

UTRCA Administration Office DRAFT Finance Plan

Fall 2008



Establishing the Need:

- Built in 1969, addition in 1980.
- Built for 30 staff
- Now houses 50 staff. An additional 27 staff are housed temporarily in inadequate facilities such as portables and Fanshawe Dam which have no water or washrooms.
- Meeting and common space has all been converted to office space.
- Current facilities impair staff productivity (deferred meetings, lack of privacy, difficult to concentrate, no break room).
- In some cases, there are health and safety issues (no running water, noise).
- Opportunities are lost since there is no room to house contract staff.
- This is not a new issue; Our space crisis started in 1992 but budgets from the past 15 years have had to focus on operating funding, with no opportunity for capital reinvestment.

Current Building Evaluation:

- Building Committee established in 2007 with Members of the Board of Directors
- Architect hired in 2007 and provided:
 - Building Condition Report
 - Functional Planning (how much space is actually required)
 - Recommendations and Design Options
- Architect's Recommendations included:
 - At a minimum twice the existing square footage of office space is required
 - Given the amount of additional space needed, a new facility was recommended.
- Board Recommendation:
 - The UTRCA Board of Directors recommended construction of a new Administration Office by 2010 (resolution from the September, 2007 Board of Directors Meeting).



UTRCA Administration Office DRAFT Finance Plan

Cost

Administration Office Costs

Component	Cost	Total
Construction	\$250/sq.ft. (30,000 sq.ft.)	\$7.5 million
LEED technology and design	\$50/sq.ft.	\$1.5 million* (see note below)
Ancillary Costs	\$3 million budgeted for: - parking and landscaping - architectural fees - demolition - moving expenses - furnishings	\$3 million
Entrance relocation	\$1 million	\$1 million
Total Cost		\$13 million

*Note: Initial capital outlay for LEED technology and design will be recovered within 10 years of the life of the building through greatly reduced energy costs. The remaining life of the building beyond 10 years will realize direct cost savings that will be reflected in the UTRCA's annual operating budget.

Cost Allocations

Revenue Source	Amount
Part A: Administration Building Costs (\$12,000,000)	
Municipal Funding	\$6 million (plus any unfunded provincial share)
Provincial Funding	\$6 million requested
Part B: Entrance Relocation (\$1,000,000)	
UTRCA	\$1 million
Total Project Cost	\$13 million

Cost of Deferring

Despite the Board's current recommendation to build a new Administration Office by 2010, the project's costs may create the temptation to delay construction. However, it can be argued this short term cost avoidance would come at a longer term cost. Certain elements of the existing facility would have to be upgraded to ensure it would be serviceable until a new facility could be built. The adjacent table itemizes issues that would have to be dealt with if the UTRCA were to continue to try to function with the current facilities. These costs were estimated by the UTRCA's Architect.

Cost of Deferring Construction and Continuing with the Current Facility

Issue	Detail	Cost
Structural Changes and Accessibility within the Current Structure	Maximize space and improve energy efficiency, create offices, improved accessibility, furniture	\$2,100,000
New Septic System	Current system is falling	\$100,000
New Heating and Cooling System	Current system patched and falling	\$500,000
Asbestos Removal		\$60,000
Lease of Off-Site Office Space	30 staff, 12,000 sq. ft. @ \$10/sq.ft. for 5 years (\$120,000/yr), plus security, furniture, cleaning/ maintenance (\$5/sq.ft.)	\$900,000
Parking	Additional space required	\$30,000
Construction Cost Increase	Estimate a five year delay in construction with an annual 4% increase in costs	\$2,000,000
Total		\$5,690,000

Proposed Levy

Estimated Municipal Costs at 6 Million and 12 Million Contribution Levels

Municipality	2008 Apportionment	\$6 million financed over 8 years (Total) (5.43% Interest)	\$6 million financed over 8 years (Annual Payments) (5.43% Interest)	\$12 million financed over 8 years (Total) (5.43% Interest)
		Assumes 50% Provincial Grant		Assumes No Provincial Grant
London	66.39	\$5,016,608	\$627,076	\$10,033,216
Oxford County	15.23	\$1,150,820	\$143,853	\$2,301,640
Stratford	7.44	\$562,187	\$70,273	\$1,124,373
Thames Centre	3.02	\$228,199	\$28,525	\$456,399
Middlesex Centre	2.12	\$160,193	\$20,024	\$320,386
St. Marys	1.65	\$124,678	\$15,585	\$249,357
West Perth	1.38	\$104,277	\$13,035	\$208,553
Perth East	1.30	\$98,232	\$12,279	\$196,463
Perth South	1.03	\$77,830	\$9,729	\$155,659
Lucan Biddulph	0.25	\$18,891	\$2,361	\$37,781
South Huron	0.20	\$15,113	\$1,889	\$30,225
Total Cost		\$7,557,026	\$944,628	\$15,114,053

Proposed 2009 Capital Levy

\$1,889,257

UTRCA Total Budget: \$11.8 million (10.5% increase)
Municipal Levy: \$3.37 million (4.0% increase)

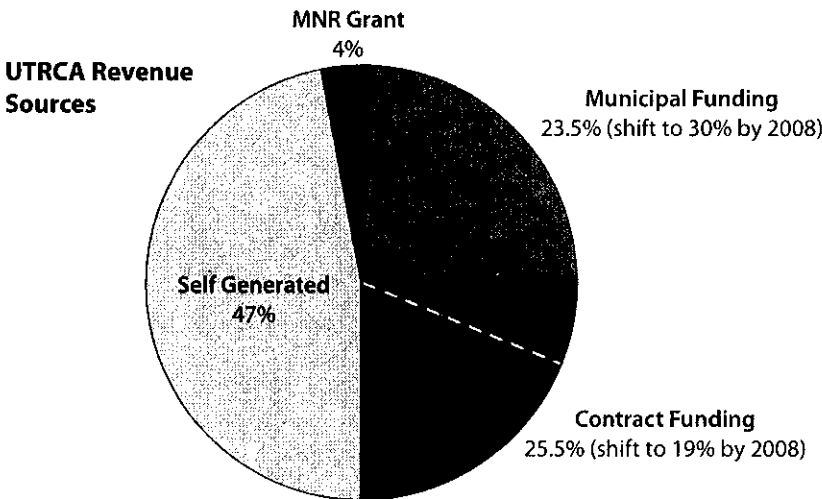
What do we do for you?

- ✓ Provide flood control, water quality, forestry and outdoor recreation services to watershed residents.
- ✓ Operate a > \$10 million program with only 30% of costs required from municipalities.
- ✓ Operate \$280 million worth of flood control infrastructure for \$1.5 million/ year.
- ✓ Secure 50% grants to off-set municipal capital costs for flood control infrastructure maintenance.
- ✓ Monitor 270 surface water and groundwater stations annually to measure watershed health.
- ✓ Plant > 60,000 trees annually.
- ✓ Assisted with the design and construction of >2,000 water quality improvement projects valued at over \$9 million in the past six years.
- ✓ Provide environmental education to 25,000 watershed residents annually.
- ✓ Inject money into the local economy from camping and day use facilities (reminder - no municipal funding is used to operate these facilities).

Balanced Funding Plan 2007-2010

Goal: To stabilize funding for the UTRCA by increasing municipal support from one of the lowest in the Province (23.5% of total budget) to a final target of 30% support (provincial average is 32%).

- ✓ Four year plan (2007-2010)
- ✓ Target: to move to 30% municipal funding by 2008 with contract revenue shifting to 19%
- ✓ 2009 and 2010 will return to maintenance budgets (assuming no adjustment to current service levels)



Balanced Funding Plan

Year	Planned Municipal Funding Increase
2007	12.1%
2008	14.8%
2009	4.0%
2010	4.0%

History of Municipal Funding Increases

Year	Percent Municipal Funding Increase
2008	14.8%
2007	12.1%
2006	9.2%
2005	12.6%*
2004	3.7%
2003	8.1%
2002	13.0%
2001	18.8%
2000	-
1999	-
1998	-
1997	-
1996	-
1995	-
1994	-
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1989	-
1988	-
1987	-
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1983	-
1982	-
1981	-
1980	-

2009 Levy Request by Municipality

Municipality	% Increase	\$ Increase	Total Request
Perth East	3.0	\$1,056	\$36,169
Stratford	3.4	\$8,545	\$260,680
West Perth	3.4	\$2,231	\$68,494
Thames Centre	3.6	\$2,885	\$84,079
Perth South	3.6	\$939	\$27,341
London	4.0	\$84,214	\$2,210,400
South Huron	4.2	\$210	\$5,272
St. Marys	4.5	\$3,148	\$73,052
Oxford County	5.1	\$23,183	\$476,738
Lucan / Biddulph	5.7	\$366	\$6,796