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Special “2019 Budget” Meeting of Council

Monday, December 17, 2018

5:00 p.m.

Municipal Office Council Chambers, Kenilworth

AGENDA

AGENDA ITEM	PAGE NO.
<p><u>CALLING TO ORDER</u></p> <p>- Mayor Lennox</p> <p><u>PASSING AND ACCEPTANCE OF AGENDA</u></p> <p><u>DISCLOSURE OF PECUNIARY INTEREST(S) AND THE GENERAL NATURE THEREOF</u></p> <p><u>PRESENTATIONS</u></p> <p>Draft Budget Overview Presentation</p> <p>Capital Summary Draft Review</p> <p>Next Budget Meeting Date</p>	

AGENDA ITEM	PAGE NO.
<p><u>CONFIRMING BY-LAW NUMBER (NUMBER TO BE DETERMINED) BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF COUNCIL</u></p> <p><u>ADJOURNMENT</u></p>	

**THE CORPORATION OF THE
TOWNSHIP OF WELLINGTON NORTH**

**BY-LAW NUMBER XXX-
XX**

BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE TOWNSHIP OF WELLINGTON NORTH AT ITS SPECIAL MEETING HELD ON DECEMBER 17, 2018.

WHEREAS Section 5 of the Municipal Act, S.O. 2001 c.25 (hereinafter called "the Act") provides that the powers of a Municipal Corporation shall be exercised by its Council;

AND WHEREAS Section 5(3) of the Act states, a municipal power, including a municipality's capacity, rights, powers and privileges under Section 9, shall be exercised by by-law, unless the municipality is specifically authorized to do otherwise;

NOW THEREFORE the Council of The Corporation of the Township of Wellington North hereby **ENACTS AS FOLLOWS:**

1. The action of the Council of the Corporation of the Township of Wellington North taken at its meeting held on December 17, 2018 in respect of each motion and resolution passed and other action taken by the Council of the Corporation of the Township of Wellington North at its meeting, is hereby adopted and confirmed as if all such proceedings were expressly embodied in this By-law.
2. That the Mayor and the proper officials of the Corporation of the Township of Wellington North are hereby authorized and directed to do all things necessary to give effect to the action of the Council of the Corporation of the Township of Wellington North referred to in the proceeding section hereof.
3. The Mayor and the Clerk are authorized and directed to execute all documents necessary in that behalf and to affix thereto the Seal of the Corporation of the Township of Wellington North.

**READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED
THIS 17TH DAY OF DECEMBER, 2018.**

**ANDREW LENNOX
MAYOR**

**KARREN WALLACE
CLERK**



2019 DRAFT BUDGET OVERVIEW

December 17, 2018

2019 Budget Process

- The aim of the annual budget is to focus and deliver on the values of Council for the Township of Wellington North
- Continuation of the budget process introduced in 2013 with consideration of longer term capital forecasting
- Carry-over of the capital justification process endorsed by Council in February of 2015
- Budget templates were sent to department heads September 26, 2018
- Treasurer meetings with Department Heads during October and November as required
- First budget meeting with Council and staff held on December 17th with additional meetings to be scheduled as needed



2019 Budget Guidelines

- Freezing most operating account budgets at 2018 levels unless cost pressures were documented
- Corporate wide costs pressures:
 - Wages/Salary: budgeted increases (varies by department)
 - Health Benefits: increase of 15.3% (Initial Mosey & Mosey Guidance)
 - Municipal Insurance renewal – 3% increase (Coburn Guidance)
 - Utilities: Hydro increase of 2% (WNP Guidance)
- Council directed projects:
 - Arthur Wastewater Treatment Plant
 - MF Splashpad Servicing Works
 - Others?



2019 Budget Impact Items

- Discontinuation of the Louise Marshall Hospital Contribution –no impact on the 2019 budget. For Informational purposes only.
- Conservation Authority budgets have not yet been received by the GRCA, nor the Maitland Valley Conservation Authority – these have been increased by 3% year over year for the purposes of the 2019 budget draft.
- Minimal municipal service level changes – Inclusion of expense neutral Recreation Day Camp Programs
- Continued focus on long-term operating and asset management planning.



Additional Impacts and Considerations

- The 2019 Ontario Municipal Partnership Fund (OMPF) allocation ??? by \$??? to \$??? – Budget assumes 5% YoY reduction
- Township Debentures with balloon (bullet) payments coming due:
 - 2019 \$ 944,000 Mount Forest Sports Complex
 - 2020 \$1,192,000 Roads, Wastewater, Water
- Utilization of reserves / reserve funds to temper YoY levy increases
- Provincial Government revenue tools
- Sustainability of aggressive capital programs
- New / Alternative revenue streams to bridge funding gaps



2019 Proposed Tax Levy Increase (Operating Only)

A 4.5% levy increase= \$224,010 of additional (operating only – inclusive of transfers to/from reserves) levy dollars in comparison to the 2018 budgeted levy of \$4,926,430

MPAC data shows:

\$ 55,176 – is related to real growth (1.12% increase in new assessment)

\$168,834 – is a true levy increase (3.43% increase in tax levy)

\$224,010 Total (Operating Only) Levy Increase



Growth Vs. Reassessment

- Growth is defined as new assessment – it has no impact on the current taxpayer
- During 2018 Wellington North had real assessment growth of 1.12% (2017 1.21%)
- There is also an increase in assessment due to the Province-wide reassessments done by MPAC in 2016 which are being phased in from 2017 to 2020. Wellington North's reassessment growth in 2019 is currently estimated at 7.32% (2018 7.96%)
 - Note: Decreases were reflected in 2017 assessment and stay the same for the rest of the valuation cycle



Operating Budget Summary Analysis by Segment

FIR Category	2018 Budget	2019 Budget	% Change	Change \$
General Government				
General Government	-1,743,350	-1,748,980	0.3%	-5,630
Other Revenues-Supps/Omitts/Writeoffs	-166,277	-141,466	-14.9%	24,811
Council	132,129	134,320	1.7%	2,191
Administration	1,244,448	1,280,652	2.9%	36,204
Property	25,769	15,106	-41.4%	-10,663
WNP Holding Co.	4,000	4,000	0.0%	0



Operating Budget Summary Analysis by Segment (Continued)

FIR Category	2018 Budget	2019 Budget	% Change	Change \$
Protection Services				
Fire	780,411	835,848	7.1%	55,438
Police/Crossing Guard	49,267	49,825	1.1%	558
Conservation Authority	150,822	154,272	2.3%	3,450
Protective Inspection & Control	-0	0	-216.8%	1
Animal Control	-4,530	-4,847	7.0%	-317
By-Law Enforcement	51,141	35,874	-29.9%	-15,267



Operating Budget Summary Analysis by Segment (Continued)

FIR Category	2018 Budget	2019 Budget	% Change	Change \$
Transportation Services				
Roads	2,860,366	2,990,165	4.5%	129,799
Streetlights	0	0	0.0%	0
Rural Water	7,393	7,393	0.0%	0
Health Services				
Hospital	0	0	0.0%	0
Cemetery	16,776	24,079	43.5%	7,303
Recreation and Cultural Services				
Parks & Recreation	1,293,681	1,229,338	-5.0%	-64,343



Operating Budget Summary Analysis by Segment (Continued)

FIR Category	2018 Budget	2019 Budget	% Change	Change \$
Planning and Development				
Planning	0	0	-100.0%	-0
Commercial & Industrial	0	0	0.0%	0
Economic Development	180,350	198,850	10.3%	18,500
Tile Drains	0	0	0.0%	0
Municipal Drains	44,035	86,009	95.3%	41,974
Total Levy Requirement	4,926,430	5,150,439	4.547%	224,010



Reserve and Reserve Fund Impact on Operating Budget (Net Transfers)

Net Reserve & Reserve Fund Transfers

2018			
	<u>From</u>	<u>To</u>	<u>Net</u>
Admin	40,700	20,000	(20,700)
Property	0	16,000	16,000
Fire	0	153,000	153,000
CBO	0	42,550	42,550
Roads	0	79,482	79,482
Streetlights	0	5,000	5,000
Rec	996,450	200,000	(796,450)
Planning	0	2,434	2,434
Cemetery	5,000	0	(5,000)
WNP Holding	49,100	0	(49,100)
Taxation Total	1,091,250	518,466	(572,784)
Sewer	203,199	0	(203,199)
Water	0	319,210	319,210
User Fee Total	203,199	319,210	116,011
Grand Total	1,294,449	837,676	(456,773)

2019 (Proposed)			
	<u>From</u>	<u>To</u>	<u>Net</u>
Admin	0	52,000	52,000
Property	0	16,000	16,000
Fire	0	153,000	153,000
CBO	0	61,840	61,840
Roads	0	79,482	79,482
Streetlights	0	5,000	5,000
Rec	785,000	100,000	(685,000)
Planning	23,159	0	(23,159)
Cemetery	0	5,000	5,000
WNP Holding	49,100	0	(49,100)
Taxation Total	857,259	472,322	(384,937)
Sewer	203,199	0	(203,199)
Water	0	319,210	319,210
User Fee Total	203,199	319,210	116,011
Grand Total	1,060,458	791,532	(268,926)



Reserves & Reserve Funds

	2016 Year-end Balance	2017 Year-end Balance	2018 Year-end Balance (Estimated)
Obligatory reserve funds - DCs, Fed. Gas Tax	3,321,553	4,237,505	4,091,672
Discretionary Reserve Funds - Capital Purposes	5,305,770	5,933,455	5,325,596
Total Reserve Funds	8,627,323	10,170,960	9,417,268
Reserves	10,247,225	10,509,766	10,525,447
Total Reserves & Reserve Funds Before YE Transfers	18,874,548	20,680,726	19,942,715
		Unbooked Commitments	(155,084)
		Transfers to / From Capital	TBD
		Current Balance	19,787,631



Capital Considerations

Capital Impact On Levy

	<u>2017 Levy Impact</u>	<u>2018 Levy Impact</u>	<u>2019 (Proposed Levy Impact)</u>
Roads & Drainage	1,796,519	1,194,000	TBD
Fleet	199,000	733,449	TBD
Parks & Recreation	159,830	-	TBD
Admin & Property	30,000	257,900	TBD
Total	2,185,349	2,185,349	-



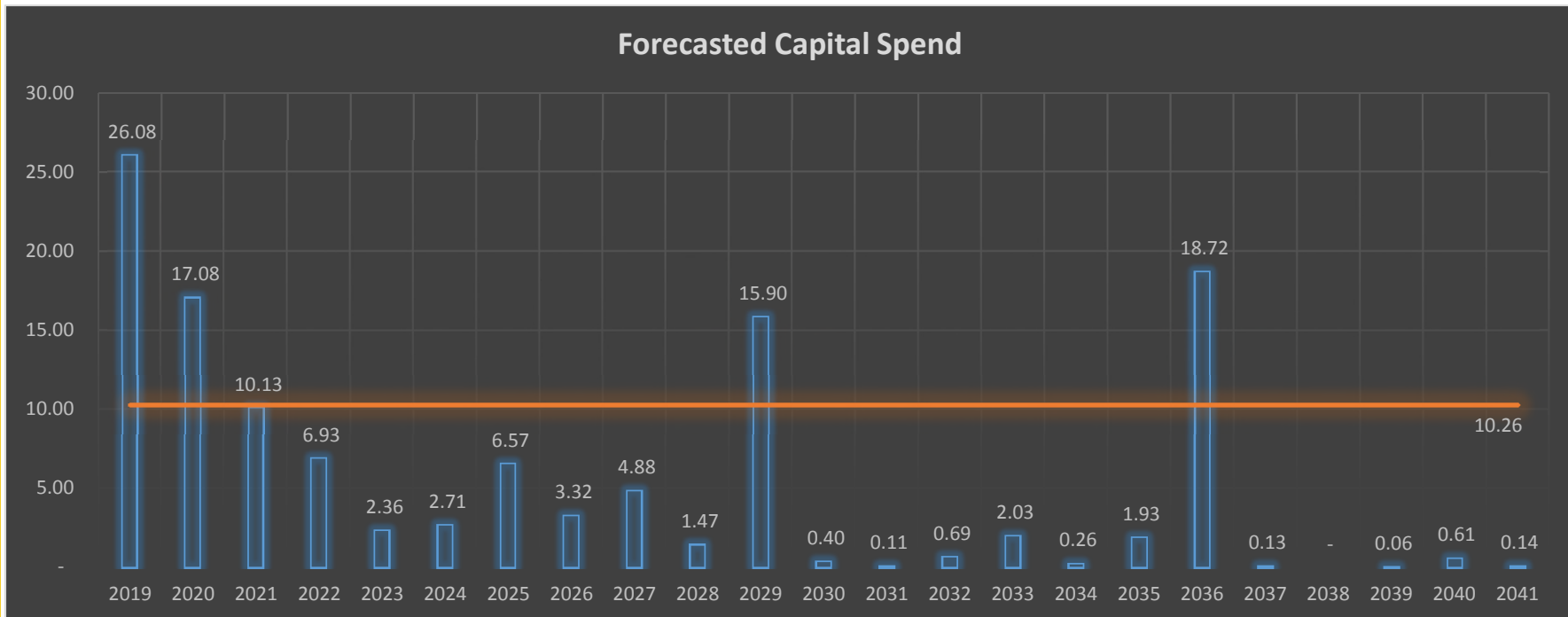
Capital Considerations

Project Costs

Dept/Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019 (Identified by Staff)</u>
Development Projects	-	-	-	-	1,166,000	1,186,500
Roads & Drainage	1,669,200	2,372,662	4,658,403	3,093,788	3,961,952	10,812,972
Waterworks	777,000	1,250,280	933,367	1,096,800	642,014	1,426,826
Sanitary Sewers	792,000	1,055,453	1,138,101	2,501,100	1,912,346	10,053,106
Fleet	-	452,000	462,000	485,000	1,100,000	1,170,000
Parks & Recreation	118,500	57,900	159,382	435,830	392,899	638,846
Fire	18,000	50,000	45,176	660,600	567,000	48,000
Admin & Property	48,000	52,000	293,750	116,750	522,000	743,911
Cemetery	8,200	7,000	-	-	-	-
Total	3,430,900	5,297,295	7,690,179	8,389,868	10,264,211	26,080,161



Long Term Capital Forecast



Contains Information from:

- 2018 Development Charge Study
- Replacement Estimates on Major insured assets
- Staff input



Levers to Affect Change in Proposed Levy

1. Contributions to / from Reserves & Reserve Funds (Proposal is a reduction in net transfers from reserves of (~\$188K))
2. Taxation contributions to Capital Program (Static at \$2.1M from 2017 – 2018)
3. Downward pressure on operating expenses.
4. Inclusion of new Revenue Streams.



Key Questions

1. What levy increase is acceptable? December 17th operating only draft reflects a 4.5% budget levy increase (budget to budget). 2018 In-year real growth will reduce the impact to 3.43% on existing taxpayers.
2. Is Council amenable to the contribution levels to reserve and reserve funds in 2019?
3. What capacity do we, as a staff, really have to complete Capital Projects particularly as it relates to water, sewer, roads projects? How many is too many?
4. Are there Capital Projects that Council view as priorities for the 2019 calendar year?
5. What is Council's comfort level with increased utilization of reserves / reserve funds to further finance capital requests to minimize in-year levy impact?



Capital Project Listing - Draft

Description of Capital Project	Estimated Total Cost of Project Including all Applicable taxes
Development Driven Projects	
Durham St. East (Brad Wilson Severances)	642,000
Durham St. East (Brad Wilson Severances)	5,000
Durham St. East (Brad Wilson Severances)	193,000
Wellington St. East (P & M Reeves Severances)	166,000
London Road (Bye Construction Subdivision)	-
Update Master Servicing Plans Arthur & Mount Forest-Water, Wastewater	65,000
Develop Master Stormwater Management Plan	65,000
Develop Sidewalk Master Plan	20,500
EDO - Industrial Park Servicing	30,000
	1,186,500
00-15 - ADMINISTRATION	
Cross Departmental Vehicle	35,000
Community Initiated Projects	50,000
Microsoft GP Upgrade (Finance)	12,000
Admin - HRIS (Human Resource Information System)	10,000
Council AV Equipment	3,866
Council Sound System	11,292
Council Bench Replacement	6,253
2019 IT Initiatives	88,000
	216,411
00-16 - BUILDING / PROPERTY	
Arthur Senior's Hall Restoration	307,500
Arthur Municipal Office Renovation	220,000
	527,500
00-20 - WELLINGTON NORTH FIRE SERVICE	
Bunker Gear	33,000
Records management System	15,000
	48,000
00-30 - ROADS-FLEET	
Trailer Replacement	10,000
2005 International Dumptruck replacement (Urban Plow Truck)	260,000
2005 Ford Pickup Replacement	45,000
2008 Volvo Dumptruck Replacement (Rural Plow Truck)	270,000
2008 JD Tractor Replacement (Sidewalk plow/blower/mower)	55,000
1995 Pelican Sweeper Replacement	250,000
1998 JD (544H) Loader Replacement	260,000
Snow Blower	20,000
	1,170,000
00-30 - BRIDGES/CULVERTS	
Bridge 9 - Sideroad 3E	451,000
Bridge 21 - Sideroad 8E	1,306,600
Bridge 27 - Sideroad 9E	366,900
Bridge 33 - West Luther Townline	356,200
Bridge 2020 - Sideroad 8E	241,600
Bridge 2040 - Sideroad 13	25,500

Capital Project Listing - Draft

Description of Capital Project	Estimated Total Cost of Project Including all Applicable taxes
Bridge 2056 - Concession 2	25,500
Bridge # 22 - Concession 2B	365,000
Bridge 2057 - Line 1	220,000
Bridge 2030 - Line 12	285,000
Bridge #38 - Sideroad #3	145,000
Bridge #40 - Sideroad #7	205,000
Bridge 2038 - Sideroad #7 West Luther	85,000
Bridge 2036 - Line 8	245,000
Bridge 2035 - Line 8	25,500
Structure unknown - Line 2 (Fire #8709)	25,500
Culvert Re-lining - Sideroad 9E	38,000
Culvert Re-lining - Concession 9	38,000
	4,450,300
00-30 - ROADS	
<u>Engineering Only</u>	
Mount Forest Drive (Engineering Only)	10,250
Georgina St. (Arthur - Engineering Only)	
South Water St (MF - Engineering Only)	
<u>Water/Sewer/Roads Projects</u>	
Fergus St. S (between Wellington & King)	369,000
William St Reconstruction	676,872
Isabella St. Reconstruction (Tucker to Eliza)	296,225
<u>Connecting Link - Contingent upon Funding</u>	
George / Smith St (Connecting Link)	1,470,000
Queen St. E & York St. (Connecting Link)	853,825
<u>Gravel - Base Rebuild</u>	
1st Line (2kms)	100,000
<u>Resurfacing - Rural</u>	
Paving of Sideroad 7 West (County Rd. 6 to Concession 11)	225,000
Paving of Line #2 (East of County Rd. 14 to Townline)	440,000
Paving of Sideroad 5 West (Concession 9 to Landfill Entrance)	100,000
Paving of Sideroad 7 East (County Rd. 14 to Concession 2)	225,000
Paving of Concession 6 North & Sideroad 5 E (Spring Valley)	720,000
<u>Resurfacing - Urban</u>	
Resurface Newfoundland (Wellington to King)	40,000
Resurface Fergus St. North (Sligo to Durham)	60,000
Resurface Wellington St. E (Fergus to Egremont)	30,000
Resurface Church St. N (Sligo to Durham)	60,000
Resurface Domville St. (Tucker to Conestoga)	90,000
Resurface Tucker St. (Adelaide to Eliza)	140,000
Resurface Domville St. (Preston to Wells)	50,000
LED Street Lighting Retrofit Program	340,500
Sidewalk Installation	25,000
Pedestrian Safety Measures	25,000
Works Yard Storage - Containers to Expand Storage	16,000
	6,362,672

Capital Project Listing - Draft

Description of Capital Project	Estimated Total Cost of Project Including all Applicable taxes
00-40 - SANITARY SEWERS	
<u>Engineering Only</u>	
Mount Forest Drive (Engineering Only)	30,750
Georgina St. (Arthur - Engineering Only)	
South Water St (MF - Engineering Only)	
<u>Water/Sewer/Roads Projects</u>	
Fergus St. S (between Wellington & King)	255,225
William St Reconstruction	459,306
Isabella St. Reconstruction (Tucker to Eliza)	182,450
Queen St. E & York St. (Connecting Link)	240,875
Other Sanitary Sewer Items for Consideration	
AV - OCWA recommended projects	41,000
MF - OCWA recommended projects	115,000
MF SCADA System Upgrades	198,500
Arthur Wastewater Treatment Plant Upgrades Phase 1	8,530,000
	10,053,106
00-42 - WATERWORKS	
<u>Engineering Only</u>	
Mount Forest Drive (Engineering Only)	10,250
Georgina St. (Arthur - Engineering Only)	-
South Water St (MF - Engineering Only)	-
<u>Water/Sewer/Roads Projects</u>	
Fergus St. S (between Wellington & King)	195,775
William St Reconstruction	386,784
Isabella St. Reconstruction (Tucker to Eliza)	488,592
Queen St. E & York St. (Connecting Link)	299,300
Replacement of 2010 Dodge Pick-up	46,125
	1,426,826
00-70 - PARKS & RECREATION	
Ice Edger	6,000
MF Tractor	37,000
Ice Plant Compressor # 1 Replacement	27,000
MF - Cork St. Playground (Campbell deVore)	20,500
Signage for Parks & Facilities	15,000
Trail Enhancements	35,875
Shared Pick-up Truck	30,000
MF Splashpad (Inclusive of Servicing Costs)	177,471
Arthur Lawn Tractor	30,000
Arthur Dog Park	10,000
Arthur Optimist Pavilion	250,000
	638,846
2019 Summary	26,080,161