



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.

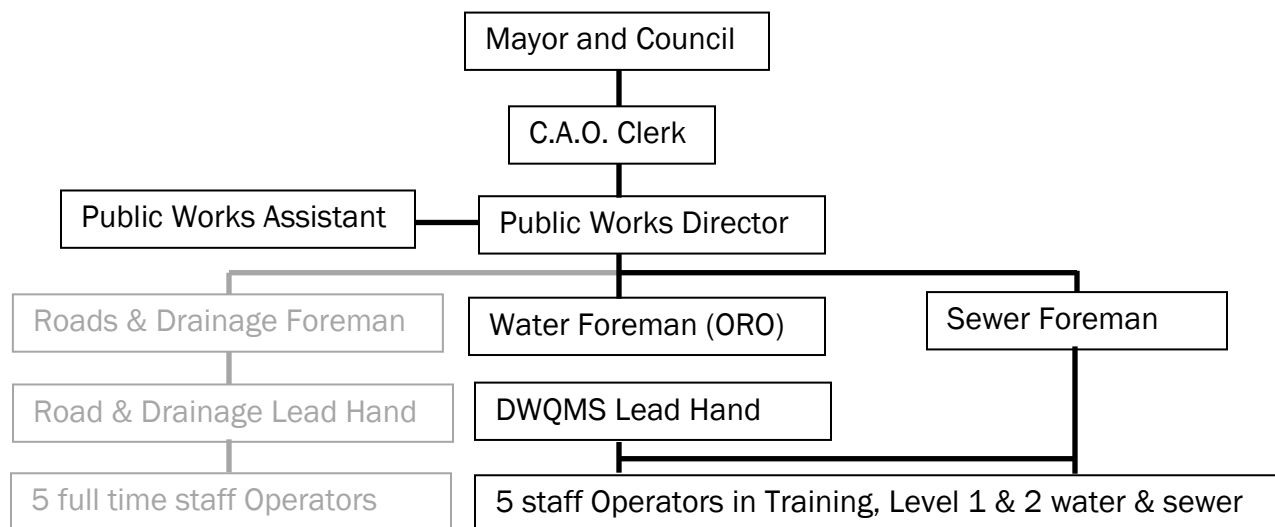
Other “hidden” downloads from the Provincial agenda that impacted Town operating budget in previous years including Accessibility Regulations, Green Energy Plans, Building Code amendments (vulnerable occupancies), and health and safety awareness. These new responsibilities include obligations to report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

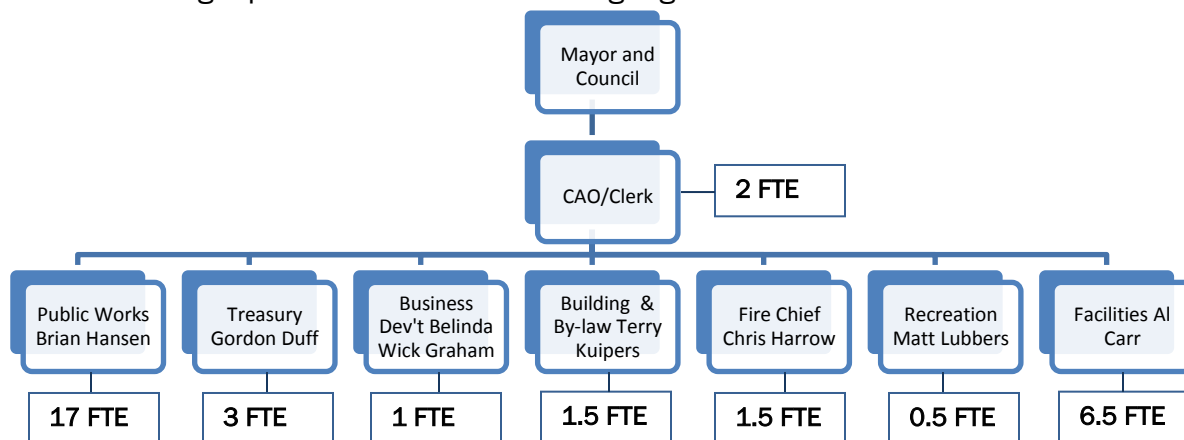


January 2012 Council approved the Watson & Associates Water Financial Plan required by Regulation 453/07 under DWQMS to obtain all permits to take water for the four Town systems. At the same time a sewer financial plan was developed in a combined document that set water and sewer rates for up to five 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.

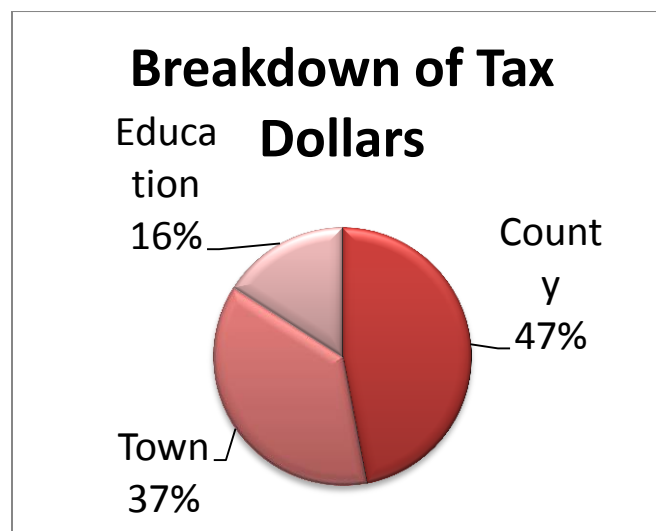
The “Actual” highlighted in red describes current spending in that area to date and matches the amount in red on the spreadsheet below. The 2016 budget in light green on the cover sheet matches the total on the spreadsheet. Budget Initiatives add or subtract from the 2016 budget to create a draft 2017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

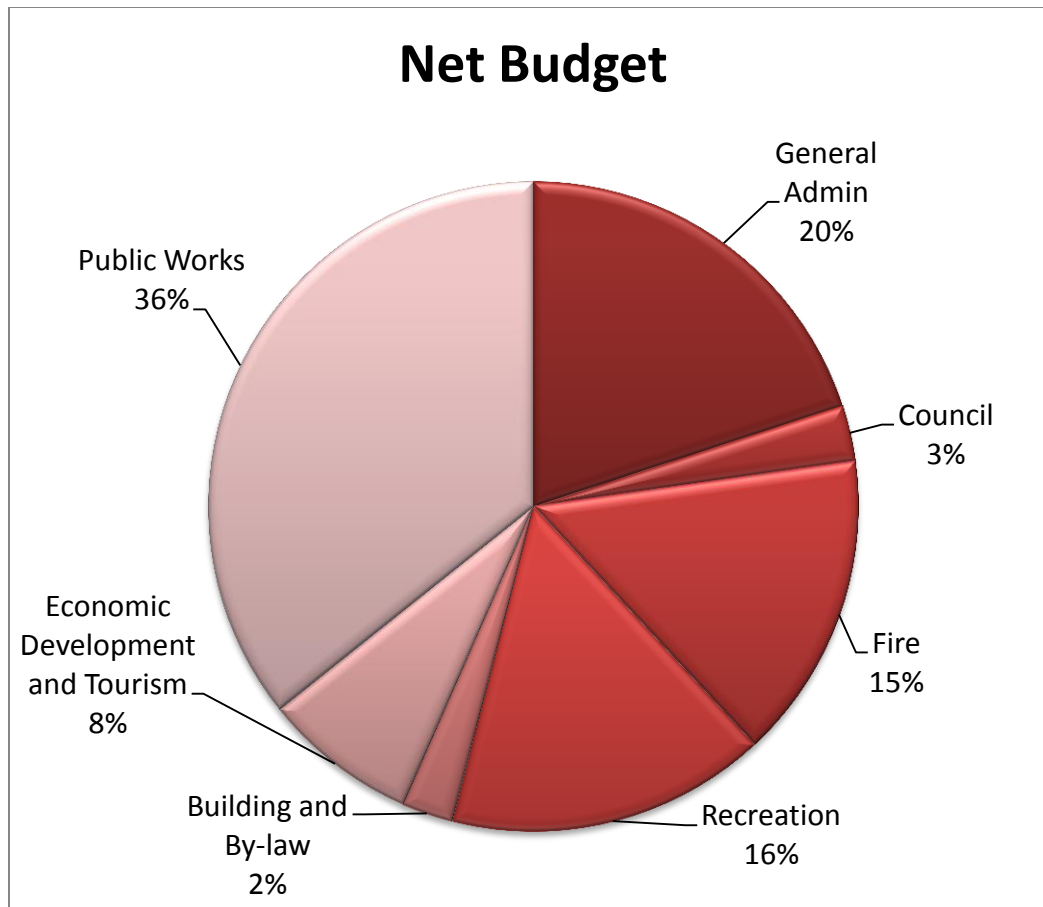
There is also a column showing 2015 actual budget to date to give some perspective on 2016 actual expenditures. At the end of the business plan is the C.A.O. Clerk and Department Head recommendation for the draft budget. Staff will briefly outline each service area to Council who can ask questions and 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 an 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 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	
	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	
StabilizationReserves		-\$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				
Sustained OCIF	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000
	\$7.42 million	\$2,350,000			
	\$ 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