



**THE CORPORATION OF THE TOWNSHIP OF TAY
SPECIAL GENERAL GOVERNMENT & FINANCE COMMITTEE**

**APRIL 12, 2017
9:00 A.M.**

MUNICIPAL OFFICE – COUNCIL CHAMBERS

1. **CALL TO ORDER**
2. **DECLARATION OF PECUNIARY INTEREST**
3. **ADOPTION OF THE AGENDA**
4. **CONSIDERATION OF BUSINESS FOR WHICH NOTICE WAS GIVEN**
 - 4.1 Report from the Director of Finance
Report No.: GGF-2017-15
Re: Municipal Act 2001, O.Reg. 284/09 – Budget Matters
 - 4.2 Report from the Director of Finance
Report No.: GGF-2017-16
Re: 2017 Operating & Capital Budget
5. **ADJOURNMENT**



STAFF REPORT

Department/Function: General Government & Finance

Chair: Deputy Mayor Dave Ritchie

Meeting Date: April 12, 2017

Report No.: GGF-2017-15

Report Title: Municipal Act 2001, O. Reg. 284/09
Budget Matters

RECOMMENDATION:

That report GGF-2017-15 regarding excluded expenditure budgets in compliance with O.Reg 284/09 be adopted.

INTRODUCTION/BACKGROUND:

As a municipality, the Township is required to follow the accounting standards established by the Public Sector Accounting Board (PSAB). With the introduction of tangible capital asset accounting in 2009, the accounting standards do not require budgets to be prepared on a fully accrued basis. The Township of Tay continues to prepare budgets on a modified cash basis. The annual budget of a municipality is an important exercise, one which plans for current and future activities and acquisitions. A key outcome of the annual budget is a tax rate which Council is asked to approve. This tax rate is based on annual cash requirements and therefore does not include the PSAB requirements around accrual accounting for "non-financial assets and liabilities".

The Province of Ontario introduced Ontario Regulation 284/09, which allows a municipality to exclude from its annual budget estimated expenses related to the following:

1. Amortization
2. Post-employment benefits
3. Solid waste landfill closure and post-closure.

The regulation requires that the municipality report on the impact of these excluded costs and, before adopting a budget for the year that excludes any of the expenses listed above, Council must adopt the report by resolution.

ANALYSIS:

This report details the impact of the inclusion of these expenditures should they have been included within the 2017 budget. As the authority over landfills is with the County of Simcoe, this report only includes amortization expenses and post-employment benefit liabilities.

Amortization Expenses

Amortization is an expense that allocates the cost of tangible capital assets over the period of time the assets are used to deliver services and programs (useful life) to the businesses and residents of the Township.

Amortization expenses are not budgeted and therefore excluded from the calculation of the tax levy during the budget process. However, the Township does provide a budget for contributions to reserves, principal debt payments, as well as funding for capital purchases from the operating budget. The contributions to reserves are more closely tied to future replacement costs but can be used as a basic comparator with amortization expenses (based on historical costs) to determine if the reserves are adequately being funded to support future capital replacement. Staff believes that the current level of annual contributions is inadequate to maintain the lifecycle replacement requirements of the Township's growing capital asset base over the long term.

The estimated impact of the exclusion of amortization, on future tangible capital asset funding, cannot be determined without looking at capital asset funding through annual transfers from tax and utility rates and contributions to reserves for capital replacement as well as the annual reduction in debt due to debt principal payments.

Post-Employment Benefits Expenses

Post-employment benefit expenses are benefits provided to qualifying employees who retire before the age of 65. The PSAB standards do not require liabilities associated with post-employment benefits to be fully funded. The Township has reported post-employment benefit liabilities within the financial statements since the retirees benefit plan provisions were adopted in 2007. To date, the Township has not set aside any funds in reserves to fund these liabilities.

The total accumulated Post-employment benefit liability for the Township as at December 31, 2016 was \$621,200. The Township does budget on an annual basis the current year costs of post-employment benefits which are \$24,931 in 2017. The projected 2017 post-employment benefit liability is \$615,400. The post-employment benefit actuarial is updated every three years and will need to be updated for the 2019 fiscal year-end.

If amortization and the post-employment benefits expense had been included in the 2017 budget, the estimated impact on the annual surplus (deficit) would be calculated as follows:

2017 BUDGET YEAR			
	Tax Rate/Other	User Pay	Total
	Funded	Funded	
2017 Operating Budget Surplus/(Deficit)	-	-	-
<u>Capital Assets</u>			
<u>Add:</u>			
2017 Tangible Capital Asset Acquisitions funded by Other (grants, reserves, DC's)	3,473,559	7,687,321	11,160,880
2017 Tangible Capital Asset Acquisitions funded by Transfers to Capital	998,594	1,241,828	2,240,422
2017 Transfer to Reserves (capital & operating)	766,300	71,345	837,645
Principal Portion of Long Term Debt	128,202	543,241	671,444
<u>Less:</u>			
2017 Transfer from Reserves (capital & operating)	1,962,121	2,141,598	4,103,719
2017 Estimated Amortization Expense	1,845,190	1,778,158	3,623,348
Proceeds of Long Term Debt	487,518	930,000	1,417,518
<u>Post-Employment Benefits</u>			
<u>Less:</u>			
Unfunded Post Employment Benefits Liability	496,088	119,312	615,400
<u>Post-Closure Landfill Expenses</u>			
<u>Less:</u>			
N/A	-	-	-
Estimated Impact on the Ending Accumulated Surplus/(Deficit)	575,738	4,574,667	5,150,405

* Under full accrual accounting restricted contributions (grants, DC's) related to capital acquisitions would be deferred and recognized as revenue in the period in which the related expenses (amortization) are incurred. This adjustment is not reflected in the above table.

This estimated surplus calculated in the table above is based on budget figures and may vary significantly from actual year end results if all of the capital projects do not get completed or if funding decisions change.

From the comparison we could conclude that reserve transfers are adequate, however there are a number of other factors that would need to be taken into consideration. This analysis only covers replacement of current assets at historical costs; it does not contemplate the costs of enhancements to capital assets. Also assets that are fully depreciated will not be included in the amortization expense and transfers to reserves sometimes vary depending on other factors such as lot sales, and capital spending fluctuates depending on circumstances (i.e. surplus funds available and or upgrading a wastewater plant). Further, this year's capital budget includes \$4.85M in grant funding that would not be considered a predictable or renewing revenue source.

FINANCIAL/BUDGET IMPACT:

This report identifies the impact of excluding costs of amortization and post-employment expenses from the budget in 2017. Amortization is based on the estimated cost of when our assets were first built or purchased and not necessarily the current cost to repair or replace the assets. Therefore, even though the amortization appears to be fully funded, there will likely still be a shortfall of funds when the future replacement of the asset is required. Our Asset Management Plan (AMP) considers this shortcoming and uses the asset's replacement cost as a measure to calculate the annual savings required to fund the future replacement of an asset.

Prepared By: Lindsay Barron, Financial Analyst

Recommended By:

Joanne Sanders
Director of Finance

Date:
April 6, 2017

Reviewed By:

Date:
April 6, 2017

Robert J. Lamb, CECd, Ec.D.
Chief Administrative Officer



STAFF REPORT

Department/Function: General Government/Finance

Chair: Deputy Mayor Dave Ritchie

Meeting Date: April 12, 2017

Report No.: GGF-2017-16

Report Title: 2017 Operating and Capital Budget

RECOMMENDATIONS:

That 2017 Operating and Capital Budget Report No. GGF-2017-16, be received and that the following recommendations as outlined in the report be approved:

- (a) That the Treasurer is hereby authorized to make the following transfers related to reserves and reserve funds:

Transfer to reserves	\$ 837,645
Transfer from reserves	\$ 4,103,719
Transfer from development charges fund	\$ 1,300,300

- (b) That the 2017 total capital expenditures in the amount of \$13,401,302 be approved.

- (c) That the 2017 budget as amended, be approved and that staff are hereby directed to proceed with the preparation of the tax rate by-law for 2017.

INTRODUCTION/BACKGROUND

The preliminary budget presentation including additional budget requests from both Council and staff for 2017 totaled \$372,404. Council approved the preliminary budget December 21, 2016 with an increase to the tax levy of \$312,098 over 2016. This draft of the budget proposes an increase in the tax levy over 2016 of \$332,098.

Items to be reviewed with the final budget include:

- Changes resulting from analysis of the 2016 total costs
- Significant changes in 2017 cost projections
- Carry forwards for projects not completed
- Assessment and tax rate information

The budget attached is presented as follows:

- Staff Report highlighting changes from Preliminary Budget
- Updated Reserve Schedules
- Updated Capital Summary
- Updated Budget Summaries
 - Green sheets - Operating Budget
 - Yellow sheets - Capital Budget
 - White sheets – Department Notes

The budget is presented in a summary format. Council members wishing to see the line by line detail that supports the summary format should contact the Treasurer.

ANALYSIS

The Municipal Budget impact including policing, to the taxpayer in this draft of the budget is a **2.62 % increase**.

The impact to the taxpayer in the preliminary budget was based on projected growth in assessment at that time of 1.0%; final assessments show this to be 1.55%.

The Municipal Budget, as written, has an increase over 2016 of \$332,098. Of this, approximately \$123,500 will be absorbed by growth related assessment (newly assessed properties) with the balance being raised by an increase in taxation.

The budget to budget comparison to the prior year is shown below:

Schedule A					
2017 Preliminary Budget Summary					
	Budget		\$ Change	% Change	Less Increase in Assessment due to Growth
	2016	2017			1.55%
OMPF Revenue	-\$ 1,078,000	-\$ 1,095,600	-\$ 17,600	1.63%	
Committee Summaries:					
General Government	\$ 1,213,999	\$ 1,291,249	\$ 77,250	6.36%	
Protection to Persons & Property	\$ 1,182,727	\$ 1,244,993	\$ 62,266	5.26%	
Policing	\$ 1,603,995	\$ 1,618,234	\$ 14,239	0.89%	
Public Works	\$ 2,989,500	\$ 3,150,231	\$ 160,731	5.38%	
Culture & Recreation	\$ 1,118,298	\$ 1,172,209	\$ 53,911	4.82%	
Library	\$ 337,263	\$ 347,120	\$ 9,857	2.92%	
Planning & Development	\$ 499,513	\$ 505,957	\$ 6,444	1.29%	
Capital Transfer	\$ 100,000	\$ 65,000	-\$ 35,000	-35.00%	
	\$ 9,045,295	\$ 9,394,993	\$ 349,698	3.87%	
Total Requirement	\$ 7,967,295	\$ 8,299,393	\$ 332,098	4.17%	2.62%

*Street lighting revenue which was not part of the taxation levy in the past has been added to 2016 for comparison purposes.

Assessment and Property Tax Impacts

2016 was the final year of a 4 year phase in of property assessments using a valuation date of January 1, 2012. 2017 is the beginning of a new 4 year cycle with all properties being revalued with a valuation date of January 1, 2016. With each reassessment there are taxation shifts that occur as a result of assessments on different properties and classes of properties increasing or decreasing at different rates. There are also shifts which occur when growth (new construction) occurs at different rates between either classes of properties or between municipalities affecting the distribution of school and county taxes.

On a county wide basis while the market value assessment increase for 2017 in total is approximately 4.15%, there are some substantial differences between different classes of properties. The Farm class shows a 14.4% increase in assessment in comparison to Industrial at -1.18%, or Residential at 4.09%. Within the County of Simcoe we also saw varying degrees of growth with the low end being .15% and the high end being 4.94%. Tax shows as 1.63% (includes exempt assessment). This creates shifts in taxation making it very difficult to identify increases or decrease for individual properties.

Municipal Tax Equity Consultants Inc. provides the County of Simcoe with data extracted from the assessment data base for each lower tier municipality. This information includes average assessment changes for typical properties in a variety of classes.

At the time of writing this report we had received only a draft calculation of the County taxation rates. It is hoped that we will have these rates confirmed prior to the Council meeting on April 26, 2016.

The following tables show a couple of classes of properties and the change in taxation for 2017 over 2016.

Impact on the "Typical Property" Single Residential				
2016 Assessment of \$194,894 to 2017 of \$200,515 (2.88% increase)				
	2016	2017	\$ Increase	% Increase
Municipal	\$ 1,278	\$ 1,337	59	4.65%
County	\$ 583	\$ 591	8	1.37%
Education	\$ 366	\$ 359	- 7	-2.04%
Total Tax Increase	\$ 2,227	\$ 2,287	\$ 60	2.69%
*2016 taxes have been restated to include the cost of streetlighting for comparison purposes.				

**Impact on the "Typical Property"
Other Residential**

2016 Assessment of **\$201,569** to 2017 of **\$197,117** (2.21% decrease)

	2016	2017	\$ Increase	% Increase
Municipal	\$ 1,321	\$ 1,314	- 7	-0.53%
County	\$ 603	\$ 581	- 22	-3.65%
Education	\$ 379	\$ 353	- 26	-6.89%
Total Tax Increase	\$ 2,303	\$ 2,248	-\$ 55	-2.39%

*2016 taxes have been restated to include the cost of streetlighting for comparison purposes.

**Impact on the "Typical Property"
Farm**

2016 Assessment of **\$223,207** to 2017 of **\$252,089** (12.94% increase)

	2016	2017	\$ Increase	% Increase
Municipal	\$ 366	\$ 420	54	14.87%
County	\$ 167	\$ 186	19	11.27%
Education	\$ 105	\$ 113	8	7.53%
Total Tax Increase	\$ 638	\$ 719	\$ 81	12.71%

*2016 taxes have been restated to include the cost of streetlighting for comparison purposes.

Policing

The 2017 policing costs are being subsidized by a transfer from reserves of \$47,468 in order to phase in the increase in policing costs and delay the decision to increase the tax levy until annual reconciliations have taken place. The 2015 year end reconciliation has been delayed until the 2018 billing statements are released due to collective bargaining agreements and benefit rates not being available at the time the 2017 billing statements were prepared. The balance in the reserve for policing is budgeted to be \$367,394 at the end of 2017.

Under the new billing model there is stability in the base service costs, however, the costs for calls for service which make up approximately 33% of our costs, could see significant fluctuations from year to year depending on usage of services. The balance in the reserve will provide funding if required for these fluctuations.

Changes in Operating Budget from Preliminary

Changes requested or approved by Council following the approval of the Preliminary budget as well as changes identified by staff have been included in this draft of the budget. The below summarizes previously approved and proposed changes to the preliminary budget:

- Streetlighting budget has been updated to reflect the removal of the streetlighting levy and the hydro budget has been increased based on 2016 actuals.
- A grant in lieu of Development Charges and Building Permit Fees for the Martyrs' Shrine in the amount of \$14,394 funded from the 2016 operating surplus.
- Land Sale revenues and expenses have been updated to reflect expected sales and the base servicing costs for the Calvert Street lots, with excess revenue transferred to reserves.
- A proposed increase to the Winter Control budget of \$20,000 to reflect the increasing number of winter events and the number of events that require extended service due the nature of the storm (heavy snowfall, freezing rain etc.)

Changes in Capital Budget from Preliminary

Capital budgets were adjusted to update carry forwards based on final 2016 expenditures, pricing where more accurate estimates are known and the addition of new projects that have come up since the approval of the Preliminary Budget.

Annually each year, departments advise the Treasurer of unfinished projects that will require funding in a future year. In 2016 Council passed a motion to approve the carry forward of projects not completed within the year along with the balance of the funding allocated to the project. The following projects have unspent 2016 budget amounts carried forward to 2017.

2016 Budget Carry forwards:

• Printer/Fax/Copier – Public Works	\$7,000
• Colour Laser Printers	\$6,000
• Mini Mailer/Stuffer	\$16,000
• Plans Plotter	\$13,500
• Postage Machine	\$4,000
• P/C Monitor Replacements	\$66,126
• Financial Server	\$25,000
• Office Server	\$22,360
• Office Network Switches	\$3,317
• Backup Tape Drive & Software	\$12,000
• Land Manager Upgrade	\$9,000
• Work Order System	\$9,000
• Waubashene Hall Rescue Truck	\$124,554
• Recreation Software	\$15,000
• Trail Bridge Work – Hogg River	\$60,000
• Road/Water Project – Engineering (Road's portion)	\$31,379
• Albert & John Dillingno –Engineering	\$41,349
• Road/Water Project – Engineering (Water's portion)	\$33,903
• Official Plan	\$20,860
• Source Water Protection	\$51,246
• Septage Receiving – Wastewater	\$70,000
• SCADA Upgrade – Wastewater	\$35,000
• Victoria Harbour Wastewater Treatment Plant	\$3,000,000
• Master Servicing Study – Wastewater	\$33,967
• Master Servicing Study – Water	\$100,000

Budgets updated as a result of more accurate pricing and timing:

• Waubashene Hall Pumper	\$393,200
• Old For Fire Hall Construction	\$592,569
– Total estimated cost of \$1,867,718 less 2016 spending	
• Road/Water Project –Construct & Admin (Roads)	\$1,683,716
• Road/Water Project –Construct & Admin (Water)	\$744,246
• Year-round Water System -Paradise Point and Grandview Beach	\$4,400,000

Additions to the 2017 Preliminary Capital Budget include:

• Replace HVAC – PM Wastewater Treatment Plant	\$56,000
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OTHER FINANCIAL CONSIDERATIONS AND INFORMATION

Reserve Transfers *(see pages 10-11)*

Updated balances held in reserves have been provided for Council's information.

Transfers to reserves for the replacement of assets are reviewed with the Long Term Plan in the fall each year and these are reflected in the budget.

The reserves for financial purposes (working funds), are held to offset accounts receivable ensuring enough cash is on hand to operate. We do not currently have enough funds in the working funds reserve to offset accounts receivable (predominantly outstanding taxes and water/wastewater receivables). We do maintain a number of other reserves as well as a contingency reserve which assist with cash flow. It is not recommended that the municipality increase its transfers to reserve for financial purposes at this time.

Development Charges *(see page 12)*

Updated balances held in the Development Charge Reserve Fund have been provided for Council's information.

Recommendation (a)

It is recommended that the Treasurer be authorized to make the following transfers related to reserves and reserve funds:

Transfer to reserves	\$ 837,645
Transfer from reserves	\$ 4,103,719
Transfer from development charges fund	\$ 1,300,300

Capital Expenditures *(yellow sheets throughout the document)*

The 2017 budget provides for \$13.4 million in capital expenditures, including the Water and Wastewater budgets.

Recommendation (b)

It is recommended that the 2017 total capital expenditures in the amount of \$13,401,302 be approved.

SUMMARY

The 2017 Municipal budget includes increases in capital infrastructure funding as well as service enhancements relating to parks, sidewalk maintenance and communications. These additional costs have been included in the budget while keeping the overall cost to the ratepayers at a reasonable increase. Staff continues to look for areas to reduce costs as well as increase revenues from other sources in order to provide good service at the lowest cost possible.

Department Heads look forward to discussing this report with you further with the expectation of preparing the tax rate by-law for presentation to Council at the April 26, 2017 Council meeting.

Recommendation (c)

It is recommended that the 2017 budget as amended, be approved and that staff are hereby directed to proceed with the preparation of the tax rate by-law for 2017.

Prepared By; Lindsay Barron, Financial Analyst
Joanne Sanders, Treasurer

Recommended By:

Joanne Sanders
Treasurer

Date:
April 6, 2017

Reviewed By;

Date:

Robert Lamb

April 6, 2017

By-law 2017-25				Schedule A
CORPORATION OF THE TOWNSHIP OF TAY				
Reserve Projection 2017				
	Balance 31-Dec-16	Transfer to Reserve	Transfer from Reserve	Projected Balance 31-Dec-17
Financial Purposes				
Working Funds	1,185,043	-	-	1,185,043
Contingencies	775,840	64,800	-	840,640
Reserve for Future Capital	131,955	65,000	133,638	63,317
Reserve for Policing	414,862	-	47,468	367,394
	2,507,700	129,800	181,106	2,456,394
Building and Equipment Reserve	259,104	98,000	295,303	61,801
Vehicles, and Equipment Reserves	1,294,587	410,500	1,010,805	694,282
Recreation Programs & Facilities				
Recreation Facilities and Equipment (Park Development)	456,772	-	232,500	224,272
Recreation Tayshore Trail/Docks	103,000	38,000	23,000	118,000
Recreation - Talbot Park Donations	8,022	-	-	8,022
Special Events Reserve	28,170	-	10,000	18,170
	595,964	38,000	265,500	368,464
Works				
Roads Infrastructure (Bridges)	326,265	60,000	125,000	261,265
Streetlighting	48,061	20,000	20,000	48,061
	374,326	80,000	145,000	309,326
Water & Wastewater Operations				
Vehicles	81,247	22,000	-	103,247
Wastewater	2,578,536	-	1,940,385	638,151
Water Infrastructure - Midland Customers	161	2,000	-	2,161
Water	2,051,474	47,345	201,213	1,897,606
VH Wastewater Plant Outfall Reserve	321,000	-	-	321,000
	5,032,419	71,345	2,141,598	2,962,166
Planning				
Studies and Hearings	143,535	10,000	64,407	89,128
TOTAL	10,207,635	837,645	4,103,719	6,941,561

By-law 2017-25		Schedule A
2017 Operating and Capital Budget		
Transfers to Reserves		
Committee/Function	Reserve Name	Amount
General Government	Contingency	-
	- Election	5,000
	- Strategic Plan	10,000
	- Land Sales	49,800
	Policing Reserve	-
Asset Replacement	Reserve for Future Capital	65,000
	Municipal Building and Equipment	98,000
	By-Law Vehicle	1,500
	Fire	173,000
	Municipal Fleet	231,000
	Building Vehicles	5,000
	Tayshore Trail	38,000
	Water/Wastewater Vehicle	22,000
	Wastewater Infrastructure	-
	Water Infrastructure	47,345
	Water Infrastructure - Midland Customers	2,000
	Streetlighting	20,000
	Roads & Bridges	60,000
Planning and Development	OMB Hearings and Studies	10,000
Total		837,645
Transfers from Reserves		
100th Anniversary Celebrations	Special Events	10,000
Computer & Equipment Upgrades	Municipal Building and Equipment	215,303
Building Upgrades	Municipal Building and Equipment	80,000
Fire Vehicles	Fire Vehicles and Equipment	517,754
Fire Hall (debt proceeds)	Fire Vehicles and Equipment	105,051
Fire Off Road Vehicle	Fire Vehicle	1,000
Policing	Policing Reserve	47,468
Park Development	Recreation Facilities and Equipment	232,500
Spot Repairs on Trail	Tayshore Trail	23,000
Bridges	Roads Infrastructure Reserve	125,000
Roads Equipment	Municipal Fleet	351,000
Replace Vehicle	Water/Wastewater Vehicle	-
Wastewater	Wastewater Infrastructure	1,940,385
Water	Water Infrastructure	201,213
Official Plan/ Growth Plan	Studies & Hearings	12,307
Capital Road Work	Reserve for Future Capital	133,638
Streetlighting	Streetlighting	20,000
Land Manager Software	Building Vehicles	9,000
Replace Vehicle	Building Vehicles	27,000
OMB Hearings	Studies & Hearings	52,100
Total		4,103,719

By-law 2017-25				
				Schedule A
CORPORATION OF THE TOWNSHIP OF TAY				
Estimated Reserve Fund Transactions 2017				
	Balance Dec, 31, 2016	Projected Receipts (Based on 40 New Residential Units)	Transfer from Reserve	Projected Balance December 31, 2017
Development Charges Reserve Fund				
- General Government	5,021	15,560	8,553	12,028
- Roads and Related	522,500	94,920	106,636	510,784
- Fire Protection	(136,733)	42,760	-	(93,973)
- Parks and Recreation	267,219	80,160	-	347,379
- Library Services	(10,600)	11,600	8,325	(7,325)
- Wastewater *	(296,035)	241,160	1,086,121	(1,140,996)
- Water	149,152	182,240	90,665	240,727
Total Development Charge Reserve	500,525	668,400	1,300,300	(131,375)
Waubashene Fire Hydrants	-	-	-	-
Parkland Dedication	52,136	-	-	52,136
Gas Tax Grant (Federal)	3,067	296,005	299,072	(0)
* DC's on the Victoria Harbour Wastewater Plant Upgrade will be debt financed through Infrastructure Ontario.				

Township of Tay	
2017 Capital Summary	
Capital Summary	
General Government	\$ 309,303
Protection to Persons & Property	10,000
Fire Protection Services	1,143,523
Public Works - Fleet	306,000
Public Works - Roads & Bridges	2,164,827
Public Works - Street Lighting	20,000
Wastewater	3,486,000
Water	5,443,149
Parks and Recreation	491,500
Total	\$ 13,401,302
Funding Sources:	
Tax Rate	998,594
Benefiting Properties	136,425
Investment - Hydro	196,500
Municipal Reserves	4,040,844
Development Charges	1,036,636
Grants	2,648,689
Gas Tax	299,040
Wastewater Rate	341,828
Water Rate	900,000
Debt	487,518
Donations	27,500
Deferred Revenue - PB/GB Grant	2,200,000
Prior Year's Surplus	87,728
Total	\$ 13,401,302

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
General Government			
Miscellaneous Revenue/Exp			
- Lease Income	(1,800)	(1,800)	(1,800)
- Municipal Land	(28,211)	0	2,500
Council	150,182	152,574	152,696
Post Retirement Benefits	30,344	30,682	24,931
Community Donations	1,830	0	20,000
Georgian Bay General Hospital Donation	23,800	23,800	23,800
Administration			
- Revenue	(626,719)	(583,870)	(574,463)
- Overhead	1,266,879	1,351,656	1,399,209
- Health and Safety	43,229	54,557	55,171
- Asset Management Program	0	5,000	5,000
- Strategic Plan	10,000	10,000	10,000
- Grants and Donations	9,805	10,000	0
- Municipal Buildings	38,639	53,100	60,905
	917,979	1,105,699	1,177,949
Fenceviewing	0	300	300
Election	15,000	15,000	15,000
Total Operating	932,979	1,120,999	1,193,249
Capital Projects and Equipment			
Transfer to reserves			
- Buildings and Equipment	93,000	93,000	98,000
Total Capital	93,000	93,000	98,000
TOTAL GENERAL GOVERNMENT	1,025,979	1,213,999	1,291,249

2017 FINAL CAPITAL BUDGET

By-law 2017-25

GENERAL GOVERNMENT

PRIOR YEARS SURPLUS		(5,000)
TRANSFER FROM RESERVES		(304,303)
Building Vehicle Reserve - \$9,000		
General Building & Equipment - \$295,303		
EQUIPMENT		46,500
Printer/Fax/Copier Public Works	7,000	
Colour Laser Printer	6,000	
Mini Mailer/Stuffer	16,000	
Plans Plotter	13,500	
Postage Machine	4,000	
Community Sign Boards - LED Conversion		36,000
COMPUTER HARDWARE ACQUISITION		116,803
PC/Monitor Replacements	66,126	
Financial Server	25,000	
Office Server	22,360	
Office Network Switches (MDF)/(IDF)	3,317	
COMPUTER SOFTWARE ACQUISITION		30,000
Backup Tape Drive & Software	12,000	
Land Manager Upgrade	9,000	
Work Order System	9,000	
MUNICIPAL BUILDING, PARK STREET: CAPITAL EXPENSE BUILDING		25,000
Roof - partial		
WORKS GARAGE, PARK STREET: CAPITAL EXPENSE BUILDING		
Lighting retro-fit		5,000
ALBERT STREET MALL CAPITAL EXPENSE BUILDING		50,000
Repair Stucco		
TOTAL GENERAL GOVERNMENT		0

2017 Operating Budget Notes

General Government and Finance

Miscellaneous Revenue/Expense

Land

It is anticipated that there will be some land sales in 2017. As per past practice, when a parcel of parkland is sold the revenue goes to the Reserve for Recreation Facilities and Equipment (Park Development) and if during the course of the year, a miscellaneous parcel of land is sold those revenues would go to the General Contingency Reserve.

Over the last year staff have been working on resolving various road connection land ownership issues. There is survey work required for each of these land transactions so that the lands to be transferred can be defined and registered under Township ownership. As a result, the survey fees budget in Public Works has been increased by \$9,000 to \$10,000 and this work is anticipated to continue into 2017.

The 2017 budget for municipal land has been increased by \$2,500 for legal fees and \$10,000 related to the Environmental Impact Study (EIS) that is expected to take place on Oakwood Park (re: social housing).

Council

The budget for Council conferences was increased from \$10,000 to \$12,000 and the daily contingency from \$1000 to \$1800, to better reflect the number of new councilors attending training and development opportunities.

In 2015, Council approved a Council Code of Conduct and with that the appointment of an Integrity Commissioner, Kristin Elliott. As per Staff Report GGF-2016-33, staff has created a new budget line for this service in the amount of \$5,000.

The donation budget of \$10,000 was moved from Administration to Council to better reflect Council's role in the granting process. An additional donation budget of \$10,000 has been added for 2017 to support the 100th anniversary celebrations in Port McNicoll. This donation has been funded by the Special Events reserve.

Administration

Revenue

Revenue has decreased this year due to the decrease in the interest on investments as well as penalties and interest charged on tax arrears. A new revenue source was created in 2016, as mortgage companies are now required to pay a \$5 surcharge per property for the notification of tax amounts due. Tax bills are mailed to customers and summary information is given to mortgage companies in spreadsheet form which reduces work and errors for both the mortgage company and the Township in processing their payments. This charge is expected to generate revenue of \$14,000 and has been included in 2017 budget.

Overhead

General Insurance- Our insurance broker, BFL Canada Ltd., is currently gathering information in order to process our renewal. The budget includes a 5% increase for general and liability insurance as well as for vehicle insurance.

Computer Maintenance Hardware/Software – The budget has been increased by \$4,000 to reflect the additional software needs of the municipality.

Asset Management Plan

This budget was included prior to the hiring of our Facilities Manager to fund expertise in placing condition ratings on building roofs, HVAC units, furnaces, etc. The Facilities Manager completed this assessment of all municipal buildings, and therefore it has been determined that outside expertise is not required. Staff is recommending that this allowance be retained to address some of the minor deficiencies noted in the assessments.

Municipal Buildings

The annual caretaker contracts for the Municipal Office and Albert Street Mall were merged and tendered as one larger job in order to encourage more bidders resulting in a more competitive bid. Budgets have been increased to match the awarded contract amounts for 2017. Adjustments have been made to the utility costs incurred for ongoing operations.

2017 Capital Budget Notes

General Government and Finance

Equipment

Replacement of office equipment and computer hardware is budgeted based on the expected life of the asset. Actual replacement is only entertained once the asset is either no longer functional or is requiring costly repairs. Printers/Equipment budgeted in 2016 are budgeted again in 2017 as they have continued to function satisfactorily.

The LED conversions of our Community Sign Boards for Port McNicoll, Victoria Harbour, Waubaushe and Waverley have been included in 2017 budget. The Municipal Office signboard (double sided) has also been included. An allowance has also been made for the LED display programming software. The annual operating costs for electrical and communications are estimated to be \$1800.

Municipal Buildings

The Facilities Manager has been researching the most cost effective method to repair/replace the failing stucco on the Albert Street Mall and is anticipating this work will be done in 2017.

The Public Works Garage is the next municipal building scheduled to receive a lighting retro-fit. This program has been made cost effective as a result of the save on energy retro-fit program supported by Newmarket Tay Hydro.

The Administration Building has a small section of roof (over the vault) that has experienced some minor problems with continual water leaks. With some investigation it has been determined that the HVAC above may be the culprit. The \$25,000 allowance for this repair will likely be used to hoist the HVAC unit and complete minor repairs.

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
Protection to Persons and Property			
Fire Department	705,350	798,889	865,131
Emergency Preparedness	7,055	10,155	11,172
Livestock Evaluator	(120)	400	0
By-Law Enforcement			
- Revenues	(25,177)	(30,500)	(30,500)
- Administration	176,488	184,443	186,316
- Vehicle	4,749	5,090	5,174
Policing			
- Taxation Leived for Policing	(1,622,525)	(1,612,995)	(1,618,234)
- Net Policing	1,622,525	1,612,995	1,618,234
- Community Policing	7,041	7,550	0
Total Operating	875,386	976,027	1,037,293
Capital Projects and Equipment			
- Funded by Tax Rate	32,200	32,200	33,200
Transfers to Reserves			
- Fire Equipment	173,000	173,000	173,000
- By-Law Vehicle	1,500	1,500	1,500
Total Capital	206,700	206,700	207,700
Total Protection to Persons and Property	1,082,086	1,182,727	1,244,993

2017 FINAL CAPITAL BUDGET

PROTECTION TO PERSONS & PROPERTY

EMERGENCY PREPAREDNESS

PRIOR YEAR SURPLUS	(10,000)
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EQUIPMENT	10,000
- A/C Unit	

BY LAW ENFORCEMENT	0
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TOTAL PPP	0
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FIRE

TRANSFER FROM OPERATING BUDGET	(33,200)
DEBT PROCEEDS	(487,518)
TRANSFER FROM RESERVES	(622,805)

EQUIPMENT	14,000
Old Fort Hall- Thermal Imaging Camera	

EQUIPMENT	4,000
Ice Water Rescue Suits	

EQUIPMENT	15,200
Bunker Gear	

EQUIPMENT	124,554
Waubashene Hall - Rescue Truck - carry forward only	
2016- \$102,602	

EQUIPMENT	393,200
Waubashene Hall - Pumper	

CAPITAL EXPENSE-BUILDING	592,569
Old Fort Fire Hall - carry forward only	
2016- \$1,275,149	

TOTAL FIRE	0
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2017 Operating Budget Notes

Protection to Persons and Property

Fire Department

Administration

Wages, Insurance, hydro, water and natural gas have been adjusted by the Treasury Department. Grid progression (\$3,500) and increases to vehicle insurance (\$3,100) account for the majority of the increase in this category.

The Fire Master Plan indicated that the Fire Department was short fulltime staff by two positions – Administrative Assistant and Chief Training Officer. The Council of that time approved the Fire Master Plan recommending that we hire a part-time Chief Training Officer under contract for one year, with the position to be evaluated at the end of the one year term.

The proposed 2017 budget includes the contract Part-time position. With Council's approval, I would like to request this position to become permanent part-time. This position has established a critical role within the Fire Department and has worked under contract for the last three years. Making this position permanent part-time will allow for this individual to progress on the approved wage grid.

A budget for staff overtime has also been added to better reflect the overtime generated by the department from afterhours training, emergencies and public education events.

Volunteer Compensation

As per Council's decision to set a fixed rate for a firefighter's point, the point value will go up as per Council's decision regarding cost of living increases.

The Volunteer Firefighter's annual stipend bonus has been reduced to better reflect payment history. Firefighters must meet a 75% attendance rate for practices and meetings in order to receive this bonus.

The training budget will increase by \$4,000 to meet our obligation to re-certify our Hazmat Team to the standards set out our Memorandum of Understanding with the rest of the municipalities within the County of Simcoe.

Equipment

The Materials, Equipment Testing/Certification, Equipment Repairs/Maintenance and SCBA Testing accounts have now been consolidated. These accounts were previously tracked on a per hall basis. This change will allow for better account administration. Expenses for equipment will rise slightly in 2017 to update the rear seat SCBA holders in Rescue 53 and complete the purchase of the hi-vol hose for all four halls.

2017 Operating Budget Notes

Protection to Persons and Property

Buildings

Once again we hope to perform inside building repairs to Hall 5 in 2017. Unexpected repairs to equipment and the replacement of equipment earlier than budgeted has pushed these repairs back from 2015 to 2017.

Communications

The cost of dispatching has increased by \$300 our contract with Barrie Dispatch does allow for a cost of living increase annually. Even with this increase we are below the cost we were paying with Midland Police Dispatching Service 8 years ago.

Debt

The new Old Fort Hall will be completed in early 2017 .The annual debt payments of approximately \$102k were phased into the operating budget in 2016 and 2017. The increase for 2017 was just short of \$56,000.

2017 Operating Budget Notes

By-Law Enforcement Operating Budget

Animal Control Contract

The entire contract has been reviewed. In 2017 An Expression of Interest will be sent out to see if there are other interested parties in both Canine Control as well as Animal Sheltering. This will give us a better understanding as to what services are available to us.

Policing

In 2016, the Township ended the rental agreement for the community based policing office in Port McNicoll. The annual rent payments and utility costs have been removed from the 2017 budget resulting in \$7500 in savings.

The Policing Contract for 2017 of \$1,719,452 is offset by \$45,000 in revenue received from Provincial Offence fines. An additional \$8,750 in revenue has been included in the budget for court security.

Emergency Preparedness

There will be a minor increase to outside services to provide access to cable TV in the Emergency Operations Center (EOC). The cost to provide air conditioning to the EOC in the amount of \$10,000 is being requested. Several times this year computer equipment failed due to overheating. Hall meetings also had to be held downstairs due to the extreme heat and inadequate air flow within the building.

2017 Capital Budget Notes

Equipment

Waubashene Hall Rescue 1 was scheduled to be replaced in 2016, but due to extended build times (12 to 14 months) the old vehicle remains in service. The new truck chassis has now been purchased and a 20% deposit has been paid for the installation of rescue truck body. The total estimated cost of the new Rescue Vehicle is \$223,217 plus HST. The remaining balance will be paid at time of delivery and has been included in the 2017 budget.

We are also scheduled to replace Waubashene Hall Pumper 1 in 2017. I am confident that with the monies we have budgeted we should be able to replace the 20 year old piece of equipment within budget.

Bunker gear and accessories (Helmets, Boots) will continue to be replaced at the mandated 10 year intervals.

We will be replacing the Thermal Imaging Camera at Hall 2 this year, life expectancy of these units is 7 years. This unit is 10 years old in 2017 and is starting to cost money for repairs.

The replacement of deteriorated Ice Water suits and expired rope will start its cycle this year for a 4 year interval.

Buildings

Replacement of the Old Fort Fire Hall began with the land purchase in 2014. The 2016 budget for the building was set at \$1,700,000. Once tendered the cost of the new hall was revised to \$1,832,718. The Final Budget includes an additional \$35,000 extra costs incurred throughout the construction contract. It should be noted that the construction contract did not include a contingency allowance.

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
Roads			
Overhead	1,134,712	1,133,548	1,173,541
Fleet	264,473	218,370	261,726
Maintenance by Project			
- Insurance Deductible	21,802	0	0
- Bridges and Culverts	83,522	80,712	80,947
- Roadside Maintenance	40,532	49,500	49,500
- Hardtop Maintenance	106,453	90,000	95,000
- Loosetop Maintenance	26,917	33,000	34,000
- Winter Maintenance	116,245	75,000	100,000
- Signs, Guiderails, etc.	12,176	10,000	10,100
- Sidewalk Maintenance	2,203	3,000	3,000
	409,851	341,212	372,547
Streetlighting	(4,789)	16,700	154,523
Total Operating	1,804,247	1,709,830	1,962,337
Capital Projects and Equipment Funded by Tax Rate			
- Roads	882,947	882,947	921,894
Transfer to Capital			
- Bridge Reserve Transfer	55,000	55,000	60,000
- Roads Fleet	219,383	205,000	206,000
Total Capital	1,157,330	1,142,947	1,187,894
Total Roads	2,961,577	2,852,777	3,150,231

2017 FINAL CAPITAL BUDGET

ROADS VEHICLES & EQUIPMENT

Sale of Fixed Asset	0
TRANSFER FROM RESERVES	(306,000)
EQUIPMENT Loader/Backhoe	135,000
EQUIPMENT 1/2 TON PICKUP	25,000
EQUIPMENT Additional Sidewalk Machine	146,000
TOTAL ROADS VEHICLES & EQUIPMENT	0

2017 FINAL CAPITAL BUDGET

ROAD OPERATIONS

GOVERNMENT OF CANADA (GAS TAX REBATE)	(299,040)
CONDITIONAL GRANTS	(464,891)
TRANS OPERATING BUDGET	(921,894)
TRANSFER INVESTMENT INCOME FROM OPERATING	(101,000)
TRANS FROM RESERVE FUNDS	(106,636)
PRIOR YEAR SURPLUS/DEFICIT	(72,728)
TRANSFER FROM RESERVES	(198,638)
Future Capital Reserve - \$133,638	
Infrastructure Reserve - \$65,000	

ROAD NEEDS STUDY

TENDERED CONTRACTS	100,000
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ROAD RECONSTRUCTION

ENGINEERING - Carry forward from 2016	41,349
Albert Street - Jephson to Maple	
John Dillingno - West to Park Street	
2016 - \$23,651	

ROAD RECONSTRUCTION

ENGINEERING - Carry forward from 2016	31,379
2017 Water/Roads Project	
2016 - \$18,621	

TENDERED CONTRACTS	1,683,716
2017 Water/Roads Project	
Simcoe Avenue - Talbot to Alberta St.	
Assiniboia Street- Fourth to First St.	
Alberta Street - Simcoe to Barnes Ave.	

BRIDGES & CULVERTS

ENGINEERING	65,000
Rumney Road Culvert - Slope Stabilization	55,000
Rosemount Rd. South Bridge - Design	10,000

SURFACE TREATMENT: SLURRY APPLICATION

Tendered Contracts	64,000
Newton Street - Hogg Valley to Vasey Rd.	

Tendered Contracts	
Wood Road - McMann S.R. to Vasey Rd.	36,000

Tendered Contracts	14,000
Sandhill Road - Highway 12 to 811m South	

GRAVEL PROGRAM

TENDERED CONTRACTS	129,383
Gerhardt Rd- West Service Road to South Limit	33,345
Old Coach Rd- Gratrix Rd to South Limit	51,188
Comber Place - Triple Bay Rd to West Limit	3,315
Government Dock Rd - Willow St. to Coldwater Rd.	7,898
Hemlock Ave. - Balsam St. to East Limit	3,803
French Rd - Vasey Rd to End	29,834

ROAD OPERATIONS

(0)

2017 FINAL CAPITAL BUDGET

STREETLIGHTING

FIXTURES AND EQUIPMENT	20,000
TRANSFER FROM RESERVES	(20,000)

0

TOTAL STREETLIGHTING

0

2017 Operating Budget Notes

Public Works Department – Roads/Parks Division

Roads

Overhead (wages, benefits, insurance, administration)

The increase for 2017 is due to staff progression through the wage grid (\$19,000), general insurance (\$3,000), an allowance for surveying fees \$9,000 and a number of smaller items. Not included in this is consideration of additional time for the engineering student and additional sidewalk snow ploughing.

Fleet

The budget is significantly increased from 2016. This is a one-time adjustment to address chronic overspending/underfunding. This was particularly the case for the heavy service vehicles. The costs for the past several years have been reviewed by vehicle class and have been adjusted so that unexpected repairs can be accommodated within the overall budget.

Maintenance by Project

Bridges and Culverts – for even years this budget includes \$15,000 for the statutory every-other-year bridge inspections. In 2016 this was offset by a contribution from the 2015 surplus. \$68,000 was added in 2016 for the Duck Bay Bridge financing repayment.

Roadside Maintenance (tree removal, ditching, shouldering, mowing) – no change from 2016. It is noted that prior to 2014 this budget included about \$12,000 for contract roadside mowing.

Hardtop Maintenance (patching, line painting, streetsweeping) – the 2016 budget included a one-time allowance of \$15,000 for pulverizing of Meadows, Sandhill and Galko. The proposed base budget is \$80,000, excluding a proposed \$15,000 equipment rental and material allowance for spray patching.

Loosetop Maintenance (dust suppression, washouts, minor gravel) – the main cost in this area is dust suppression for gravel roads (about \$25,000).

Winter Maintenance (sand and salt contracts) – there is a transfer/adjustment at the end of each year to allow for the material in the sand shed that will be used in the following year.

Streetlighting

In 2016 streetlighting was funded \$16,700 from the tax base for the rural areas and \$137,000 from the properties in the streetlighting areas. For 2017, the streetlighting levy has been removed, and all properties in the Township will share the cost of providing this service.

2017 Capital Budget Notes

Public Works Department – Roads/Parks Division

Roads

Equipment

Unit 0724

Old - 2007 GMC ½ ton 2wd pickup, V8 engine and used for general duties. This vehicle was involved in motor vehicle collision and has been repaired. Although this vehicle is scheduled for replacement, it will be kept for 2017 to be used by seasonal staff.

New – to be replaced with similar vehicle.

Unit 0725

Old - 2007 Volvo BL70 rubber tire backhoe with about 6300 hours. Currently is used for roads/parks functions in addition to assisting with water/wastewater excavations. Winter functions include loading the sander/plough trucks.

New - Should be replaced with similar type of equipment. A 120cm ditching bucket, a 60cm tooth bucket, a 30cm tooth bucket and a grappling front bucket will be purchased at time of replacement.

Additional Sidewalk Machine

A new sidewalk machine is included in the budget. This will allow maintenance on all Township sidewalks. Delivery will be in mid-2017. Operation and the associated costs will commence in the fall of 2017.

Road Operations

Road Needs Study – An allocation of \$100,000 has been provided for this work.

Bridges and Culverts – The projects are taken from the 2014 bridge inspection report and include \$10,000 for design for the Rosemount Road south bridge for possible restoration in 2017. The first step will be a cost benefit analysis to consider repair or replacement. A further \$55,000 is allocated for the Rumney Road culvert.

Loosetop (Gravel) – Six sections of gravel road are on the list for 2017. This will significantly improve our ability to maintain the surface of these roads. The roads include Gerhardt Road, Old Coach Road, Comber Place, Government Dock Road, Hemlock Avenue and French Road.

Road Operations Continued

Road Reconstruction (water and road) – This budget covers the water costs for the combined water and roads projects for 2017. This includes Simcoe (Talbot to Alberta), and Assiniboia (First to Fourth). This will include improving Simcoe Avenue and Assiniboia Street from a rural cross section with ditches to an urban standard with curb and storm sewer. Due to budget constraints, Alberta (Simcoe to Barnes) was removed from the preliminary budget and was included as a provisional item for tendering. The Final Capital Budget as presented includes the cost estimates for all road sections as outlined in the tender results as well as additional costs for contract administration and a minor contingency allowance.

Slurry Seal – Sections of Newton and Wood that were surface treated in 2014 will receive slurry seal as part of a comprehensive asset management approach. This will extend the useful life of the surface treatment.

Streetlight replacement – As part of an ongoing replacement program \$20,000 has been included. This will take advantage of the grants that are available which makes conversion from High Pressure Sodium (HPS) heads to Light Emitting Diode (LED) cost effective. The intent is that we will spend \$20,000 of Township funds; the overall project will be more, with the final amount depending on installation costs and actual grant levels

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
Recreation			
- Administration	93,609	93,431	93,117
- Day Camp and Programs	(1,581)	13,179	7,873
Donations - Recreation Events	3,900	4,000	4,000
Recreation Subcommittees	(17,304)	0	0
	<u>78,623</u>	<u>110,610</u>	<u>104,990</u>
Parks			
- Administration	617,298	648,966	682,278
- Communications	346	400	400
- Insurance deductible	277	0	0
- Vehicles and Equipment	54,798	40,077	49,723
	<u>672,719</u>	<u>689,443</u>	<u>732,401</u>
Park Facilities and Diamonds	166,221	195,485	199,068
Community Centres	22,998	31,250	29,250
	<u>189,218</u>	<u>226,735</u>	<u>228,318</u>
Community Gardens (Karma)			
-Grants	(72,200)	(51,200)	(51,600)
-Program Expenses	72,200	51,200	51,600
Phragmites Program			
-Grants	(5,890)	(5,890)	0
-Prior Year Surplus	(5,000)	(5,000)	(10,000)
-Program Expenses	11,979	10,890	10,000
Libraries	362,273	337,273	347,120
Total Operating	<u>1,303,923</u>	<u>1,364,061</u>	<u>1,412,829</u>
Capital Projects/Equipment			
- Funded by Tax Rate			
Parks & Recreation	33,500	33,500	43,500
Transfer to Reserve			
Fleet and Facilities	58,000	58,000	63,000
Total Capital	<u>91,500</u>	<u>91,500</u>	<u>106,500</u>
Total Parks & Recreation	<u>1,395,423</u>	<u>1,455,561</u>	<u>1,519,329</u>

2017 FINAL CAPITAL BUDGET

PARKS

GRANTS - COUNTY OF SIMCOE		(60,000)
SALE OF FIXED ASSETS		0
TRANS OPERATING BUDGET		(43,500)
DONATIONS		(27,500)
TRANSFER FROM RESERVES		(360,500)
Trail Reserve - \$23,000		
Municipal Fleet - \$45,000		
Infrastructure Reserve - \$60,000		
Recreation Reserve - \$232,500		
 EQUIPMENT		 10,000
Play Structure Replacement - Waubauskene Pier Park (Pine Street)		
 BUILDING IMPROVEMENTS		 3,500
Water Refill Station - Administration Building		
 PARK IMPROVEMENTS		 115,000
Splash Pad - MacKenzie Beach Park	110,000	
Tree Replacement - Emerald Ash Borer	5,000	
 COMPUTER SOFTWARE ACQUISITION		 15,000
Recreation Software		
 CAPITAL EXPENSE - BUILDING		 100,000
New Washroom Building - Albert Street		
 TENDERED CONTRACTS		 143,000
Trail Bridge Work - Hogg River (carry forward)	60,000	
Trail Bridge Work - St. Marie	60,000	
Asphalt spot repairs - Tay Shore Trail	23,000	
 OAKWOOD PARK		
FURNITURE AND EQUIPMENT		30,000
Play Structure Replacement		
 OAKWOOD PARK		
PARK IMPROVEMENTS		
Hard Surface Rink	20,000	30,000
Ball Diamond Refurbishment	10,000	
 EQUIPMENT		 45,000
2017 3/4 Ton Pickup Truck		
 TOTAL PARKS		 0

2017 Operating Budget Notes

Public Works Department – Roads and Parks Division

Recreation and Parks

Recreation Administration

There is not a significant change in this section for 2017.

Day Camps and Programs

For 2017 this represents approximately \$68,000 in expenses less \$60,500 in revenue. The 2015 and 2016 budgets had included our donation to the 55+ games of \$2,500 per year. In addition, for 2017 \$3,000 of additional day camp registration is budgeted to reflect recent registrations.

Donations – Recreation Events

This includes Council supported community events; Portarama, Canada Day, Santa Claus Parade each at \$1,300, as well as, one-off events.

Recreation Subcommittees

These have no net tax impact and hence no budget allocation. Money raised is spent on community projects. (Committee member stipends are paid from recreation administration.)

Parks

Administration – In 2016, the significant change in this line is the addition of the full year for the Facilities Maintenance Coordinator. For 2017, a significant portion of the increase is attributed to the 2 additional parks students that have been added to the staff complement.

Parts, Repairs & Maintenance – As with the other fleet areas these lines have been adjusted across vehicle classes to reflect overall costs.

Park Facilities and Diamonds / Community Centres

Several budget lines have had minor adjustments with a net reduction of about \$2,000.

2017 Capital Budget Notes

Public Works Department – Roads/Parks Division

Parks

Port McNicoll 100th Anniversary

This allocation is in keeping with the Township commitment to the Port McNicoll 100th anniversary. Organizing committee meetings are ongoing. In addition, a grant application was made for Ontario 150 funding.

Ash Tree Replacement

In anticipation of a significant die off of ash trees in the next five to ten years, an allowance has been made to plant other species in areas that have a large concentration of ash trees. The 2016 the focus was on Talbot Park. The 2017 allocation will be used in Talbot Park and Mackenzie Park.

Splash Pad – Mackenzie Park

At the Long Term Plan meeting, direction was given that 25 percent of the budget should be satisfied through community fund raising. The fundraising will need to start very soon after approval of the project. Staff will arrange the tender such that an incremental project can be implemented depending on the funding available.

Hard Surface for Oakwood Rink

A \$20,000 allocation has been provided for a hard, dust free surface to be completed prior to the Canada Day celebration. Following approval of this budget, staff will report to Council for direction what that surface will be. The \$20,000 estimate was based on 50mm of asphalt with little surface preparation.

Ball Diamond Refurbishment – Oakwood Park

Work will include infield and warning track refurbishment along with turf at the transitions. There are also fencing repairs to complete.

Play Structure – Oakwood Park

The donated play structure at this location was not as robust as some of our commercial installations. As such, there are elements that need to be replaced. Staff will issue a request for proposals with \$15,000 and \$30,000 thresholds so that Council can consider options.

Play Structure – Waubauskene Pier Park

A modest play structure is proposed to replace the aging equipment at this location.

Albert Street Park Washroom

Staff will report to Council to confirm location and scope prior to tendering the project. The budget has been set at \$100,000.

Trail Bridge – Hogg River

The 2014 bridge inspection recommendations have been incorporated into the Long Term Plan. The 2016 project is for the Hogg River Bridge. This project involves concrete repairs to the abutment walls, wing walls and ballast walls of this 1953 structure. This project is ongoing and the construction phase will likely be in 2017. The balance of this budget will be carried into 2017.

Trail Bridge – Wye River

The 2014 bridge inspection recommendations have been incorporated into the Long Term Plan. The 2017 project is for the Wye River Bridge.

Trail Asphalt Spot Repairs

The Long Term Plan provides for major re-paving of the trail in 2029, 2031 and 2033. In order to maintain the current high level of service, three \$23,000 allocations have been proposed to address smaller sections of the trail surface that are failing. This will include sections where there are numerous patches, root intrusions, settlements and cracking.

Vehicles and Equipment

Unit 0708

The current truck is a ¾ ton pick-up that is used primarily for daily facility and park maintenance (2007, 2500 Chevrolet Silverado, 2wd, V8 gas engine, 227,000 km). The box has been equipped with an electric lift gate and tool boxes along the sides for storage. It will be replaced with similar vehicle for the same duties.

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
Planning			
Overhead			
- Reserves/Reserve Funds	(11,236)	(48,265)	(20,860)
- Revenue	(46,636)	(20,600)	(31,281)
- Administration	277,719	283,887	312,369
- Professional Services	11,463	2,500	1,500
- Advertising	1,995	1,500	1,500
Committee of Adjustments	(9,458)	(640)	(640)
Economic Development	33,892	31,000	39,000
Municipal Sustainability Plan	8,200	8,200	9,800
Official Plan / Zoning By-Law/Growth & Settlement	27,404	48,265	20,860
Severn Sound Environmental Assoc.	50,227	49,922	58,019
	343,571	355,769	390,267
Building			
Overhead			
- Revenue	(337,502)	(152,150)	(189,213)
- Administration	243,316	269,664	279,145
- Vehicles & Equipment	5,660	6,030	5,558
- Septic Reinspection Program	(5,889)	0	0
	(94,416)	123,544	95,490
Heritage Committee	3,148	5,200	5,200
Total Operating	252,304	484,513	490,957
Capital			
Transfers to Reserves			
- Planning Studies	10,000	10,000	10,000
- Inspection Vehicles	5,000	5,000	5,000
	15,000	15,000	15,000
Total Planning & Building	267,304	499,513	505,957

2017 FINAL CAPITAL BUDGET

PLANNING & BUILDING

TRANSFER FROM RESERVES	(27,000)
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EQUIPMENT	27,000
2017 Mid-size Vehicle	

TOTAL PLANNING & BUILDING	0
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2017 Operating Budget Notes

Planning

Administration

The increase for 2017 is due to staff progression through the wage grid (\$5,500). There is also a nominal increase for Staff training and development.

Economic Development

This draft of the preliminary budget includes no change to the economic development budget. Increases to this budget will be presented to Council as part of the budget presentation, including the additional funding request from the Economic Development Corporation of North Simcoe of approximately \$8,000 being the total to \$33,000.

Municipal Sustainability Plan

As part of the on-going implementation of the Sustainability Plan that was created by nine municipalities and other agencies within the Severn Sound watershed, a contribution of \$9,800 is requested. The Sustainability Plan was endorsed by Council in 2009 and includes a number of strategic directions and actions for environmental sustainability, community well-being and economic prosperity. The plan also includes 64 sustainability indicators that the Sustainability Coordinator reports on these indicators so that municipalities can see trends and whether there are improvements taking place or improvements needed.

Official Plan and Zoning By-law

The official plan and zoning by-law update will continue into 2017 and therefore the remaining budget has been carried forward and funded from reserves and development charges.

Severn Sound Environmental Association

The Severn Sound Joint Municipal Board was established under the Municipal Act by By-law 2009-22.

The SSEA acts a bit like a Conservation Authority for the Severn Sound watershed, however, at a fraction of the cost of a Conservation Authority.

The SSEA performs a number of roles within our area including: Source Water Protection, Habitat Assessment, Development Plan review, Policy Plan input and review, Healthy Streams Project, Water quality monitoring including open water, streams, beaches, groundwater, benthos and fish habitat.

The SSEA also run many programs including the tree seedling program, Well Aware, septic and well funding programs. They also do educational programs such as Yellow Fish Road, Take the Lead out (educating the public about lead sinkers, for example it

only takes one to kill a loon). The SSEA rally and manage volunteers to aid with these programs and more.

The SSEA has been very valuable in assisting the Planning Department with developments. The SSEA has also been very helpful with such matters as to educating staff about such items as the in water weed control at 79 Juneau Road. Staff consults with the SSEA on any number of matters such as native plantings of storm water management ponds, subdivision trees and park plantings etc. They also assist the Environmental Department by providing advice and sample for benthic studies from our intake to ensure the health of our water source. They sample to provide a baseline of water quality for the intake. The 2017 budget request from the SSEA is \$51,019.

Source Water Protection – Risk Management Officer

The Township is required to have a Risk Management Officer (RMO), and we have appointed Keith Sherman from the SSEA to be that person. The costs of the Risk Management Officer is currently being funded by grant funds

Building

Revenue

The budget for building permits has been increased by \$35,000 for 2017. This increase reflects the surge in building permits issued over the last 2 years. This increased revenue has been partially offset by an expected decrease in building permit maintenance fees (\$2,100) due to a number of older permits (>3 years) now being closed.

Administration

The increase for 2017 is due to staff progression through the wage grid (\$5,200). There is also a nominal increase for Staff training and development.

Vehicle Repairs & Maintenance

This budget has been reduced to reflect the trade in of the old 2007 Pontiac G6 for a 2017 mid-sized vehicle similar to the vehicle used by the Building official.

Septic Re-Inspection Program

The municipality has a number of outstanding files that are in various stages of follow up and enforcement action. The budget includes costs for the septic program but on a cost recovery basis. The final area to be completed is the Paradise Point/Grandview Beach area, which has been deferred pending decisions made as a result of the Environmental Assessment completed in that area. The budget for this program will likely be funded from the Source Water Protection Implementation Fund.

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
Wastewater			
Revenue			
- Billings	(1,899,190)	(1,858,967)	(1,874,967)
- Vacant Lot Charges	(12,789)	(13,167)	(13,365)
- Reserves/Reserve Funds	(100,186)	(100,186)	(156,121)
- Interest & Miscellaneous Revenue	(20,853)	(102,000)	(68,000)
Total Revenues	(2,033,018)	(2,074,320)	(2,112,453)
Operating Expenditures			
- Overhead	598,708	646,372	767,154
- Professional Services	4,017	2,500	2,500
- Master Servicing Study	3,033	37,000	33,967
- Plant Repairs & Maintenance	262,882	296,875	291,904
- Collection Repairs & Maintenance	159,915	116,000	136,000
- Taxes	20,085	17,800	20,300
- Hydro, Water, Gas	337,063	331,500	434,800
- Chemicals, Testing	38,046	63,000	53,000
- Township Vehicle/Eq	13,880	2,000	3,000
- Transferred to deferred revenue	0	32,000	28,000
	1,437,628	1,545,047	1,770,625
Transfer to Reserve	25,050	22,373	0
Capital Expenditures	506,900	506,900	341,828
Total Expenditures	1,969,578	2,074,320	2,112,453

2017 FINAL CAPITAL BUDGET

WASTEWATER

CONDITIONAL GRANTS	
SALE OF FIXED ASSETS	(213,787)
TRANS OPERATING BUDGET	(341,828)
TRANSFER FROM RESERVE FUNDS -DEBT	(930,000)
TRANSFER FROM RESERVES	(1,940,385)
TRANSFER FROM WATER RESERVE	(60,000)

EQUIPMENT	20,000
Capital Contingency Allowance (pumps, blowers etc.)	

EQUIPMENT	25,000
2017 1/2 Ton Pick Up	

COLLECTION SYSTEM

TENDERED CONTRACTS		70,000
Equipment Replacement - Pump Base Replacements	30,000	
First Avenue Sewage Lift Station	40,000	

PM WASTEWATER TREATMENT PLANT

TENDERED CONTRACTS		70,000
Septage Receiving - carry forward		

EQUIPMENT		161,000
SCADA Upgrade - carry forward	35,000	
Blowers (2)	70,000	
HVAC	56,000	

VH WASTEWATER TREATMENT PLANT

TENDERED CONTRACTS		3,000,000
Plant Upgrades - carry forward only		
2016 - \$4,634,933		

EQUIPMENT		40,000
Refurbish Aeration Tanks		

CAPITAL EXPENSE BUILDING		100,000
Equipment & Vehicle Storage		

TOTAL WASTEWATER		0
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2017 Operating Budget Notes

Public Works Department – Water & Wastewater Operations

Wastewater

Revenue

The wastewater billings have been adjusted to reflect new users. There are no changes to the wastewater billing rates. This is offset by a reduction in interest revenue.

Operating Expenditures

Overhead

The increase for 2017 (1.3 percent) is spread over many different budget lines with the only larger item being an increase in general insurance of about \$4000. This does not reflect the possible addition of time for a co-op student through the fall.

Master Servicing Study

An initial component of this project was started in 2014 with the capacity evaluation study for the Port McNicoll Wastewater Treatment Plant. While this did not result in a change to the approved capacity we have an understanding of what the actual capacity is. The remaining funding has carried forward to 2017 (shared with water). It is intended to identify infrastructure needs and servicing strategies to ensure that existing and planned development can be served in an orderly and efficient manner. A master servicing plan is based on background information such as:

- Annual unallocated capacity reports
- Service area plans including the extent and nature of existing systems
- Computerized models which identify limits of existing systems
- Physical Condition Assessments
- Servicing Needs Study to project needs

Although the Tay Area Water Treatment Plant and Port McNicoll Wastewater Treatment Plant were recently upgraded with new membranes and the construction of an equalization tank and the upgrade is currently underway for the Victoria Harbour Wastewater Plant and, these are only parts of the solution. Other components such as pumps, sizes of mains, standpipes, etc. need to be considered.

Plant Repairs and Maintenance

The proposed 2017 budget is slightly lower than the 2016 budget. This reflects ongoing reduction in sludge quantities and is offset by a one-time allowance of \$15,000 to complete the clean-outs of the aeration and sludge tanks.

Collection Repairs and Maintenance

Repairs and Maintenance – no change from 2016

Inflow and Infiltration – no change from 2016

Televising – The \$20,000 budget that was carried in the capital budget has been moved to the operating budget starting in 2017. Our current objective is to televise any sewers for road sections on the upcoming programs to confirm that major repairs are not needed. Generally, only minor repairs are required which are carried out with no-dig (trenchless) construction methods. As such, we do not have a schedule of sanitary sewer replacements. If pipes with major problems are discovered it is likely that a trenchless relining could be completed. We have completed the televising of Port McNicoll sanitary sewers and will focus on Victoria Harbour in 2017.

Taxes

This reflects the grants-in-lieu of taxes paid by the wastewater system. The budget has been adjusted to reflect recent rates.

Hydro, Water, Gas

Hydro and gas costs have been adjusted to account for actual use and rate increases. The increase is primarily related to a significant increase in rates. However, there has also been an increase in usage charges. Finally, a \$10,000 allowance was added to address the new headworks building at the Victoria Harbour WWTP.

Chemicals, Testing

The reduction in this budget reflects continued optimization of chemical use and the mid-year discontinuation of chlorine for disinfection at the Victoria Harbour WWTP. The VHWTP uses 5500 litres per year for disinfection with an annual chemical cost savings of approximately \$1900.

2017 Capital Budget Notes

Public Works Department – Water & Wastewater Operations

Wastewater

Equipment Replacement Port McNicoll WWTP

The Long Term Plan includes a \$30,000 equipment replacement allowance every three years. The actual scope of work and cost is determined closer to the actual work. For 2017 this was increased to \$70,000 to replace aging, less efficient blowers.

PM Wastewater Treatment Plant

The two 2016 projects were not completed and will carry forward to 2017.

Septage Receiving - At present the Township does not have the ability to receive septage. The proposed budget (\$70,000) is to upgrade the septage receiving capacity at the Port McNicoll Wastewater Treatment Plant so that it can function without damage to the downstream plant equipment. A four and a half year payback is anticipated on this project. In addition, it will reduce travel time for septage haulers in the Township. This project was deferred due to the Director of Public Works' workload.

SCADA (Supervisory Control and Data Acquisition) Upgrade – The present system requires hardware and software upgrades to ensure reliable ongoing operation. This project was deferred to follow the SCADA work done as part of the Victoria Harbour WWTP.

Equipment Replacement Victoria Harbour WWTP

The Long Term Plan includes a \$30,000 equipment replacement allowance every three years. The actual scope of work and cost is determined closer the actual work. For 2017 this was advanced from 2018 and increased to \$40,000 to refurbish the equipment in the aeration tanks.

VH Wastewater Treatment Plant Upgrades

Construction of the phase one project is ongoing and the balance of the 2016 allocation will carry over to 2017. The project will address operational issues, compliance with tighter effluent limits and future demands on the system.

Vehicles

An additional pick-up is being provided to ensure Water and Wastewater Operations Division staff can complete tasks without inefficiencies with transportation.

Collection System

The Long Term Plan includes a \$30,000 equipment replacement allowance every three years for equipment replacement. The actual scope of work and cost is determined closer the actual work. For 2017 this will be used for pump base replacements.

Televising – As of 2017 this will be treated as an operating cost and has been budgeted in the operating section of the budget.

A 2017 allocation is provided to address the phase one upgrades to the First Avenue Sewage Lift Station. These works will provide an increase in actual pumping capacity to what is rated for the station.

Vehicle Storage at Harbour WWTP

The Water and Wastewater Operations Division fleet is kept at the Victoria Harbour WWTP. Construction of a cold storage facility is proposed to protect the fleet and equipment from weather and possible vandalism. The cost is split between water and wastewater functions.

Grandview Beach and Paradise Point Servicing

There are several actions associated with this project. For 2017 the wastewater portion of this project is directed to completion of the preliminary design.

By-law 2017-25

	2016 YTD ACTUAL	2016 ANNUAL BUDGET	2017 FINAL BUDGET
Water			
Revenue			
- Billings	(2,708,984)	(2,688,725)	(2,704,725)
- Vacant Lot Charges	(22,113)	(22,554)	(22,892)
- Interest & Miscellaneous Revenue	(27,676)	(61,000)	(48,000)
Total Revenues	(2,758,773)	(2,772,279)	(2,775,617)
Operating Expenditures			
- Overhead	1,294,450	1,208,740	1,227,927
- Professional Services	0	2,000	2,000
- Master Servicing Study	0	100,000	100,000
- Plant Repairs & Maintenance	102,753	95,500	95,545
- Distribution Repairs & Maintenance	121,120	75,000	90,000
- Taxes	16,115	16,500	16,500
- Hydro, Water, Gas	177,637	169,500	218,800
- Water Conservation	850	3,000	3,000
- Chemicals, Testing	58,555	95,500	72,500
	1,771,480	1,765,740	1,826,272
Transfer to Reserve	860,540	862,540	49,345
Capital Expenditures	143,999	143,999	900,000
Total Expenditures	2,776,019	2,772,279	2,775,617

2017 FINAL CAPITAL BUDGET

WATER

CONDITIONAL GRANTS	(1,910,011)
TRANS OPERATING BUDGET	(900,000)
TRANSFER INVESTMENT INCOME FROM OPERATING	(95,500)
TRANSFER FROM DEFERRED REVENUE - PP & GB Grant	(2,200,000)
TRANSFER FROM RESERVES	(201,213)
BENEFITING PROPERTIES	(136,425)

ENGINEERING	33,903
2017 Water/Roads Project - Simcoe Ave. Assiniboia & Alberta Street - carry forward only	
2016 - \$16,097	

TENDERED CONTRACTS	744,246
2017 Water/Roads Project - Simcoe Ave. Assiniboia & Alberta Street	

COST SHARING BETWEEN DEPTS	60,000
Equipment & Vehicle Storage at VHWTP	

TAWTP

EQUIPMENT - Update Chemical Storage Tanks Replacements	20,000
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ROPE WATER TREATMENT PLANT

EQUIPMENT - Retrofit the Highlift Pump Suctions	25,000
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PARADISE POINT GRANDVIEW BEACH

TENDERED CONTRACTS (includes design) 2 year project	4,400,000
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ENGINEERING FEES Victoria Harbour Standpipe	10,000
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TENDERED CONTRACTS Port McNicoll Standpipe	150,000
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TOTAL WATER	0
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2017 Operating Budget Notes

Public Works Department – Water & Wastewater Operations

Water

Revenue

The water billings have been adjusted to reflect new users. There are no changes to the water billing rates.

Operating Expenditures

Overhead

The increase for 2017 (0.6 percent) is spread over many different budget lines with the only larger item being an increase in general insurance of about \$3500. This does not reflect the possible addition of time for a co-op student through the fall.

Master Servicing Study

The work on the water component of this study has not started and has been carried forward from 2014 (shared with wastewater). More detail is provided as part of the wastewater notes.

Plant Repairs and Maintenance

This budget is essentially the same as 2016.

Distribution Repairs and Maintenance

Distribution system actual costs include the systems booster stations. This budget has not been adjusted for many years even though actual costs have been greater. The proposed \$15,000 will bring this budget in line with historical expenditures.

Hydro, Water, Gas

This area of the budget was reduced in 2016 related to savings in heat (conversion from electric to gas) and light (new LED lighting) at the Tay Area Water Treatment Plant. However, higher processing costs, increased water usage and higher power rates combine to result in an increase in this budget area.

Chemicals, Testing

As part of the upgrade at the Tay Area Water Treatment Plant, the introduction of membrane filtration units (Pall) to replace the previous media filtration units (Ecodyne) has resulted in lower coagulant use. A \$15,000 reduction is proposed from 2016 to 2017. This is in addition to the \$60,000 reduction from 2014 to 2016. In addition, we have been able to save money on sample analysis (\$5000). Finally, by changing the coagulant used for the Rope WTP further savings have been realized (\$3000).

2017 Capital Budget Notes

Public Works Department – Water & Wastewater Operations

Water

Equipment Replacement Tay Area WTP

The Long Term Plan includes a \$50,000 equipment replacement allowance every three years. The actual scope of work and cost is determined closer to the actual work. For 2017 this was reduced to \$20,000 to update chemical storage tanks.

Equipment Replacement Rope WTP

The Long Term Plan includes a \$30,000 equipment replacement allowance every four years. The actual scope of work and cost is determined closer to the actual work. For 2017 this was reduced to \$25,000 to retrofit the highlift pump suction.

Watermain and Road Project

This budget covers the water costs for the combined water and roads projects for 2017. This includes Simcoe (Talbot to Alberta), Alberta (Simcoe to Barnes) and Assiniboia (First to Fourth).

Standpipes

The 2017 allocation of \$10,000 will address the control (altitude) valve at the Victoria Harbour standpipe. In addition, a \$150,000 allocation has been made for refurbishment of the exterior of the Port McNicoll standpipe. This is increased from the \$120,000 that was carried in the Long Term Plan. Pre-tender investigation work has indicated that a \$30,000 allowance should be carried to completely remove the exterior coating prior to recoating; rather than just spot repairs and then recoating.

Grandview Beach and Paradise Point Servicing

There are several actions associated with this project. For 2017 the water portion of this project is directed to detailed design and a first phase of construction.

Vehicle Storage at Victoria Harbour WWTP

The Water and Wastewater Operations Division fleet is kept at the Victoria Harbour WWTP. Construction of a cold storage facility is proposed to protect the fleet and equipment from weather and possible vandalism. The cost is split between water and wastewater functions.