

2018 Budget

Debt & Debt Funding



Debt Summary

Funding	2018 Interest	2018 Principal	Outstanding 2017
Casino	589,681	965,104	2,964,871
Development Cost Charges (DCC)	95,013	175,768	2,849,720
General	941,554	844,366	12,854,963
Total General	1,626,248	1,985,238	18,669,554
Water	448,795	422,123	7,826,648
Sewer	<u>773,830</u>	<u>575,057</u>	<u>10,677,202</u>
Total	2,848,873	2,982,418	37,173,404



Water Debt

Maturity	Purpose	2018 Interest	2018 Principal	Outstanding 2017
2026	Naramata Road Upgrade	81,725	156,827	2,554,979
2028	Water Filtration Plant	206,000	134,327	2,578,445
2029	Water Filtration Plant	<u>161,070</u>	<u>130,969</u>	<u>2,693,224</u>
	Totals	448,795	422,123	7,826,848



Sewer Debt

Maturity	Purpose	2018 Interest	2018 Principal	Outstanding 2017
2018	Penticton Industrial Development Area (PIDA)	18,540	29,985	42,678
2019	PIDA	3,580	6,085	16,988
2027	Septage Handling Facility	50,610	35,261	626,655
2028	System Upgrade	412,000	268,654	5,156,890
2029	Plant Expansion	<u>289,100</u>	<u>235,072</u>	<u>4,833,991</u>
	Totals	773,830	575,057	10,677,202



General Debt – Casino (Gaming) Funded

Maturity	Purpose	Funding	2018 Interest	2018 Principal	Outstanding 2017
2018	SOEC	Casino DAC	515,000	832,909	1,185,490
2024	Parks – Land acquisition	Casino HFAA*	33,600	50,808	780,047
2024	Parks – Integrated waterfront	Casino HFAA	11,000	16,633	255,373
2024	Parks – Youth park	Casino HFAA	1,000	1,512	23,216
2025	Parks – Integrated waterfront	Casino HFAA	11,531	27,400	239,790
2025	Parks – Youth park	Casino HFAA	2,700	5,514	73,993
2025	Parks – Integrated waterfront	Casino HFAA	<u>14,850</u>	<u>30,328</u>	<u>406,962</u>
	Sub-total Funded by Casino		589,681	965,104	2,964,871
	<i>* interest only</i>				



General Debt – DCC Funded

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2017
2024	Storm Sewer	DCC (principal)	8,100	10,207	156,706
2024	Roads design – Main Street	DCC (principal)	3,000	4,536	69,647
2026	Roads work – Fairview & Industrial	DCC (principal)	27,913	53,563	872,632
2026	Parks - Sportsfields	DCC (principal)	<u>56,000</u>	<u>107,462</u>	<u>1,750,735</u>
	Sub-total Funded by DCC		95,013	175,768	2,849,720



General Debt

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2016
2018	PIDA	General	58,710	94,952	135,146
2019	PIDA	General	11,336	19,269	53,796
2020	RCMP building	General	52,500	82,873	537,073
2020	RCMP building	General	31,500	49,724	322,244
2024	Roads Work – South Main St	General	3,900	5,897	90,541
2025	Wine Information Centre	General	18,739	42,153	368,908
2027	Integrated Waterfront	General	16,870	11,754	208,885
2028	Wellness Centre	General	139,500	100,745	1,933,834
2028	Cemetery - Columbarium	General	<u>128,750</u>	<u>83,954</u>	<u>1,611,528</u>
	Sub-total Funded by General		461,805	491,321	5,261,955



General Debt (Continued)

Maturity	Purpose	Funding	Interest	Principal	Outstanding 2017
2028	Indoor soccer facility	General	51,500	33,582	644,611
2028	Integrated Waterfront	General	27,295	17,798	341,644
2029	Indoor soccer facility	General	17,140	13,936	286,587
2030	Indoor soccer facility – Phase 2	General	26,370	19,679	430,570
2030	Pool upgrades	General	333,000	248,505	5,437,235
2031	Indoor soccer facility	General	5,670	4,534	104,929
2031	Road works – Smythe Dr.	General	18,774	15,011	347,432
	Sub-total Funded by General		<u>479,749</u>	<u>353,045</u>	<u>7,593,008</u>
	Total Funded by General		941,554	844,366	12,854,963



Debt Summary

Funding	2018 Interest	2018 Principal	Outstanding 2017
Casino	589,681	965,104	2,964,871
Development Cost Charges (DCC)	95,013	175,768	2,849,720
General	941,554	844,366	12,854,963
Total General	1,626,248	1,985,238	18,669,554
Water	448,795	422,123	7,826,648
Sewer	<u>773,830</u>	<u>575,057</u>	<u>10,677,202</u>
Total	2,848,873	2,982,418	37,173,404



Debt Funding

- Major SOEC loans maturing in 2018 were financed by Casino revenues
- As a result of that debt maturing, City debt servicing levels are dropping from 30% down to 23%
- Funds freed from the maturing debt can finance \$13.5m (10 year loan) or \$24.5m (20 year loan) of new debt
- For every \$1M of debt the City must fund approx. \$115k (10 year loan) or \$65k (20 year loan) (interest plus principal)
- Each \$1m in financing would require approx. a 4% tax increase



Reserves

Type	Estimated 2018
Statutory	11,584,000
DCC Reserves	15,129,000
Non-statutory (Own)	<u>42,289,000</u>
Total Reserves	69,002,000

- Statutory reserves are made up of 15 reserves including a capital reserve for each fund, Equipment Replacement, Gas Tax (Community Works) and Asset Sustainability.
- We have 27 non-statutory (or own) reserves which includes surplus reserves for each fund, Multi Material BC, Public Art, and Gaming (Casino) etc.



Questions?



penticton.ca