



Council Budget Agenda

Tuesday, January 24, 2017

3:00 p.m.

Council Chambers

	Pages
1. Call to Order	
2. Disclosure of Pecuniary Interests Under the Municipal Conflict of Interest Act	
3. Minutes of Previous Meeting	
a. Budget Council Minutes of December 1, 2016	1
4. Additional Items Disclosed as Other Business	
5. Resolution Moving Council into Committee of the Whole to Consider Public Meetings, Delegations, Public Question Period, Correspondence, Reports, Motions for Which Notice Has Been Previously Given and Other Business	
6. Reports of Committees and Town Staff, Matters Tabled and Motions for Which Notice Has Been Previously Given	
a. Introduction, Mayor Bridge	
b. 2017 Operating Budget Summary Report	8
c. 2017 Budget Update Report	21
d. 2017 Capital Budget - Presentation	28
7. Motion to Return To Regular Council	
8. Notices of Motion	
9. By-laws	
10. Adjournment	



Council Budget Minutes
Thursday, December 1, 2016 1:00 p.m.
Council Chambers

Council Present:

Mayor George A. Bridge
Deputy Mayor Ron Faulkner
Councillor Mary-Lou Colwell
Councillor Dave Turton
Councillor Judy Dirksen
Councillor Jean Anderson
Councillor Ron Elliott

Staff Present:

Gordon Duff, Deputy C.A.O. Clerk, Treasurer
Annilene McRobb, Deputy Clerk, Recording Secretary
Gordon Duff, Treasurer
Belinda Wick Graham, Economic Development Manager
Chris Harrow, Fire Chief
Terry Kuipers, Chief Building Official
Matthew Lubbers, Recreation Services Manager
Al Carr, Facilities Manager
Brian Hansen, Public Works Director

1. **Call to Order** - 1:00 p.m.
2. **Disclosure of Pecuniary Interests Under the Municipal Conflict of Interest Act** - None.
3. **Minutes of Previous Meeting** - None
4. **Additional Items Disclosed as Other Business**
Cam Forbes, Fire Inspector and Volunteer Firefighter raised \$300 for Movember had his mustache shaved off by Lorie Forbes.
5. **Resolution Moving Council into Committee of the Whole to Consider Public Meetings, Delegations, Public Question Period, Correspondence, Reports, Motions for Which Notice Has Been Previously Given and Other Business**

RESOLUTION: 2016-232

Moved By Councillor Colwell; Seconded By Deputy Mayor Faulkner

THAT The Town of Minto Council convenes into Committee of the Whole to conduct budget deliberations.

Carried

6. Reports of Committees and Town Staff, Matters Tabled and Motions for Which Notice Has Been Previously Given

a. Introduction, Mayor Bridge

The Mayor welcomed everyone to the 2017 budget meeting which is a critical role of Council in determining priorities. This is the first look at the operating budget and there are many things to finish before we reach the bottom line.

b. Presentation, C.A.O. Clerk and Treasurer, Budget Theme “Keeping it Real”

C.A.O. Clerk White introduced the budget quotes, schedule for the day and budget approval process. The presentation included a review of the plan hierarchy, Strategic Plan initiatives and underlying plan actions. Current economic conditions were summarized as it pertains to the budget. Treasurer Duff reviewed the asset management plan. It was noted that the OMPF Allocation and OCIF Formula Based funding has increased for 2017 over 2016. Treasurer Duff noted a roughly a 12% increase in utilities this year affects the budget.

c. 2017 Operating Budget - Summary Report

Council reviewed and discussed the various budgets below presented by Department Heads, asking questions and seeking clarifications as needed.

Administration

1. Mayor and Council

C.A.O. Clerk White reviewed the recommended budget of \$127,700, an increase of \$500. Since Council salaries were set in 2014 per diems decreased 20%. The budget has a training increase. A report on remuneration for the next Council comes forward in 2018.

2. C.A.O. Clerk

The C.A.O. Clerk stated the \$335,900 operating budget increases \$59,000 for legal fees and to annualize wages and benefits for a staff including a return from maternity leave.

3. Treasury

Treasurer Duff confirmed the suggested \$517,300 budget, a decrease of \$7,900 including removing part time wages, expense related to IPM 2016 and various other changes.

4. People and Property

C.A.O. Clerk White recommends a budget of \$136,650, down \$13,950 due to increased dog tag revenue and rent on Guelph Ambulance building.

5. Health Services

C.A.O. Clerk White noted the \$33,750 budget has a \$5,000 County rent increase for Clifford Medical Clinic. Cost is low for the community benefit of the clinic and physician recruitment.

Economic Development

1. Economic Development Services

Business & Economic Manager Wick Graham presented the \$437,036 budget down \$6,673 from 2016. Both staff wages are included, but structural grant funding decreases \$20,000.

2. Tourism Services

The Business & Economic Manager reviewed the \$25,900 budget, a decrease of \$87,900 with signage moved to capital and wages reallocated to Economic Development budget.

3. LaunchIt Services

LaunchIt budget includes a higher Minto Chamber contribution due to Business Development Coordinator time allocation. \$125,250 budget decreased \$10,750 over 2016.

Fire

1. Overall

Chief Harrow identified an overall cost of \$908,128 up \$2.2%.

2. Fire Administration

The Fire Chief stated the budget of \$596,930 is up +- \$30,000 for wages and benefits, including the entire Administration Coordinator's Salary plus other miscellaneous expenses.

3. Clifford Fire Hall

Chief Harrow noted that this \$95,600 budget is down \$7,100 due mainly to increased revenue from the Howick agreement.

4. Harriston Fire Hall

Chief Harrow explained the recommended budget of \$146,825 is down slightly from 2016.

5. Palmerston Fire Hall

The Fire Chief outlined the budget proposed at \$68,773 down over \$1,200 due an increase in the North Perth Agreement.

Facilities

1. Clifford Arena

Facilities Manager Carr proposed a \$162,043 budget up slightly due to utility costs partly offset by increased bar revenues; the cost of a drink will be increased from \$4-\$5.

2. Clifford Parks

The Facilities Manager presented a \$ \$21,411 budget increased less than \$200.

3. Clifford Ball and Soccer

The Facilities Manager noted the \$19,933 budget is up \$700 due to lower revenue from Minto United Soccer.

4. Harriston Arena

Facilities Manager Carr explained the \$175,744 budget is up about \$15,000 due to higher utility costs, wages and benefits, partly offset by higher bar revenue due to price increase.

5. Harriston Parks

The Facilities Manager noted the \$29,457 budget is up slightly for added maintenance.

6. Harriston Ball and Soccer

Facilities Manager Carr summarized the \$18,870 budget up \$1,674 for utilities and added maintenance.

7. Palmerston Arena

The Facilities Manager detailed the recommended \$184,709 budget increased less than \$5,000 by accommodating wages, benefits and utilities offset by increased bar revenue.

The C.A.O. Clerk explained a medical leave in the facility may be extended and a permanent staffing solution is needed.

MOTION: COW 2016-268

Moved By: Councillor Colwell Seconded by: Councillor Turton

That a report be brought forward to Council at a future meeting regarding staff changes and increased costs.

Carried

8. Palmerston Parks

The recommended \$56,633 budget is down \$5,552 mainly from lower grass cutting costs.

9. Palmerston Ball and Soccer

The Facilities Manager noted the \$36,338 budget is up a little for wages and lower revenue.

10. Satellite Facilities

Facilities Manager Carr proposed a \$76,933 budget up just over \$19,000 mainly from an increased Town role at the Palmerston Railway Heritage Museum.

11. Trails

Facilities Manager Carr noted this budget is separated out now that the White's Junction Trail is owned by the Town. The \$5,590 budget sets wages, maintenance and reserves.

Recreation

1. Adventure Camp

Recreation Services Manager Lubbers noted higher Adventure Camp registration decreased the program cost from \$1,000 in 2016 to \$0.

2. Harriston Pool

Recreation Services Manager presented the recommended \$46,000 budget up \$1,250.

3. Norgan Theatre

The Recreation Services Manager explained the budget surplus of \$16,000 is annually allocated to renovation expenses. In 2017 the renovation costs are paid in entirety.

4. Palmerston Pool

The proposed \$39,500 budget is increased \$1,500 for wages slight revenue decrease.

5. Recreation Administration

Recreation Services Manager Lubbers noted the \$252,000 budget increases \$17,500 due to wages, benefits and asset management plan.

6. Special Programs

The Recreation Services Manager stated the \$6,000 budget is the same as 2016.

7. Joint Health and Safety

This \$5,000 budget is increased \$1,000 for new defibrillator batteries and pads.

Council adjourned for a short break.

Building

1. Building and By-law Administration

Chief Building Official Kuipers noted the proposed \$190,175 budget (up from \$161,475) annualizes Building Inspector wages and benefits with no Source Water Protection grant. To keep revenue budgeted the same a permit fee increase is needed next year.

Public Works

1. Cemeteries

Public Works Director Hansen presented a \$20,520 Cemeteries budget up slightly in 2017.

2. Municipal Drains

The Public Works Director noted the \$33,000 Municipal Drain budget is unchanged.

3. Roads and Sidewalks Maintenance

The Public Works Director explained the \$1,041,810 budget is up under \$5,000 due to wage and utility increases.

4. Roads Administration

Public Works Director Hansen noted the proposed budget of \$849,208 is up \$79,827, with an increase in debt servicing and another \$40,000 to vehicle replacement reserve.

5. Street Lights

Public Works Director Hansen stated hydro increases continue to offset savings from the LED program. A 3% increased levy is recommended to help maintain replacement reserve.

6. Trailer Parks

The Public Works Director presented the budget of \$7,000 revenue up slightly. Two trailers remain in Harriston. Palmerston's 26 sites are fully occupied.

7. Vehicle Cost and Allocations

Public Works Director Hansen explained the \$345,000 budgeted revenue is staff time and maintenance costs allocated to 28 vehicles and equipment (backhoes, graders etc).

8. Winter Control

Brian Hansen recommends the \$479,208 budget up \$20,000 for increased sand and salt and \$2,726 wages and benefits.

9. Town Landscape Care

The Public Works Director presented the budget of \$100,506 up over \$25,000 to annualize wages and benefits for a Full Time Coordinator and to increase training.

10. Sewage Treatment and Distribution

Public Works Director Hansen outlined the detailed business plan for the user pay service based on metered rates. An increase in thoroughness by MOECC inspectors has created higher operational costs for the wastewater division. More sampling, more often, ECA amendments, EA studies etc.

Treasurer Duff noted that we will get the operating back in the black as we had a shortfall the first year of the meter billing.

11. Water Treatment and Distribution

The C.A.O. Clerk explained business plan for metered water services in Clifford, Palmerston, Harriston, and Minto Pines. Revenue is projected to be down about \$274,000. Total water and sewer revenue is down at least 10%. Changes to the Overhead section and each water system were reviewed and discussed.

C.A.O. Clerk White recapped the budget and noted that the budgets presented to council would represent an increase of approximately 3%.

Council requested that on the budget sheets that we compare the previous year's actual to budget amount and thanked the staff for all of their work on this budget presentation. Treasurer Duff will provide additional information to Council.

7. Motion to Return To Regular Council

RESOLUTION: 2016-233

Moved By Councillor Turton; Seconded By Councillor Elliott

THAT The Committee of the Whole convenes into Town of Minto Council.

Carried

8. Notices of Motion

9. By-laws - None

10. Adjournment 3:58 p.m.

RESOLUTION: 2016-234

Moved By Councillor Dirksen; Seconded By Councillor Anderson

THAT The Council of the Town of Minto adjourn to meet again at the call of the Mayor.

Carried

Mayor George A. Bridge

C.A.O. Clerk Bill White



2017 Draft Budget Summary Report Budget Meeting December

“He who will not economize will have to agonize” — [Confucius](#)

“These days, you’ve gotta milk a dollar out of every dime.” — [Gayle Forman](#)



Town of Minto Proposed 2017 Operating and Capital Budget

Economic Context

Canada's unemployment rate sits at 7.0% as of October 2016 up 0.2% from June 2016. The average unemployment rate over the last 50 years has been 7.71% reaching its highest (13.1%) in 1982 and lowest in 1966 (2.9%). Ontario has an unemployment rate of 6.4% down 0.4% from 2015. Locally the unemployment rate remains near 4%.

The Federal debt is \$632 billion dollars growing nearly \$3 million per hour based on the Canadian Taxpayers Federation national debt clock. In 2015 the Federal deficit of \$3.2 billion was to be eliminated in 2016. Upon taking office the current government proposed "modest" \$9-\$10 billion deficits before balancing the budget in 2018-19. This has now changed and the 2016-17 deficit is estimated at \$30 billion to be reduced to \$15 billion in 2021. This is a result of the Federal Government's effort to stimulate the economy in light of the drop in oil prices. The estimated \$12.9 billion Federal investment in water and waste water infrastructure is part of its efforts to improve the economy.

September 2015 the Province announced a lower than projected deficit at \$10.4 billion for 2014-15 which was on target for elimination in 2018. Currently Ontario debt sits around \$300 billion and the deficit around \$5 billion. The 2016 Ontario budget calls for a \$4.3 billion deficit in 2016-17 with full elimination in 2018. Deficit elimination includes the \$1.9 billion in new cap and trade revenues.

As combined Federal and Provincial debt approaches \$1 trillion, debt reduction by the Federal government should not put pressure on local municipal budgets given their 10 year infrastructure commitment. Provincially transfers under the Ontario Municipal Partnership Fund (OMPF) remained stable at \$505 million for 2017, but have declined from \$598 million in 2012. The Province argues the combined commitment to all municipalities (including uploading court security, Ontario Works and other benefits) is \$2.4 billion in 2017, up \$100 million over 2016 and \$1.8 billion since 2004. Increased infrastructure spending at the Provincial level will help fund the Town's capital program.

Cost of living in Canada increased 1.3% for the 12 months leading to September 2016, up marginally from a year ago. Shelter and transportation added most to the cost of living while energy prices have shown a decrease. The Province identifies "economic uncertainty" as an on-going challenge, but as oil prices have fallen along with the Canadian dollar there is an opportunity for Ontario to grow business and create jobs.

The Province believes it will create 900,000 new jobs by 2019, above and beyond those lost to the 2008 recession through retraining, decreasing red tape and reducing tax rates on new business investment. The Trans Pacific Partnership if ratified internationally should increase sectors such as agriculture, but the prospect of re-negotiated trade deals could also impact job creation. Once again in Minto the budget anticipates local agriculture, manufacturing, service industries, and other business remain relatively healthy. The 2017 budget is based on moderate assessment growth.

Strategic Plan and Fiscal Accountability

The Town's Strategic Plan was prepared "in-house" and was approved in August 2013. Over 100 people had input into the Strategic Plan. The Plan has a five to ten year scope and a new monitoring and updating process. It has 98 initiatives in nine business areas prioritized in an implementation schedule. The Plan was reviewed in 2015 when staff estimated about 40% of the actions as complete or partly complete. Asset Management Plans, Integrated Community Sustainability Plan, Cultural Master Plan, and Master Fire are authorized in the Strategic Plan, and are planning documents implemented through budget. Strategic actions are expressed in each business plans by function or service area.

In 2016 Council adopted a Fiscal Accountability Policy along with its Code of Conduct and Transparency Policies. The Fiscal Accountability Policy has the following general principles:

- Apply short and long term budgeting tools, financial plans and asset management practices to support infrastructure in a balanced and sustainable fashion
- Low to moderate user fee, rate and property tax increases that respect ratepayers ability to pay
- Show “value for money” by maintaining tangible capital assets and pursuing partnerships with other municipalities, governments and other entities.
- Capital budget should look at asset management plans, five year needs, grant programs and the capacity to complete capital works when making decisions on projects.
- Sustain sufficient reserves to cover two years of operations or twice the annual tax supported budget (on track – current estimate about \$8.8 million)
- Ensure total annual borrowing is less than total annual reserves if possible and practical unless borrowing or reserves are needed to obtain senior government grant programs.

Staff has prepared the budget according to this fiscal accountability policy.

Budget Theme

The 2017 budget theme is “Keeping it Real” or in other words “to stay true to one's self; to resist the temptation to be fake” or “to stay cool”. The 2017 theme suggests Council meet its operational and infrastructure needs while staying within its means. It recognizes that external and internal forces impact on the Minto, and the Town must stay true to its strategic plan and fiscal accountability policy.

The following have been budget themes the last six years:

- 1) 2012 it was “change leading to sustainability”
- 2) 2013 “striving for sustainability”
- 3) 2014 “steps in the right direction”.
- 4) 2015 “hit the ground running”
- 4) 2016 “stay the infrastructure course

The 2016 budget theme meant continuing to be pro-active replacing and maintaining infrastructure in an affordable and responsible way. The 2016 AMO conference and subsequent What's Next Ontario initiative sought out Town support for AMO's work addressing the \$3.6 billion looming fiscal gap between infrastructure and services municipalities provide over the next 10 years and revenues municipalities can expect to receive. Using current revenue tools AMO projects property tax need to increase 4.6% annually over the next 10 years based on current committed revenues to municipalities and 8.3% if the Province begins to back down on current commitments. Minto supported AMO's initiative to work with the Province to bridge the fiscal gap, but the 2017 budget does not anticipate any new revenue sources.

The Provincial “cap and trade” program “will cost the average Ontario household about \$13 more per month to fuel a car and heat a home”, while gasoline will cost “4.3 cents a liter more in 2017”. The Province plans to generate \$1.9 billion in new revenues of which \$325 million will go to the Green Investment Fund to help reduce energy use across sectors. Property tax payers will be faced with these added costs beginning in 2017 along with any property tax increases imposed by municipalities. Keeping it real means recognizing there is only one taxpayer to fund municipal operations and climate initiatives.

Infrastructure Spending

Between 2011 and 2016 the Town spent about \$27 million improving infrastructure, and has identified capital need for \$17.5 million through 2020. This must be funded by a combination of tax supported

capital, grants, borrowing and reserve contributions. Care is required in 2017 to manage reserve and borrowing to remain consistent with the fiscal policy that reserves always exceed borrowing level. Staff will report on this during capital budget deliberations when a funding plan is in place for 2017 and beyond.

The gross value of Town Tangible Capital Assets is \$123 million and the depreciated or “book value” is \$68 million depreciating at a rate of \$2.8 million annually. The Town’s Asset Management Plan suggests over \$6 million is needed annually to maintain roads, bridges, water and sewer infrastructure. The Town should continue to spend between \$2.8 and \$6 million to properly maintain its assets.

The following summarizes use of existing grant funds:

Project	Estimated Grant	Total Project \$
2015 OCIF Bride Road Culvert (complete)	\$454,444	\$652,000
2015 SCIF Harriston Elora Street (complete)	\$1,000,000	\$2,500,000
2015 Connecting Link Intake 1 Clifford Elora	\$1,935,806	\$2,800,000
2016 Connecting Link Intake 2 Clifford Elora north**	\$ 830,000	\$1,250,000
2016 OCIF Jane & Inkerman (finish 2017)	\$1,300,000	\$2,090,000
Canada 150 (Harriston Pool) **	\$ 83,333	\$ 250,000
Ontario 150 (Harriston Arena Accessibility) **	\$ 72,500	\$ 145,000
2017 CWWF (George Street)	\$ 748,110	\$1,100,000
Total	\$6,424,193	\$10,787,000

** is not approved decision pending

In 2016 budget the Town committed the federal gas tax of \$246,000 to a \$1.8 million debenture over 10 years. The 2016 application under SCIF for Brunswick Street pumping station did not receive final approval. While this project is on the books the Town will not have to raise \$900,000 of this \$2.5 million project.

The Town received \$130,000 in formula based funding under OCIF as its Asset Management Plan is up to date and appropriate FIR reports are filed with no critical errors. This amount is assured through to 2019 increases as follows:

2016	\$130,000
2017	\$223,161
2018	\$315,205
2019	\$476,143

This provides an added \$1,014,509 of project funding for the next three budget years.

Operating Budget

The Town’s main operating funding from the Province is the Ontario Municipal Partnership Fund (OMPF) which over the last seven years has varied as follows:

Year	OMPF Allocation
2012	\$1,354,300
2013	\$1,306,900
2014	\$1,491,400
2015	\$1,532,500
2016	\$1,680,700
2017	\$1,802,900

In 2014 the Ministry of Finance redesigned OMPF to support areas with limited property assessment like Minto and to recognize challenges of rural municipalities “while targeting funding to those with more

challenging fiscal circumstances.” This includes the “Northern and Rural Fiscal Circumstances Grant” which helps with Minto’s annual OMPF allocation. In 2017 OMPF includes an increase for rural communities “with the highest percentage of farmland (over 70%)”; Minto has benefited from this reallocation based on 85.5% of its assessment being farmland.

In 2015 the Province approved \$115,000 to cover expenses to implement Source Water Protection initiatives. This included staff training, and in part new staff to provide a Risk Management Inspector (RMI) locally. The County Wide Risk Management Officer (RMO) provides direction to local RMI. Stacey Pennington and Terry Kuipers act in place of the County Wide RMO if necessary. Funding for this work was extended through 2016. There are no budget increases in 2017 attributed to source water protection.

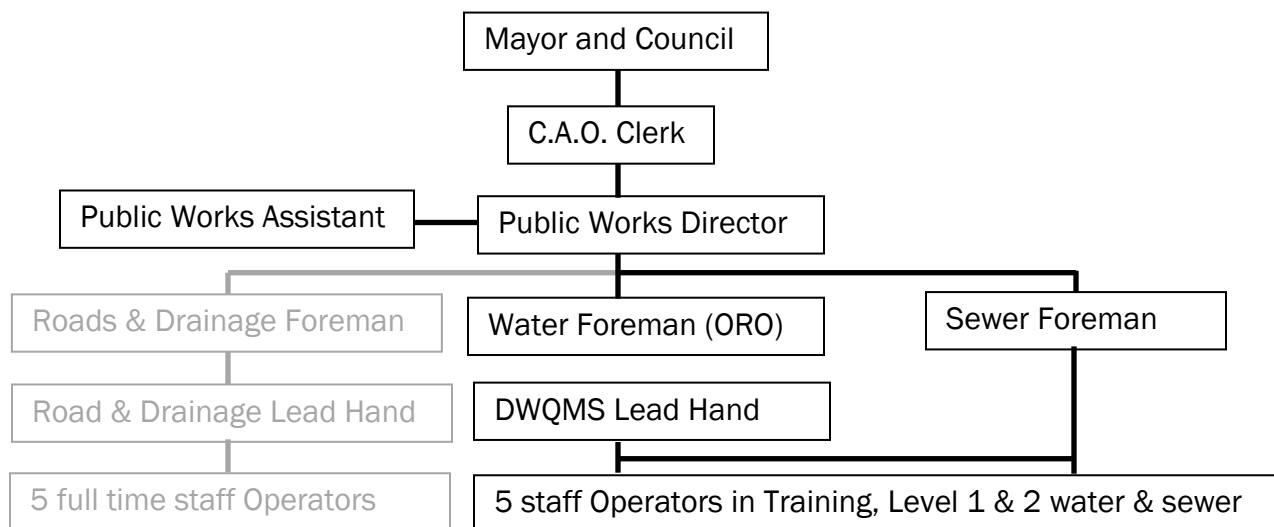
Other “hidden” downloads from the Provincial agenda that impacted Town operating budget in previous years including Accessibility Regulations, Green Energy Plans, Building Code amendments (vulnerable occupancies), and health and safety awareness. These new responsibilities include obligations to report back to the Province on progress in all these areas.

In 2015 staff reported that climate change, and access to transit, ultra-high speed internet and natural gas in rural areas are potentially the next “hidden” initiatives that may add to the operating budget in the future. In 2016 there are no proposed adjustments to the operating budget to begin to address these initiatives, but in 2017 energy costs will increase the cost of gasoline, diesel, natural gas and electricity to fund cap and trade. A significant amount of 2017 increases in Facilities, Pools, and Public Works are due to higher energy costs.

Water and Sewer Services

On January 1st, 2013 Section 19 of the Safe Drinking Water Act (passed in 2002 but not executed) was declared. Section 19 requires municipal drinking water systems owners exercise a “level of care, diligence and skill” when maintaining a system. Section 19 contains penalties for any person, including a member of Council, who does not act “honestly, competently and with integrity” when protecting the safety” of drinking water users. Penalties include fines up to \$4 million and imprisonment for up to five years.

January 1, 2015 the Town took over full operation of its three waste water treatment facilities, the lagoon systems in Clifford and Harriston and secondary treatment facility in Palmerston. Starting February 2016 the water treatment and distribution, and waste water collection and treatment structure is as follows:

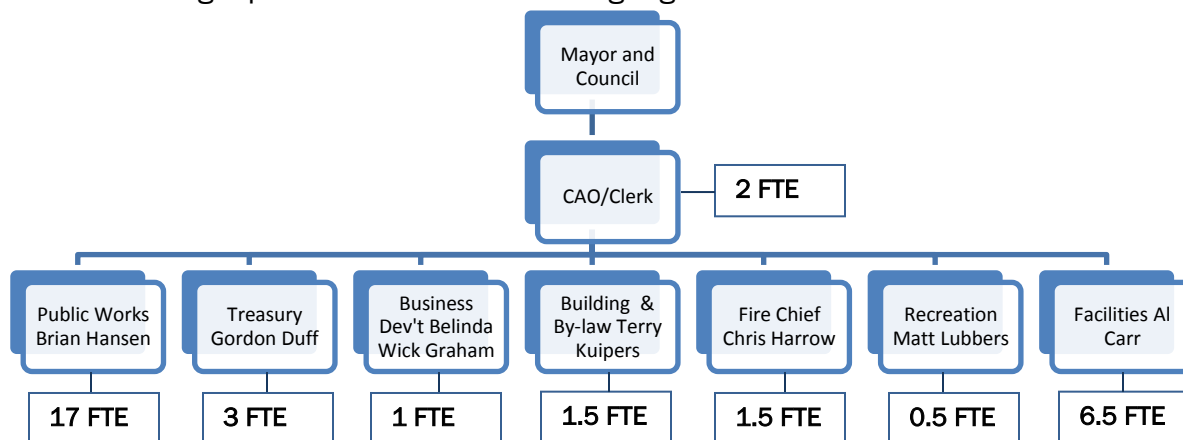


January 2012 Council approved the Watson & Associates Water Financial Plan required by Regulation 453/07 under DWQMS to obtain all permits to take water for the four Town systems. At the same time a sewer financial plan was developed in a combined document that set water and sewer rates for up to five years. In 2015 the Water and Sewer Financial Plan was updated and new water and sewer rates applied after meters were installed. The new rates resulted in less revenue to the system mainly due to increased conservation. Early in 2016 the Town increased rates to maintain the user pay system.

The 2017 budget anticipates less revenue from all four water systems. Reduced operating costs are identified to maintain reasonable contributions to reserves and life cycle costs. Water and sewer rates will also need to increase to ensure the long term system viability as required by Provincial legislation.

Overall Operations

This is the fifth budget planned under the following organizational structure.



There are 41 full time equivalent positions following restructuring in 2015 and 2016. In 2015 administrative support has been increased in Economic Development & Tourism, Public Works, Facilities and Recreation (shared), and Minto Fire (three year contract). New positions since 2015 are as follows:

- Shared fire -by-law position to meet required Provincial inspections, plans for vulnerable occupancies
- 3 year contract fire admin implements Fire Master Plan and Clerk's electronic meeting and records
- Building Inspector Source Water Assistance to meet mandate for Risk Management Inspector
- Two trained water and sewer operators replacing Centre Wellington contract for sewage plant
- Full time Town Landscaped Care Coordinator and public works operator

Not included in the staff numbers are part time facility and concession operators, the LaunchIT Coordinator shared on contract with Chamber of Commerce, summer programming and lifeguards, seasonal winter control, and crossing guards. There has been some increase in part time related to specific program need, but most all these areas had part time or seasonal help in 2010.

Funding for positions in fire was achieved by leaving the Deputy Chief position in Palmerston vacant and sharing staff responsibilities with C.A.O. Clerks. The Building Inspector Source Water Assistant is funded in part from building fees. The sewage operator and full time assistance in Public Works was funded by eliminating the \$279,000 annual payment to Centre Wellington. The TLC Coordinator was a move from part time to full time using funds in snow removal and other operations to allow full time.

Council was proactive adjusting the organization to anticipate financial challenges. With added trail and satellite facilities responsibilities (Harriston Medical Clinic, Harriston Train Station and Palmerston Railway Museum) a central booking system is under development in Facilities and Recreation. The intent is to off-

load customer service and follow-up with bookings from Lead Hand and operators in favour of administrative support at the Town office. A policy and practice will be ready for Council in the New Year with a recommendation for staff resources.

Canada 150 celebrations, Clifford Homecoming and National PeeWee Championships are significant events to plan for in 2017, but none will have the impact of IPM 2016. 2017 will be the first year without maternity leave since 2013.

In 2017 the Town is required to do a market check to ensure its Pay Policy is up to date. This will help maintain internal equity as well as meet requirements of the Pay Equity Act. The Town's Employee Committee has been reviewing new and restructured positions to maintain internal equity under the guidance of Ward and Uptigrove. Any changes to the grid resulting from the market check will be a 2018 budget item.

Operating Budget Process

At budget meetings Council reviews each service to find increases or decreases to operating costs based on a "business plan" looking at strategic actions, budget pressures, long term issues, and service measures. Department Heads review these plans with Council to assist with decision making. Budget is provided in electronic form and posted on the Town website so the public has access to the same information at the same time as Council. Meetings are broadcast on YouTube and picked up by Wightman Cable. Electronic budget and YouTube recordings increase public access and transparency.

Format

The "business plan" for each area is followed by the operating budget spreadsheet providing line item detail. Snapshots show how a "business plan" cover sheet relates to the operating budget spreadsheet.

Operating Budget Summary					
2016 Budget (Actual \$77,919 to Sept 2016)					\$127,700
Past & Projected (1%)		0.01			
2015	2016	2017	2018	2019	
\$137,810	\$127,700	\$ 128,200	\$ 129,482	\$ 130,777	
Budget Initiatives					
1. Decrease Per diems					-\$4,000
2. Increase Training/Conference Councillor \$1,000, Deputy Mayor & Mayor \$800					\$6,600
3. Decrease phone cost					-\$1,100
4. Small increase charge to water and sewer					-\$1,000
Proposed 2017 Budget					\$128,200

The "Past and Projected" section of the cover sheet gives a rough five year trend using an inflation factor of 0.01 or 1 percent. Business plans identify major differences between the 2016 budget and actual spending, future Department issues beyond 2017, and Service Measures with key indicators.

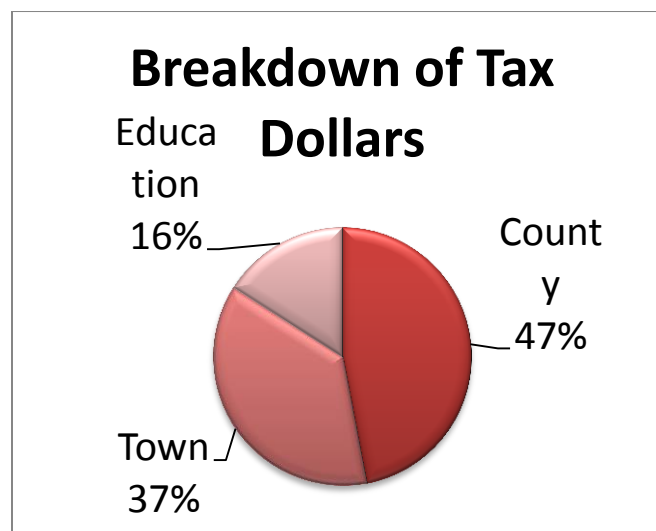
The “Actual” highlighted in red describes current spending in that area to date and matches the amount in red on the spreadsheet below. The 2016 budget in light green on the cover sheet matches the total on the spreadsheet. Budget Initiatives add or subtract from the 2016 budget to create a draft 2017 Budget (highlighted in blue).

2017 OPERATING BUDGET					
Account	Description	2015	2016	2016	2017
		YTD Actual - Sept 30/15	Budget	YTD Actual - Sept 30/16	Budget
Town of Minto Council					
1000-00-6510	Publications & Data Received	0.00	0.00	0.00	0.00
1000-00-6530	Telephone Services-Cell	1408.39	3600.00	1425.98	2500.00
1000-00-6850	Miscellaneous Fund/Social Fun	45.03	2200.00	1211.72	2200.00
	Total Council Expenditure	107368.77	156700.00	106918.93	158200.00
	Excess Revenue over/under Expenditure	-92,868.77	-127,700.00	-77,918.93	-128,200.00

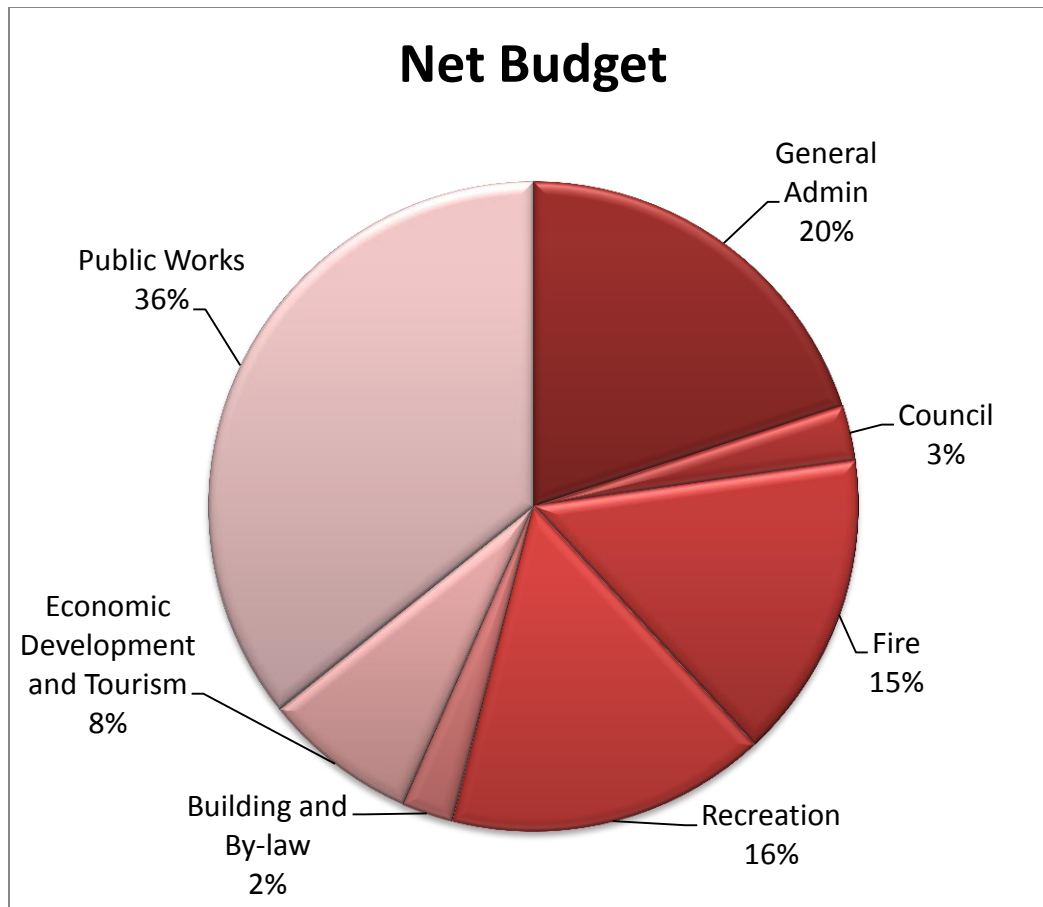
There is also a column showing 2015 actual budget to date to give some perspective on 2016 actual expenditures. At the end of the business plan is the C.A.O. Clerk and Department Head recommendation for the draft budget. Staff will briefly outline each service area to Council who can ask questions and recommend changes by motion in Committee of the Whole. If there is no change a motion is not required and the amount recorded in budget minutes.

Operating Budget Facts

The budget as recommended would require approximately \$136,335 additional funding from taxation or a budget increase of about 3%. The following chart breaks down the Town, County and Education share of your overall tax bill.



The Town is responsible for 37% of the average residential tax bill, the County 47% and Education 15%. The following chart illustrates the distribution of municipal tax dollars.



Trends in the 2017 budget include following:

1. The Town's budget increase would be in the range of 3% which when combined with County and Education levies would typically project to less for the average residential ratepayer.
2. There is \$118,623 more reserve contribution than debt payment in this year's budget. In 2018 added \$114,664 of debt payments will expire at the Clifford and Palmerston Arena. This has traditionally been added to reserve contributions for major facility changes in the long term.
3. \$153,000 of the Federal Gas Tax (+\$240,000) is committed to annual loan payments for a 10 year period.
4. Provincial re-assessment phase in continues. The Treasurer will provide details on the impact on the average residence, agricultural lands and the impact within tax classes as we move forward.
5. There is \$122,200 more OMPF funding in 2017 which injects 2.7% more tax supported dollars in the annual operating budget.
6. Council budget is up \$500 due to increased training. Per Diem payments are budgeted \$4,400 less than in 2016, \$14,500 less overall since the new pay system was adopted for this term.
7. The General Administration budget includes \$8,000 more in tax stabilization reserves (total \$75,000).
8. The C.A.O. Clerk by-law increases \$54,000 due to re-allocated wages and benefits from General Administration and \$5,000 increase in legal fees.
9. Saugeen Valley Conservation Authority and Maitland Valley are projected at minor increases. Overall People and Property budget is down \$500 due to increased dog tag revenue.
10. Health Services budget is increased to accommodate added rent in the Clifford Medical Centre.

There is a separate budget for the Municipal Services Corporation Harriston Lion's Medical Centre.

11. Overall MintoFire Budget increases nearly \$20,000 to accommodate three year contract in that budget for Marketing and Administration and increased dispatch fees. The Minto Fire Corporation will pay just over \$17,000 of expenses to Minto Fire.
12. Public Works Administration is up to address \$79,827 overall including an additional \$79,072 in principal and interest payments related to 2016 capital and another \$40,000 contribution to reserves for vehicle maintenance system (\$240,000 of +\$420,000 needed).
13. The Town Landscape Care budget is increased to accommodate wages, benefits and training for full time staff member in this area shared with winter control.
14. Road maintenance increase is less than \$5,000 on a \$1.042 million budget for hard top and gravel surface care, sidewalks, streetlights, etc.
15. Winter control budget is up \$22,000 almost exclusively to account for increased salt costs.
16. Street lights remain \$0 base with the net impact of the agreement with LAS and Real Term Energy for LED street lights reflected. The Town's share of hydro savings is reduced by increased rates, which decreases the capital replacement for street lights to +\$15,000 per year. Unless hydro increases are moderated the Town will have less than the \$500,000 in reserve to begin to replace lights as needed after their warranty expires in about eight years. A 3% increase in levy is included.
17. Cemeteries budget is up slightly for 2017. Trailer Park residency in Harriston is now two, while Palmerston remains full. A small revenue increase has been applied in 2016 and 2017. Harriston is subject to a Canada 150 grant that would see the lands redeveloped as passive park.
18. The \$49,000 grant reduction in Building and By-law Department annualizes Source Water Protection wages for the Building Inspector/Risk Management Inspector. Residential permit fees are increased although budget cannot be increased significantly as a \$120,000 annual amount was over-estimated years ago.
19. Overall facilities increase about \$45,000 primarily due to wage and benefit allocations and increased utility costs. The largest increase is in Satellite Facilities due to the addition of the Palmerston Railway Heritage Museum to the budget.
20. Recreation administration is up just over \$17,500 to accommodate wage and benefits, and a \$5,000 allocation to the asset management plan.
21. Norgan Theatre will contribute its final \$16,000 from operations to retire the debt from the 2006 renovation. The Committee will be working on its future structure moving forward in 2017.
22. Economic development is down over \$6,000 due to re-allocation of marketing dollars and reduced principle and interest payments. The Tourism budget is down \$87,900 by transferring wages out to economic budget and removing entrance sign replacement budget which was finished in one year. IPM 2016 expenses are replaced in part by Canada 150 expense.
23. There are still some increases for hydro in a number of budgets where energy savings initiatives were undertaken such as Facilities and Public Works. Some of the increase is "catch-up" to previous rate increases, while in other cases decreases have been offset by "green energy" or "climate change" increases.
24. Sewer budget reflects improved revenue since mid-year rate correction in 2016. Palmerston Plant expenses are increased much more than Harriston and Clifford Lagoon Systems. Staff is working with Triton Engineering on Palmerston plant refurbishment to deal with aging equipment in need of replacement. Revenue will be placed in the operating reserve until it can be built up to fund the life cycle reserve.
25. A water budget also shows improved revenue since rate increase mid-2016. Revenue is added too the system after budget decrease in 2016. A mid-year rate increase may again be needed in 2017.
26. Most Department budgets have wage and benefit increases as 2016 in the final year to implement adjustments from the 2012-13 compensation and pay equity study. Town policy requires wage re-assessment in 2017. Council's decision on cost of living increase for 2017 is pending this budget.

The summary table below lists service areas along with draft 2017 budget versus 2016 budget:

		2016 Budget	2017 Draft	Difference	
Council		\$127,700	\$128,200	\$500	
C.A.O. Clerk		\$276,900	\$335,900	\$59,000	
General Admin & Reserves		\$525,200	\$517,300	-\$7,900	\$981,400
People and Property		\$150,600	\$136,650	-\$13,950	
Health Services		\$28,750	\$33,750	\$5,000	\$42,650
Minto Fire Service Overall	Fire Admin	\$567,400	\$596,930	\$29,530	
	Palmerston Fire	\$70,261	\$68,773	-\$1,488	
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Special Programs		-\$6,000	-\$6,000	\$0	\$1,125,161
Joint Health & Safety		\$4,000	\$5,000	\$1,000	
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Building & By-law		\$161,475	\$190,175	\$28,700	
Economic Development		\$443,709	\$437,036	-\$6,673	
Tourism		\$113,800	\$25,900	-\$87,900	-\$94,573
Public Works	Roads Admin	\$769,381	\$849,208	\$79,827	
	Municipal Drains	\$33,000	\$33,000	\$0	
	Vehicle Cost & Time	-\$345,000	-\$345,000	\$0	
	Road Maintenance	\$1,036,970	\$1,041,810	\$4,840	
	Winter Control	\$456,480	\$479,206	\$22,726	
	Trailer Park	-\$6,680	-\$8,115	-\$1,435	
	Cemeteries	\$19,800	\$20,520	\$720	
	Street Lights	\$0	\$0	\$0	
	Town Landscape Care	\$75,220	\$100,506	\$25,286	\$2,171,135
Sewage Collect & Treat		\$0	\$0	\$0	
Water Treat & Distribute		\$0	\$0	\$0	\$131,964
Subtotal		\$5,814,059	\$6,008,335	\$194,276	\$194,276
OMPF		-\$1,680,700	-\$1,802,900	-\$122,200	
Stabilization Reserves		-\$54,258		\$54,258	
Total Operating		\$4,079,101	\$4,205,435	\$126,334	\$126,334
Tax Supported Capital		\$500,000	510,000	\$10,000	
Total Raised through Tax		\$4,579,101	\$4,715,435	\$136,334	\$136,334

CAPITAL BUDGET

The 2016 budget called for \$7.42 million distributed and funded as shown below:

<u>Proposed Expenditures</u>		<u>Proposed Funding</u>	
Public Works	\$5.95 million	Borrowing	\$1.42 million
Water	\$1.49 million	2015 Approved (old)	\$0.66 million
Sewer	\$1.16 million	2016 Proposed (new)	\$0.76 million
Roads	\$3.3 million	2016 Tax	\$0.5 million
Fire	\$0.66 million	Reserves	\$1.047 million
Admin	\$0.127 million	Grants	\$1.56 million
Cemeteries	\$0.055 million	2015 Carry Over	\$2.253 million
Facilities	\$0.38 million	Water & Sewer Charges	\$0.62 million
Economic Development	\$0.178 million	Other	\$0.02 million
Other	\$0.070 million		
TOTAL	\$7.42 million	TOTAL	\$7.42 million

Major projects in 2016 included reconstruction of Harriston Elora Street (William to Arthur) \$790,000, Clifford Ann Street \$490,000, Clifford Elora Street Design \$400,000, Palmerston Jane & Inkerman \$2 million, Palmerston James Street paving \$520,000, Minto Fire 2004 Aerial and 2016 Pumper \$555,000, Public Works Plow Truck \$300,000, Entrance Signage \$175,000, Public Works Water Truck \$135,000, and Inflow & Infiltration \$275,000.

The five year capital plan approved from the 2016 budget is shown below.

TOWN OF MINTO 5 YEAR CAPITAL PLAN Proposed in 2016

Project Costs Dept./Year	2017 Likely				
	2016	2017	2018	2019	2020
	\$2.65 million				
Water & Sewer	\$ 1,066,000	\$ 872,000	\$ 911,298	\$2,860,434	\$ 603,000
	\$3.165 million				
Roads & Drainage	\$ 2,407,000	\$ 2,879,438	\$ 3,264,313	\$1,361,346	\$ 1,621,106
	\$0.135 million				
Vehicles	\$ 375,000	\$ -	\$ 260,000	\$ 400,000	\$ 360,000
	\$1.49 million				
Other Departments	\$ 525,000	\$ 335,000	\$ 490,000	\$ 715,000	\$ 645,000
	\$7.42 million	\$2,350,000			
Total	\$ 4,373,000	\$ 4,086,438	\$ 4,925,611	\$ 5,336,780	\$ 3,229,106

Funding Model Dept./Year	2016	2017	2018	2019	2020
	\$0.64 million				
Revenue	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,700,000	\$ 500,000
	\$1.56 million	\$1,395,000			
Grant	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
	\$1.047 million				
Devt Chrg & Reserves	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 25,987	\$ 1,000,000
	\$1.42 million				
Borrowing	\$ 1,343,000	\$ 1,056,438	\$ 1,895,611	\$ 2,080,793	\$ 199,106
	\$0.5 million	\$400,000			
Tax	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
2015 Carry Over	\$2.253 million				
Sustained OCIF	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
	\$7.42 million	\$2,350,000			
Total	\$ 4,373,000	\$ 4,086,438	\$ 4,925,611	\$ 5,336,780	\$ 3,229,106

Starting out 2017 there is expected to be very little carry-over from 2016. The following projects are likely:

OCIF 2016 (Palmerston Inkerman & Jane Carry Over)	\$ 400,000
Canada 150 (Harriston Pool)	\$ 250,000
Ontario 150 (Harriston Arena Accessibility)	\$ 145,000
2017 CWWF (George Street)	\$1,100,000
2016, Connecting Link (Clifford Elora Design)	\$ 500,000

Of these five projects totaling nearly \$2.4 million the Town will need to raise over \$1 million. To service seven more lots in Clifford on Ann Street in 2016 over \$310,000 would need to be funded (based on 2016 costs) by the Town. Connecting Link funding in Clifford for Elora Street will require an additional \$1 million to be raised by the Town to complete this \$4 million project in 2018. More information will come forward at the January budget session so assist Council with making project and funding decisions.

SUMMARY

This year the Town must deal with paying for its 2016 borrowing as well as address the reduced water and sewer revenue due to conservation efforts of users resulting from full metered rates. It appears the Town may be able to **“Keep Things Real”** with modest borrowing in 2017. Thank you to all the Department Heads and staff who helped prepare this year’s budget, and to Council for their patient and realistic approach to budgeting in Minto.

Bill White, C.A.O. Clerk

Gordon Duff Treasurer



TOWN OF MINTO

DATE: January 20, 2017

REPORT TO: Mayor and Council

FROM: Bill White, C.A.O. Clerk

SUBJECT: 2017 Budget Update Report

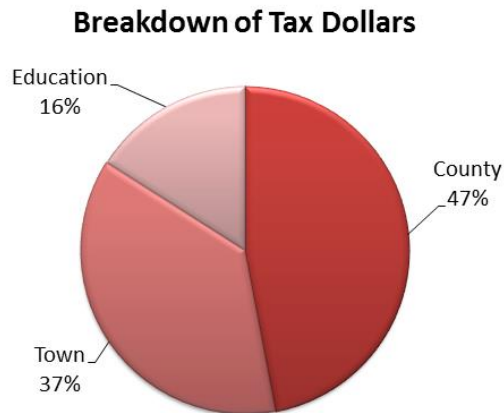
STRATEGIC PLAN:

Manage Town finances in a transparent and fiscally responsible manner using a wide variety of accepted methods such as maintaining healthy reserves, investing conservatively, sensible user fees, property tax control, and responsible borrowing.

BACKGROUND

On December 1, 2016 Council had its first look at the 2017 operating budget. Draft minutes of the meeting are included in the agenda package. At this time the Town budget increase from 2016 to 2017 is 2.9% with the main budget pressures being utilities, wages and benefits. The County budget is expected to increase in a similar range, but the change in allocation to education is not known. The education portion of the tax bill

is approximately 16% and has been declining over the years. The Town's share of the tax dollar increases when our budget increase is higher than the County. In 2017 the County and Town increases are expected to be the same.



In 2017 Council should expect that the blended increase for the average home in Minto will be in the area of 2.9%. In actual dollars this means that the owner of a home worth \$215,000 will pay about \$84 more in property tax in total based on annual taxes in the range of \$2,903. The Town receives \$34 of that increase.

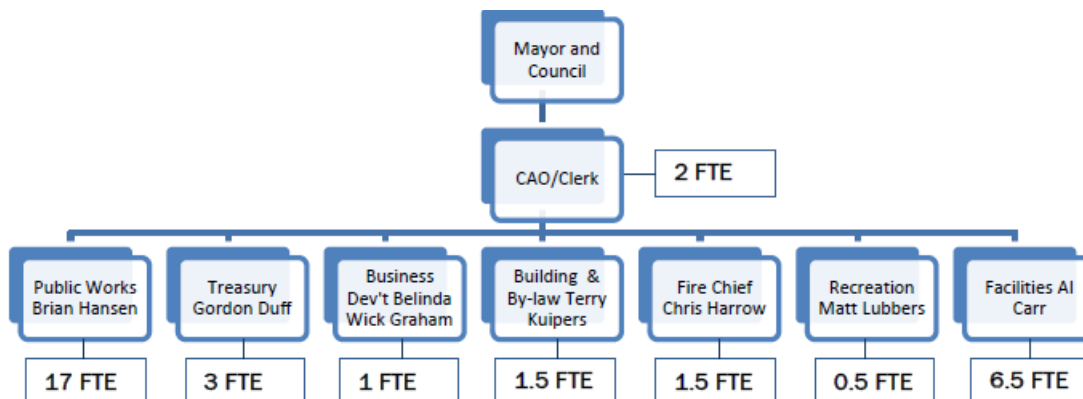
Wages and Benefits

At the first budget meeting Council passed the following resolution:

MOTION: COW 2016-268

That a report be brought forward to Council at a future meeting regarding staff changes and increased costs.

Information in the original budget summary report is enhanced in this report to address the



Council resolution. There are 41 full time equivalent positions since restructuring in 2015 and 2016. This compares to 39 full time staff in 2010, and includes hiring three sewer operators and a Supervisor when the contract to operate sewage plants was assumed from Centre Wellington (in lieu of a \$275,000 payment).

In 2015 administrative support was provided in Economic Development & Tourism, Public Works, Facilities and Recreation (shared), and Minto Fire (three year contract) by merging and amalgamating part time positions. New positions since 2015 are as follows:

- Shared Fire and By-law position to meet required Provincial inspections, plans for vulnerable occupancies
- 3 year contract Fire admin Coordinator
- Building Inspector/Source Water Assistance meet Risk Management Inspector mandate
- Full time Town Landscaped Care Coordinator/public works operator

The net change in wages and benefits from 2016 to 2017 is about \$220,000 which breaks down as follows:

1) C.A.O. Clerk and Treasury \$39,000

- Annualize wages and benefits for admin support returning from maternity leave
- Provides for wage reclassification Deputy Clerk position
- 2 of 7 staff with pay grid movements

2) Economic Development and Tourism \$19,450

- Annualizes wages and benefits for support staff return from maternity leave
- 2 pay grid movements

3) Recreation Services and Facilities \$56,043

- Part time/seasonal staff
- 6 of 9 staff pay grid movements

4) Building and Bylaw \$24,000

- Provides for wage reclassification Building Inspector
- 1.5 of 2.5 staff pay grid movements

5) Public Works \$61,018

- TLC position becomes full time
- 7 of 17 staff pay grid movements
- Savings from restructuring DWQMS operator into Lead Hand

6) Fire Department \$22,500

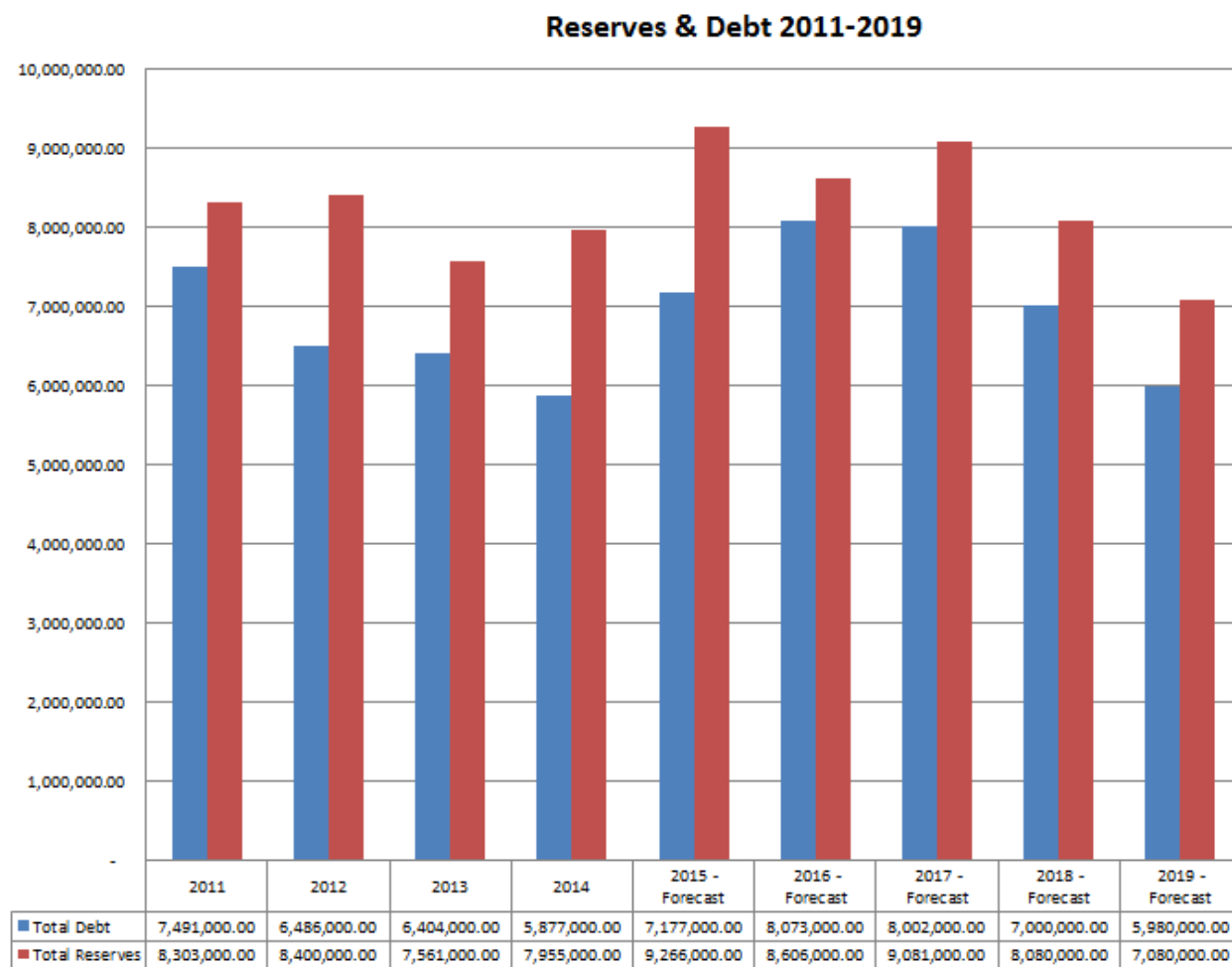
- All coordinator expenses from admin into fire
- 1 staff grid movement

Included in the \$220,000 is about \$46,000 for a 1.5% cost of living increase, while around \$39,000 covers grid movements for 18 staff. About 11.5% (\$25,500) can be attributed to water and sewer allocations.

Capital Budget

At this second budget meeting Council normally focusses on the capital budget. Since 2012 the Town spent \$23.17 million on capital work, or on average \$4.6 million per year. The asset management plan calls for expenditures between \$2.6 million and \$6 million annually to maintain existing assets, while annual depreciation on the gross “book value” of our tangible assets (\$68 million) is \$2.8 million. The Town has consistently maintained a capital

budget that addresses asset management targets, while remaining consistent with its Fiscal Accountability Policy that reserves retained by the Town not exceed debt. The following chart illustrates Reserves and Debt 2011-2019



This includes a net \$118,000 added to reserves from the operating budget as well as \$775,000 in new borrowing to fund the Town's share of the CWWF grant for George Street in Harriston. The following chart summarizes the capital by Department for 2017:

Public Works	\$4.84 million				
Water	\$1.32 million			Proposed Financing	
Sewer	\$1.68 million				
Roads	\$1.84 million			Borrowing (CWWF Grant)	\$0.78 million
Fire	\$0.34 million			2016 Tax	\$0.51 million
Admin	\$0.09 million			Reserves	\$1.24 million
Cemeteries	\$0.06 million			Grants	\$1.78 million
Facilities	\$0.49 million			2016 Carry Over	\$1.45 million
Economic Development	\$0.15 million			Water & Sewer Charge	\$0.21 million
Other	\$0.04 million			Other (Land Sale)	\$0.04 million
TOTAL	\$6.01 million			TOTAL	\$6.01 million

The amount is sufficient to continue to make progress on the Town's assets. Major projects include:

- Palmerston complete James, Jane, Inkerman \$1,111,000
- \$60,000 sidewalk work; \$50,000 catch basin repairs;
- Palmerston pedestrian crossing \$10,000; Palmerston parking \$50,000
- 2016 Pumper in Palmerston \$250,000; new Fire service vehicle \$35,000
- Backhoe replacement \$175,000 (10 year replacement, 6-8 year cycle)
- Harriston Flood Plain \$30,000
- Clifford Ann Street \$310,000 (service 7 more lots for sale)
- Clifford Elora Street \$340,000 of \$2.8 million reconstruction (after Homecoming)
- Harriston combined George Street and Maitland \$1,730,000
- Water Plant Capital \$85,000
- Sewage Plant Work \$547,000
- Harriston Cremation Garden \$20,000; Columbarium Planning \$35,000
- Completion of Harriston Class EA \$30,000
- Street Lights \$10,000
- Palmerston Arena \$175,000 including ice re-surfacer
- Palmerston Railway Heritage Museum \$27,000
- Harriston Arena Upgrades \$80,000 including accessible doors
- Clifford Arena \$70,000 including boards and paving

The following demonstrates a preliminary four year capital plan (numbers to be confirmed):

Project Costs Dept/Year	2016-YTD	2017 Budget	2018	2019	2020
Water & Sewer	\$2,362,000	\$2,818,500	\$911,298	\$2,860,434	\$603,000
Roads & Drainage	\$1,838,500	\$1,838,500	\$3,264,313	\$1,361,346	\$1,621,106
Vehicles	\$607,000	\$330,000	\$260,000	\$400,000	\$360,000
Other Departments	\$642,500	\$1,024,500	\$490,000	\$715,000	\$645,000
Total	\$5,450,000	\$6,011,500	\$4,925,611	\$5,336,780	\$3,229,106
Funding Model					
Dept/Year	2016-YTD	2017 Budget	2018	2019	2020
Revenue	\$984,000	\$252,000	\$500,000	\$1,700,000	\$500,000
Grants	\$1,238,000	\$1,597,000	\$1,000,000	\$1,000,000	\$1,000,000
Dev Charges & Reserves	\$1,047,000	\$1,238,000	\$1,000,000	\$28,987	\$1,000,000
Borrowing	\$1,780,000	\$775,000	\$1,895,611	\$2,080,793	\$199,106
OCIF Formula	\$94,000	\$183,000	\$130,000	\$130,000	\$130,000
Carry overs	-\$84,000	\$1,456,500	\$0	\$0	\$0
Tax	\$391,000	\$510,000	\$400,000	\$400,000	\$400,000
Total	\$5,450,000	\$6,011,500	\$4,925,611	\$5,339,780	\$3,229,106

It should be noted that no amounts in the four year capital plan are committed including borrowing, grants and reserve payments. The plan illustrates possible expenditures within the framework of asset management targets and Town fiscal accountability standards.

COMMENTS:

The Town has taken the call to maintain infrastructure seriously. It has applied for and received almost all merit based funding available for several years and continues to borrow to fund the municipal share. While debt peaked in 2015, and dropped in 2016 it increases slightly in 2017 to fund the George Street reconstruction project under the Community Waste Water Fund. In 2018 some debentures that mature will take pressure off total debt to the benefit of reserves (\$114,664 more for reserves in Facilities). Budget 2017 is compliant with the Town Fiscal Accountability policy as reserves continue to exceed debt.

It is becoming increasingly clear that the Town has capacity to complete between \$5 and \$6 million in annual capital work based on current staffing levels, contractor readiness and funding availability. To exceed that amount the Town would need continued success in grant applications, even more aggressive borrowing and increased reliance on consultants (or more staff) to plan, develop, supervise and complete capital projects. It seems the structure of sustained grant funding and merit based applications, as well as tax supported capital with restrictions on borrowing is more conducive to annual capital up to \$5 million.

The 2.9% budget increase may be of concern to ratepayers who also face increased utility costs to fund World Climate Change initiatives. The benefit of rebate programs and funding to help offset growing energy costs are promised Provincially and Federally. If these governments deliver, this will help the Town's bottom line (and ratepayers) where it is clear that utility increases have eroded savings achieved by energy efficiency initiatives.

Concerns about growing cost to ratepayers led to a more conservative capital proposal than in recent years. If carryover projects are excluded, the capital budget drops to \$4.55 million. Major road reconstruction in rural areas is delayed in this budget as the 12th Line and 16th Line both are in need of work. This follows a substantial cost competing Ayton Road, the 4th Line, 6th Line, 16th Line Culvert and Bride Road Culvert (to name a few) in previous years.

Staffing impacts the budget as the number of full time equivalents now exceeds 2010 levels for the first time. The Town has seen noticeable increases in levels of service in Town Landscape Care, Economic Development and Fire Department; these areas are critically important to Minto's community development. In Public Works the Town was able to assume responsibility for sewage plant operations and only increase overall staffing by two (eliminating a \$275,000 plus payment to Centre Wellington). There is fewer full time staff in Administration, Facilities and Recreation than 2010.

Wages and benefits remain competitive and the Town has had relatively low turn-over in the last six years, and has developed and promoted talent from within. Council will be asked to formalize Minto's Succession Plan in 2017. Provincial initiatives have increased municipal responsibilities in green energy reporting, source water protection, vulnerable occupancies, DWQMS, and many other areas that require staff involvement. On that basis staff believes the budget "**keeps it real**" to the extent possible. Input at the March 21 at 5:00pm public open house will help Council assess the overall impact of the 2017 budget as proposed.

FINANCIAL CONSIDERATIONS:

The summary table below lists service areas along with draft 2017 budget versus 2016 budget:

		2016 Budget	2017 Draft	Difference	
Council		\$127,700	\$128,200	\$500	
C.A.O. Clerk		\$276,900	\$335,900	\$59,000	
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	Municipal Drains	\$33,000	\$33,000	\$0	
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Total Operating		\$4,079,101	\$4,205,435	\$126,334	\$126,334
Tax Supported Capital		\$500,000	510,000	\$10,000	
Total Raised through Tax		\$4,579,101	\$4,715,435	\$136,334	\$136,334

RECOMMENDATION:

That Council receives the C.A.O. Clerk and Treasurer's January 20, 2017 Budget Update Report and provides direction by motion in the budget meeting as to changes required to the operating or capital budget as proposed.

Bill White, C.A.O. Clerk

Gordon Duff Treasurer



Town of Minto

Budget 2017

"Keeping it Real."

January 24, 2017

Capital Budget

He who will not economize will have to agonize" — [Confucius](#)

"These days, you've gotta milk a dollar out of every dime." — [Gayle Forman](#)



Budget 2017

Day 2 Tuesday January 24

- Introduction and Review Mayor, CAO, Treasurer 3:00 to 3:05pm
- Operating Budgets Changes and updates 3:05 to 3:15pm
- Capital Budget Discussions 3:15 to 6:30pm
- Supper 6:30 to 7:00pm
- Regular Council 7:00pm

Public Open House 2016: March 21, 2017 5:00pm to 6:30pm



Strategic Plan 2013

The framework
-Vision, Mission, Actions

40% actions complete or partly
complete – 2 year review 2015

Official Plan (County of Wellington) 1999 (Updated 2011)

Policies to attain long term vision
- “Council may take no action contrary
to the Official Plan” (County 5 year
review done in 2014)
- “Shall be consistent with” Provincial
Policy” (new in 2014)

Integrated
Community
Sustainability
Plan 2011

Culture Plan
2011

Financial
Plans DWQMS
2015

Fire Master
Plan 2012

Asset
Management
Plan 2013-14

Specific
Planning
Documents
Policy
Direction

Departmental Business Plans

Budget Implements
Council Directions



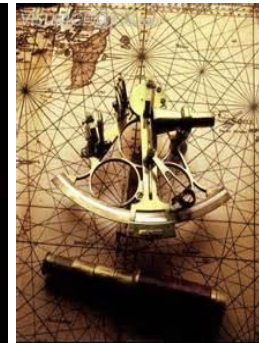
Vision & Mission

Vision

A friendly, safe, affordable, family oriented rural community built on a foundation of respect, volunteerism, and prosperous business, and sustained by people who value neighbourliness, fairness and inclusiveness.

Mission

Cost effective and responsive local government through superior customer service, internal stability and efficiency, and promoting responsible economic growth, healthy lifestyles and respect for the natural environment



The Vision is the beacon in the distance. Navigating by Mission. To accomplish our goals



Economic Backdrop

- Unemployment Rate National 7%; Provincial 6.4% (similar in 2016)
- Local Unemployment Rate +-4.0% (same)
- Cost of Living (CPI) confirmed through October to 1%
- Federal Debt \$632 billion; Deficit \$30 billion (originally projected 2105 \$10 billion and other priorities propose to drop to \$15 billion 2021);
- Provincial Debt \$300 billion Deficit \$5 billion (projected to eliminate 2018);
- Provincial Growth Estimates around 2.3% (Conference Board of Canada)
- Housing Starts; **2015** +- 60,000 **2016** 65,100 **2017** 59,900
- Average home price of \$437,000 in Ontario over 2X Minto
- AMO estimates 96 monthly reports, 100 quarterly reports, 6 semi-annual reports and 68 annual reports = 270 reports annually, plus 16 audited statements and the annual Financial Information Return. Total 287 reports



		2016 Budget	2017 Draft	Difference	
Council		\$127,700	\$128,200	\$500	
C.A.O. Clerk		\$276,900	\$335,900	\$59,000	
General Admin & Reserves		\$525,200	\$517,300	-\$7,900	\$981,400
People and Property		\$150,600	\$136,650	-\$13,950	
Health Services		\$28,750	\$33,750	\$5,000	\$42,650
Minto Fire Service Overall	Fire Admin	\$567,400	\$596,930	\$29,530	
	Palmerston Fire	\$70,261	\$68,773	-\$1,488	
	Harriston Fire	\$147,825	\$146,825	-\$1,000	
	Clifford Fire	\$102,750	\$95,600	-\$7,150	\$19,892
Clifford Arena & Hall		\$159,982	\$162,043	\$2,061	
Harriston Arena & Hall		\$162,454	\$175,744	\$13,290	
Palmerston Arena & Hall		\$179,944	\$184,709	\$4,765	
Satellite Facilities		\$57,422	\$76,933	\$19,511	
Clifford Parks		\$21,257	\$21,411	\$154	
Clifford Ball & Soccer		\$19,247	\$19,933	\$686	
Harriston Parks		\$28,056	\$29,457	\$1,401	
Harriston Ball		\$17,196	\$18,870	\$1,674	
Palmerston Parks		\$62,185	\$56,633	-\$5,552	
Palmerston Ball & Soccer		\$34,525	\$36,338	\$1,813	
Trails		\$0	\$5,590	\$5,590	\$45,393
Recreation Administration		\$234,500	\$252,000	\$17,500	
Harriston Pool		\$44,750	\$46,000	\$1,250	
Palmerston Pool		\$38,000	\$39,500	\$1,500	
Adventure Camp		\$1,000	\$0	-\$1,000	
Special Programs		-\$6,000	-\$6,000	\$0	\$1,125,161
Joint Health & Safety		\$4,000	\$5,000	\$1,000	
Norgan Theatre		\$0	\$0	\$0	\$20,250
Building & By-law		\$161,475	\$190,175	\$28,700	
Economic Development		\$443,709	\$437,036	-\$6,673	
Tourism		\$113,800	\$25,900	-\$87,900	-\$94,573
Public Works	Roads Admin	\$769,381	\$849,208	\$79,827	
	Municipal Drains	\$33,000	\$33,000	\$0	
	Vehicle Cost & Time	-\$345,000	-\$345,000	\$0	
	Road Maintenance	\$1,036,970	\$1,041,810	\$4,840	
	Winter Control	\$456,480	\$479,206	\$22,726	
	Trailer Park	-\$6,680	-\$8,115	-\$1,435	
	Cemeteries	\$19,800	\$20,520	\$720	
	Street Lights	\$0	\$0	\$0	
	Town Landscape Care	\$75,220	\$100,506	\$25,286	\$2,171,135
Sewage Collect & Treat		\$0	\$0	\$0	
Water Treat & Distribute		\$0	\$0	\$0	\$131,964
Subtotal		\$5,814,059	\$6,008,335	\$194,276	\$194,276
OMPF		-\$1,680,700	-\$1,802,900	-\$122,200	
StabilizationReservces		-\$54,258		\$54,258	
Total Operating		\$4,079,101	\$4,205,435	\$126,334	\$126,334
Tax Supported Capital		\$500,000	510,000	\$10,000	
Total Raised through Tax		\$4,579,101	\$4,715,435	\$136,334	\$136,334



2017 Tax Supported Reserves to Debt

Tax Supported Reserve Cont.

CAO Clerk Election	\$6,000
General Admin	\$23,000
Fire Vehicle	\$206,000
Harriston Arena	\$66,500
Clifford Arena	\$30,000
Palmerston Arena	\$30,000
Satellite Facilities	\$5,000
Trails	\$1,000
Pools	\$3,000
Building Vehicle	\$14,000
Public Works Vehicle	<u>\$240,000</u>
Subtotal	\$624,500

Tax Supported Debt

Roads Administration	\$287,528
Economic Development	\$103,685
Clifford Arena	\$43,316
Palmerston Arena	<u>\$71,348</u>
Subtotal	\$505,877

Net Reserve Contribution minus
Tax Supported Debt
= \$118,623

Note: Added Reserve Contribution 2018
- \$114,664 (expire roof payment)

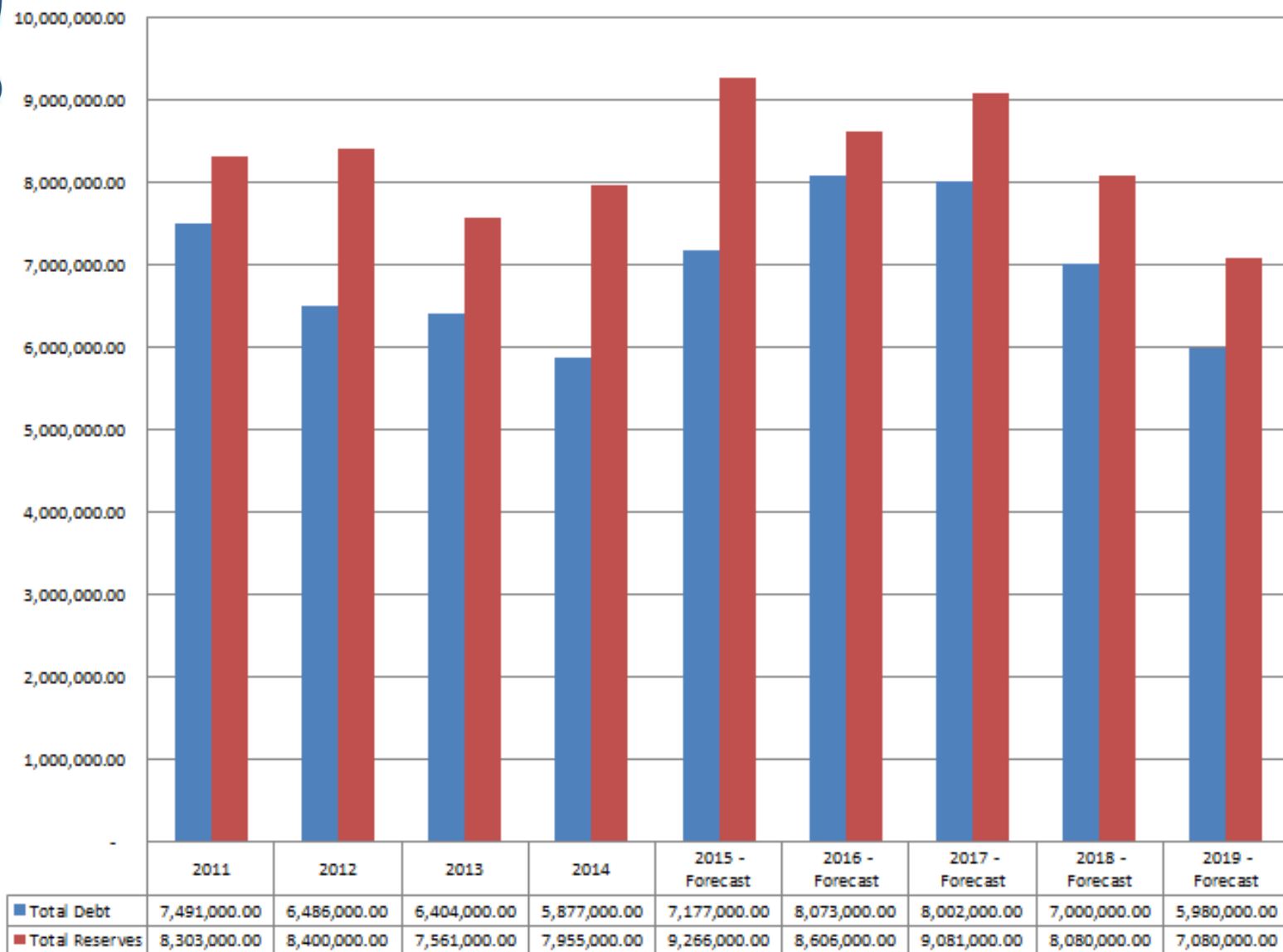


Past 5 Yr. Capital \$23.17million

Project Costs Dept/Year	2012	2013	2014	2015	2016-YTD
Water & Sewer	\$1,033,969	\$1,097,343	\$1,755,208	\$1,022,587	\$2,362,000
Roads & Drainage	\$1,130,218	\$1,218,669	\$1,797,770	\$2,920,813	\$1,838,500
Vehicles	\$171,101	\$344,606	\$130,844	\$476,592	\$607,000
Other Departments	\$1,107,930	\$1,685,697	\$1,013,319	\$816,737	\$642,500
Total	\$3,443,218	\$4,346,315	\$4,697,141	\$5,236,729	\$5,450,000
Funding Model Dept/Year	2012	2013	2014	2015	2016-YTD
Revenue	\$1,234,943	\$377,467	\$1,711,322	\$67,185	\$984,000
Grants	\$10,520	\$502,984	\$582,234	\$1,309,697	\$1,238,000
Dev Charges & Res	\$1,690,386	\$2,284,147	\$1,214,500	\$780,580	\$1,047,000
Borrowing	\$0	\$830,000	\$440,000	\$2,456,794	\$1,780,000
OCIF Formula	\$0	\$0	\$0	\$131,000	\$94,000
Carry overs	\$0	\$0	\$0	\$0	-\$84,000
Tax	\$507,369	\$351,717	\$749,085	\$491,473	\$391,000
Total	\$3,443,218	\$4,346,315	\$4,697,141	\$5,236,729	\$5,450,000



Reserves & Debt 2011-2019





Asset Management

- Town should spend \$2.8 and \$6 million to properly maintain assets.
- 2017 carry-over from last year confirmed at \$1.45 million.
- Grant projects :

OCIF 2016 (Finish Palm. Inkerman & Jane)	\$ 968,000
Ontario 150 (Harriston Arena Accessibility)	\$ 30,000
2017 CWWF (George Street)	\$1,500,000
Connecting Link Ph 1 (Clifford Elora Design)	\$ 340,000
- Over \$980,000 received for Clifford Elora Street; can proceed with some construction after August 7 – September 5 start date?
- Ann Street Block C (Allan to John) 7 new lots \$321,000
- Fiscal accountability policy reserves to exceed borrowing unless needed to pay Town share of grant proposal.



Proposed Capital Plan

Project Costs Dept/Year	2016-YTD	2017 Budget	2018	2019	2020
Water & Sewer	\$2,362,000	\$2,818,500	\$911,298	\$2,860,434	\$603,000
Roads & Drainage	\$1,838,500	\$1,838,500	\$3,264,313	\$1,361,346	\$1,621,106
Vehicles	\$607,000	\$330,000	\$260,000	\$400,000	\$360,000
Other Departments	\$642,500	\$1,024,500	\$490,000	\$715,000	\$645,000
Total	\$5,450,000	\$6,011,500	\$4,925,611	\$5,336,780	\$3,229,106
Funding Model Dept/Year	2016-YTD	2017 Budget	2018	2019	2020
Revenue	\$984,000	\$252,000	\$500,000	\$1,700,000	\$500,000
Grants	\$1,238,000	\$1,597,000	\$1,000,000	\$1,000,000	\$1,000,000
Dev Charges & Reserves	\$1,047,000	\$1,238,000	\$1,000,000	\$28,987	\$1,000,000
Borrowing	\$1,780,000	\$775,000	\$1,895,611	\$2,080,793	\$199,106
OCIF Formula	\$94,000	\$183,000	\$130,000	\$130,000	\$130,000
Carry overs	-\$84,000	\$1,456,500	\$0	\$0	\$0
Tax	\$391,000	\$510,000	\$400,000	\$400,000	\$400,000
Total	\$5,450,000	\$6,011,500	\$4,925,611	\$5,339,780	\$3,229,106



Proposed Capital by Dept.

Public Works	\$4.84 million						
Water \$1.32 million				Proposed Financing			
Sewer \$1.68 million							
Roads \$1.84 million				Borrowing (CWWF Grant)	\$0.78 million		
Fire	\$0.34 million			2016 Tax	\$0.51 million		
Admin	\$0.09 million			Reserves	\$1.24 million		
Cemeteries	\$0.06 million			Grants	\$1.78 million		
Facilities	\$0.49 million			2016 Carry Over	\$1.45 million		
Economic Development	\$0.15 million			Water & Sewer Charge	\$0.21 million		
Other	\$0.04 million			Other (Land Sale)	\$0.04 million		
TOTAL	\$6.01 million			TOTAL	\$6.01 million		



Fire Dept. Capital \$330,000

- Receive Pay for 2016 tanker to replace 1988 GMC \$250,000
- Radio Repeater \$35,000
- Equipment and Gear \$20,000



- Fire pick up \$35,000 for Chief , staff use when main vehicle in use; funded in capital replacement plan





Economic Dev. \$150,000

- Harriston Class EA Completion \$30,000
- Palmerston/Harriston Industrial Park \$50,000
- Harriston, Palmerston, Clifford Entrance Sign (new, landscape) \$55,000
- Streetscaping (\$5,000 per urban area) \$15,000





Facilities Palmerston \$249,500

- \$175,000 Arena (ice re-surfacer, dressing room upgrades, truck)
- Ball Diamonds \$10,000 (Upgrades for National Tournament)
- C.N.R.A. Facility (Siding and Entrance) \$7,500 and Palmerston Rail Museum \$27,000
- Pool Upgrades (Plumbing, Retaining Wall, Tiger Shark, Office, Washroom Partitions) \$30,000





Facilities Harriston \$120,000

- Arena Upgrades (Doors, Arena Lights, Roof, Refrigeration, Seating) \$80,000
- Pool Repairs (Plumbing Inspection, Liner, Pool Cover Rollers) \$30,000
- Ball Diamond upgrades (backstop and concession) \$18,000
- Dance Academy viewing window \$2,000





Facilities Clifford \$77,000

- Arena Upgrades (paving, Windows, Arena Boards) \$70,000
- Park Upgrades \$7,000





Other Parks & Rec \$53,000

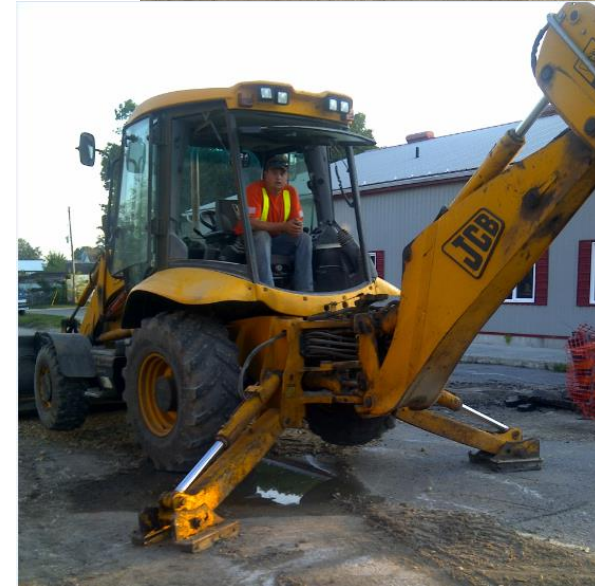
- Trails additions/ improvements \$40,000
- Flagpole \$3,000
- Portable Fencing \$5,000
- Computers/Asset Management \$5,000





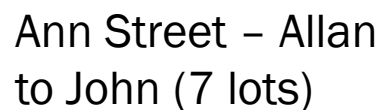
Public Works General \$462,000

- Sidewalks all areas \$60,000
- Catchbasins all areas \$50,000
- Pickup \$45,000 (sewer/water trade with Facilities)
- 2007 JCB Backhoe \$175,000 (6-8 year lifecycle)
- Decorations and Carvings \$7,000
- Public Works Shop Upgrades \$55,000
- Palmerston Parking \$50,000
- Street Lights (Clifford, Harriston, Palmerston, Minto Pines, Minto Highlands) \$10,000
- Harriston Cremation Garden \$20,000
- Columbarium \$35,000





	2017	2018	2019	2020
Elora St N	\$ 340,000	\$ 2,526,000	\$ 1,192,850	
Allan Street		\$ 315,000		
Park Street				\$ 752,442
Ann Street	\$ 310,000		\$ 200,000	
Audible Traffic Signal	\$ 15,000			
Development				
William Street		\$ 120,000		



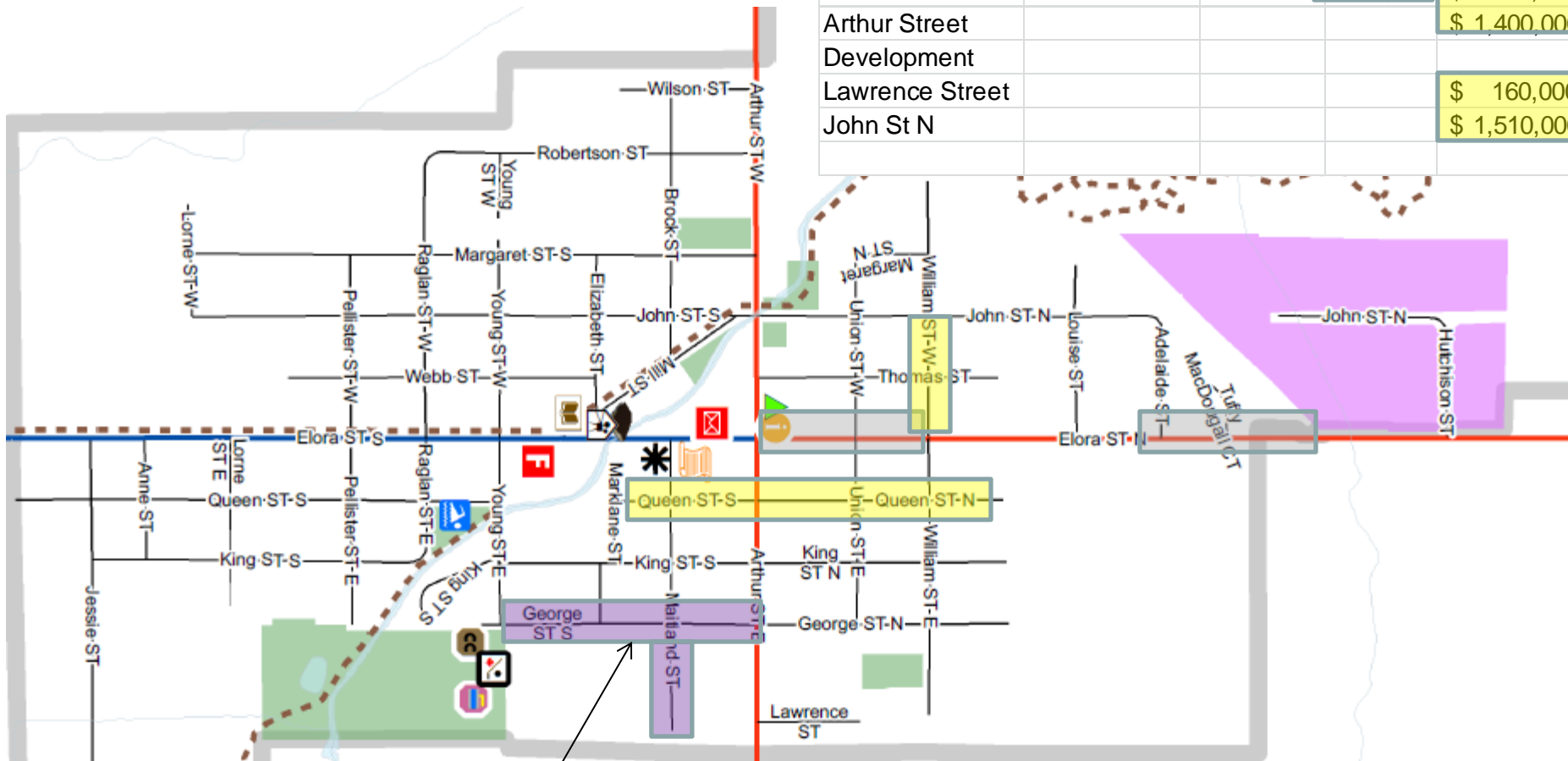


Harriston

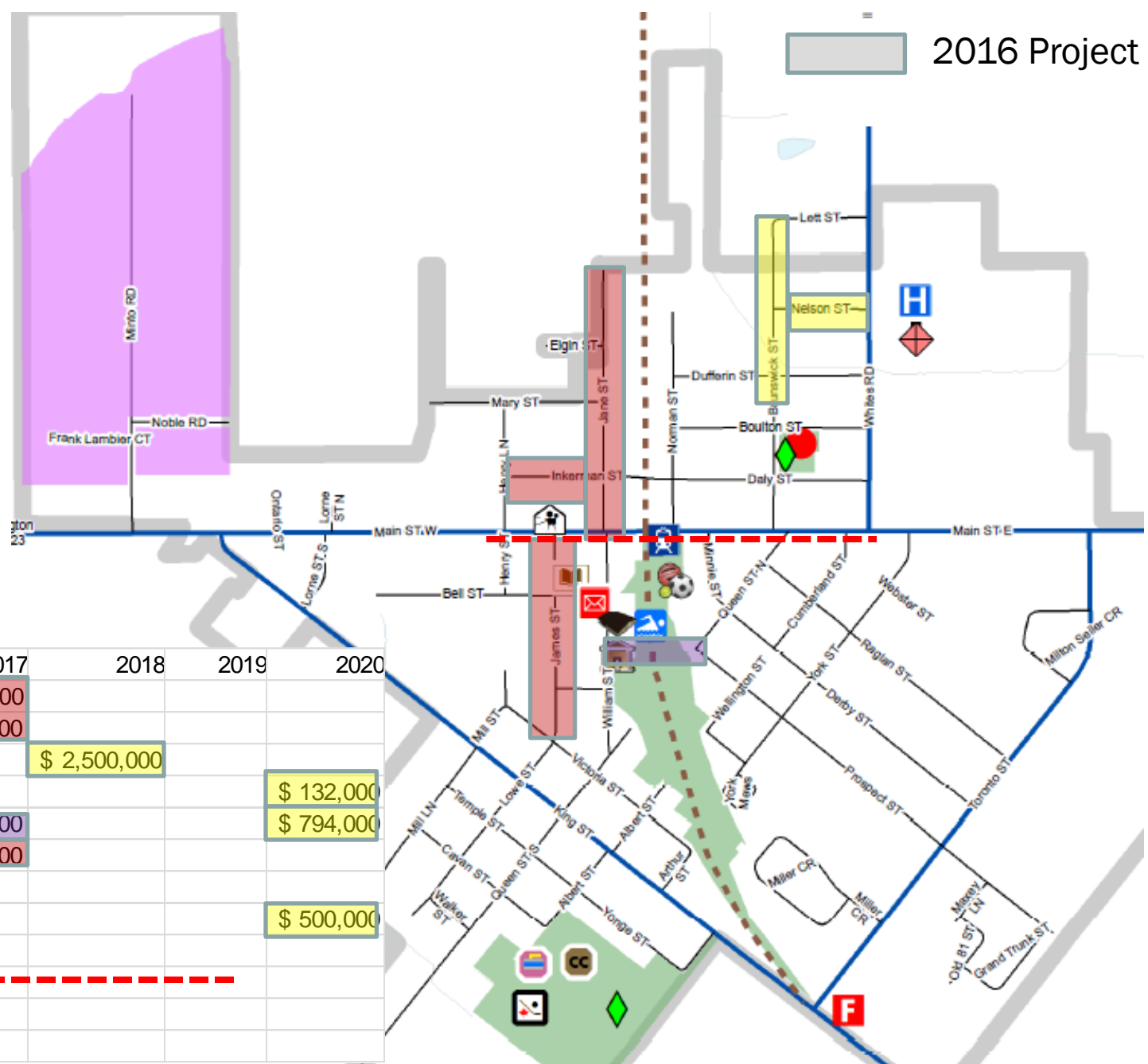


2016 Project

	2017	2018	2019	2020
George Street	\$ 1,398,000			
Maitland St	\$ 334,500			
Elora St Final Phase				
William Street		\$ 926,000		
Lawrence Street				
Queen Street N			\$ 998,989	
Queen Street S		\$ 35,000	\$ 505,500	
Arthur Street			\$ 1,400,000	
Development				
Lawrence Street			\$ 160,000	
John St N			\$ 1,510,000	

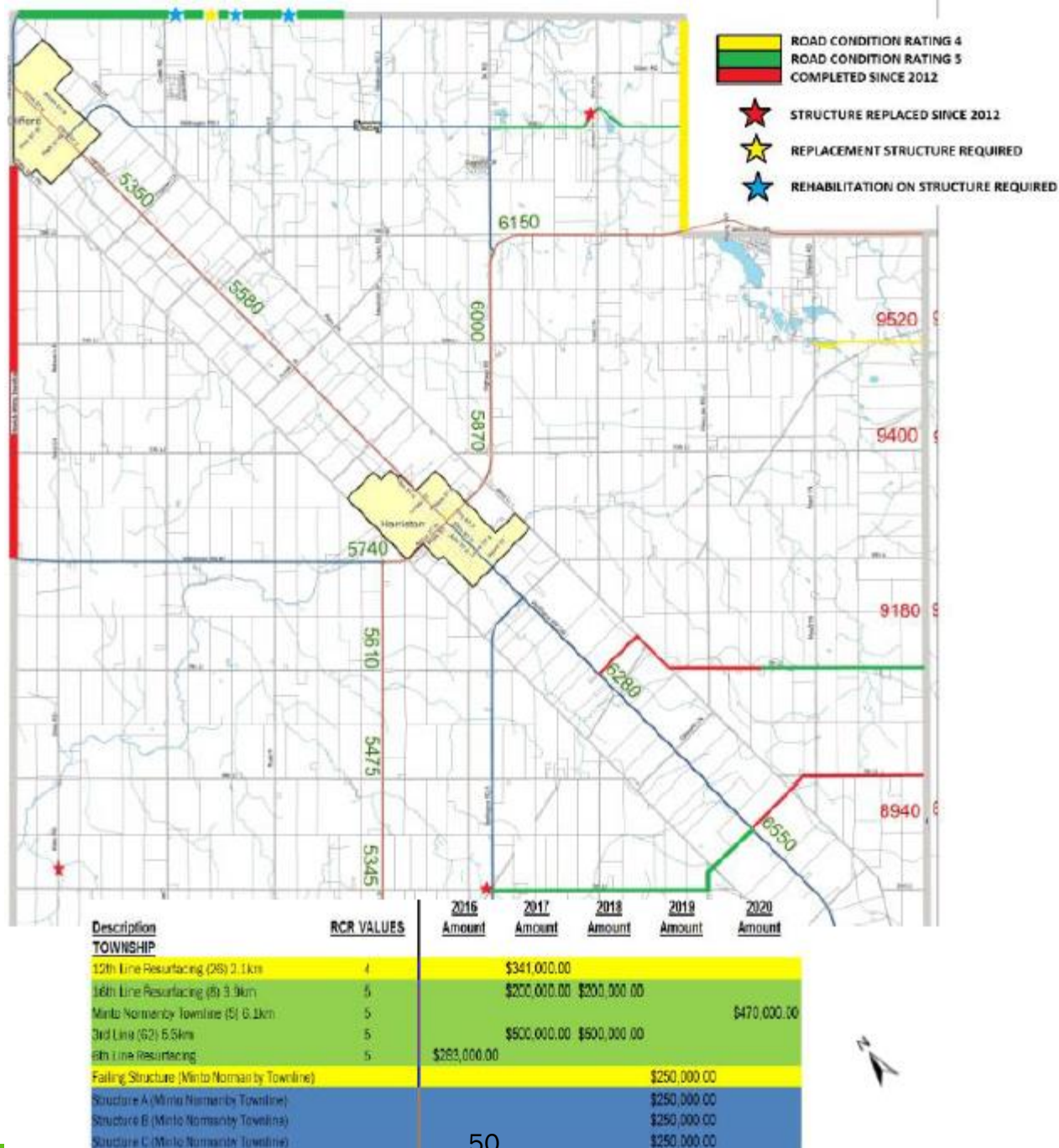


George Street; Maitland St.





Rural





Sewer Plant Capital \$547,750

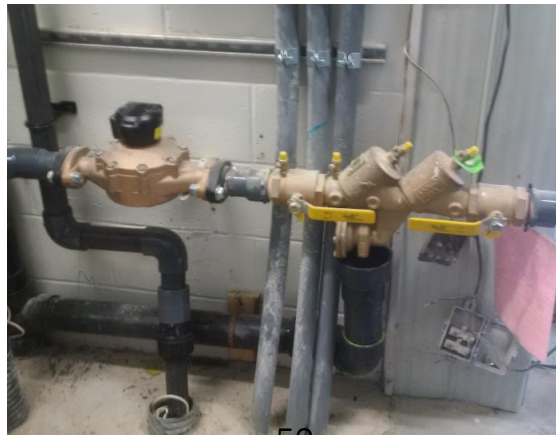
- Harriston Inflow & Infiltration \$100,000
- Harriston Lagoon \$66,000 (blower, valves, ECA upgrade)
- Harriston Lift Station \$140,000 (stairway, electrical)
- Clifford Ultra-rib lining and PLC \$156,000
- Palmerston Sewage Treatment Plant Upgrade \$40,000
- Equipment \$18,750
- General Engineering \$25,000





Water Plant Capital \$85,000

- SCADA and equipment \$22,000
- General Engineering \$15,000
- Harriston Well #2 Upgrades \$17,000
- Palmerston Well #1 and #2 heaters \$6,000
- Palmerston Valves \$5,000
- Minto Pines Well Upgrades \$15,000
- Hydrant \$5,000





General Capital \$164,250

- Hardware, Software, Office Equipment \$ 52,000
(computer replacement program, software, hardware)
- Municipal Office Capital \$44,000
(Footings, Grading, Landscaping , TOMRMS)
- Emergency Measures (flood plain maps Harriston) \$ 32,000
- Rail/Trail Bridge Deductible \$10,000
- Citywide \$26,250 (general, sewer, water)

