

2026 Budget Deliberations

Debt & Borrowing



Overview



- Debt is used as a funding source for capital projects



Capital Financing - Considerations

- Debt
 - Types
 - Short term
 - Long term
 - Benefits
- Reserves

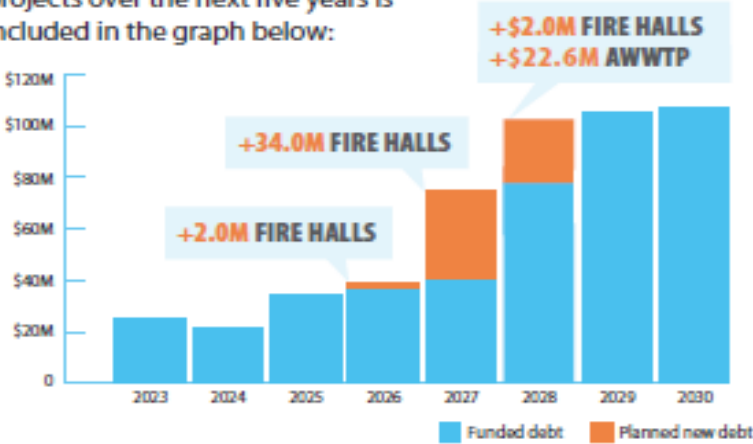


Debt Levels

The City's liability servicing levels are 2.7% in 2024 and over the course of 2026-2030 will reach 5.6% in 2028 and decline to 4.7%.

Forecasted Future Borrowing

Forecasted external borrowing for funded and unfunded projects over the next five years is included in the graph below:



	2024	2025	2026	2027	2028	2029	2030
	Final	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Opening balance		\$ 21.34	\$ 35.34	\$ 34.80	\$ 66.57	\$ 88.23	\$ 85.39
Principal Repayment		\$ 2.10	\$ 2.54	\$ 2.23	\$ 2.90	\$ 2.84	\$ 2.46
New debt		\$ 16.10	\$ 2.00	\$ 34.00	\$ 24.56	\$ -	\$ -
Ending balance	\$ 21.34	\$ 35.34	\$ 34.80	\$ 66.57	\$ 88.23	\$ 85.39	\$ 82.93
Estimated Liability Servicing Cost %	2.7%	2.8%	3.4%	4.1%	4.8%	5.6%	4.7%



Debt Summary

Funding	Outstanding 2024	2025 Interest	2025 Principal	2025 New Debt
Casino	99,652	9,706	72,411	
Development Cost Charges (DCC)	665,460	73,364	161,024	
General	5,444,145	513,566	628,412	
Total General	6,209,258	596,636	861,847	
Water	7,529,527	703,716	586,619	16,100,000
Sewer	7,634,690	800,600	651,653	
Total	21,373,475	2,100,952	2,100,119	16,100,000



Proposed Borrowing

Debt Funded Projects

External Debt Financing

Project ID	Funded Capital Projects	Carry Forward Projects	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	2030 Budget
AWWTP-LWMP07	Centrifuge Upgrades	-	-	-	-	8,125,000	-	-
FA-59	Civic Places & Spaces - Fire Hall Renewals*	-	-	2,000,000	34,000,000	2,000,000	-	-
WD-NE-04	Ellis 4 Dam Upgrades	-	11,000,000	-	-	-	-	-
AWWTP-LWMP01	NMLR Pumps, Headworks, Bioreactor Gates & Third Secondary Clarifier	3,080,000	-	-	-	-	-	-
WTP-IR-01	Penticton Avenue PRV Upgrade	4,793,000	-	-	-	-	-	-
G-WAT-01	Ridgedale Reservoir Upgrade	4,670,340	-	-	-	-	-	-
AWWTP-LWMP05	Second Dissolved Air Floatation Unit	-	-	-	-	6,240,000	-	-
AWWTP-LWMP04	Second Fermenter	-	-	-	-	8,190,000	-	-
Funded Capital Projects: External Financing		\$ 12,543,340	\$ 11,000,000	\$ 2,000,000	\$ 34,000,000	\$ 24,555,000	\$ -	\$ -



Questions?



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