



VILLAGE OF FORESTBURG

CAPITAL PLAN

2022 – 2026

Approved June 16, 2022, Motion #22-05-156

*“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>)”*



The Village of Forestburg’s infrastructure network consists of 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 m³ 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)
 - Forestburg Riding Arena
 - Area 53 Raceway

Throughout the past, Forestburg Councils have 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. It is recognized that roads as well as underground infrastructure require significant investment in the future. Council’s priority has always been to ensure that underground infrastructure is renewed before or while major road projects are undertaken.

This plan includes \$1,693,100 of capital projects for the next five years. These projects represent a continuing commitment to our infrastructure and include underground improvements and replacements, systems expansion and looping and continued road reconstruction and replacement as necessary and finances

allow. The five-year plan also has a fiscal placeholder for work in 2024 for sanitary system improvements that will be based on assessments and CCTV Inspections this year and next.

Our overall infrastructure backlog identified in 2020 is approximately \$4 million dollars. This 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. Given the volatile state of the economy, combined with the global impacts of the COVID-19 Pandemic, Council requested an update to the 2019 Infrastructure Report which was completed in early 2022 and now serves as the basis of Forestburg’s long-term Capital Plan.

2022 Infrastructure Update Report

The Village of Forestburg has historically had our municipal engineers, Select Engineering Inc. review and update any previous infrastructure report every 4-5 years. As noted previously, an update was requested by Council in 2021. The total report included approximately \$1.7 million of high priority upgrades which were recommended to be done within the next 5 years and a placeholder for sanitary improvements that will be assessed in 2022 and 2023.



All engineering reports completed only cover linear assets (roads, water, sewer, gas) and now our sanitary lagoon for the first time 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:

Roads

47 Street - 49 Ave to 50 Ave (awarded 2022)	\$225,000
47 Avenue West	\$111,000
51 Street	\$163,200

Sewer

Sanitary Sewer Assessments (awarded 2022)	\$ 20,000
CCTV Inspections – 2022 & 2023	\$ 15,000
46 Avenue Replacement – 49 St to 50 St	\$210,000
49 Street Replacement – 44A Ave to 48 Ave	\$217,800

Water

47 Street Watermain Improvements (Awarded 2022)	\$172,500
44A Avenue Upgrade – 49 St to 47 St	\$412,000

Total ***\$ 1,693,100**

*NOTE: The five-year Capital Plan Total does not include the placeholder costs for Sanitary Sewer Improvement that will be determined by assessment and CCTV Inspections in 2022 & 2023.

For the 2022 construction year, Council elected to rebuild 47 Street, which included underground watermain improvements to ensure appropriate looping of the system and the installation of a new water hydrant at the north end of 47 Street to improve fire protection services as well as facilitate long-term connectivity of the water system to new development occurring on the north side of 50 Avenue. Additional capital improvements will be made to patching and cold mix pothole filling at various locations throughout the municipality, the completion of the replacement of the swimming pool liner and resultant upgrading to pool operating infrastructure due to the two-and-a-half-year dormancy in Pool operations.

Funding

Funding of capital projects is accomplished through grants, reserves, property taxes and/or loans. Currently the Village has loans for the multi-purpose arena (\$708,232 – due in 2030), the water treatment plant (\$188,356 – due in 2025), and 20 acres purchased from the Forestburg Golf Club (\$30,000 - 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 ensures that users, current and future are paying for the projects that they are enjoying. Council remains vigilant as borrowing repayments can affect the ability of the municipality to carry out operations that cannot be paid for by capital grants.

At present there is no intent to borrow funds to complete capital projects.

Grants

Generally, the Village receives annual funding from the province and federal government for capital projects in the amount of approximately \$300,000 from the Municipal Sustainability Initiative (MSI) and Federal Gas Tax Fund (FGFT), recently rebranded as the Canada Community-Building Fund (CCBF).

As noted in last years Capital Plan Submission, the Province has implemented a sharp decrease in the MSI Capital component and continues to indicate that the promised successor program will commence at a significantly reduced funding level than the current MSI Program.

Reserves

Reserve balances at the end of 2021 were \$1,172,726 and include:

Building & Asset Reserve	60,481
Public Works Common Services	70,340
Water	159,833
Sewer	117,809
Cemetery	23,717
Fire	12,840
Community Development	74,930
Land Development	122,776
Parks & Recreation	116,205
Natural Gas	235,487
Contingency Fund	178,308

Of the budgeted Capital spending of \$436,992 in 2022, \$316,992 of this spending will be paid with reduced provincial and federal government capital grants received from MSI Capital and the former Federal Gas Tax Program. The shortfall of \$120,000 will be drawn from Municipal Operating Contingency Funds.

At the conclusion of 2022 and even with a one-time draw from Operating Funding in support of this Capital Program, budgeted contributions to reserves will result in a growth in municipal reserves to just over \$1.3 Million that will be available for in-year needs or future projects.

Property Taxes

Each year, considerations are given to whether the operating budget will include some funds allocated for capital projects.

Council typically ensures that operating funds used for capital projects are less than \$25,000 to ensure there are no spikes in our property tax rates. This approach also ensures that necessary operational and capital maintenance projects can be completed in a timely and responsible manner. While our 2022 Capital Plan required more than this from operating funds, Council was incredibly pleased to be able to retain all municipal tax rates at 2021 levels, despite federal and provincial grant reductions and inflationary cost spikes at levels not seen in over 40 years.

PROPOSED/APPROVED CAPITAL PROJECTS 2021 - 2025

2022 Approved Projects

47 th Street Watermain and Road Improvements 40-50 th Ave	\$397,500
Funding from MSI Capital, FGTF & Operating Funds	
Annual CCTV Inspection	\$ 7,500
Sanitary and Sewer Assessment	\$ 20,000
Funding from Operating Funds	

2023 Proposed Capital Projects

44A Avenue/Highway 53 Crossing Watermain	\$634,200
Annual CCTV Inspection	\$ 7,500

2024 Proposed Capital Projects

Sanitary Improvements	To be determined
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2025 proposed Capital Projects

47 Avenue West Road Improvements	\$111,000
51 Street Road Improvements	\$163,200

2026 Proposed Capital Projects

47 Street Watermain Improvements	\$176,100
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All capital projects are dependent on continuing grant funding from the Province of Alberta. In the event additional funding becomes available, Council could expedite the completion of future projects.

