MACKENZIE
BRITISH COLUMBIA

2026 Capital Projects Discussion

February 9, 2026

AGENDA

- Reserve and Surplus Policy
- Preliminary Reserve Balances
- Capital Projects by Department
- Capital Project Overview
- Impact of Capital Projects on Reserves

RESERVE AND SURPLUS POLICY 3.18

Established in October 2020

Purpose

- Provide guidance on the development, maintenance and use of financial reserve funds

Primary Objective

- Ensure adequate levels of reserve balances to mitigate current and future risks
- Ensure stable tax rates
- Demonstrate financial commitments to long range infrastructure and master plans

RESERVE AND SURPLUS POLICY 3.18

Types of Reserves

Statutory Reserve Funds

- Funds set aside for specific purposes as required by legislation as per Section 188(2) of the *Community Charter*
  - Parkland Reserve

Reserve Funds

- Funds set aside for a specified purpose by Council pursuant to Section 188(1) of the *Community Charter*

PRELIMINARY RESERVE BALANCES

Reserve Name	Est. Value at Dec 31, 2025
Capital Reserve Funds	(not including investment interest)
General Capital *fund land acquisitions, one-time general capital projects and capital not specifically funded by other reserves *includes capital and building upgrades and replacement Annual Transfer to Reserves – funded through property taxes $200,000	3,246,315
Capital Renewal *rehabilitation, renewal or replacement of existing infrastructure (excluding water and sewer) Annual Transfer to Reserves – funded through property taxes $623,261 base amount (budgeted) $ 96,000 2% capital renewal levy (based on community needs) $719,261	2,375,366
Vehicle & Equipment Replacement *fleet vehicles and equipment (not including garbage truck and carts/bins) Annual Transfer to Reserves – funded through property taxes $277,300	2,363,759

PRELIMINARY RESERVE BALANCES cont…

Reserve Name	Est. Value at Dec 31, 2025
Capital Reserve Funds	(not including investment interest)
Fire Vehicle & Equipment Replacement *fire department vehicles and equipment Annual Transfer to Reserves – funded through property taxes $167,000	773,548
Community Works Gas Tax *pursuant to community works fund agreement *include projects such as road paving, communications, infrastructure Annual Transfer to Reserves – funded through Canada Community-Building Fund $212,808	249,774
Northern Capital & Planning Grant *one-time grant from Province of BC *capital and long-term planning purposes	708,185

CAPITAL PROJECTS

- Focusing on aging infrastructure and vehicle/equipment replacement
- Capacity to complete projects
- Doesn't include water and sewer – discussion on March 9th

GENERAL GOVERNMENT

Proposed 2026 Projects

NEW PROJECTS

- Replace Phone System

Cost: $11,301

Funding: $11,301 Capital Renewal Reserve

Description:

Replace phone system as the current system has reached the end of its life cycle and maintenance support is no longer available.

- Estimated operating cost savings of $10,000

FIRE SERVICES

Proposed 2026 Projects

NEW PROJECTS

- Rescue Air Bag Replacement

Cost: $10,000

Funding: $10,000 Volunteer Firefighting Association

Description:

Replace four rescue air bags used for auto extraction as they are over the manufacturers recommended life span.

- PPE Replacement – Helmets and Boots

Cost: $31,500

Funding: $ 1,500 Fire Vehicle & Equipment Reserve

$30,000 UBCM Grant (pending approval)

Description:

Replace thirty four sets of structural firefighting helmets and boots that are approaching or have exceeded their recommended service life. This equipment no longer fully aligns with current WorksafeBC requirements and applicable National Fire Protection Association standards.

PUBLIC WORKS

Proposed 2026 Projects

CARRY OVER PROJECTS

- Airport Automatic Gate Install — **Cost:** $ 27,217
- Public Works Automatic Gate Install — **Cost:** $ 30,086
- Vacuum Flusher/Trailer (2003) — **Cost:** $130,000
- Water/Sewer Truck Replacement (2016) — **Cost:** $245,000
- Flat Deck Pickup Replacement (2008) — **Cost:** $ 70,000

NEW PROJECTS

- Road Paving — **Cost:** $1,000,000

  Funding: $1,000,000 General Capital Reserve

Description:

Implement year 3 of the paving program from the paving plan.

PUBLIC WORKS cont...

Proposed 2026 Projects

- Loader(2009) Replacement

Cost: $400,000

Funding: $400,000 Vehicle & Equipment Reserve

Description:

Loader is currently 17 years old and over the allotted service hours. The engine, and other mechanical parts, are failing.

- Dump/Plow Truck(2010) Replacement

Cost: $525,000

Funding: $525,000 Vehicle & Equipment Reserve

Description:

The Dump/Plow truck is scheduled for replacement in 2026 as it has reached the end of its lifecycle. There have been ongoing issues with the engine as well as the vehicle is over the allotted service hours.

PUBLIC WORKS cont…

Proposed 2026 Projects

- Olympia(2000) Replacement

Cost: $200,000

Funding: $200,000 Vehicle & Equipment Reserve

Description:

The Olympia is over 25 years old and is currently being used for backup when required. There have been a number of safety and mechanical issues that have arisen due to the age of the equipment.

RECREATION SERVICES

Proposed 2026 Projects

CARRY OVER PROJECTS

- Recreation Centre Upgrade **Cost:** $360,697
  - Pool slide
  - Accessible main bathrooms
- Outdoor Rink Boards **Cost:** $ 37,029
  - Looking for grants to fund project
- Arena Dehumidifier Wheel Replacement **Cost:** $ 53,340

2026 CAPITAL PROJECT OVERVIEW

	2026 BUDGET	FUNDING SOURCE
GENERAL GOVERNMENT		
Replace Phone System	11,301	Capital Renewal Reserve
TOTAL GENERAL GOVERNMENT	**11,301**	
FIRE SERVICES		
Rescue Air Bag Replacement	10,000	Volunteer Firefighting Association
PPE Replacement – Helmets and Boots	31,500	Fire Dept Vehicle & Equip Reserve/Grants
TOTAL FIRE SERVICES	**41,500**	
PUBLIC WORKS		
Airport Automatic Gate Install (carry over)	27,217	Capital Renewal Reserve/Grants
Public Works Automatic Gate Install (carry over)	30,086	Capital Renewal Reserve

2026 CAPITAL PROJECT OVERVIEW

	2026 BUDGET	FUNDING SOURCE
PUBLIC WORKS cont…		
Vacuum Flusher/Trailer(2003) (carry over)	130,000	Vehicle & Equipment Reserve
Water/Sewer Truck(2016) Replacement (carry over)	245,000	Vehicle & Equipment Reserve
Flat Deck Pickup(2008) Replacement (carry over)	70,000	Vehicle & Equipment Reserve
Road Paving	1,000,000	General Capital Reserve
Loader(2009) Replacement	400,000	Vehicle & Equipment Reserve
Dump/Plow Truck(2010) Replacement	525,000	Vehicle & Equipment Reserve
Olympia(2000) Replacement	200,000	Vehicle & Equipment Reserve
TOTAL PUBLIC WORKS	**2,627,303**	

2026 CAPITAL PROJECT OVERVIEW

	2026 BUDGET	FUNDING SOURCE
RECREATION SERVICES		
Recreation Centre Upgrade (carry over)	360,697	Grants
Outdoor Rink Boards (carry over)	37,029	Apply for Grant
Arena Dehumidifier Wheel Replacement (carry over)	53,340	Capital Renewal Reserve
TOTAL RECREATION SERVICES	**451,066**	
TOTAL GENERAL CAPITAL	**3,131,170**	

$2,675,753 Funded by reserves
$ 455,417 Funded by grants
$3,131,170

IMPACT OF CAPITAL PROJECTS ON RESERVES

Reserve Name	Est. Value at Dec 31, 2025	2026 Estimated Annual Transfers	2026 Estimated Allocations to Projects	2026 Estimated Remaining Balance
Capital Reserve Funds	(not including investment interest)			
General Capital	3,246,315	200,000	(1,000,000)	2,446,315
Capital Renewal	2,375,366	623,261	(104,253)	2,894,374
Vehicle & Equipment Replacement*	2,363,759	277,300	(1,570,000)	1,071,059
Fire Vehicle & Equipment Replacement	773,548	167,000	(1,500)	939,048
Community Works Gas Tax	249,774	212,808		462,582
Northern Capital & Planning Grant	708,185			708,185

*staff researching other funding options available to continue vehicle/equipment replacement in future years

QUESTIONS