



# **VILLAGE OF FORESTBURG**

## **CAPITAL PLAN**

**2021 - 2025**

Approved June 4, 2020 – Motion #20-06-158

*“A **Capital Improvement Plan** is a tool to assess the long-term **capital** project requirements of a government entity and to establish funding of high-priority projects in a timely and cost-effective fashion. ... A **Capital Improvement Plan** also promotes the provision of continuous efficient services.*

*(<http://www.munibondadvisor.com/capitalplan.htm>)”*



Village of Forestburg infrastructure includes: roads, sidewalks, water system, sewer system, storm water collection system (swales and ditches), natural gas system, buildings and recreation facilities.

Currently infrastructure inventory includes:

- Roads System – includes roads, paved and gravel, laneways and sidewalks
  - Roads - approximately 16 km of roads
  - Laneways – approximately 6 km of laneways
  - Sidewalks – approximately 7 km of sidewalks
- Water System – includes water treatment plant, raw water wells, water distribution system, and fire hydrants
  - Water Treatment Plant – commissioned in 2015, includes 2,290 m<sup>3</sup> of potable water storage
  - Raw Water Wells – 3 wells
  - Distribution System – 11 km of water mains, approximately 450 service connections
  - Fire Hydrants – 44 hydrants

- Sewer System – includes sewage lagoon, two lift stations, 11 km of sewer mains, approximately 450 service connections
- Storm Water System – includes swales and ditches
  - Swales – approximately 25
  - Ditches
- Natural Gas System – includes the main gas lift station and distribution system
  - Main Gas Lift Station
  - Distribution System – approximately 11 km of distribution lines, approximately 460 service connections
- Buildings (not including recreation facilities)
  - Administration Building
  - Public Works Shop
  - Professional Building – houses doctor, dentist, fitness club, Battle River Innovation Centre
  - Farvolden Building – houses public library, Canada Post, ATB
  - Community Hall
  - Fire Hall
  - Gazebo at Community Hall
  - Gazebo and shed at Public Cemetery
  - Airport Terminal
- Recreation Facilities
  - Multi-Purpose Arena
  - Swimming Pool
  - Tennis Courts
  - Campground
  - Sports Fields
  - Ball Diamonds (4)
  - Playgrounds (4)

Throughout the past, Forestburg has had councils who fully understood the need to ensure that your infrastructure is kept as current as possible and as a result our underground infrastructure is in relatively good condition; however, our roads are going to require significant investment in the future. Council's priority has always been to ensure that underground infrastructure is brought up to date before major road projects are undertaken.

This plan includes \$1,428,500 of capital projects for the next five years. These projects are all road replacement projects on the east side of the municipality as well as some minor sewer main issues that need to be dealt with when the road is done.

Council recognizes that there are limited resources to fund capital projects and although a 2019 Infrastructure Assessment has been completed by Select Engineering



Consultants Ltd., which indicates that additional sewer projects in the amount of \$430,000 and water projects of \$520,000 have been noted as being priority projects over the next 5 years, there is not sufficient funding to undertake all of these projects. Our overall infrastructure backlog as of 2020 is approximately \$4 million dollars.

This infrastructure backlog does not include any new initiatives to be undertaken such as sidewalk repairs and maintenance, improvements to gravel roads within our municipality or improvements to our buildings or recreational facilities.

### 2019 Infrastructure Update Report

The Village of Forestburg has the municipal engineers, Select Engineering Inc. review and update any previous infrastructure report every 4-5 years. The last report was completed in 2019. The total report included approximately \$2.5 million dollars worth of upgrades which were recommended to be done within the next 5 years.

All engineering reports we have had completed only cover linear assets (roads, water, sewer, gas) and do not include any buildings or recreation facilities which are owned and operated by the Village and are also in need of capital investments.

The projects included in the report as recommended to be completed within the 5 years are:



<b>Roads</b>	
46 Avenue W – 54 St to 57 St	\$498,000
47 Street & 50 Avenue – 49 Ave to 49 St	\$288,000
47 Avenue W – 54 St to 57 St	\$418,380
48 Avenue W – 54 St to 57 St	\$382,000
<b>Sewer</b>	
46 Avenue Replacement – 49 St to 50 St	\$210,000
49 Street Replacement – 44A Ave to 48 Ave	\$217,800
<b>Water</b>	
46 Avenue Upgrade – 49 St to 50 St	\$98,400
44A Avenue Upgrade – 49 St to 47 St	\$412,000
<b>Total</b>	<b>\$2,524,580</b>

The following projects were not identified on the 2019 Infrastructure Update Report but have been determined to be priority projects by Council:

57 Street W Reconstruction – Hwy 53 to 46 Ave W	\$295,550
43 Avenue and 49 Street Reconstruction	\$299,400

It was determined that the water and sewer projects, as recommended, were not causing any current issues and the roads located in those areas were in fair to good condition. As a result, Council has determined that the priority for the next 5 years would be to repair the roads as recommended.

For the 2020 construction year, Council elected to rebuild 57 Street W, as well as completing the residential subdivision, replacing the sidewalk on 46 Avenue between 50 Street and Highway 856, as well as the replacement of the computer server and workstations in the administration office, replacement of the swimming pool liner and constructing an addition on the Community Hall.

**Funding**

Funding of capital projects is accomplished in a number of ways: grants, reserves, property taxes, loans. Currently the Village has loans for the multi-purpose arena (\$817,416 – due in 2030), the water treatment plant (\$306,857 – due in 2025), and 20 acres purchased from the Forestburg Golf Club (\$40,000 - due in 2024). The Province of Alberta limits the amount of borrowing and the maximum borrowing allowed for Forestburg is approximately \$4 million. The cost of borrowing is reflected in the annual operating budget and, in the case of the water treatment plant, within the utility bills. Your Council is aware that borrowing money limits the amount of cash available in the operating budget to take on yearly projects and considers this when a request to borrow is brought forward. Borrowing can be an effective tool and also ensures that users (current and future) are paying for the projects that they are enjoying. However, borrowing repayments can affect the ability of the municipality to carry out operating projects and cannot be paid with grants.

At this time there is no intent to borrow funds to complete capital projects due to the current outstanding loans held by the Village.

*Grants*

Currently the Village receives annual funding from the province for capital projects in the amount of approximately \$300,000 made up of Municipal Sustainability Initiative (MSI) of \$250,000 and Federal Gas Tax Fund of \$50,000.

It should be noted that grants can vary from year to year and there is no long-term commitment from the Province to continue providing these funds.

## *Reserves*

Reserve balances at the end of 2019 were \$967,521 made up as follows:

Administration	\$5,000
Fire Department	\$61,670
Emergency Management	4,500
Public Works Common Services	20,000
Airport	2,910
Water	115,500
Sewer	70,000
Garbage	60,000
Cemetery	23,717
Planning	9,000
Community Development	74,340
Land Development	81,244
Recreation	94,936
Natural Gas	194,334
Contingency Fund	150,370

Of these funds \$398,880 are to be used on projects in 2020 including the completion of the residential subdivision, replacement of swimming pool liner, the administration server and workstations and the Community Hall addition. This leaves \$568,641 in the municipal reserves. The budget transfers into reserves in 2020 are budgeted at \$126,530. This should leave \$695,171 available for future projects.

## *Property Taxes*

Each year, the operating budget could include some funds set aside to top up capital projects. The 2020 capital projects did not require top-up from operations funding.

Normally, Council tries to ensure that the operating funds used for capital projects are limited to less than \$25,000 to ensure that we do not have spikes in our property tax rates. Funds needed to top-up capital projects limits the number of maintenance projects that can be completed in the year.

**PROPOSED/APPROVED CAPITAL PROJECTS 2021 - 2025**

**2021 Proposed Capital Projects**

46 Avenue W Reconstruction – 5600 block	<u>\$250,000</u>
Funding will be from MSI Capital and operating funds	
46 Avenue W – Repair Broken Sewer Main	<u>\$20,000</u>
Funding will be from FGTF	
58 Avenue W Road Conditioning (new subdivision road)	<u>\$58,500</u>
Funding will be from FGTF (this project has been deferred from 2020 due to delay in completion of the subdivision)	

**2022 Proposed Capital Projects**

47 Avenue W Reconstruction – 5600 block	<u>\$215,000</u>
Funding will be from MSI Capital	
48 Avenue W Reconstruction – 5600 block	<u>\$200,000</u>
Funding will be from MSI Capital and FGTF	
48 Avenue W – Repair Broken Sewer Main	<u>\$20,000</u>
Funding will be from FGTF	

**2023 Proposed Capital Projects**

46 Avenue W Reconstruction – 5700 Block	<u>\$250,000</u>
Funding will be from MSI Capital	

**2024 Proposed Capital Projects**

47 Avenue W Reconstruction – 5700 block	<u>\$250,000</u>
Funding will be from MSI Capital	

**2025 Proposed Capital Projects**

48 Avenue W Reconstruction – 5800 block	<u>\$200,000</u>
Funding will be from MSI Capital	

All capital projects are dependent on continuing grant funding from the Province of Alberta. In the event that additional funding becomes available, Council would expedite the completion of future projects.