved Capital Project Management
 - Phase 1
 - review and cleanup of outstanding projects
 - Phase 2
 - Re-engineer Capital Project Management

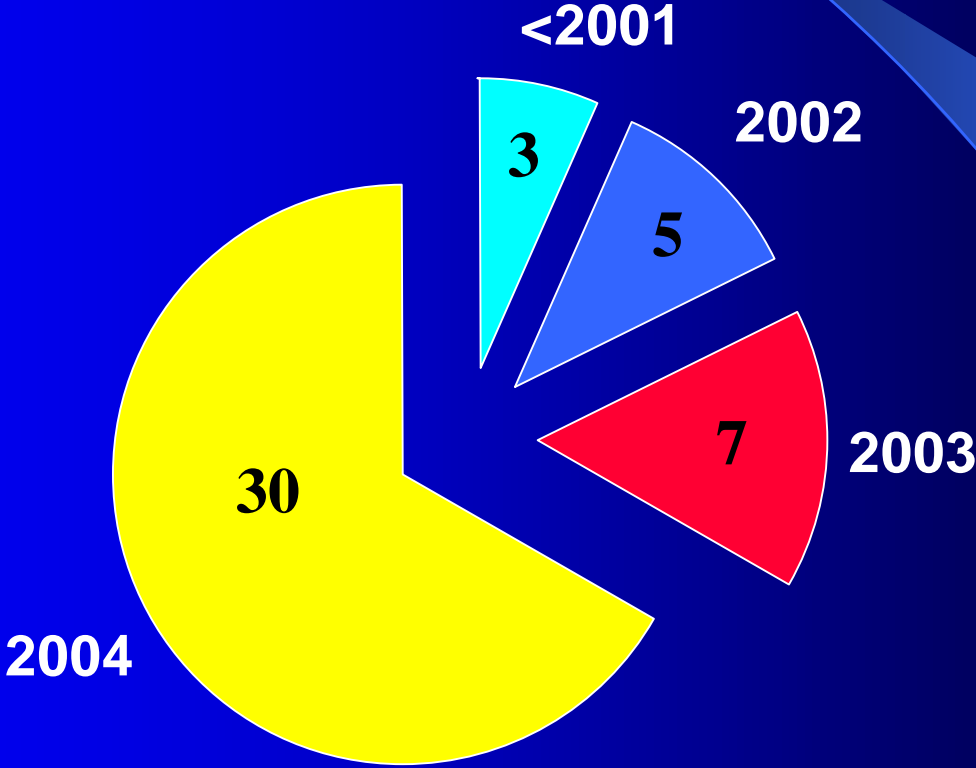
Phase 1 - Project Cleanup (2003 Year End)

	Start Open	Closed	Finish Open
Municipal	89	(55)	34
Utility	22	(9)	13
Total	111	(64)	47

Phase 1 - Project Cleanup (2004)

	2003	New 2004	Closed	Finish
Municipal	34	50	(51)	33
Utility	13	10	(11)	12
Total	47	60	(62)	45

Remaining Open Projects (By Year Approved)



Cost Impact

	Surplus	Shortfall	Net
Municipal	152,800	-10,100	142,700
Utility	19,300	-29,100	-9,800
Total	172,100	-39,200	132,900

Funding Impact

	Reduced Taxes	Reserve	Total
Municipal	32,200	110,500	142,700
Utility		-9,800	-9,800
Total	32,200	100,700	132,900

Phase 2: Re-engineer Capital Project Management

- Addition of Two Engineers
 - Infrastructure Engineer
 - Capital Projects Engineer
- Policy Development re Capital Project:
 - Initiation
 - Planning
 - Execution
 - Controlling
 - Close-out

Debt Payments

Treatment of Debt Payments

- Prior to 2000
 - Project planned for 2005, payment in 2006
- From 2000 to 2004
 - Project planned for 2005, payment in 2005
- 2005 Onward – revert back
 - Project planned for 2005, payments in 2006

Debt Financing Practice

- Debt payments
 - Added to budget in year of approval
 - Results in surplus payment
 - Surplus payment used to offset principal borrowing

Net Impact on Taxes

	Original 2005	Revised 2005	Plan for 2006	Plan for 2007
Debt	7,167,500	6,375,169	9,134,178	11,366,205
PAYG	<u>1,295,000</u>	<u>1,963,800</u>	<u>1,206,100</u>	<u>994,000</u>
Total	8,462,500	8,338,969	10,340,278	12,360,205
Less MPLC	<u>0</u>	<u>0</u>	<u>2,179,614</u>	<u>3,378,838</u>
Net to Tax	8,462,500	8,338,969	8,160,664	8,981,367
Tax Impact		-123,531	-178,305	820,703
% Change		-.3%	-.4%	+1.9%

Recommended Actions

- IT Strategic Plan
 - Closeout current project from 1999
 - Approve new project \$910,000 for 2005 thru 2007
 - Funded by
 - Carry forward \$131,153
 - PAYG \$625,947
 - Utility \$152,900
- Use of \$32,200 Capital Surplus to offset 2005 Budget additions

Recommended Actions

- Badger Lands
 - Closeout current project \$1,800,000
 - Delete internal financing payment \$144,000
 - Replace with Transfer of \$144,000 to “Major Recreation Lands & Facilities Reserve”
- Use of \$123,531 in reduced debt charges to offset 2005 Budget additions
- Fire Hall #3 - \$500,000 PAYG
- IT New Plan - \$168,800 PAYG

Options

- Capital closeout
 - \$32,200 can be used as follows:
 - To Internal Financing Reserve or
 - To Stabilization Reserve or
 - To offset 2005 Budget additions (recommended)
- Change in Debt Payments
 - \$123,531 can be used as follows:
 - To Internal Financing Reserve or
 - To Stabilization Reserve or
 - To offset 2005 Budget additions (recommended)

Options

- Change in Debt Payments
 - \$700,000 can be used as follows:
 - For PAYG for Firehall & IT Plan or (recommended)
 - To Internal Financing Reserve
 - To offset 2005 Budget

Outcomes

- 62 Capital projects closed in 2004
 - Net savings back to Taxpayer \$32,200 (.1%)
- Change in treatment of debt payments \$123,531 (.3%)
- No external borrowings for 2005
 - Firehall \$500,000 now PAYG
 - New IT Plan \$910,000 PAYG & Utility

Next Steps

- F&A Committee
 - Capital Policy – Project Initiation, Planning, Execution, Control & Closeout
- Administration
 - Year end – continue capital project closeout
 - Hire 2 engineers