



Staff Report

Report To: Dan Best, Chief Administrative Officer
From: **Sandy Becker, Financial Services
Manager/Treasurer**
Date: April 16 2018
Report: FIN.18.10
Subject: Funding – Exeter & District Outdoor Pool

Recommendations:

That South Huron Council receives the report from S.Becker, Financial Services Manager/Treasurer re: Funding-Exeter & District Outdoor Pool Project.

Purpose:

To provide Council with details of funding for the Exeter & District Outdoor Pool Project.

Background and Analysis:

Committee of the Whole motion CW#15-2018 adopted by Council at its April 3rd Council meeting requested that staff prepare a report on the funding for the Exeter and District Outdoor Pool project.

The Exeter & District Outdoor Pool project (#2018-RS-02) was approved in the 2018 Budget for a total capital cost of \$1,700,000. The projected sources of funding for the project are listed as;

- Debt (5 year term) \$864,000
- Exeter Pool Reserve 75,000
- ECDF Reserve Fund 250,000
- Turbine Reserves 511,000

In addition to the budget document, Council adopted the following resolution at the December 18, 2017 Regular Council meeting which provided further detail in respect to how the debt costs would be recovered;

Motion 531-2017

That **\$250,000** be requested from the Exeter Community Development Fund for the Exeter and District outdoor pool project; and
That the amount of **\$511,000** be taken from the Wind Turbine Reserve to be applied to the Exeter & District outdoor pool project; and
That a total amount of **\$864,000** be debt financed over five years, beginning in 2018 for the Exeter and District outdoor pool; and
That the debt costs be recovered through the Wind Turbine Reserve at an upset limit of \$200,000 per year, over five years.

The following items will impact the above noted funding details;

- In the 2017 budget there was an approved allocation of \$15,000 for the MacNaughton Park Washrooms, which was carried forwarded to 2018. As the washrooms are part of the overall Exeter & District Pool project these funds would be used to cover the costs of the project.
- The Optimist were working towards funding of the MacNaughton Park Washrooms, which are a part of the overall outdoor pool project. A \$10,000 grant was received from Hydro One and a \$10,000 grant was received from Farm Credit Corporation for the washrooms. As noted above the washrooms are part of the overall project and therefore these funds must be used to cover the costs of the project related to the washrooms.
- When the 2018 budget was adopted the estimated Exeter pool reserve balance was \$75,000. The unaudited year end pool reserve balance is \$86,264. Therefore, an additional \$11,264 is available to offset costs for this project.

Operational Considerations:

No alternatives are presented related to the proposed recommendation.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Transparent, Accountable, and Collaborative Governance

Financial Impact:

The total project cost for the Exeter & District Outdoor Pool project was approved at \$1,700,000. The sources of funding identified in the 2018 budget for the project was \$864,000 debt financed, \$75,000 from Exeter Pool Reserve, \$250,000 from the ECDF Reserve Fund and \$511,000 from the Turbine Reserve Fund.

The table below provides updated funding values;

ECDF Reserve Fund	250,000
Exeter Pool Reserve	86,264
Turbine Reserves	511,000
Hydro/FCC Grants	20,000
2017 Budget Carry Fwd	15,000
Debt	817,736
<u>Total</u>	<u>\$1,700,000</u>

The grants received and the additional funds in the Exeter pool reserve will reduce the estimated amount to be financed. The exact amount to be financed will be determined once all of the project expenses have been finalized.

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

N/A

Consultation:

Dan Best, Chief Administrative Officer

Related Documents:

2018 Approved Capital Budget
Capital Project Request Form – 2018-RS-02

Respectfully submitted,

Sandy Becker, Financial Services Manager/Treasurer