HALDIMAND COUNTY

2021 Draft Tax Supported Capital Budget & Forecast 2021-2030

Committee of the Whole | March 4, 2021

Council Review of the 2021 Draft Budgets

Budget	Review Dates
Rate Supported Operating Budget & Capital Forecast	January 26th, 2021
Tax Supported Capital Budget and Forecast	March 4th (March 5th, 2021 if required)
Tax Supported Operating Budget Review	March 31st (April 1st, 2021 if required)

Haldimand County

3 Pillars of Financial Planning

Principles to Maintain Sustainability

- Establish targets/principles for adequate levels of capital replacement reserves to limit tax increases;
- Maintain assets in a condition to ensure safe, reliable and affordable delivery of service
- Maintain adequate resources to fund all current and future financial obligations

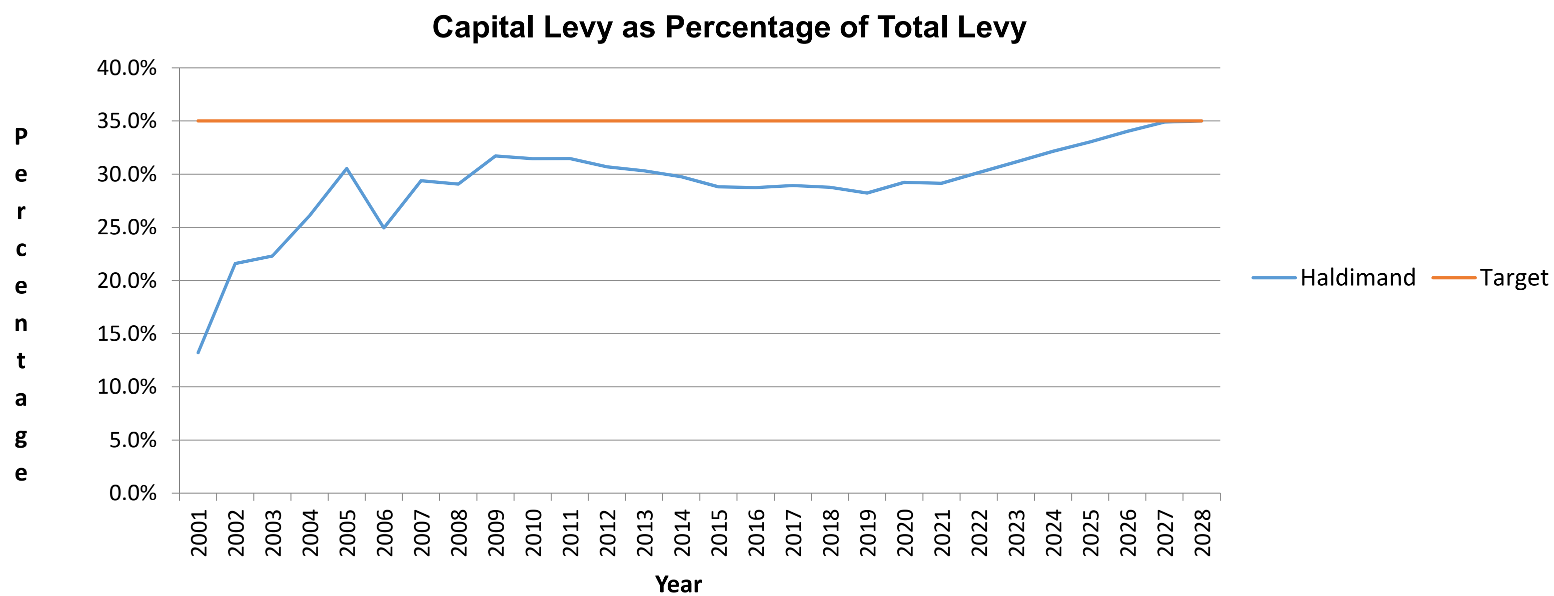
Principles to Mitigate Vulnerability

- Establish appropriate Development Charge rates and Local Service Policy to ensure growth pays for the necessary growth related infrastructure
- Limit/Manage the County's reliance on external revenue sources beyond the County's control

Principles to Maintain Flexibility

- Establish target debt repayment limits to ensure ability to take on new/unforeseen priority projects

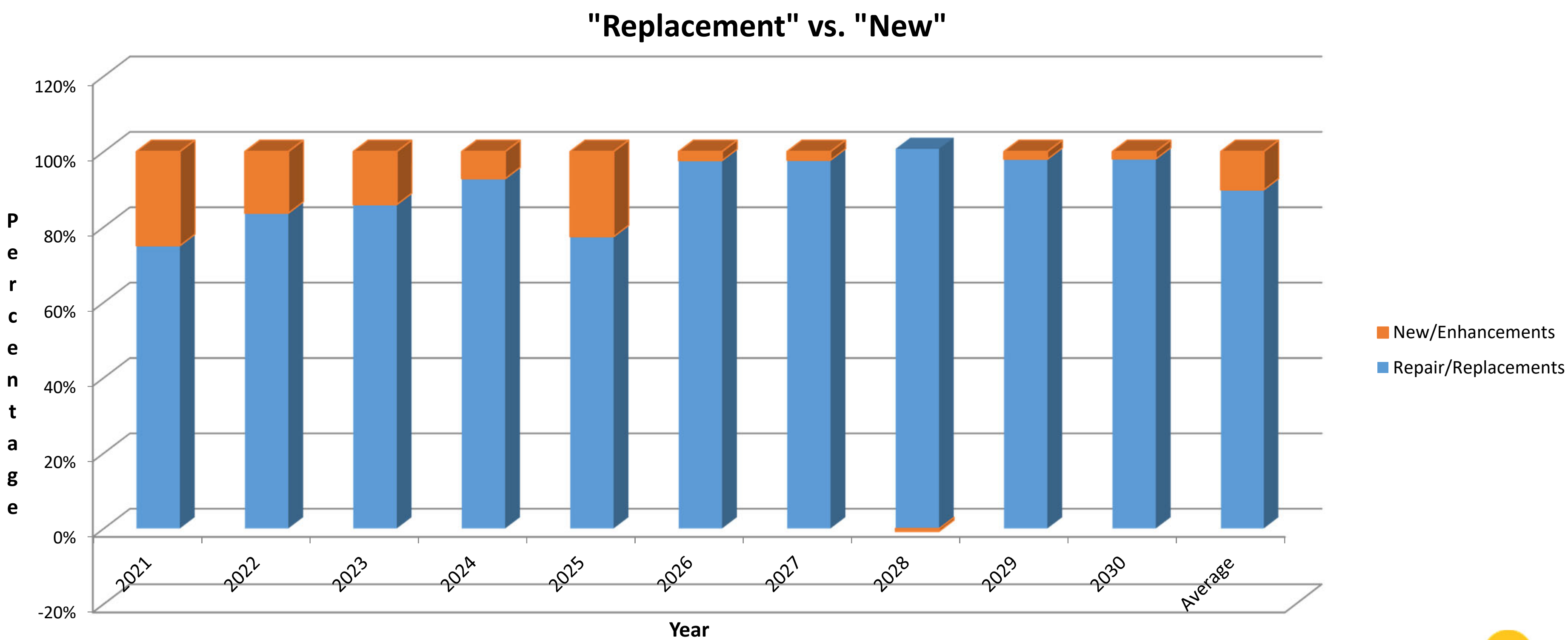
Targeted Capital Investment



Note: The years 2001 through 2008 are based on reported expenditures in the annual Financial Information Return (FIR) As a result, the percentages can fluctuate year over year due to timing of completion of capital projects. The year 2009 to 2020 are based on the capital related levy in relation to the base levy for that year. The remaining years are based on the projections of the capital related levy in relation to the 2020 base levy.

Haldimand County

Focus on “State of Good Repair”



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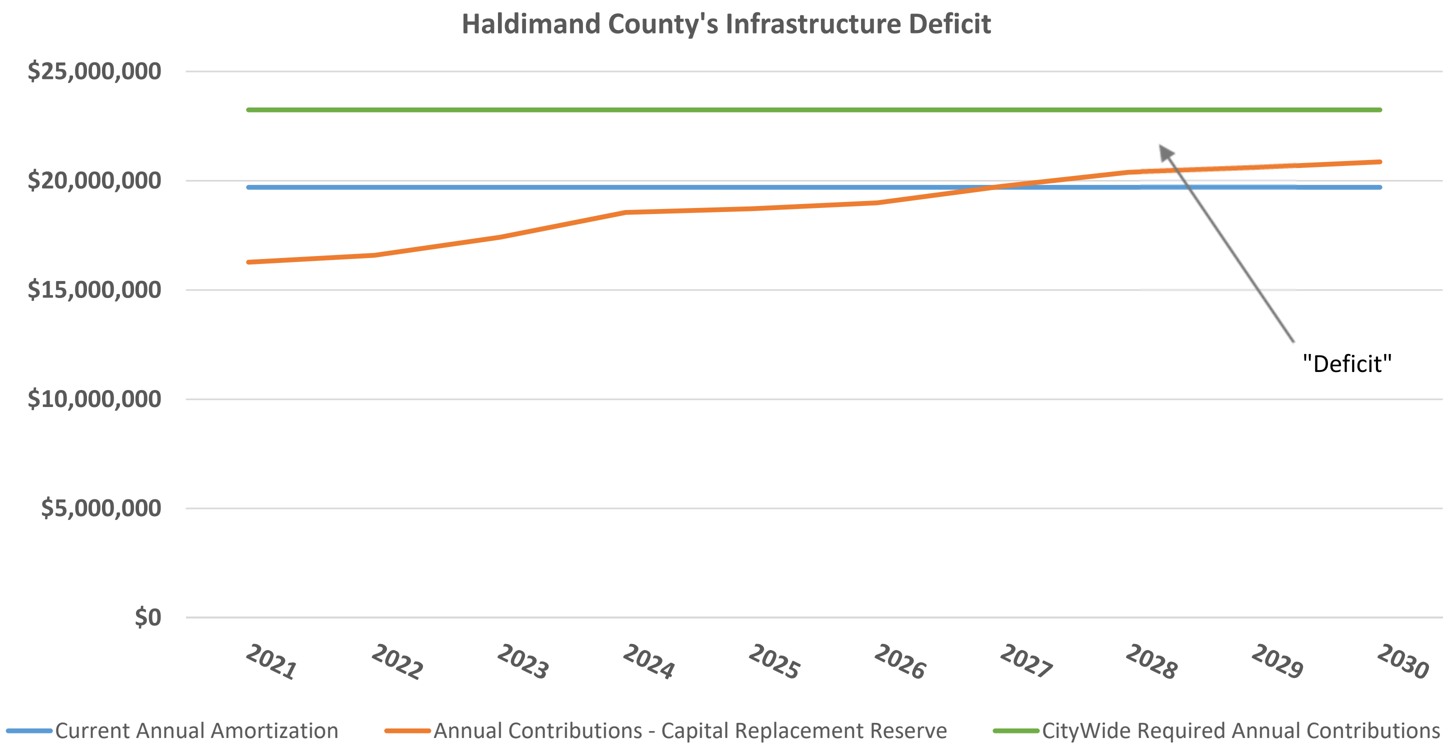
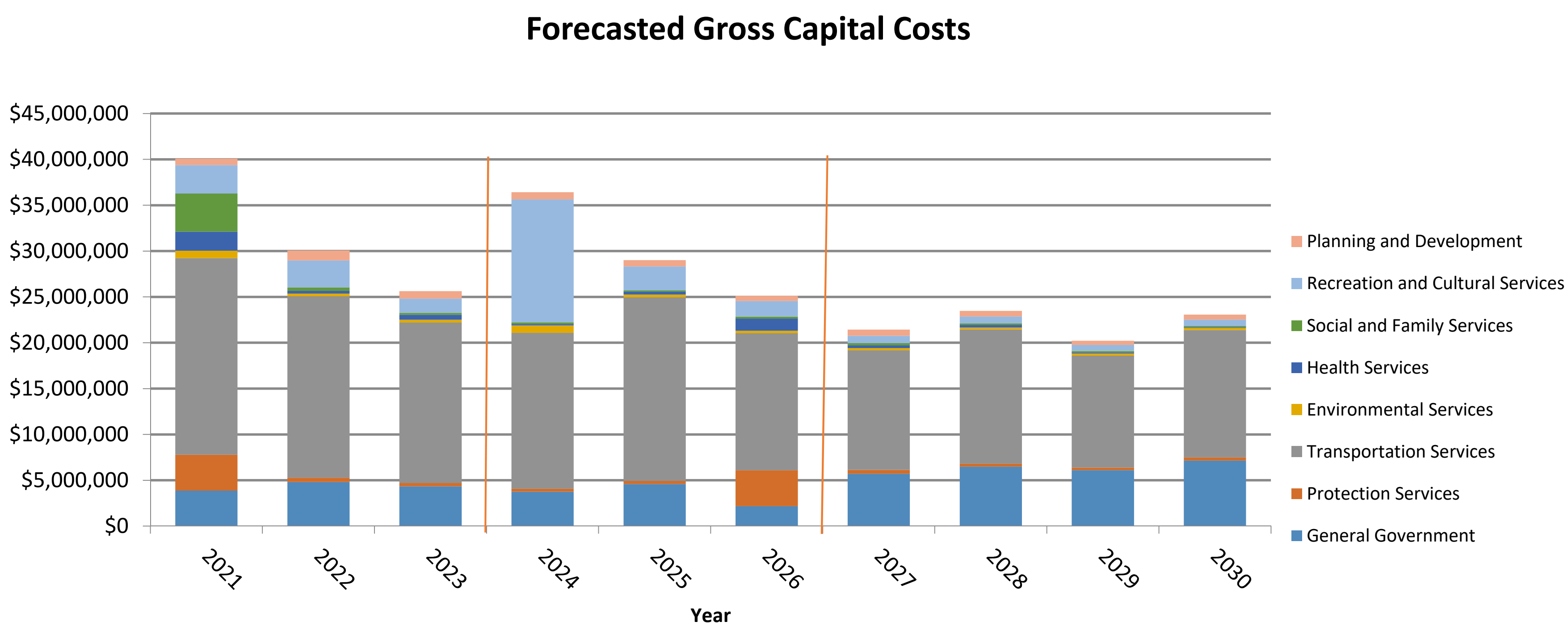
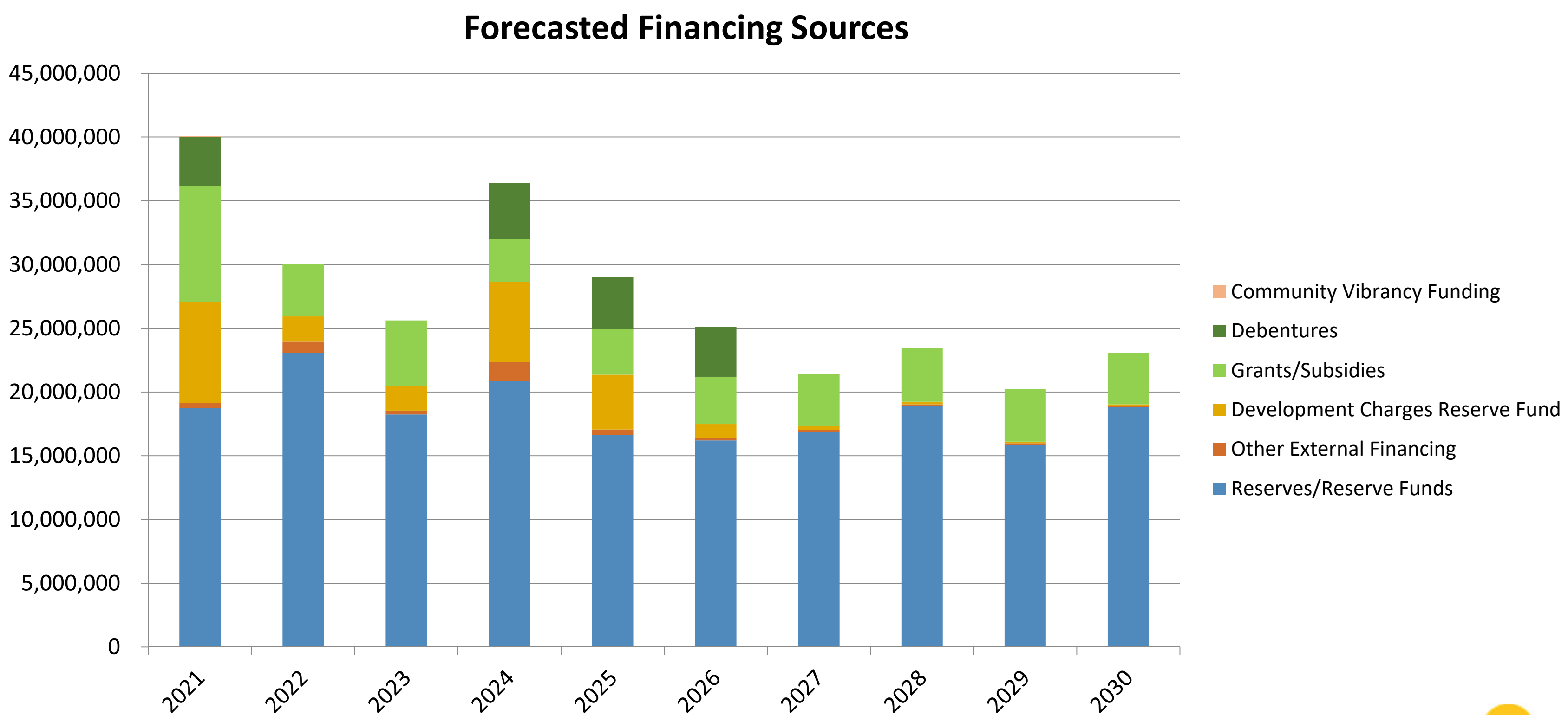
Haldimand's Current Infrastructure



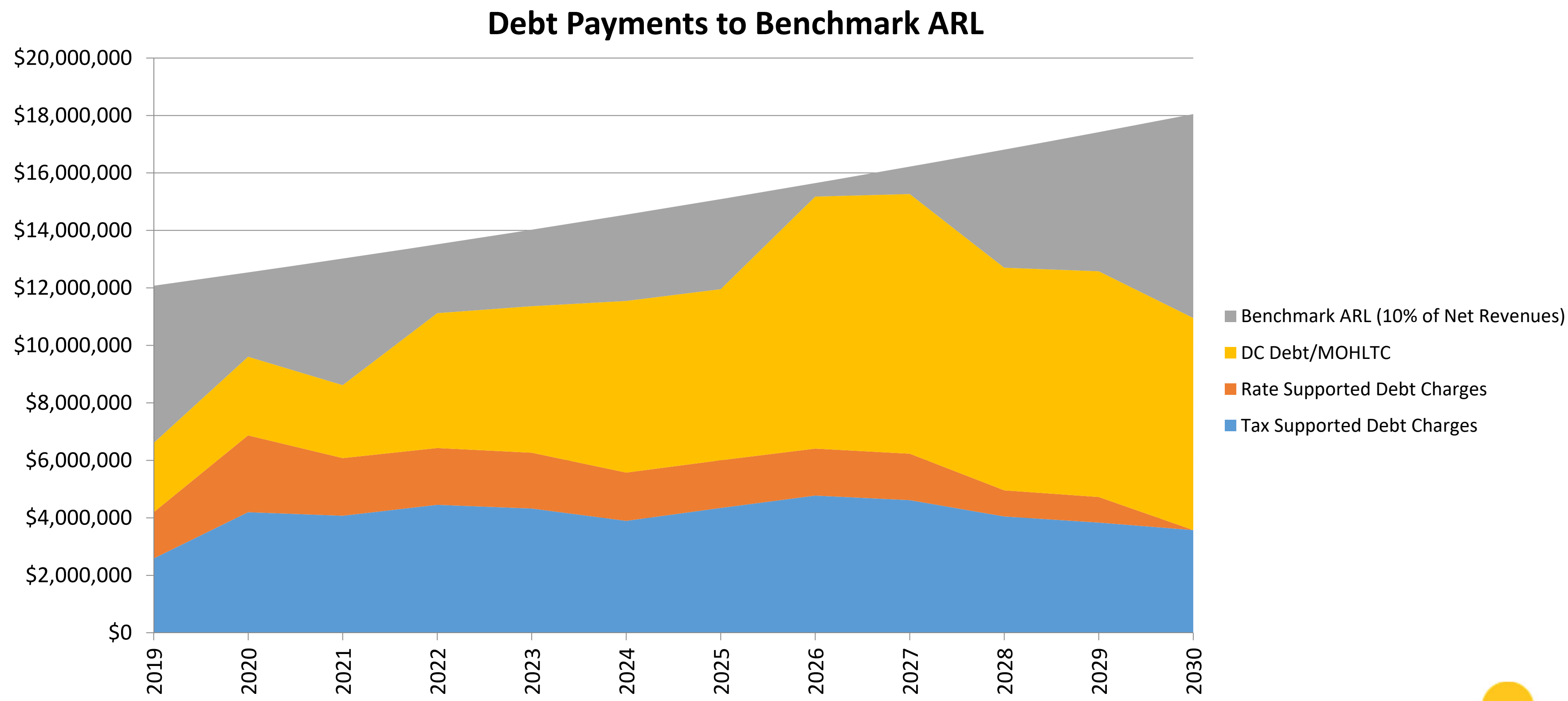
2021 Draft Tax Supported Capital Forecast



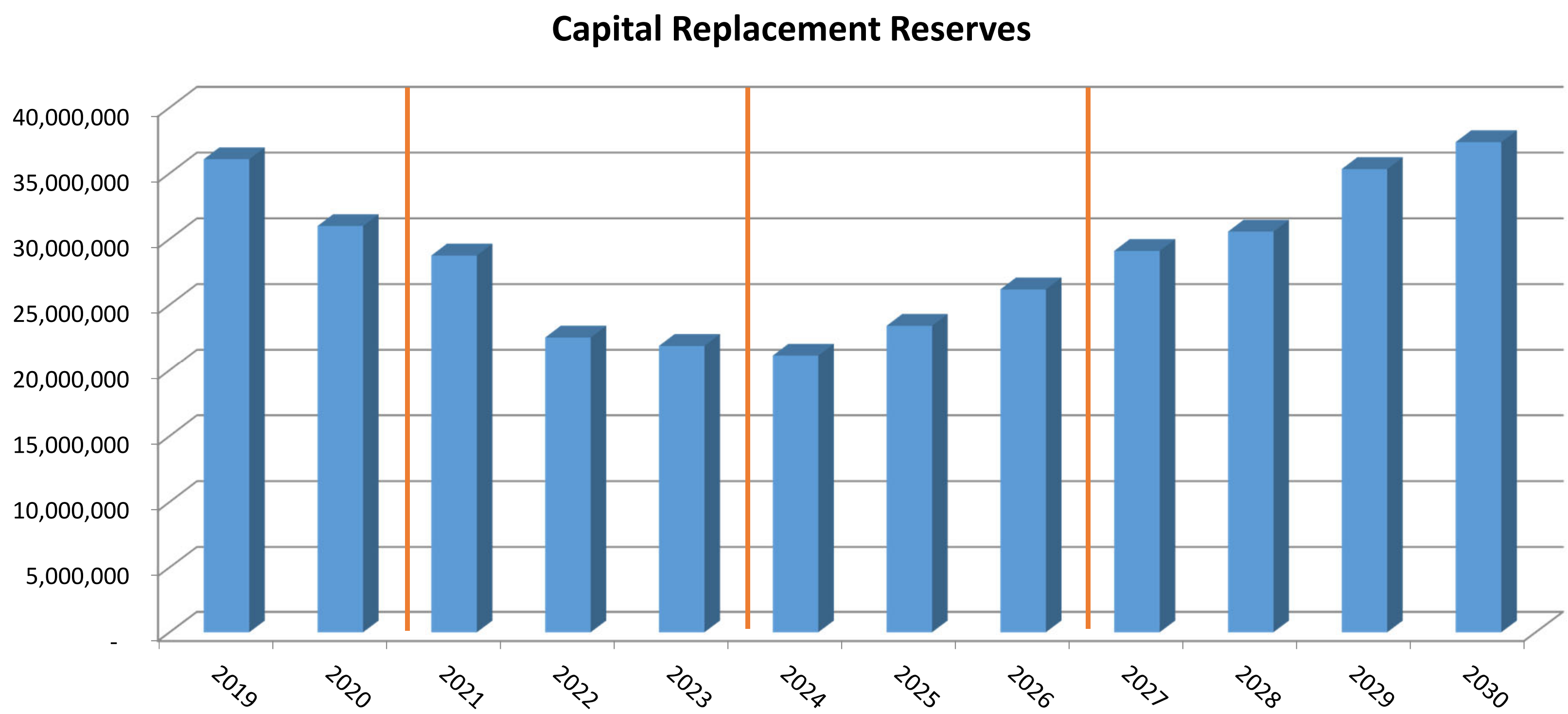
2021 Draft Tax Supported Capital Forecast



Long Term Debt Financing



Impact on Reserves and Reserve Funds



Other Borrowing to Fund Current Capital Program

Development Charges:

- Growth related capital expenditures in advance of collection of Development Charges
- Ensure reserve funds remain positive in aggregate – need to issue growth related debt
- Growth has resulted in positive impacts in projected balances for Tax Supported areas only:
  - 2021 projected - although negative balance of $1.3 million in DCRF Roads; overall positive balance of $3.0 million
  - DC Study update resulted in new rates in 2019

Haldimand County

Potential Risks

- MDRA (Municipal Disaster Recovery Assistance) – 2020 Budget
  - Grant application related to the 2019 fall storm. Completion of these works is contingent on receipt of the Provincial funding. Without this funding, staff will need to review the overall roads program scope, costs and timing.
- OCIF (Ontario Community Infrastructure Funding)
  - The potential loss of this OCIF funding would be extremely problematic as it will have an immediate and direct impact on the County's long-term strategy and the timing of work in all program areas, not just roads infrastructure.
- CBC (Community Benefit Charge)
  - On September 18th, the remaining amendments that were made to the Development Charges Act (DCA) and the Planning Act (PA) by Bill 108, the More Homes, More Choice Act, and, Bill 197, the COVID19 Economic Recovery Act were proclaimed. In addition, a new regulation under the PA was made, as well as technical changes to regulations under the PA, DCA and Building Code Act in order to finalize the framework for development charges, community benefits and parkland.

Final Comments

- Commitment to increased infrastructure investment - ensure safe reliable services to develop and grow the County
- Maintain credit rating based on financial parameters (i.e. adequate reserves for future infrastructure replacements)
- Financial flexibility – manage use of debt and maintain relative health of capital reserves