

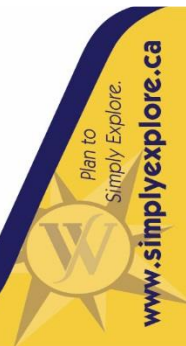


# 2024 BUDGET – 2<sup>ND</sup> DISCUSSION

November 29, 2023

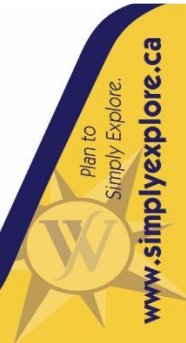
## Recap - 2024 Budget Process

- The aim of the annual budget is to focus and deliver on the values of Council for the Township of Wellington North
- Budget templates sent to department heads September 11, 2023
- Treasurer meetings with Department Heads during September, October, and November as required
- 2<sup>nd</sup> budget meeting with Council and staff held on November 29<sup>th</sup> with additional meetings scheduled for December 11<sup>th</sup>, and January 15<sup>th</sup>, 2024.
- Budget process outcome
  - tax levy decision
  - capital projects decision



## Recap - 2024 Budget Guidelines

- Operating Budget 2024 assumes the status quo for service level, meaning the township will continue to provide the same level of service it budgeted the previous year (2023) unless otherwise proposed and documented.
- Corporate wide cost pressures:
  - Wages/Salary: budgeted increases (varies by department)
  - Health Benefits: Increase of 9.2% (Mosey & Mosey Guidance)
  - Municipal Insurance renewal – 9% increase (Coburn Guidance)
  - Utilities: Hydro increase of 2% (WNP Guidance)
  - Construction Price Index (Inflation, Q3 2023) – 6.6%



## 2024 Budget Impact Items

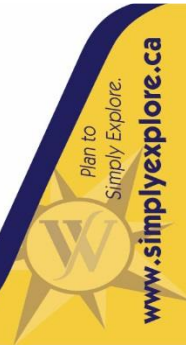
- All conservation authority has submitted their budgets

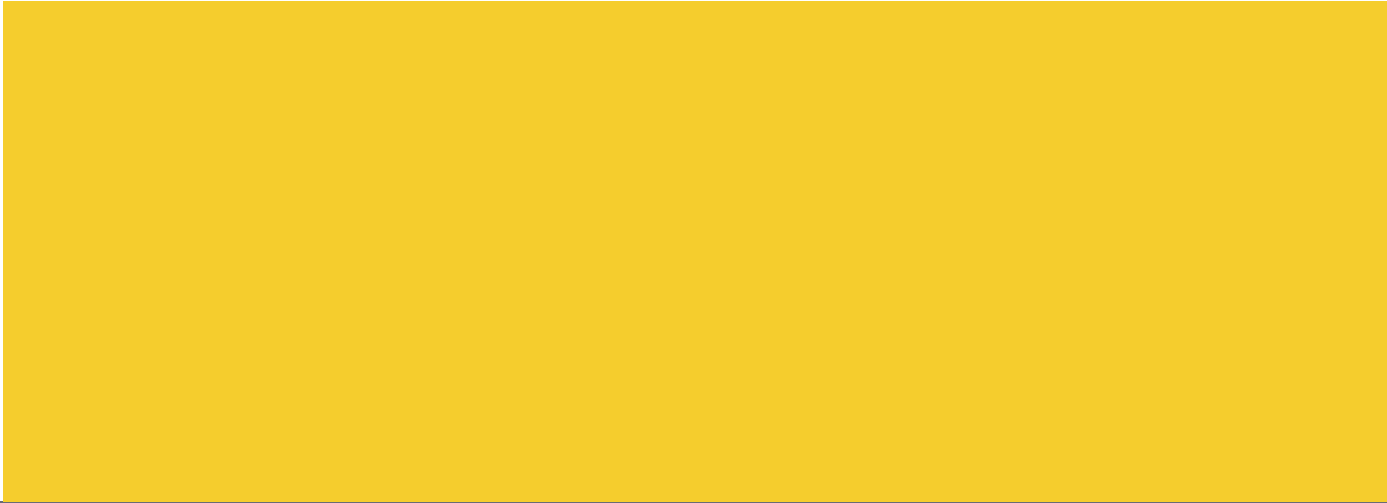
Conservation Authority	2022 Budget	2023 Budget	2024 Budget	Diff - \$	Diff - %
Saugeen Valley Conservation Authority	73,997	81,626	108,777	27,151	33.3%
Grand River Conservation Authority	55,274	57,083	58,619	1,536	2.7%
Maitland Valley Conservation	48,615	51,124	55,429	4,305	8.4%
	<b>177,886</b>	<b>189,833</b>	<b>222,825</b>	<b>32,992</b>	<b>17.4%</b>



## Growth Vs. Reassessment

- Growth is defined as new assessment – it has no impact on the current taxpayer
- During 2023, Wellington North has realized an estimated real assessment growth of 2.10% (2022 – 2.26%, 2021 – 1.48%, 2020 – 1.52%, 2019 – 1.53%)
- Property assessment for tax years will remain unchanged. The government has prioritized stability for property taxpayers and municipalities. The valuation of 2016 (January 1, 2016) will remain in effect per the Fall Economic Statement





# 2024 OPERATING BUDGET

# Operating Budget Summary Analysis by Segment

## 2024 Budget Summary

FIR Category	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
<b>General Government</b>					
General Government	-1,636,950	-1,741,900	-2,058,400	18.2%	-316,500
Other Revenues-Supps/Omitts/Writeoffs	-167,116	-216,770	-281,789	30.0%	-65,019
Council	276,276	289,923	297,538	2.6%	7,615
Administration	1,046,164	1,377,798	1,563,887	13.5%	186,089
Property	4,491	-7,786	-6,592	-15.3%	1,194
<b>Subtotal - General Government</b>	<b>-477,134</b>	<b>-298,735</b>	<b>-485,356</b>	<b>62.5%</b>	<b>-186,621</b>



# Operating Budget Summary Analysis by Segment (Continued)

## 2024 Budget Summary

FIR Category	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
<b>Protection Services</b>					
Fire	965,085	1,015,643	1,110,880	9.4%	95,237
Police/Crossing Guard	51,332	48,718	58,038	19.1%	9,320
Conservation Authority	177,886	189,833	222,825	17.4%	32,992
Protective Inspection & Control					
Animal Control	7,719	7,948	18,050	127.1%	10,102
By-Law Enforcement	64,497	61,503	66,610	8.3%	5,107
<b>Subtotal - Protection Services</b>	<b>1,266,519</b>	<b>1,323,645</b>	<b>1,476,403</b>	<b>11.5%</b>	<b>152,758</b>

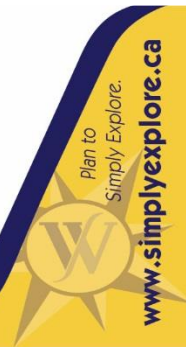




# Operating Budget Summary Analysis by Segment (Continued)

## 2024 Budget Summary

FIR Category	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
<b>Transportation Services</b>					
Roads	4,606,832	4,838,608	5,227,896	8.0%	389,288
Streetlights					
Rural Water	7,908	7,400	5,783	-21.9%	-1,617
<b>Subtotal - Transportation Services</b>	<b>4,614,740</b>	<b>4,846,008</b>	<b>5,233,679</b>	<b>8.0%</b>	<b>387,671</b>



# Operating Budget Summary Analysis by Segment (Continued)

## 2024 Budget Summary

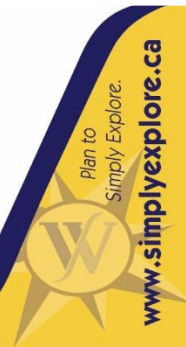
FIR Category	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
<b>Health Services</b>					
Hospital	0	0	0	0.0%	0
Cemetery	99,880	105,524	144,160	36.6%	38,636
<b>Subtotal - Health Services</b>	<b>99,880</b>	<b>105,524</b>	<b>144,160</b>	<b>36.6%</b>	<b>38,636</b>
<b>Recreation and Cultural Services</b>					
Parks & Recreation	2,073,590	2,487,209	2,400,253	-3.5%	-86,956
Community & Economic Development	395,527	458,975	750,673	63.6%	291,698
<b>Subtotal - Recreation and Cultural Services</b>	<b>2,469,117</b>	<b>2,946,184</b>	<b>3,150,926</b>	<b>6.9%</b>	<b>204,742</b>



# Operating Budget Summary Analysis by Segment (Continued)

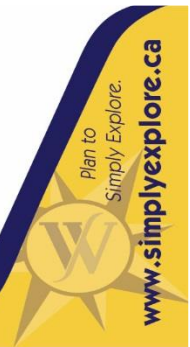
## 2024 Budget Summary

FIR Category	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
<b>Planning and Development</b>					
Planning	67,065	43,842	82,702	88.6%	38,860
Commercial & Industrial					
Tile Drains					
Municipal Drains	45,500	45,500	44,250	-2.7%	-1,250
<b>Subtotal - Planning and Development</b>	<b>112,565</b>	<b>89,342</b>	<b>126,952</b>	<b>42.1%</b>	<b>37,610</b>



# 2024 Operating Budget Summary Analysis by Segment

Service Area	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
General Government	-477,134	-298,735	-485,356	62.47%	-186,621
Protection Services	1,266,519	1,323,645	1,476,403	11.54%	152,758
Transportation Services	4,614,740	4,846,008	5,233,679	8.00%	387,671
Health Services	99,880	105,524	144,160	36.61%	38,636
Recreation and Cultural Services	2,224,884	2,946,184	3,150,926	6.95%	204,742
Planning and Development	356,798	89,342	126,952	42.10%	37,610
Environmental Services					
<b>Total Levy Requirement</b>	<b>8,085,687</b>	<b>9,011,968</b>	<b>9,646,763</b>	<b>7.04%</b>	<b>634,795</b>



# 2024 Operating Budget Summary Analysis by Segment

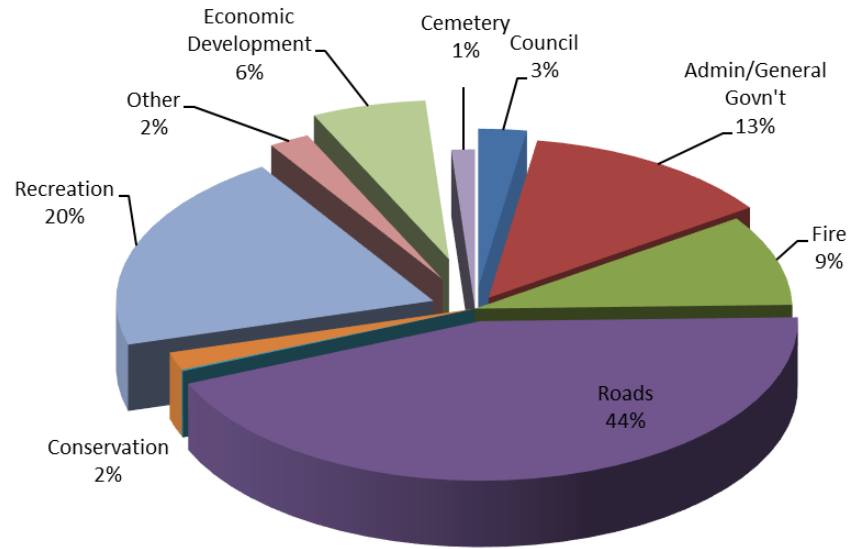
Tax Levy Transfers	2022 Budget	2023 Budget	2024 Budget	% Change	Change \$
To Capital	2,022,165	2,081,943	2,592,857	24.54%	510,914
To Reserves	619,336	1,036,717	702,540	-32.23%	-334,177
To Reserve Funds	5,000	5,000	5,000	0.00%	
<b>New transfers</b>	<b>2,646,501</b>	<b>3,123,660</b>	<b>3,300,397</b>	<b>5.66%</b>	<b>176,737</b>



# Draft Budget Modeling – 2024 Tax Implication – Base Case

	<u>2022</u>	<u>2023</u>	<u>2024 (Draft)</u>	<u>YoY Increase (%)</u>
Operating Budget	5,481,686	6,086,011	6,346,366	4.28%
Policy Mandated Transfer to Reserve funds	115,700	115,700	80,700	-30.25%
Net Transfers	466,136	728,313	626,840	-13.93%
Contributions to Capital	2,022,165	2,081,943	2,592,857	24.54%
<b>Total Budgeted Tax Levy</b>	<b>8,085,687</b>	<b>9,011,967</b>	<b>9,646,763</b>	<b>7.04%</b>
			Organic Growth	2.10%
			<b>Impact to Existing Taxpayer</b>	<b>4.94%</b>

## 2024 Where Budget Dollars Go

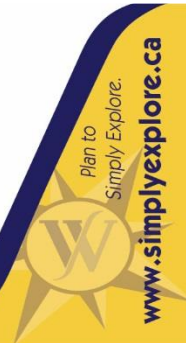


# Reserves / Reserve Funds – Net Transfers (Preliminary)

## Net Reserve & Reserve Fund Transfers

2023				
	<i>From</i>	<i>To</i>	<i>Net</i>	<i>2022 vs 2023</i>
Council		120,700	120,700	0
Admin	98,233	52,000	(46,233)	(55,733)
Property		16,000	16,000	0
Fire		210,600	210,600	0
CBO		102,935	102,935	67,381
Roads		79,482	79,482	0
Streetlights		5,000	5,000	0
Rec	99,471	450,000	350,529	250,529
Planning		0	0	0
Cemetery		5,000	5,000	0
WNP Holding		0	0	0
<b>Taxation Total</b>	<b>197,704</b>	<b>1,041,717</b>	<b>844,013</b>	<b>262,177</b>
Sewer	685,447	427,204	(258,243)	(81,334)
Water	-	407,488	407,488	217,767
<b>User Fee Total</b>	<b>685,447</b>	<b>834,692</b>	<b>149,245</b>	<b>136,433</b>
<b>Grand Total</b>	<b>883,151</b>	<b>1,876,409</b>	<b>993,258</b>	<b>398,610</b>

2024				
	<i>From</i>	<i>To</i>	<i>Net</i>	<i>2023 vs 2024</i>
Council		85,700	85,700	(35,000)
Admin		52,000	52,000	98,233
Property		16,000	16,000	0
Fire		220,000	220,000	9,400
CBO		144,358	144,358	41,423
Roads		79,482	79,482	0
Streetlights		5,000	5,000	0
Rec	100,000	100,000	0	(250,529)
Planning		0	0	0
Cemetery		5,000	5,000	0
WNP Holding		0	0	0
<b>Taxation Total</b>	<b>-</b>	<b>707,540</b>	<b>707,540</b>	<b>(136,473)</b>
Sewer	676,097	783,628	107,530	365,773
Water	-	498,441	498,441	90,953
<b>User Fee Total</b>	<b>676,097</b>	<b>1,282,069</b>	<b>605,971</b>	<b>456,726</b>
<b>Grand Total</b>	<b>676,097</b>	<b>1,989,609</b>	<b>1,313,512</b>	<b>320,254</b>



# Draft Budget Modeling – 2024 Tax Implication – Base Case

	<u>2024</u>
<b>AMOUNT TO BE RAISED</b>	<b>\$ <u>9,646,763</u></b>
Tax Rate = amount to be raised/weighted assessment =	<b>0.00540724</b>

<u>COMPARISON OF TAXES</u>	<u>2024</u>	<u>2023</u>
Residential Assessment	\$ 271,636.00	\$ 271,636.00
Tax Rate	0.00540724	0.00516512
Taxes	\$1,468.80	\$1,403.03
Increase over 2023		<b>\$65.77</b>







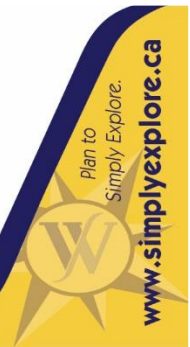
# 2024 CAPITAL BUDGET

# MMAH Report on Debt and Asset Consumption

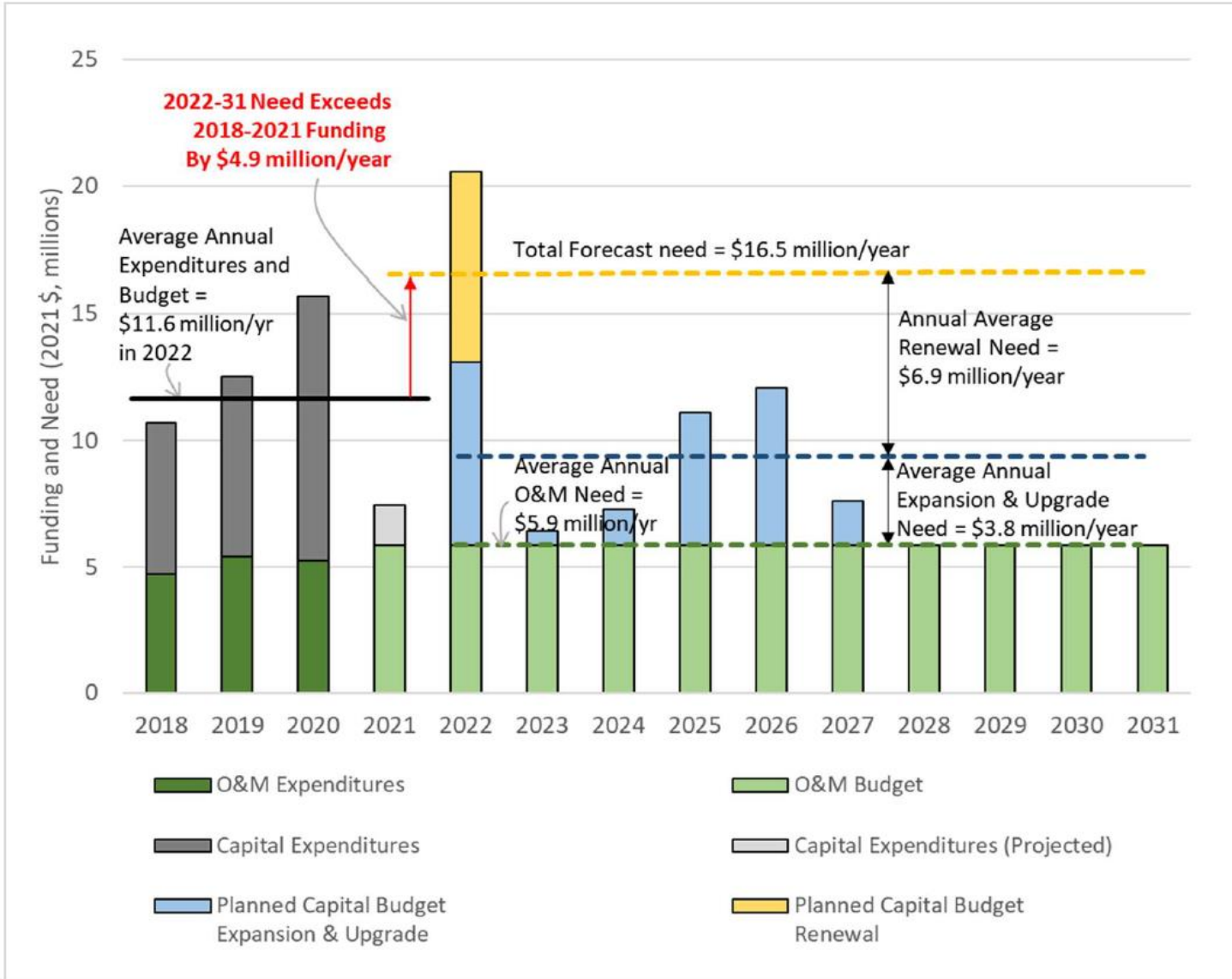
Indicator	Ranges	Actuals	South - LT - Counties - Rural		Level of Risk
			Median	Average	

## FLEXIBILITY INDICATORS

Indicator	Ranges	2017	2018	2019	2020	2021	Level of Risk
Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	8.2%	8.4%	6.5%	8.0%	1.7%	MODERATE
		2.7%	2.5%	2.6%	2.3%	2.2%	MODERATE
		3.3%	3.1%	3.1%	3.2%	3.0%	MODERATE
							<b>LOW</b>
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	54.2%	54.4%	55.5%	55.8%	54.5%	MODERATE
		43.8%	43.7%	43.9%	44.8%	45.2%	MODERATE
		45.5%	46.0%	46.2%	46.5%	46.9%	MODERATE
							<b>MODERATE</b>



# Infrastructure Gap – Asset Management Plan



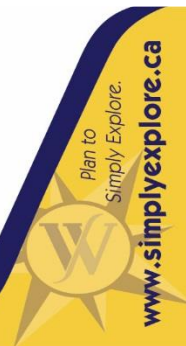
# Capital Program – 10 Year Capital Forecast

<b>Renewal and Maintenance Projects</b>	<b>Total</b>
Full Road Reconstruction	\$ 59,668,506
Sidewalk /Pedestrian Safety Investment	\$ 2,983,425
Equipment Investment	\$ 11,933,701
Recreation Investment	\$ 22,375,690
Pavement Rehabilitation	\$ 14,917,127
Bridge Rehabilitation	\$ 11,187,845
<b>Subtotal</b>	<b>\$ 123,066,294</b>
<b>Major Capital Projects</b>	
Arthur Water Tower	\$ 5,953,500
Arthur Water Supply	\$ 5,103,000
Mount Forest Water Tower	\$ 6,563,734
Mount Forest Wastewater Plant Upgrade	\$ 7,598,342
Arthur Wastewater Plant Upgrade	\$ 13,500,000
Arthur Operations Centre	\$ 5,670,000
Mount Forest Operations Centre	\$ 7,236,516
Mount Forest Fire Hall	\$ 8,930,250
Mount Forest Outdoor Pool and Aquatics Centre	\$ 6,310,710
Arthur and Area Community Centre	\$ 5,670,000
Mount Forest & District Sports Complex	\$ 3,799,171
<b>Subtotal - Major Capital Projects</b>	<b>\$ 76,335,224</b>
<b>Total Capital Project Cost</b>	<b>\$ 199,401,517</b>



# Capital Program – 10 Year Capital Forecast

Funding Options	Total
OCIF	\$ 22,000,000
Gas Tax	\$ 4,400,000
Operating budget contribution - tax base	\$ 25,300,000
Operating budget contribution - user base	\$ 14,520,000
Development Charges	\$ 7,200,000
Reserve use	\$ 17,600,000
Senior govt conditional grant	
<b>Total funding available - estimate</b>	<b>\$ 91,020,000</b>
Funding Surplus (deficit)	<b>-108,381,517.43</b>



# Draft Capital Program – 2024

General Government	2024 Ask
Accessible Work Station	20,000.00
Asset Management	70,000.00
IT Infrastructure & Security Enhancements	50,000.00
MF West Grey employment lands	15,000.00
Mount Forest Archives – Stair/Handrail Repair	20,000.00
Municipal Drain	124,000.00
Organizational Review	25,000.00
Works Yards Upgrades	50,000.00
Generator Arthur Arena and Community Centre	160,000.00
Former Arthur Municipal Office Renovation - Design Only	9,000.00
Arthur and Area Community Centre Upper Hall Renovation	389,000.00
<b>Grand Total</b>	<b>932,000.00</b>



# Draft Capital Program – 2024

Building Department	2024 Ask
Equipment - Pick-up	70,000.00
<b>Grand Total</b>	<b>70,000.00</b>



# Draft Capital Program – 2024

Protection Service	2024 Ask
Fill Station and Compressor	70,000.00
Rescue Equipment	60,000.00
Bunker Gear/PPE Purchases	30,000.00
<b>Grand Total</b>	<b>160,000.00</b>





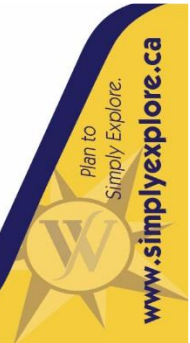
# Draft Capital Program – 2024

Transportation Services	2024 Ask
2024 Sidewalk Projects	170,000.00
Culvert – Sideroad 15	315,600.00
Culvert - Wells Street E	317,000.00
Culvert Replacement - 11-WG	165,000.00
Ditch Cleanout (Wells Street E to Preston Street N)	34,000.00
New Vehicle – Operations	50,000.00
Pickup Truck	70,000.00
Plow Truck	420,000.00
PXO – Main Street North and Durham Street	135,600.00
PXO – Smith Street and Conestoga Street	101,700.00
Reconstruction – Fergus Street North between Wellington and Birmingham Streets	1,278,000.00
Reconstruction - John Street Design only	75,000.00
Reconstruction – Smith Street between Wells and Conestoga Streets	1,091,820.00
Reconstruction Design Project – Conestoga Street North between 100m south of Walton Street and Domville Street	100,000.00
Roadside Mower	20,000.00
Rural Asphalt Resurfacing	1,344,700.00
Rural Road Rebuild - Sideroad 9E	60,000.00
Structure 2023 – Sideroad 10E	362,000.00
Structure 9 – Sideroad 3E	464,000.00
Tractor	300,000.00
Urban Paving	205,000.00
Reconstruction – Industrial Drive Extension to Urban Limits	260,300.00
<b>Grand Total</b>	<b>7,339,720.00</b>



# Draft Capital Program – 2024

<b>Environmental Services</b>	<b>2024 Ask</b>
Groundwater Model – Phase 1	18,000.00
South Water Street SPS - Design Only	22,500.00
Well 3 – Well Casing Liner	135,600.00
OCWA - Projects	266,115.00
<b>Total</b>	<b>442,215.00</b>
<b>Arthur Wastewater Treatment Plant – Phase 2 Upgrade</b>	<b>13,500,000.00</b>
<b>Grand Total</b>	<b>13,942,215.00</b>



# Draft Capital Program – 2024

<b>Recreation Services</b>	<b>2024 Ask</b>
Arthur Ice Resurfacer Replacement	115,000.00
Arthur Pool Upgrades	45,000.00
Mount Forest Old Arena (320 King St) Building Condition Assessment and Improvements	75,000.00
Mount Forest Outdoor Pool and Aquatics Centre	350,000.00
Mount Forest Pool Demolition	200,000.00
Mount Forest Trail Signage	5,000.00
Day Camp Table and Chairs	16,950.00
<b>Grand Total</b>	<b>806,950.00</b>



# Draft Capital Program – 2024

Health Services	2024 Ask
Cemetery renovations	20,000.00
<b>Grand Total</b>	<b>20,000.00</b>

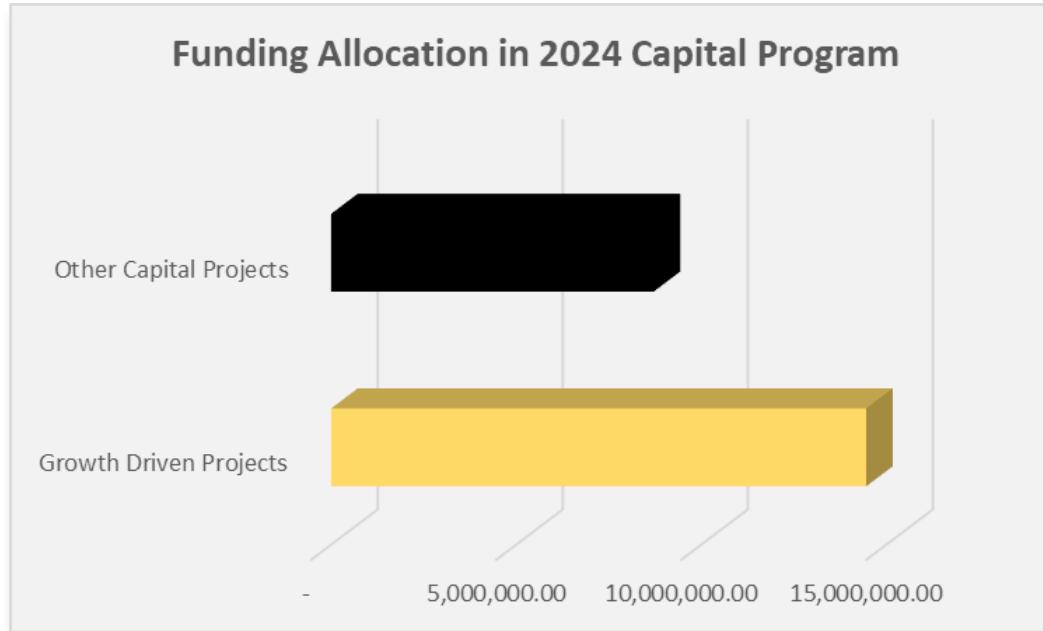


# Draft Capital Program – 2024

Departments	2024 Ask
Building	70,000.00
Environmental Services	442,215.00
General Government	932,000.00
Health Services	20,000.00
Protection Service	160,000.00
Recreation Services	806,950.00
Transportation Services	7,339,720.00
<b>Total</b>	<b>9,770,885.00</b>
<b>Arthur Wastewater Treatment Plant – Phase 2 Upgrade</b>	<b>13,500,000.00</b>
<b>Grand Total</b>	<b>23,270,885.00</b>



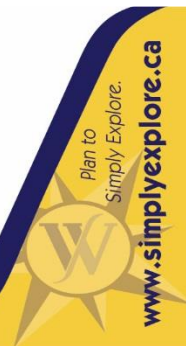
# Draft Capital Program – 2024



# Draft Capital Program – 2024

## Project Costs

Dept/Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Council Directed Projects	-	-	1,120,220	748,805	-	-
20in20 Initiatives	-	-	142,700	-	-	-
Development Projects	496,960	480,800	-	-	-	-
Roads & Drainage	6,310,498	4,566,300	5,050,983	4,428,871	5,062,400	6,479,720
Waterworks	1,075,722	1,011,100	1,871,775	707,916	1,038,000	419,715
Sanitary Sewers	10,162,287	861,200	620,500	744,932	-	22,500
Fleet	395,000	847,000	391,000	958,000	-	930,000
Parks & Recreation	583,346	1,361,897	1,154,271	944,234	1,420,000	806,950
Fire	48,000	99,200	258,700	138,000	504,500	160,000
Admin & Property	198,000	254,125	10,000	160,750	489,603	932,000
Cemetery	33,500	-	-	-	49,849	20,000
<b>Total</b>	<b>19,303,313</b>	<b>9,481,622</b>	<b>10,620,148</b>	<b>8,831,508</b>	<b>8,564,352</b>	<b>9,770,885</b>
Arthur Wastewater Treatment Plant – Phase 2 Upgrade	-	-	-	-	-	13,500,000
<b>Grand Total</b>	<b>19,303,313</b>	<b>9,481,622</b>	<b>10,620,148</b>	<b>8,831,508</b>	<b>8,564,352</b>	<b>23,270,885</b>



# Draft Capital Program – 2024

Funding Model Source/Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenue (levy, fees, etc)	3,927,128	3,716,047	3,512,480	3,557,822	3,359,105	3,511,471
Grants	1,448,000	2,039,830	3,272,983	1,343,688	1,030,775	1,074,123
Dev't Charges & Reserves	10,707,097	1,818,845	2,390,781	2,233,600	1,735,301	1,895,852
Developer Contributions	344,660	344,655	334,905	21,500	120,000	22,500
External Debt	-	-	-	-	-	-
Gas Tax	726,000	566,000	200,000	655,000	340,000	1,287,768
Sustained OCIF	1,050,428	1,030,120	909,000	900,000	1,979,171	1,979,171
Unfunded Amounts	1,100,000	33,875	-	119,898	-	-
<b>Total</b>	<b>19,303,313</b>	<b>9,481,622</b>	<b>10,620,148</b>	<b>8,831,508</b>	<b>8,564,352</b>	<b>9,770,885</b>
Arthur Wastewater Treatment Plant – Phase 2 Upgrade	-	-	-	-	-	13,500,000
<b>Grand Total</b>	<b>19,303,313</b>	<b>9,481,622</b>	<b>10,620,148</b>	<b>8,831,508</b>	<b>8,564,352</b>	<b>23,270,885</b>





# Draft Capital Program – 2024

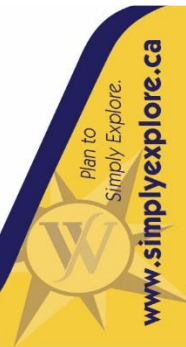
- Initial Capital listing compiled for 2024 contained projects totalling \$28,432,185; however, initial deliberations had identified ~\$5.2M in projects that could be deferred. Items removed from consideration for 2024 are as follows:

Description of Capital Projects	Future - Ask
Dublin Street Watermain	125,000.00
Hutchison Playground Replacement	160,000.00
Kenilworth Office Parking Lot	220,000.00
MF Dam Maintenance	35,000.00
PXO – Main Street South and King Street	254,250.00
PXO – Queen Street East and Fergus Street	96,050.00
Reconstruction – Fergus Street North between Birmingham and Durham Streets	2,236,000.00
Reconstruction – John Street between Waterloo and Queen Streets	1,835,000.00
Reconstruction Design Project – Durham Street East between Main and Fergus Streets	100,000.00
Structure Improvements	100,000.00
<b>Grand Total</b>	<b>5,161,300.00</b>



# Reserves / Reserve Funds – Q3 2024 Balances

Description	2021 Year End Balance	2022 Year End Balance	2023 Nov 15. Balance	% Change	Change \$
Obligatory Reserve Funds - DC Reserve Funds	2,826,745	4,982,050	9,656,311	93.82%	4,674,260
Obligatory - (Parkland: Cash in Lieu, Federal Gas Tax Funding)	1,470,457	1,949,347	1,892,206	-2.93%	(57,141)
<b>Total Obligatory Reserve Funds</b>	<b>4,297,202</b>	<b>6,931,397</b>	<b>11,548,516</b>	<b>66.61%</b>	<b>4,617,119</b>
Taxation Reserve Funds	6,431,682	7,322,654	7,009,008	-4.28%	(313,646)
User Fee Reserve Funds	7,233,669	8,269,393	8,412,863	1.73%	143,470
<b>Total Discretionary Reserve Funds</b>	<b>13,665,351</b>	<b>15,592,047</b>	<b>15,421,871</b>	<b>-1.09%</b>	<b>(170,176)</b>
Taxation Reserves	2,047,566	2,155,071	1,595,978	-25.94%	(559,093)
<b>Total Reserves &amp; Reserve Funds</b>	<b>20,010,119</b>	<b>24,678,515</b>	<b>28,566,365</b>	<b>15.75%</b>	<b>3,887,850</b>



## Council Direction Required

- Direction re: target levy for 2024
- Items required for addition or omission from current 2024 capital program
- Comfort level with utilization of reserves / reserve funds to reduce contributions to capital program from levy
- Others?



# Discussion

OPEN FOR  
DISCUSSION

