



APPENDIX 'A'

Memo
Town of Cobourg Council
April 2019

The capital forecast was derived from long-term capital forecasts for Waterworks, as well as an assessment of the lifecycle replacement needs of the existing infrastructure. On an annual basis, projects are reviewed and adjusted to reflect changes in the background information, inflationary impacts, changing priorities within the Town of Cobourg. The prioritization of the capital infrastructure replacement was based on safety, cost, and operational efficiencies. While some capital assets have reached their useful life, these assets can continue to provide value to the water system but may require additional maintenance until they are replaced.

Continued long-term planning is instrumental in developing a comprehensive understanding of Waterworks' infrastructure and creating a financial structure that puts in place resources to maintain the water system in a safe and effective manner, while maintaining the financial viability. Waterworks recognizes that integrity of its finances is critical to the successful operation for the organization and to its reputation and trust by ratepayers.

WATERWORKS OF THE TOWN OF COBOURG 2019 CAPITAL BUDGET

Project	Total
Water Tower #2	\$2,422,000
Confined Space Equipment	\$12,000
Electric to Gas	\$300,000
Solar Project	\$140,000
Clarifier - Bolts Replacement	\$50,000
WTP Filter Gallery Upgrades	\$203,000
WTP Roof	\$67,000
Infrastructure Upgrades	\$3,194,000
Watermain Design	\$50,000
Watermain Replacement	\$50,000
IT Hardware and Software	\$63,843
Tools	\$15,000
General Plant	\$78,843
Total Capital	\$3,322,843

APPENDIX 'B'



**Memo
Town of Cobourg Council
April 2019**

Subject: Town of Cobourg Proposed 2018 Operating and Capital Budget

Recommendation:

The proposed 2019 operating budget of \$2,752,000, recommended in this report, represents an increase of \$183,000 or 7.12% from the 2018 operating budget of \$2,569,000 and a decrease of \$150,299 or 5.17% the 2018 actual expenses, as summarized below:

WATERWORKS OF THE TOWN OF COBOURG				
PROPOSED				
BUDGET INCREASE/DECREASE				
	BUDGET 2018	BUDGET 2019	INCREASE (DECREASE)	INCREASE (DECREASE) %
REVENUE				
Sale of water	4,440,914	4,923,967	483,052	11%
Other revenue	179,151	179,801	650	0%
Development charges	50,000	30,000	(20,000)	-40%
Interest	11,000	11,120	120	1%
	4,681,065	5,144,888	463,823	10%
EXPENSES				
Wages	1,381,341	1,315,259	(66,082)	-5%
Management fees	81,712	71,901	(9,811)	-12%
Training	34,268	48,747	14,479	42%
Billing and collecting	107,546	117,946	10,400	10%
Professional fees	32,450	51,687	19,237	59%
Water operations and maintenance	223,398	293,839	70,441	32%
Rent	51,965	53,004	1,039	2%
Chemicals purchased	40,000	50,000	10,000	25%
Distribution	179,014	267,500	88,486	49%
Vehicle maintenance and gas	37,700	37,720	20	0%
Building utilities and maintenance	49,365	59,146	9,781	20%
Property taxes	80,900	82,518	1,618	2%
Insurance	95,097	96,555	1,458	2%
IT maintenance	58,193	81,075	22,882	39%
Misellaneous	19,505	20,333	828	4%
Office supplies and telecommunications	96,547	104,773	8,226	9%
	2,569,000	2,752,000	183,001	7%
Income before Amortization	2,112,066	2,392,888	280,822	13%
Amortization	1,157,116	1,191,477	34,361	3%
Net Income	954,949	1,201,411	246,461	26%