2026 Capital Budget and 10-Year Capital Plan

November 18, 2025

Brandon Ferguson
Director of Finance/Treasurer

Capital Budget & 10-Year Plan

Process

The Capital budget is the City's plan for making ***significant capital expenditures to support city services***.

June/July 2025

Initial Survey & Guidelines

→

Jul/Aug 2025

Capital Budget / 10 Year Capital Plan Submission and Review

→

Sept/Oct 2025

Senior Leadership Team & Finance Committee Review & Survey #2

→

Oct/Nov 2025

Budget release/Feedback

Nov 18 - Budget

- Alignment with the **Asset Management Planning**, Budget **policy** framework and **Council guidelines**
- Important to ensure that the recommended Capital Budget and 10-year Capital Plan is ***manageable financially*** as well as ***operationally***.

Capital Budget & 10-Year Plan

Community Engagement

2026 Budget - Survey #1 *(May 14 to June 5)*

- Number of respondents: **781**
- Questions focusing on desired capital budget focus for consideration in Council budget guideline setting
- ***Feedback:*** Focus support on core infrastructure (Water, Wastewater, Transportation), and Asset renewal activities.

2026 Capital Budget & 10-Year Capital - Survey #2 *(Oct 6 to Nov 3)*

- Number of respondents: **449**
- Questions focusing on proposed 2026 Capital budget and 10-year Capital Plan feedback for consideration in Council decision making
- **Feedback:** Large focus on Roads, Policing, and Social Services.

Capital Budget & 10-Year Plan

Goals & Objectives

Source	Key Feedback and Objectives			
Council Guidelines ***(June 23, 2025)***	Core Infrastructure	Prioritization based on **Risk and Asset Management data**	**Supported** growth projects evaluating ROI	Progressive Asset Management funding
Council / Strategic Priorities **(2024 Survey)**	Core Infrastructure	*Key projects*; Wastewater Treatment Plant, North East Industrial Park Expansion, Meyers Pier, Outdoor space expansion		
Community Engagement *(Survey #1)*	Core Infrastructure priorities; 1. Transportation (Roads, Bridge, etc.) 2. Water 3. Wastewater 4. Protective Services		Capital maintenance; **Very important** Growth; Somewhat important	Heritage, Museum, Cultural (Decrease)
Asset Management Plan	Core Infrastructure	Progressive Asset Management funding	**Risk** focus	Levels of service

Capital Budget & 10-Year Plan

Asset Management Plan - Risk

Table 4-3 Risk Evaluation Matrix ($M)

PoF	1	2	3	4	5
5	$0.16	$5.26	$122.01	$10.66	$51.70
4	$0.75	$10.82	$138.53	$43.42	$105.53
3	$0.72	$10.63	$302.67	$141.44	$192.70
2	$5.93	$99.52	$509.98	$231.83	$359.29
1	$0.76	$59.01	$607.70	$311.12	$247.03
	CoF				

Risk Exposure	CRV($)
Very High	$167.89
High	$638.10
Moderate	$1,677.67
Low	$1,019.80
Very Low	$65.70
	$3,569.16

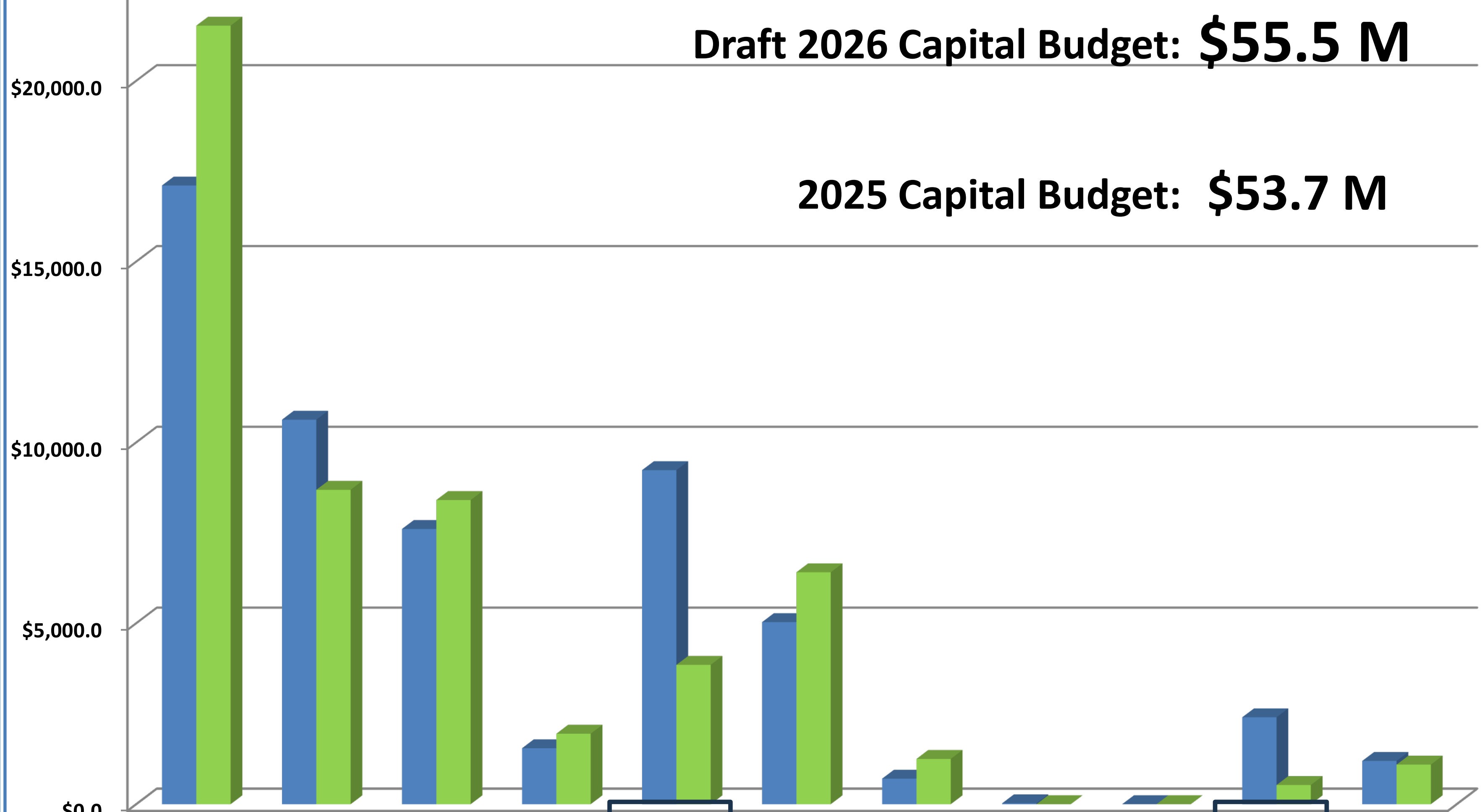
- PoF – probability of failure
- CoF – consequence of failure
- CRV – current replacement value

2026 Capital Budget

2026 Capital Budget

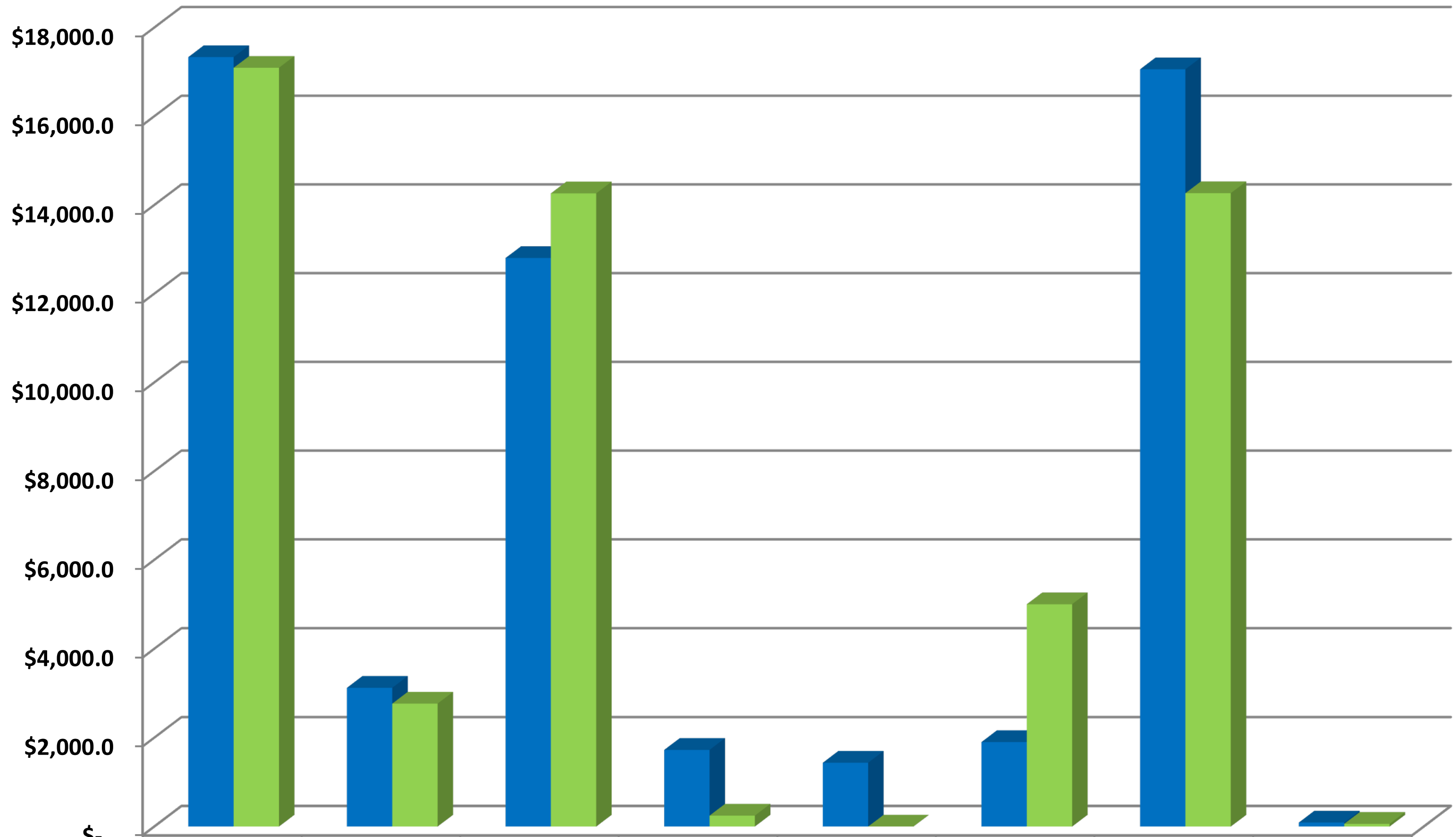
Draft 2026 Capital Budget: $55.5 M

2025 Capital Budget: $53.7 M



	Transport.	Water	Waste water	Storm water	Fleet & Equip	City Facilities	Info. Tech	Library	Parking	Fire	Police
2026	$17,102.0	$10,626.0	$7,604.5	$1,545.5	$9,231.0	$5,030.0	$705.0	$25.0	$-	$2,400.0	$1,194.9
2025	$21,522.0	$8,687.0	$8,404.0	$1,947.0	$3,848.4	$6,406.0	$1,250.0	$-	$-	$530.0	$1,092.7

2026 Capital Budget Financing



	User Rate Reserve Funds	Casino Reserve Funds	Taxation Reserve Funds	Develop. Charges	Provincial Gas Tax	Long Term Debt	Grants	Donations
2026	$17,332.9	3,120.6	12,803.9	1,723.2	1,435.0	1,900.0	17,058.3	90.0
2025	$17,091.0	2,765.0	14,260.8	245.0	-	5,000.0	14,265.3	60.0

2026 Capital Budget Financing

User Rate Funded Reserve Funds

Reserve funds are an accumulation of resources set aside as savings for future needs.

- **Water, Wastewater and Parking** operations are fully funded by User Fees. Rates are developed to ensure long term financial sustainability and adequate revenue to cover operations and long-term capital plan
- Funding models ensure that rates provide adequate revenue to address future capital needs as they occur

Service	Budgeted Transfer 2025	Applied to 2026 Capital
Water	$9,398.5	$ 10,474.8
Wastewater	7,643.2	6,778.1
Parking	3.0	80.0
Total Capital Financed by User Fees	**$ 17,044.7**	**$ 17,332.9**

2026 Capital Budget Financing

Asset Management Reserve Fund

- Primary source of taxation funding for capital program

Asset Management Reserve Fund	2026 Budget
Projected Balance - January 1, 2026	$ 26,435.7
Contribution to Asset Management RF **(2025)**	14,716.4
Projected interest allocation	669.4
Proposed 2026 project funding – Asset Management	(11,114.6)
2026 Preliminary Balance	**$30,706.9**
Additional Contributions to be reviewed (2026 Operating Budget)	
Operating impacts – 2025 contributed capital	*71.0*
*Operating impacts – 2026 proposed capital budget**	*261.0*
Asset Management Plan recommendations	*2,708.6*
Total Additional Contributions (2.2% of 2025 Tax Levy)	**$3,040.6**

2026 Capital Budget Financing

OLG (Casino) Reserve Fund

- Proceeds received are used in the Capital Budget in the year following receipt of the funds.
- The city's share of the Casino revenue is 5.25% of electronic games, 4% of table proceeds, and 4% of Sportsbook revenue

Project	OLG Revenue - Area	Amount
Various Combined and Transportation	Infrastructure	$ 1,040.0
Various Facilities and Parks	Infrastructure	1,200.0
1.080 – Network & Server Maintenance	Infrastructure	250.0
1.009 – Black Diamond Rd Servicing	Economic Development	250.0
1.023 – Deerfield Walkway to Cloverleaf Dr	Development	200.0
1.088 – Police Fleet (2) Replacement	Vehicle / Equipment	180.6
Total Casino Funding utilized – 2026		**$ 3,120.6**
Total Casino balance – 2025 (projected)		*$ 4,608.7*

2026 Capital Budget Financing

Grant Funding

Program	Confirmed / Contingent	Preliminary Opening Balance ($000)	2026 Funding ($ 000)	Applied to Capital 2026 ($000)	Balance ($000)
Ontario Community Infrastructure Funding	Confirmed	6,924.6	6,385.3	(6,095.0)	7,214.9
Canada Community Building Fund	Confirmed	2,102.0	3,660.4	(3,750.0)	2,012.4
Provincial Gas Tax	Pending	2,684.2	-	(1,435.0)	1,249.2
ICIP - Transit	Confirmed	N/A	623.3	(623.3)	-
Active Transportation	Pending	N/A	3,780.0	(3,780.0)	-
Rural Transit Solution	Pending	N/A	2,800.0	(2,800.0)	-
Other	Confirmed	N/A	10.0	(10.0)	-
Total		**11,710.8**	**17,259.0**	**(18,493.3)**	**10,476.5**

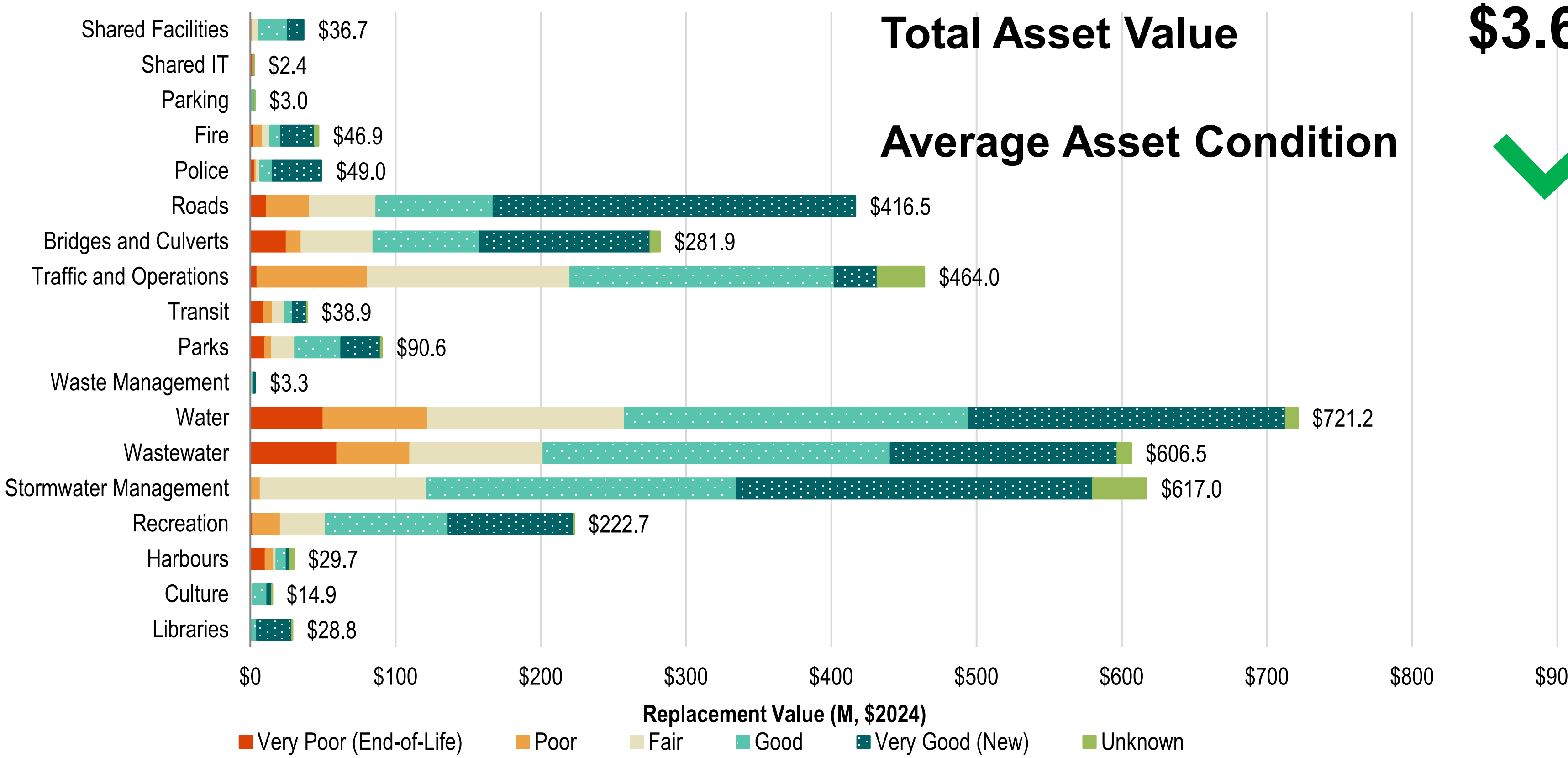
2026 Capital Budget Financing

Debt Financed Projects	Status	($ M)
Avonlough Pumpstation / Bridge St W	Ongoing	13.21
Agricultural Society Facility	Ongoing	12.49
Wastewater Treatment Upgrades	Ongoing	9.45
Expansions: NE Industrial, Farnham, Fairground	Ongoing	8.02
Hillcrest redevelopment	Ongoing	5.00
Fire Vehicles (3)	Ongoing	3.00
Fire Pumpers (2)	2026 Proposed	1.90
Total Approved & Proposed (2026), but not Issued		**$53.07**

Funding Sources	Development Charges	User Rate Funded	Tax Funded	Total
Total Debt	**$11.42**	**$11.27**	**$30.38**	**$53.07**

10-Year Capital Plan

Asset Management Plan



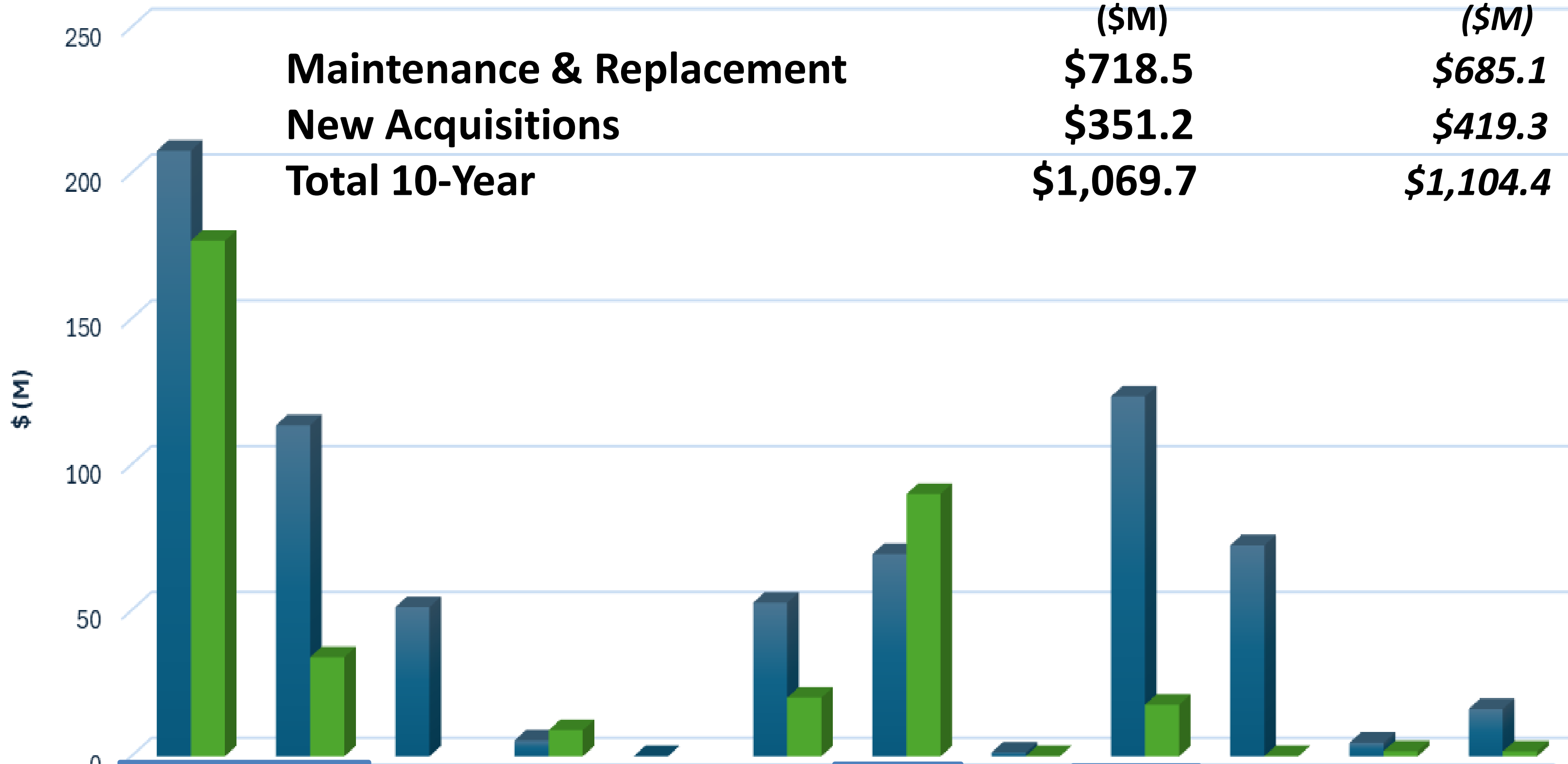
Total Asset Value **$3.67B**

Average Asset Condition ✓

	2020	2024	2025
Total Asset Valuation	$2.3B	$3.36B	$3.67B
Annual Capital Renewal Infrastructure Gap	$29.5M	$15.9M	$0.02M
Annual Capital Growth Infrastructure Gap	$25.7M	$8.5M	$27.83M

10-Year Capital Plan Projects

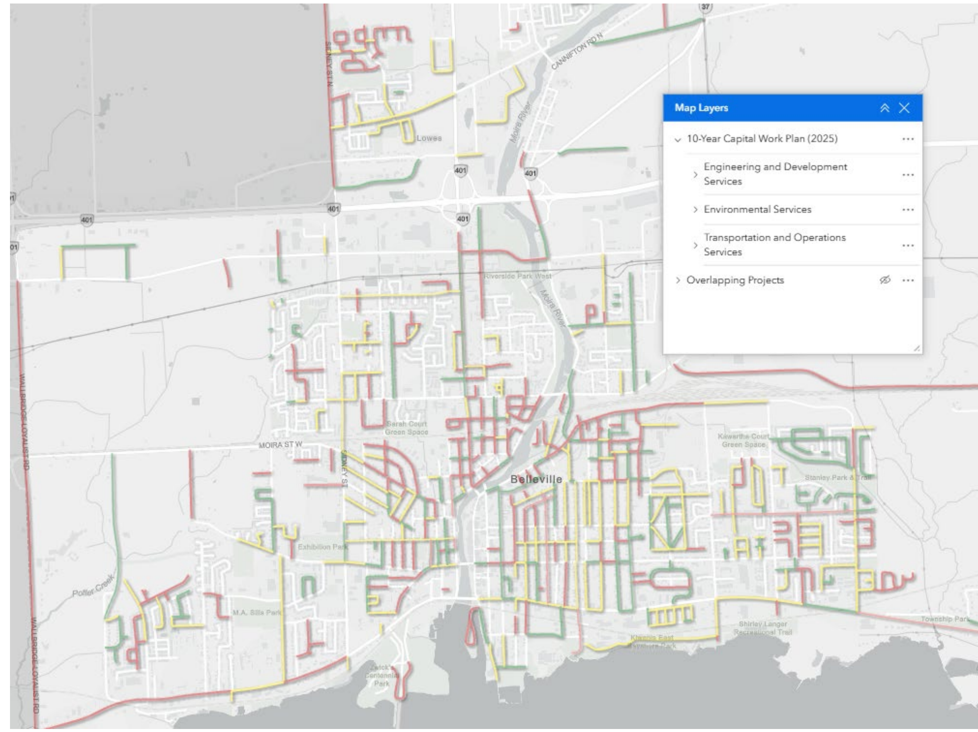
	2026 ($M)	*2025 ($M)*
Maintenance & Replacement	**$718.5**	***$685.1***
New Acquisitions	**$351.2**	***$419.3***
Total 10-Year	**$1,069.7**	***$1,104.4***



	Combined Services	Roads	Bridge/ Culvert	Sidewalk / Trail	Storm water	Water	Waste water	Parking	Facilities / Parks	Fleet	Info Tech	Police
M&R	207.7	113.6	51.2	5.5	0.1	52.7	69.4	1.4	123.4	72.4	4.7	16.3
Growth	176.8	34		9		20.1	90	0.1	17.7	0.1	1.8	1.7

10-Year Capital Plan Projects

Asset Maintenance & Replacement



- Several ***major reconstructions*** are proposed across the City including Church St, Pinnacle St, Victoria Ave, Old Hwy #2, and Phillipston Rd.
- ***Other significant investments*** in the renewal portfolio include Meyers pier, Wastewater Treatment plant, and Fire Hall #2 renewal and the continuation and escalation of Road Resurfacing and Underground relining programs

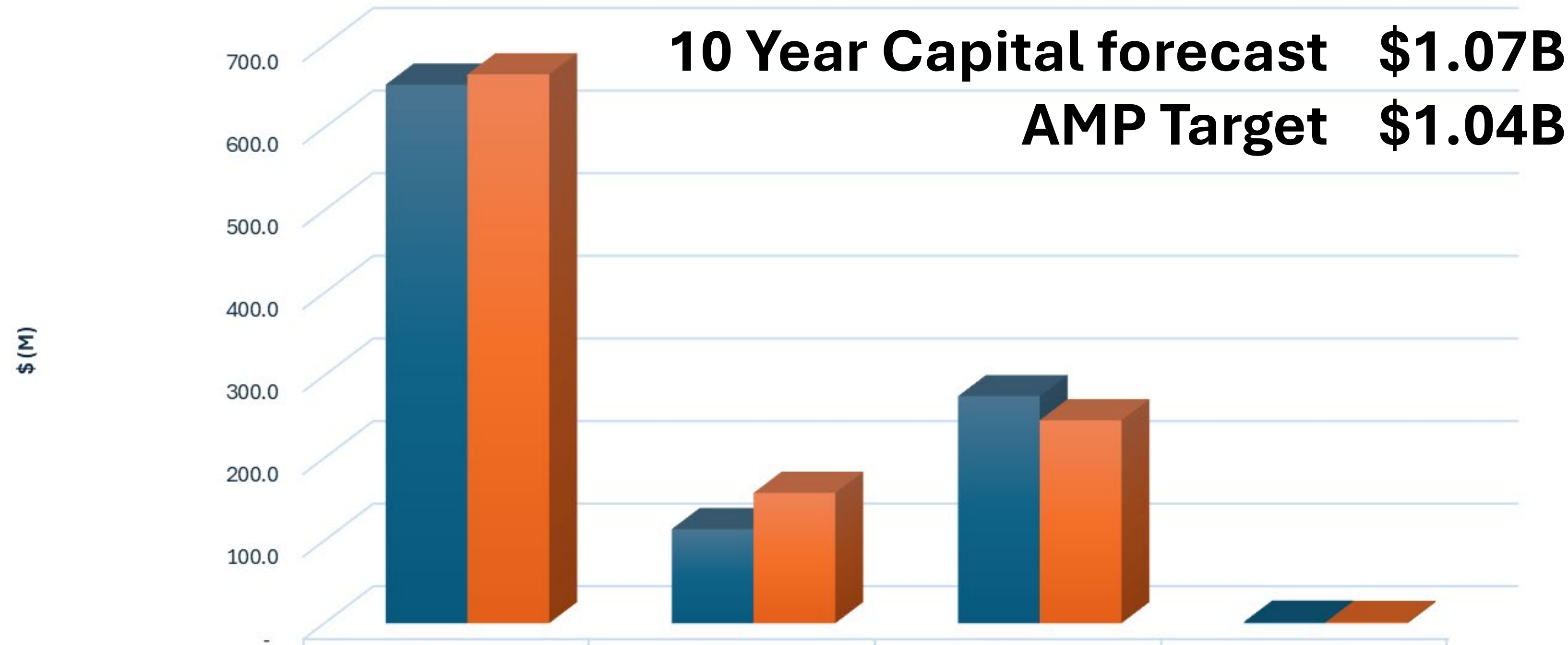
10-Year Capital Plan Projects

New Acquisition

Project	Development area	Supporting study
Wastewater Treatment Plant expansion	Residential / Industrial	Wet Weather master plan DCBS[1]
Avonlough Road redevelopment	Residential housing	Loyalist Secondary Plan DCBS[1]
Tracey / Fahey Oversizing	Residential housing	Bell Blvd Corridor, DCBS[1]
North East Industrial Expansion	Industrial Development	Strategic plan Employment lands strategy

[1]DCBS – Development Charge Background Study

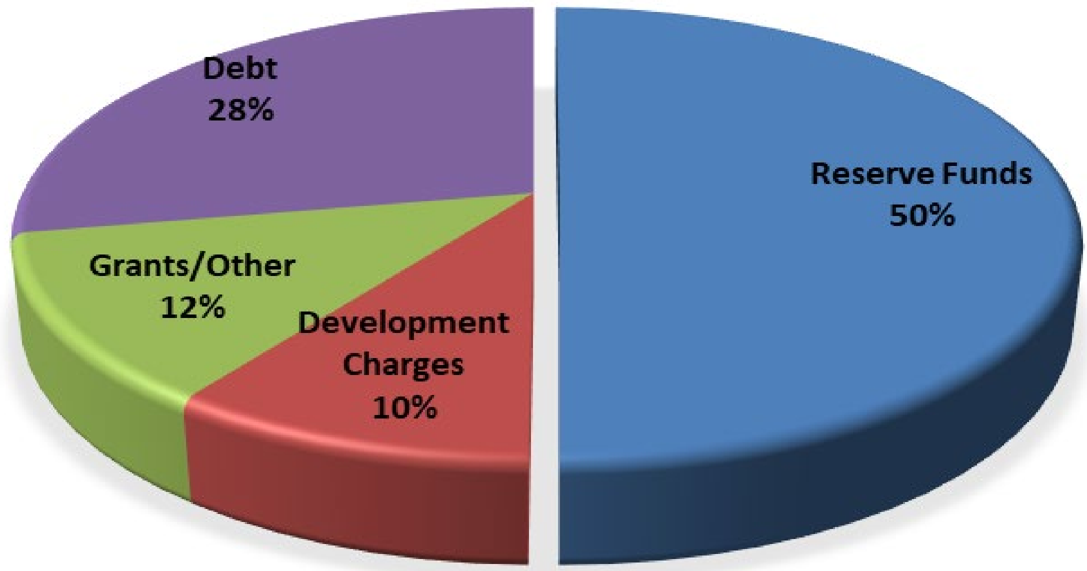
10-Year Capital Plan Targets



	Taxation	Water	Wastewater	Parking
AMP (Targeted investment)	652.1	114.0	274.9	1.8
10 Year Capital	664.6	157.8	245.7	1.5

- **Exceeding Asset Management Plan (AMP) targeted investments by $26.8M**
- **Key focus on risk mitigation through Asset Maintenance & Replacement**
- **Reserve Fund Target Performance** (Reserve Fund Policy)
  - Taxation, Water and Wastewater reaching 100% by 2035
  - Parking Reserve Fund 48% by 2035

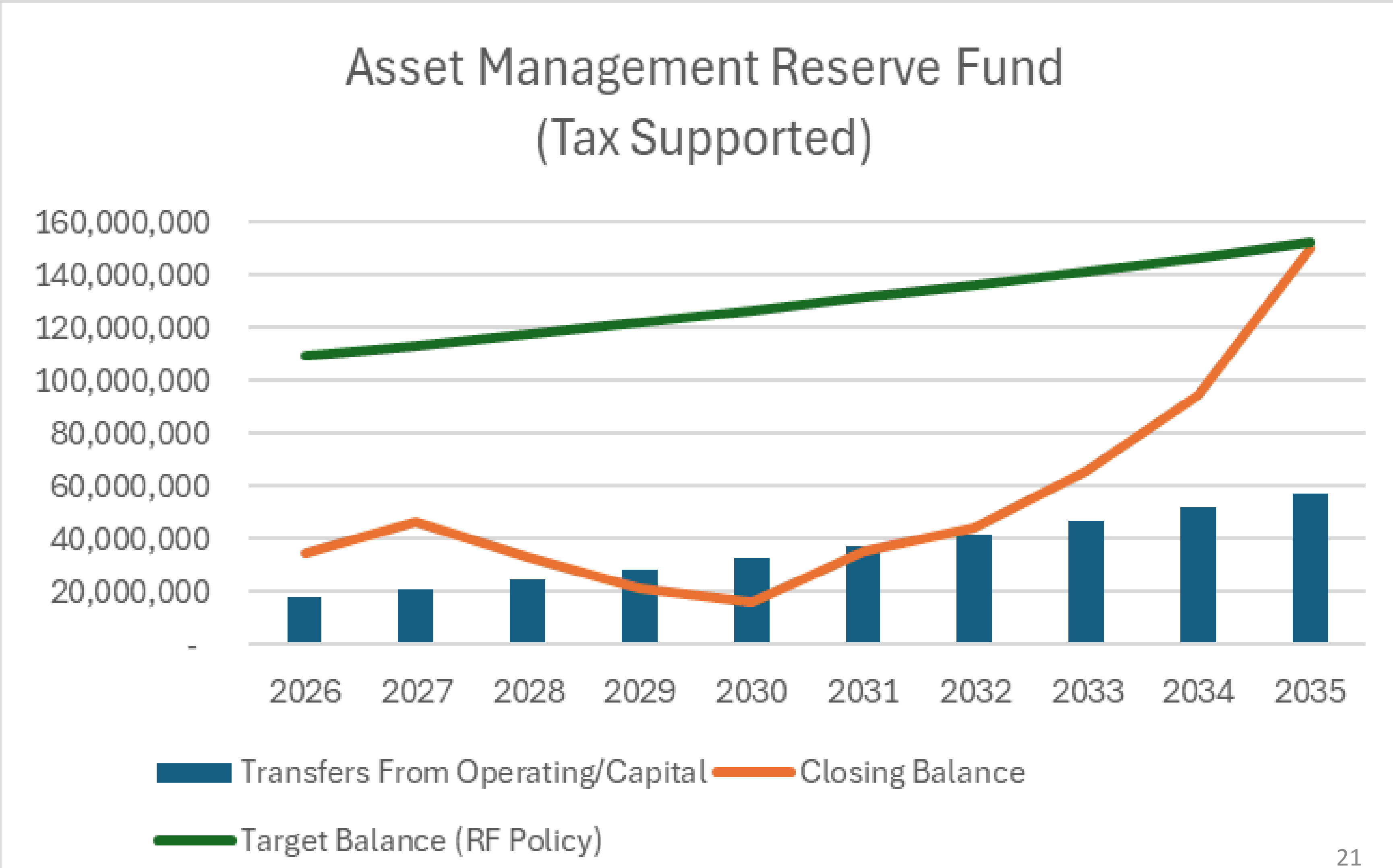
10-Year Capital Plan Financing



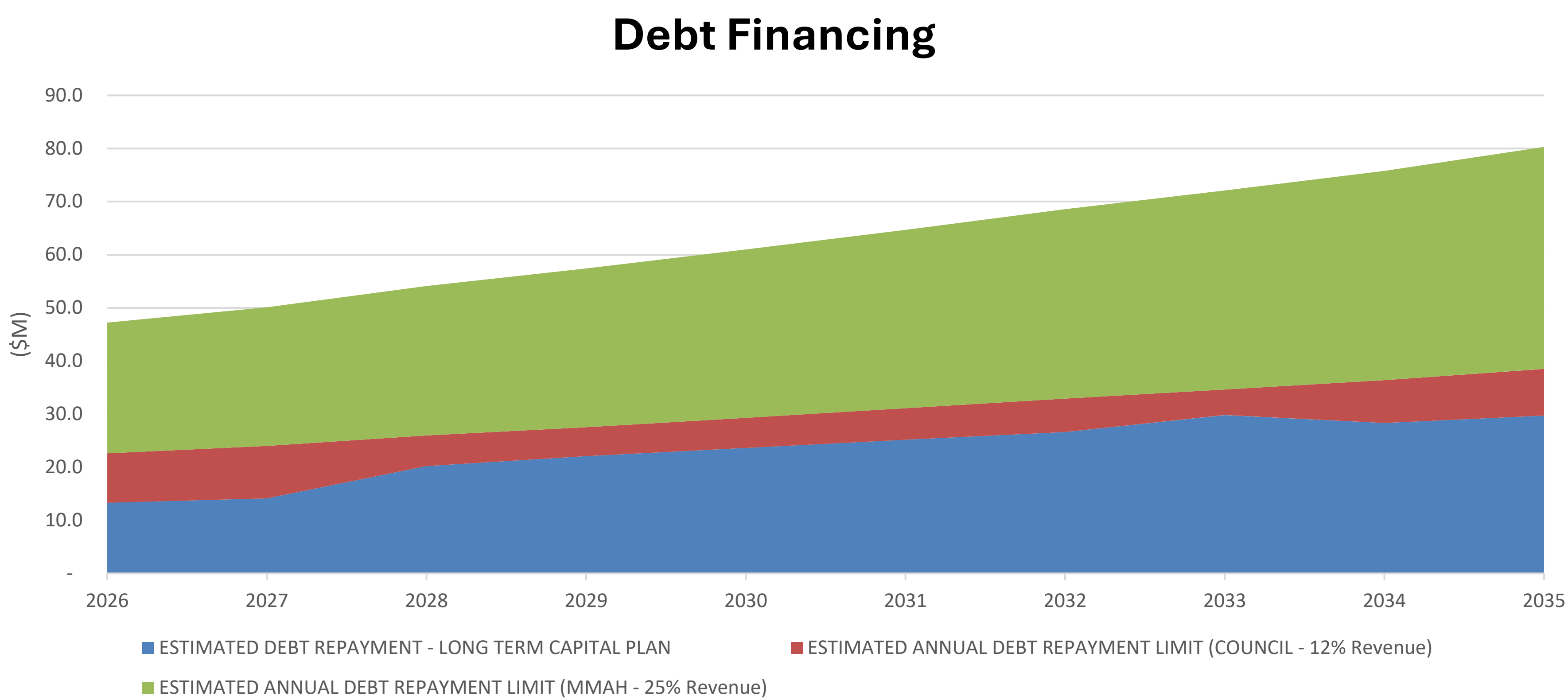
Funding Source ($M)	2025	2024
Reserve Funds	$503.2	$553.9
Development Charges	138.2	108.5
Grants/Other	135.1	134.5
Debt	293.2	307.5
Total	**$1,069.7**	**$1,104.4**

Reserve Fund Breakdown	($M)
Taxation	$ 307.5
Water	102.3
Wastewater	91.9
Parking	1.5
Total	**$ 503.2**

10-Year Capital Plan Financing



10-Year Capital Plan Financing



	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Debt Payments ($M)	13.29	14.12	20.18	22.1	23.62	25.24	26.57	29.82	28.34	29.68
Percentage of Operating Revenue (Debt service ratio)	7.05%	7.05%	9.33%	9.63%	9.68%	9.75%	9.68%	10.34%	9.35%	9.25%

Levels of Service

City of Belleville
Performance Dashboards

Asset Management Levels of Service

Measures that define the performance and quality of core assets, showing how the City manages infrastructure to balance cost, risk, and service outcomes.

Examples;

- **Water - % of water assets with very-high risk exposure**
- **Stormwater - Percentage of properties in municipality resilient to a 100-year storm**
- **Roads - For paved roads, the average Pavement Condition Index (PCI) value**
- **Fire - % of Urban responses within 80 Seconds for time out the door response time**
- **Information Technology - IT service availability (network uptime)**
- **Parks - Percentage of Parks assets with very high or high-risk exposure rating**
- **Streetlights - Percentage of streetlights with LED fixtures**
- **Transit - Percentage of buses past their expected useful life**

Next Steps

- **Asset Management - Continual improvement process**
  - Asset Management structure, process and data
  - Asset Management Software implementation
  - Annual Reporting, 5 Year update

- **Continual Council and public engagement process**
  - Key Performance Indicators (KPI) Dashboard

- **Capital Funding**
  - Enhanced reserve provisions; Tax and Wastewater
  - Continued advocacy and exploration into funding opportunities
  - User Rate forecasts and recommendations will continue to be updated and provided annually

2026 Capital Budget and 10-Year Capital Plan