

APPENDIX 'A'

#18103

Chair and Members
Civic Works Committee

July 17, 2018
(Budget Adjustments)

**RE: Dingman Creek and Colonel Talbot Pumping Stations
Capital Project ES5263 - Southwest Capacity Improvement
Capital Project ES5264 - Wonderland Pumping Station Upgrade**

FINANCE & CORPORATE SERVICES REPORT ON THE SOURCE OF FINANCING:

Finance & Corporate Services confirms that the cost of this project cannot be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

ESTIMATED EXPENDITURES:	Approved Budget	Budget Adjustment	Additional Request	Revised Budget
ES5263 - Southwest Capacity Improvement				
Engineering	\$993,613	\$506,387	\$1,000,000	\$2,500,000
Construction	0	13,500,000	4,000,000	17,500,000
City Related Expenses				0
	993,613	14,006,387	5,000,000	20,000,000
ES5264 - Wonderland Pumping Station Upgrade				
Engineering	0	200,000		\$200,000
Construction		4,800,000		4,800,000
City Related Expenses				0
	0	5,000,000	0	5,000,000
NET ESTIMATED EXPENDITURES	\$993,613	\$19,006,387 1)	\$5,000,000 2)	\$25,000,000
SOURCE OF FINANCING:				
ES5263 - Southwest Capacity Improvement				
Drawdown from City Services-Sewer Reserve Fund (Development Charges)	3)	\$993,613	\$4,000,000	\$4,993,613
Debenture Quota (Serviced through City Services Sewer R.F. (Development Charges))	3&4a)		1,000,000	15,006,387
		993,613	5,000,000	20,000,000
ES5264 - Wonderland Pumping Station Upgrade				
Debenture Quota (Serviced through City Services Sewer R.F. (Development Charges))	3&4b)	0	5,000,000	\$5,000,000
		0	0	5,000,000
TOTAL FINANCING	\$993,613	\$19,006,387	\$5,000,000	\$25,000,000

- 1) The budgets for ES5263-Southwest Capacity Improvement and ES5264-Wonderland Pumping Station Upgrades is included in the 2024 proposed budget. It is 100% funded by Development Charges. There will be no impact on the rate supported budget from this revision. A budget adjustment is required in 2018 and can be accommodated by advancing the 2024 budgets of \$14,006,387 from ES5263 and \$5,000,000 from ES5264 forward to 2018. Upon Council approval of this recommendation, the 2024 forecasted budgets for both projects will be automatically revised.
- 2) Additional funding of \$5 million is required to complete all phases for the wastewater servicing capacity in south London. This can be accommodated with an additional drawdown of \$4 million from City Services-Sewer Reserve Fund and \$1 million of additional debenture quota (serviced through City Services-Sewer Reserve Fund (Development Charges)).
- 3) Development charges have been utilized in accordance with the underlying legislation and the Development Charges Background Studies completed in 2014.

Note to City Clerk:

- 4) Administration hereby certifies that the estimated amounts payable in respect of this project does not exceed the annual financial debt and obligation limit for the Municipality of Municipal Affairs in accordance with the provisions of Ontario Regulation 403/02 made under the Municipal Act, and accordingly the City Clerk is hereby requested to prepare and introduce the necessary authorizing by-laws.
 - a) An authorizing by-law should be drafted to secure debenture financing for project ES5263-Southwest Capacity Improvement for the net amount to be debentured of \$15,006,387.
 - b) An authorizing by-law should be drafted to secure debenture financing for project ES5264-Wonderland Pumping Station for the net amount to be debentured of \$5,000,000.