



TOWNSHIP OF
**Adelaide
Metcalfe**

2024 DRAFT BUDGET

Johnny Pereira, CPA, CGA
Treasurer

Presentation to Municipal Council | December 4, 2023

Agenda

- ▶ 2024 Budget Development
- ▶ Funding
 - Property Taxes
 - Assessment
 - Reserves
- ▶ The Big Picture
- ▶ Budget Details
 - 2024 Capital Budget Highlights
 - 2024 Operating Budget Highlights
 - 2024 Reserves & Investments



What is a Budget?

The budget is a key planning document in achieving the Townships strategic priorities.



Our Challenge

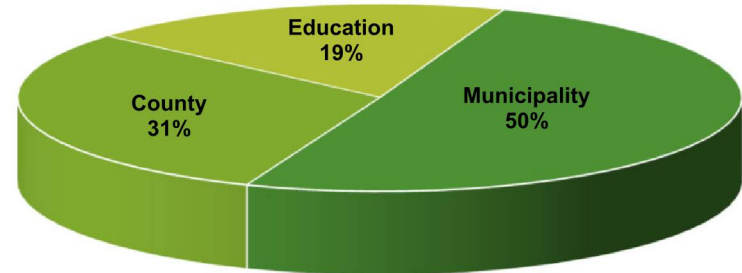
- ▶ Meet the needs of as many of our “customers” as possible in a fiscally responsible way.
- ▶ Complicated by:
 - The needs and wants of our residents vary from person to person
 - Misperceptions about which services are under the control of the local government



Role of Adelaide Metcalfe

- ▶ Determine revenue requirements for the Township through budgeting
- ▶ Set municipal tax rates
- ▶ Collect property taxes for:
 - Township of Adelaide Metcalfe
 - County of Middlesex
 - School boards

**Distribution of Property Taxes Collected
by Adelaide Metcalfe, 2023**



Budget Development - Working Group

▶ New for 2024

- Deeper understanding in the development process and methodology
- Comprehensive discussions
- Provide insights and perspectives
- Increased accountability and transparency

▶ Comprised of 2 councillors and management

- Sue Clarke, Mayor
- Betty Ann MacKinnon, Councillor
- Morgan Calvert, CAO
- Johnny Pereira, Treasurer
- Mike Barnier, Clerk & Manager of Legislative Services
- Coulter Cahill, Public Works Manager
- Dan Parker, Fire Chief

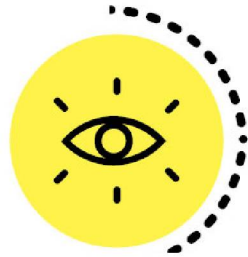


Budget Development

1

JULY

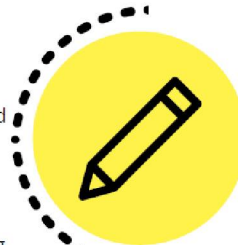
- Staff to start gathering information for operating and capital budgets
- The budget survey is built



2

AUGUST

- Budget Survey posted to the Township website and advertised in the final tax bill newsletter
- Departments begin working on their capital and operating budgets
- First department budget meeting



3

SEPTEMBER/
OCTOBER

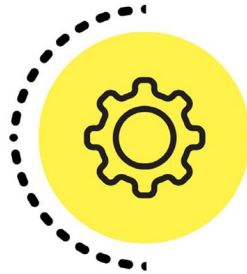
- Budget 101 presentation
- Budget survey completed and evaluated by staff and presented to Council
- Survey feedback incorporated into department budgets
- Departments continue to prepare budgets, and meetings continue
- Draft budget presented to the working group



Budget Development

4 NOVEMBER

- Final assessments to be received from MPAC
- Draft budget prepared
- Budget working group to make recommendation to Council
- Detailed budget package prepared for Council
- Optional one-on-one Council and treasurer meetings scheduled to review the budget package



5 DECEMBER

- Draft operating and capital budget presentation to Council
- Departments address Council and community questions and comments
- If necessary, additional budget meetings are scheduled
- Final budget and related by-laws presented to Council for approval



Budget Development – Budget Survey Results

- ▶ 96% of respondents thought the services they received for their tax dollars were either fair, good, or excellent (87.9% in 2022, 73.8% in 2021).
- ▶ Some issues and improvements identified by residents included:
 - Centre Road servicing dispute
 - Managing tax rates
 - Additional water infrastructure
 - Cost containment and spending reduction
 - Hard surface gravel roads
 - Animal control services
 - Increased communication

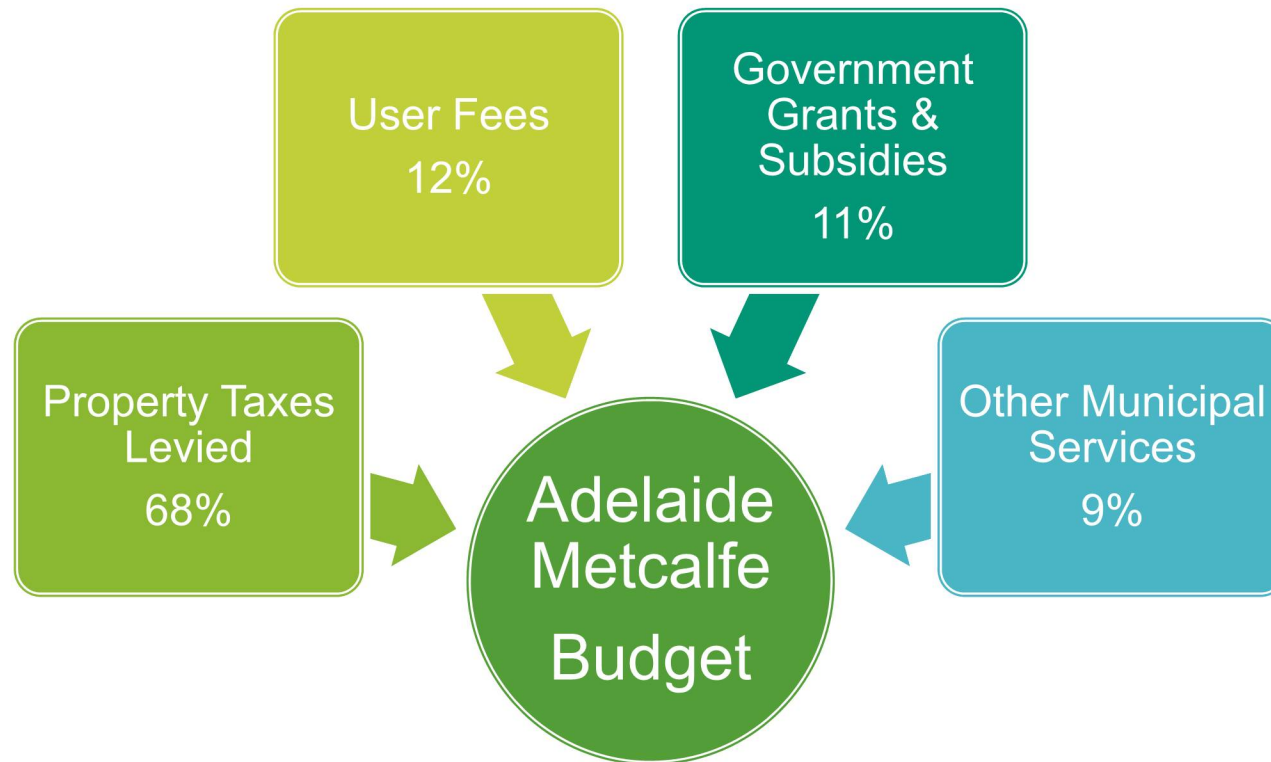


Budget Funding - Revenue

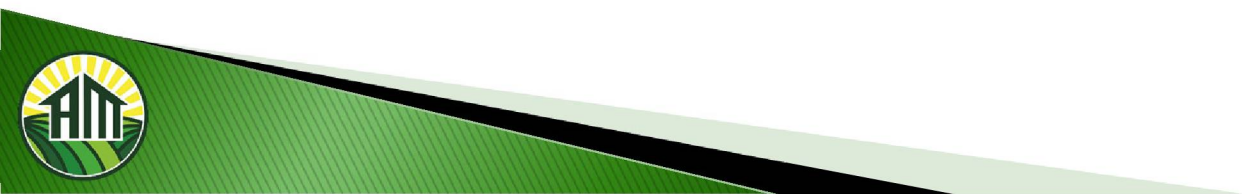
- ▶ Municipalities use a variety of revenue sources to pay for a wide range of services that residents and businesses depend on and use regularly, including:
 - Property tax
 - Grants from Federal and Provincial Governments
 - User Fees - (Kerwood wastewater & Centre Rd water/wastewater)
 - User Fees – General (revenue from services such as recreation, planning applications, building permits, etc.)
 - Transfers from reserve and reserve funds
 - Other miscellaneous revenues



Sources of Revenue



Property Tax Calculation



Assessment

- ▶ Property assessment is the basis upon which municipalities raise taxes. A strong assessment base is critical to a municipality's ability to generate revenues.
- ▶ MPAC has not delivered the final 2024 assessment



MUNICIPAL PROPERTY ASSESSMENT CORPORATION



Assessment Breakdown

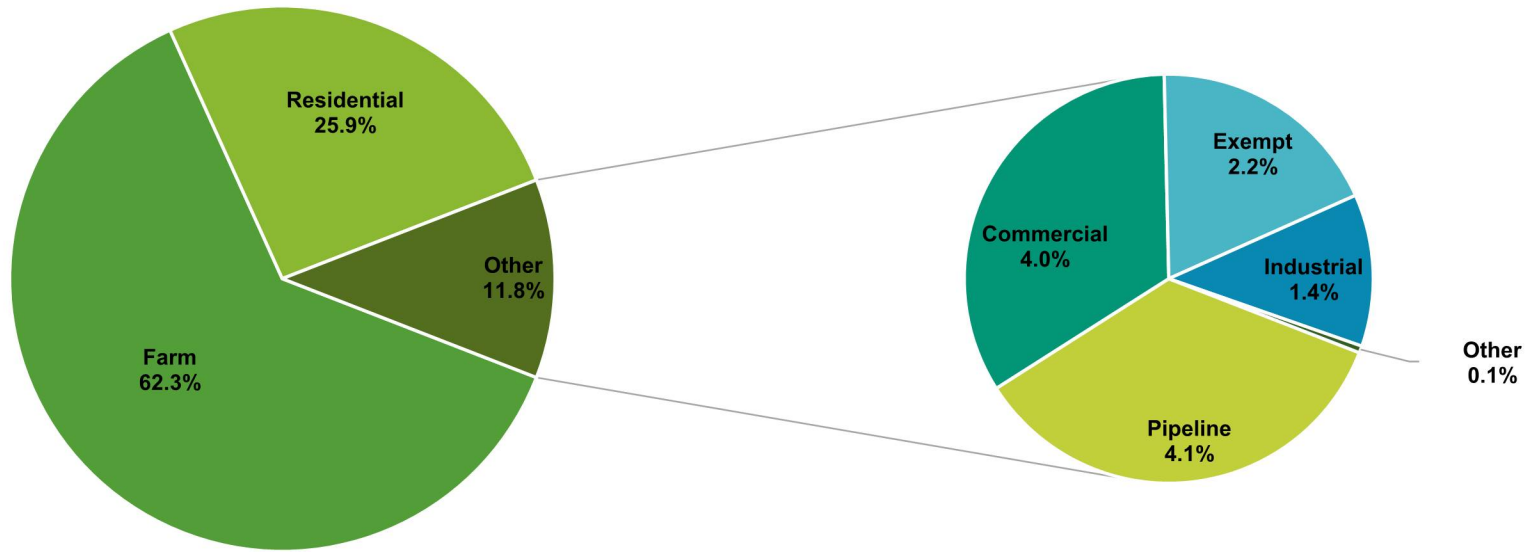
2024 Projected Assessment Change

Property Type	2024	2023	Y/Y Change	% Change
Farm	755,971,800	728,504,900	27,466,900	3.77%
Residential	313,581,100	332,730,500	-19,149,400	-5.76%
Pipeline	50,202,000	50,195,000	7,000	0.01%
Commercial	48,138,400	39,873,700	8,264,700	20.73%
Exempt	26,709,000	13,759,000	12,950,000	94.12%
Industrial	17,219,000	16,640,200	578,800	3.48%
Other	791,400	791,400	0	0.00%
<i>Total Assessment</i>	<i>\$ 1,212,612,700</i>	<i>\$ 1,182,494,700</i>	<i>30,118,000</i>	<i>2.55%</i>



Assessment Breakdown

2024 Projected Assessment



Revenue by Assessment Type

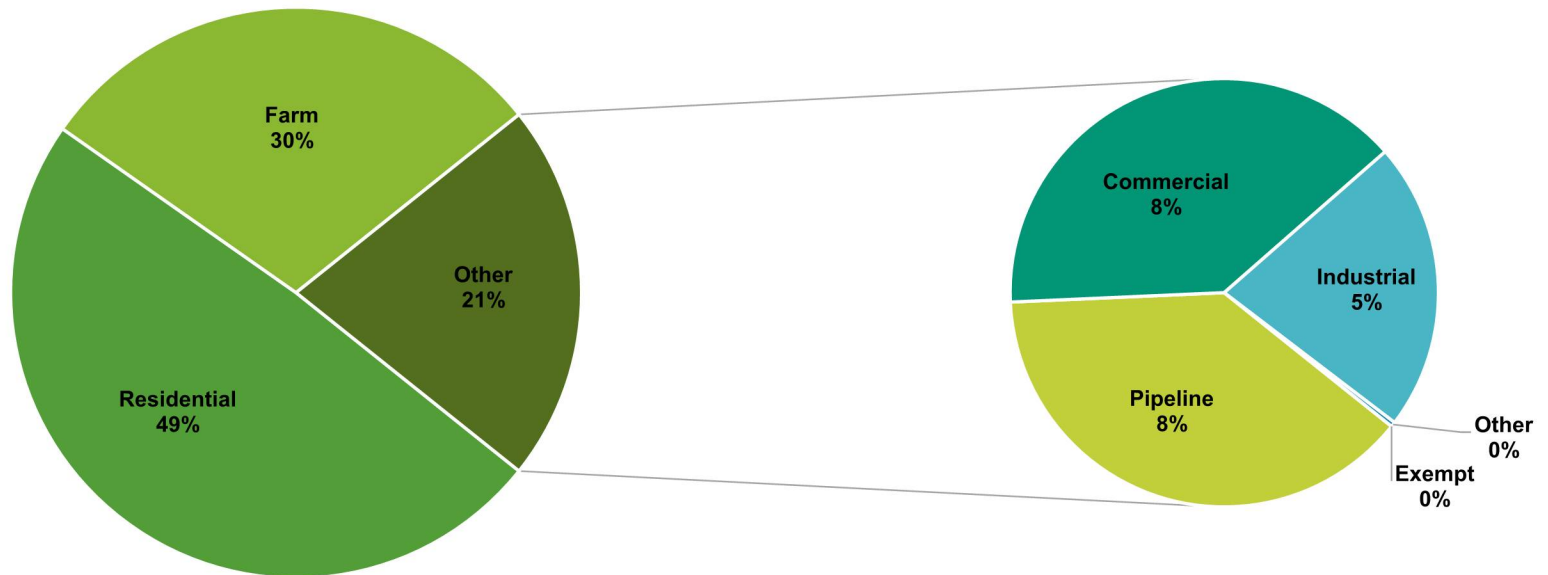
2024 Projected Revenue by Assessment Type

Property Type	Revenue
Residential	2,321,937
Farm	1,399,417
Pipeline	392,356
Commercial	399,261
Industrial	221,922
Other	3,737
Exempt	-
Total Tax Revenue	\$ 4,738,631



Who is paying?

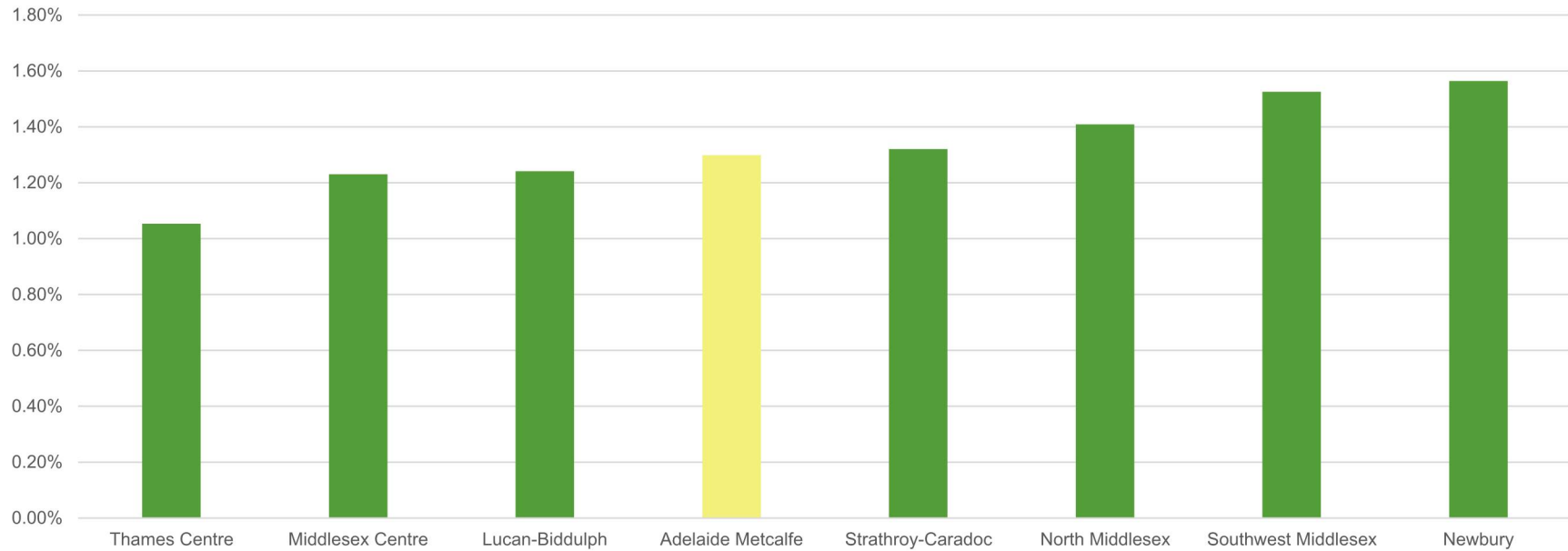
2024 Projected Revenue, by Assessment Type



How do we compare?

Residential Tax Rate Comparison (2023)

Municipal, County & Education



Reserve & Reserve Funds

Reserves and reserve funds are critical...

▶ Why are they critical?

- To pay bills (liquidity)
- To cover liabilities and emergencies
- For effective asset management (ensure funds are available to renew or replace assets while “charging” the appropriate taxpayer)

▶ What happens without Reserve and Reserve Funds?

- Costs will increase (debt service costs, short-term borrowing costs, larger contingency budgets)
- Reduction of capital works
- Loss of flexibility to take advantage of opportunities
- Could have liquidity problems



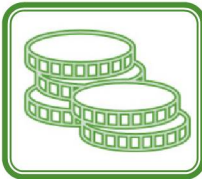
Operating vs. Capital Budgets



Both provide for Township programs & services



Types of expenditures & sources of financing differ



Operating Budget provides for the *annual* cost to deliver services & *maintain* capital assets



Capital provides for investments in infrastructure that provide long-term benefits

- Projects can span multiple years
- New infrastructure
- Renewal & refurbishment



Considerations in Developing the Budget

- ▶ Enhancing transparency, accountability and incorporating public feedback
- ▶ Managing competing priorities
- ▶ Delivery of a fiscally responsible budget
- ▶ Ramifications of the continued delay in the property tax reassessment
- ▶ Aging infrastructure and closing the infrastructure gap
- ▶ Community-wide effects of the economic downturn
- ▶ Unpredictability of provincial and federal funding



Considerations in Developing the Budget

- ▶ Inflationary pressures
- ▶ Procurement supply challenges
- ▶ External legislative requirements – specifically Bill 23
 - More Homes Built Faster Act
- ▶ Capital and Operating carryforward project costs
- ▶ Commercial corridor policy realignment



The Big Picture

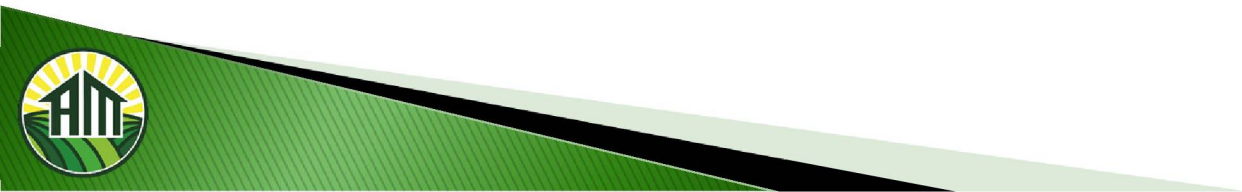
- ▶ 3.72% Tax Rate Increase
- ▶ 3.44% Tax Levy Increase
- ▶ \$7,081,657 in Operating Costs
- ▶ \$4,147,000 in Capital Projects
- ▶ \$11,228,657 Total Municipal Budget



2024 CAPITAL BUDGET HIGHLIGHTS

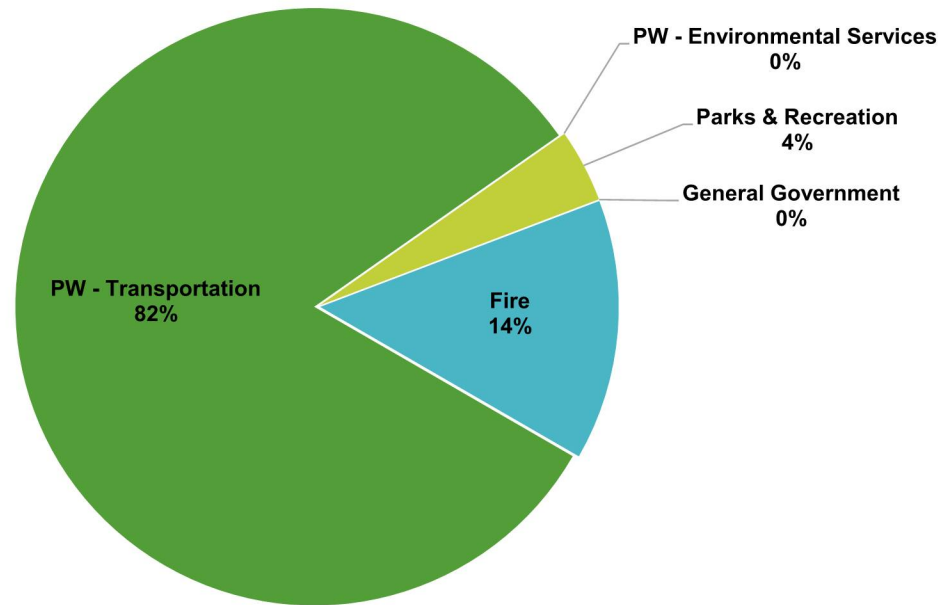
5-Year Capital Plan

Expenditure Detail	Total Budget	Capital Forecast				Total 5 Year Plan
	2024	2025	2026	2027	2028	
PW - Transportation	\$ 3,398,000	\$ 2,239,875	\$ 2,362,400	\$ 1,654,016	\$ 1,213,026	\$ 10,867,318
PW - Environmental Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parks & Recreation	\$ 164,000	\$ -	\$ -	\$ -	\$ -	\$ 164,000
General Government	\$ -	\$ -	\$ -	\$ 320,000	\$ -	\$ 320,000
Fire	\$ 585,000	\$ 310,000	\$ 145,000	\$ 10,000	\$ 85,000	\$ 1,135,000
Total Capital Expenditures	\$ 4,147,000	\$ 2,549,875	\$ 2,507,400	\$ 1,984,016	\$ 1,298,026	\$ 12,486,318



Capital Projects by Department

2024 Capital by Department



Departmental Highlights – Public Works

- ▶ \$1,650,000 Mullifarry Drive Reconstruction Project
 - 2024 Reconstruction from Pike Rd to Seed Rd – 3.7km
 - Multi-year Project (2023-2025)
 - Pike Rd to Kerwood Rd – 7.3km
 - Total approx. \$3,000,000
 - Upgrade to HCB from LCB
- ▶ \$390,000 Resurface Melwood Drive (Kerwood Rd to Calvert Dr) - 3.5km
 - Road upgrade to HCB from LCB
- ▶ \$160,000 Surface Upgrade to Wardell Drive (Wood Rd to Petty St) – 2.6km
 - Road upgrade to LCB from gravel
 - 50% cost sharing with North Middlesex



Departmental Highlights – Public Works

- ▶ \$200,000 Bridge Rehabilitation - Katesville Drive (Bridge No. 4)
- ▶ \$400,000 Replace 2006 Tandem Snowplow (carryforward project)
 - Ordered in 2022
 - Delivery expected early in 2024
- ▶ \$520,000 Replace 2002 Motor Grader (carryforward project)
 - \$420,000 carried forward
 - \$100,000 added due to inflation
- ▶ \$60,000 Replace 2012 Ford F150
- ▶ \$18,000 Replace 2019 Roadside Mower



Departmental Highlights – Public Works

Capital Financing

Expenditure Detail	Total Budget		
	2023 Carryforward	2024 Projects	2024
PW - Transportation			
Construction			
Reconstruction (Upgrade to HCB) Mullifarry Drive - Pike Road to Kerwood Road 7.3km	150,000	1,500,000	1,650,000
Resurface to HCB (Upgrade) - Melwood Drive - Kerwood Road to Calvert Drive 3.5km		390,000	390,000
Surface Upgrade to LCB - Wardell Drive Tar & Chip (50%) - Wood Road to Petty Street 2.6km		160,000	160,000
Total Construction	150,000	2,050,000	2,200,000
Structures			
Rehabilitation - Bridge 4 on Katesville Drive		200,000	200,000
Total Structures	-	200,000	200,000

Financing							
Reserves					Total Reserves	Cost Sharing (Billable to another Municipality)	Tax Levy
Development Charges	Canada Community Building Fund Reserve Fund	Ontario Community Infrastructure Fund Reserve Fund	Lifecycle Management Reserve Fund				
396,000			1,254,000	1,650,000		-	
	100,000	150,000	140,000	390,000		-	
			80,000	80,000	80,000	-	
396,000	100,000	150,000	1,474,000	2,120,000	80,000	-	
		120,000	80,000	200,000		-	
-	-	120,000	80,000	200,000	-	-	

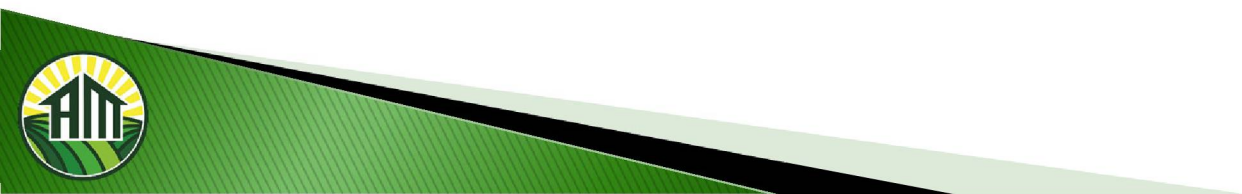


Departmental Highlights – Public Works

Capital Financing

Expenditure Detail	Total Budget		
	2023 Carryforward	2024 Projects	2024
Vehicles & Equipment			
Replace 2006 Mack Tandem Snowplow (Unit#1)	400,000		400,000
Replace 2019 New Holland Roadside Mower		18,000	18,000
Replace 2002 John Deere Grader	420,000	100,000	520,000
Replace 2012 Ford F150 Pickup Truck		60,000	60,000
<i>Total Vehicles & Equipment</i>	<i>820,000</i>	<i>178,000</i>	<i>998,000</i>

Financing			
Reserves			Tax Levy
Capital Project Carry forward Reserve	Lifecycle Management Reserve Fund	Total Reserves	
400,000		400,000	-
	18,000	18,000	-
	520,000	520,000	-
	60,000	60,000	-
<i>400,000</i>	<i>598,000</i>	<i>998,000</i>	<i>-</i>



Departmental Highlights – Parks and Recreation

- ▶ \$150,000 Kerwood Park: Ball Park Lighting Upgrades
 - Deferred from the prior year's budget due to cost
 - Fully funded by the Ontario Trillium Foundation grant
- ▶ \$14,000 New Riding Lawn Mower
 - Backup unit
 - Grass cutting completed in-house



An agency of the Government of Ontario
Un organisme du gouvernement de l'Ontario



Departmental Highlights – Parks and Recreation

Capital Financing

Expenditure Detail	Total Budget			Financing			
	2023 Carryforward	2024 Projects	2024	Lifecycle Management Reserve Fund	Total Reserves	OTF Grant	Tax Levy
Parks & Recreation							
<i>KERWOOD PARK</i>							
Ball Diamond Lighting Upgrades		150,000	150,000		-	150,000	-
<i>Total Parks & Recreation</i>	-	150,000	150,000	-	-	150,000	-
Vehicles & Equipment							
New Riding Lawn Mower (Secondary)		14,000	14,000	14,000	14,000		-
<i>Total Vehicles & Equipment</i>	-	14,000	14,000	14,000	14,000	-	-



Departmental Highlights - Fire

- ▶ \$575,000 Replace 2000 GMC Tanker
 - Granted pre-budget approval
- ▶ \$10,000 Minor Fire Hall Renovation
 - Floor replacement



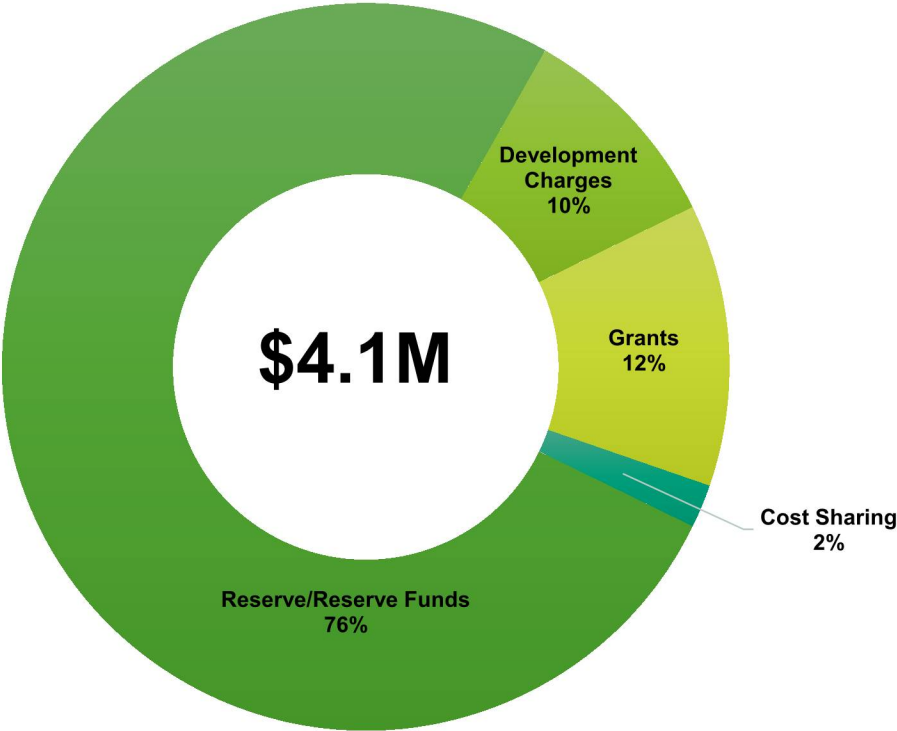
Departmental Highlights – Fire

Capital Financing

Expenditure Detail	Total Budget			Financing		
	2023 Carryforward	2024 Projects	2024	Reserves	Total Reserves	Tax Levy
Fire						
Replace 2000 GMC Tanker		575,000	575,000	575,000	575,000	-
Minor Fire Hall Renovation (Meeting Room Floor)		10,000	10,000	10,000	10,000	-
Fire (Total)	\$ -	\$ 585,000	\$ 585,000	\$ 585,000	\$ 585,000	\$ -



Capital Financing Summary



2024 OPERATING BUDGET HIGHLIGHTS

Operating Budget Framework

Step 1 - Base

- Costs required to maintain existing service levels (salaries, benefits, inflation, utilities & contracted services), less reductions for efficiencies and other savings

Step 2 - Mandatory/Legislative

- Non-discretionary costs imposed by others

Step 3 - Annualization

- Additional costs of prior year commitments for full-year implementation

Step 4 - Growth

- Costs required to maintain existing levels of service for the Township's increased population

Step 5 - Enhancements

- New services or enhanced service levels



Operating Highlights - Impacts

- ▶ No change to property assessment – No phase-in growth
 - Loss of residential assessment due to farm tax rate changes
- ▶ OMPF (Ontario Municipal Partnership Fund) decrease of 11%
- ▶ OCIF (Ontario Community Infrastructure Fund) decrease of 15%*
- ▶ Cost of living increase for compensation programs of 3%
- ▶ Conservation authorities increase of 3.8%
- ▶ Insurance increase of 9.5%
- ▶ Automated garbage pickup and disposal increase of 3.6%
- ▶ CPI (Consumer Price Index Q3 to Q3) 3.8%



Operating Highlights - Impacts

- ▶ Staff compensation review & potential implementation
- ▶ Fire services resource allocation review
- ▶ Increased costs of materials
- ▶ WSIB rate increase
- ▶ IT services increase
- ▶ Development charge top-up
 - Bill 23 phase-in
- ▶ Ontario Land Tribunal Hearing - site plan application
- ▶ Centre Rd servicing dispute



Operating Budget Summary

Department	2024 Budget			2023 Budget			Y/Y Change	
	Revenue	Expenditures	Taxes	Revenue	Expenditures	Taxes	Taxes	% Change
General Government								
Administration	857,258	1,752,309	895,051	816,341	1,676,527	860,186	34,866	4.05%
Tax Revenue & Reserve Transfers	399,703	1,267,181	867,477	471,552	1,120,313	648,761	218,716	33.71%
Livestock	-	-	-	-	-	-	-	0.00%
Council	-	118,937	118,937	-	116,495	116,495	2,442	2.10%
Total General Government	1,256,961	3,138,427	1,881,466	1,287,893	2,913,335	1,625,442	256,024	15.75%
Protection to Persons & Property								
Fire								
Fire Dept Operations	30,500	305,565	275,065	55,962	340,679	284,716	(9,651)	-3.39%
Fire Dept Fleet	-	32,877	32,877	-	33,039	33,039	(162)	-0.49%
Total Fire	30,500	338,441	307,941	55,962	373,718	317,755	(9,814)	-3.09%
Other								
Policing	(700)	469,696	470,396	-	484,255	484,255	(13,859)	-2.86%
Provincial Offences	2,000	-	(2,000)	13,000	-	(13,000)	11,000	84.62%
Conservation Authorities	-	64,512	64,512	-	62,155	62,155	2,357	3.79%
Building Services	100,900	100,900	-	84,700	84,700	-	-	0.00%
By-law Enforcement	-	13,466	13,466	-	13,112	13,112	354	2.70%
Animal Control	12,090	17,525	5,435	13,080	17,165	4,085	1,350	33.06%
Total Other	114,290	666,099	551,809	110,780	661,387	550,607	1,202	0.22%
Total Protection to Persons & Property	144,790	1,004,541	859,751	166,742	1,035,105	868,362	(8,611)	-0.99%



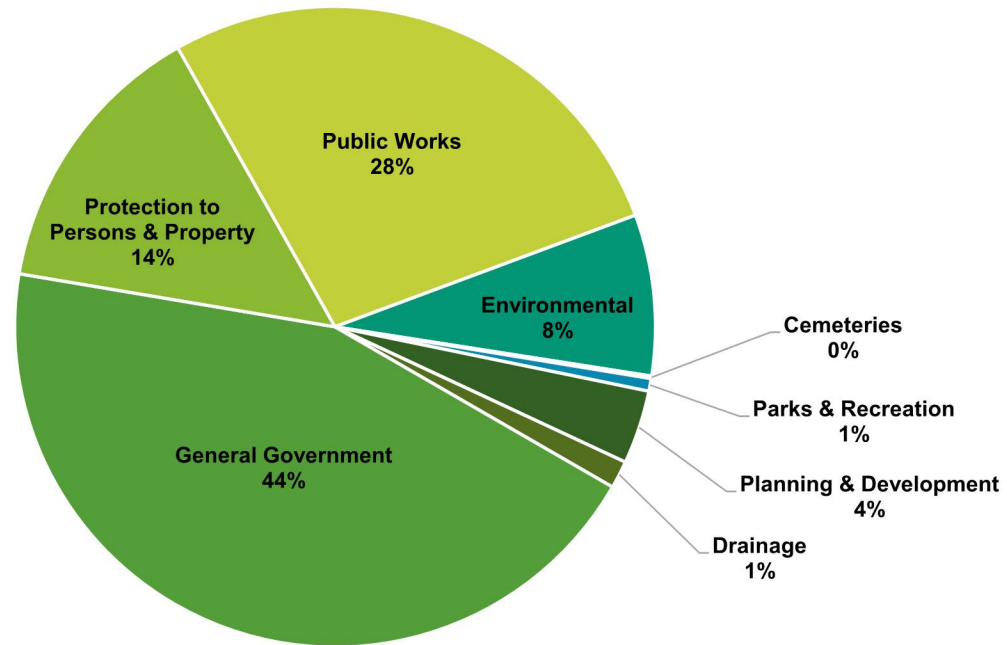
Operating Budget Summary

Department	2024 Budget			2023 Budget			Y/Y Change	
	Revenue	Expenditures	Taxes	Revenue	Expenditures	Taxes	Taxes	% Change
Public Works								
Transportation Operations	48,000	1,430,425	1,382,425	22,000	1,391,395	1,369,395	13,030	0.95%
Transportation Fleet	52,400	220,602	168,202	-	223,359	223,359	(55,157)	-24.69%
Waste Management	189,809	296,659	106,850	183,825	361,456	177,631	(70,781)	-39.85%
Total Public Works	290,209	1,947,686	1,657,477	205,825	1,976,210	1,770,385	(112,908)	-6.38%
Environmental								
Water & Wastewater Systems	389,515	575,386	185,871	356,975	633,802	276,827	(90,956)	-32.86%
Total Environmental	389,515	575,386	185,871	356,975	633,802	276,827	(90,956)	-32.86%
Cemeteries								
Cemeteries	3,035	8,623	5,588	3,035	10,768	7,732	(2,145)	-27.73%
Total Cemeteries	3,035	8,623	5,588	3,035	10,768	7,732	(2,145)	-27.73%
Parks & Recreation								
Kerwood Park	300	39,671	39,371	1,000	52,528	51,528	(12,158)	-23.59%
Trees	6,000	6,000	-	6,000	6,000	-	-	0.00%
Total Parks & Recreation	6,300	45,671	39,371	7,000	58,528	51,528	(12,158)	-23.59%
Planning & Development	187,900	263,100	75,200	90,875	33,975	(56,900)	132,100	232.16%
Drainage								
Drainage Superintendent	33,696	67,605	33,909	34,476	72,137	37,661	(3,752)	-9.96%
Drainage Debenture Payments	30,619	30,619	-	31,005	31,005	-	-	0.00%
Total Drainage	64,315	98,224	33,909	65,481	103,142	37,661	(3,752)	-9.96%
Total	2,343,026	7,081,657	4,738,632	2,183,826	6,764,863	4,581,037	157,594	3.44%



Operating Budget by Department

2024 Operating Budget - By Department

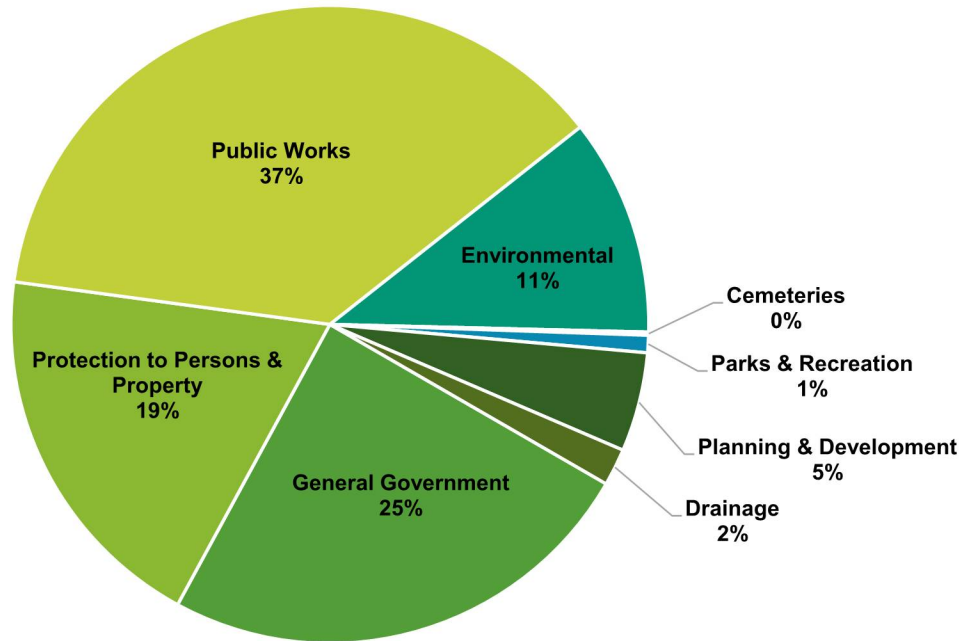


* General government includes approx. \$1.8M of asset management reserve transfers



Operating Budget by Department

2024 Operating Budget - By Department (Excluding Reserves)



* Excludes reserve transfers related to asset management



Operating Highlights

Personnel Changes

- ▶ Labour budget model used
- ▶ Cost of living increase of 3.0%
- ▶ Benefits (health and dental) plan estimated increase of 5%
- ▶ Step increases (9 employees eligible in 2024)
 - Performance based
- ▶ Public Works overtime budgeted at 7.5%
- ▶ Full-time corporate support specialist
 - Removed FT contract financial analyst (drainage)
 - Removed PT administrative assistant (retirement)



Operating Highlights

Personnel Changes

- ▶ Part-time fire prevention officer
 - Contracted service included in the 2023 budget
- ▶ Staff compensation review
- ▶ OMERS now offered to all part-time staff
 - Optional for employees (effective Jan 1, 2023)
 - Can opt-in at any time
- ▶ Enhanced CPP, new for 2024
- ▶ WSIB rate increase from 2.95% to 3.25%



Departmental Highlights

General Government - Administration

- ▶ Increase in net operating costs by 4.1% or \$34,866
- ▶ 4 employees eligible for step increases
 - Performance based
- ▶ Cost of living applied at 3%
- ▶ New corporate support specialist position
 - Removed FT contract financial analyst (drainage)
 - Removed PT administrative assistant (retirement)
- ▶ Grant revenue
 - OCIF funding decrease of \$24,620*
 - Transferred to reserve funds



Departmental Highlights

General Government - Administration

- ▶ Increased revenue on interest and investments
 - General bank interest \$90,000
 - Reserve fund interest \$442,457
 - Transferred to reserve funds
- ▶ Health and safety plan implementation \$10,000
- ▶ Compensation review \$16,000
- ▶ Increase in IT spending \$10,000
 - Increase in County IT service costs \$7,000
 - Implementation of an automated accounts payable workflow system \$1,600
 - New server hosting service at the County \$2,000
- ▶ Asset management system implementation
 - 2022 carryforward, modernization funding



Departmental Highlights

General Government - Administration

- ▶ Payroll system implementation
 - 2022 carryforward, modernization funding
- ▶ Commercial corridor policy realignment
- ▶ Official plan review and update
- ▶ New economic development program
- ▶ Corporate policy manual update
- ▶ Communication strategy
 - Implementation of a digital newsletter
 - Managing two levels - traditional and digital
- ▶ Drain billing and process improvements



Departmental Highlights

General Government - Administration

- ▶ Records management program review
- ▶ Farm tax to residential proactive communication strategy
- ▶ Review and revise the emergency response program
- ▶ Ongoing review of operational accounts for savings



Departmental Highlights

General Government – Tax Revenue & Reserve Transfers

- ▶ Increase in net operating costs by 5.6% or \$218,716
- ▶ Decrease in Tax Incentive Approvals \$20,000
 - RT to FT phantom assessment
 - Analysis completed
- ▶ Utilize tax rate stabilization of \$45,000
 - Equivalent to approx. 1% tax rate decrease
 - To utilize prior year surplus to assist the tax base with 2024 pressures
- ▶ OMPF grant revenue decrease \$34,500
- ▶ Decrease in penalties and interest \$17,631
 - Increased collections on taxes



Departmental Highlights

General Government – Tax Revenue & Reserve Transfers

- ▶ Lifecycle management reserve transfer increase of \$51,461
 - Based on the asset management plan and financing strategy
 - Total transfer \$1,171,774
- ▶ Compensation review impact reserve transfer \$50,811
 - External review and recommendation
 - To be considered by Council in 2024
- ▶ Resource allocation review and potential implementation \$24,596
 - Based on the fire services plan
 - Internal review of resources
 - To be considered by Council in 2024
- ▶ Development charge exemption top-up \$20,000



Departmental Highlights

General Government - Council

- ▶ Increase in net operating costs by 2.1% or \$2,442
- ▶ Cost of living applied at 3%
- ▶ Council grant program of \$4,590
- ▶ Includes various conferences
 - Allocated 1 per councillor and 2 for the mayor
- ▶ Annual reserve fund contribution for the 2026 election \$2,500



Departmental Highlights

Planning

- ▶ Increase in net operating costs by 232.2% or \$132,100
- ▶ Planner provided by Middlesex County
- ▶ Slight decrease in planning fee revenues
 - Aligned with trend & updated fee by-law
- ▶ Disposition of surplus lands
 - Sale of land and cost recovery on incurred expenses
 - Net proceeds transferred to reserves
- ▶ Ontario Land Tribunal Hearing - site plan application \$152,500
 - Legal reserve utilized to minimize impact \$50,000
- ▶ Official plan review and update
 - Included in County levy



Departmental Highlights

Cemeteries

- ▶ Decrease in net operating costs by 27.7% or \$2,145
- ▶ Interest income of \$3,035
 - Long-term GIC
- ▶ Grass cutting completed internally
 - Cost savings
 - Labour allocation approx. \$8,623
- ▶ Continued improvement on the cemetery program
 - Updated fee schedule, by-law, procedures, and scanning records



Departmental Highlights

Protection to Persons and Property: Fire Department

- ▶ Decrease in net operating costs by 3.1% or \$9,814
- ▶ Increase to motor vehicle collision revenue by \$15,000
 - Align to trend
- ▶ Cost of living increase of 3%
- ▶ 1 employee eligible for a step increase
 - Based on performance
- ▶ New part-time fire prevention officer
 - Budgeted as a contracted service in 2023
- ▶ Purchase new accountability board \$2,500
- ▶ Fleet operations consistent to 2023
- ▶ Fire plan implementation



Departmental Highlights

Protection to Persons and Property: Fire Department

- ▶ Mandatory firefighter certification process
 - Increase in training \$2,000
 - Multi-year grant application submitted for training
- ▶ Training to continue using regional training centres
- ▶ Automatic Aid plans to be updated
- ▶ Update and revise emergency response program



Departmental Highlights

Protection to Persons and Property: Policing

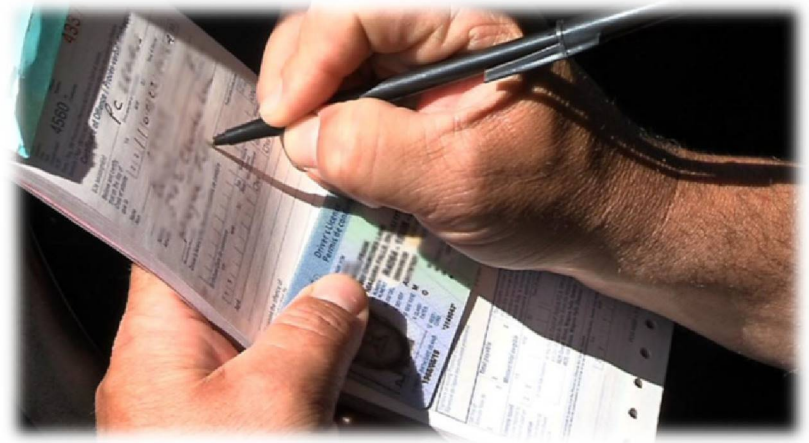
- ▶ Decrease in net operating costs by 2.9% or \$13,859
- ▶ Contracted service with the Ontario Provincial Police
- ▶ 2024 Contract total \$469,696



Departmental Highlights

Protection to Persons and Property: Provincial Offences

- ▶ Decrease in net operating costs by 84.6% or \$11,000
- ▶ Conservative estimate used of \$2,000
 - Received ~\$600 in 2022 (budget was \$13,000)
 - The City of London indicated delays due to covid (less tickets and processing delays)
 - Should start to increase
- ▶ Provincial offences include traffic fines, tobacco law violations, and other violations outlined in the Provincial Offences Act



Departmental Highlights

Protection to Persons and Property: Conservation Authorities

- ▶ Increase in net operating costs by 3.8% or \$2,357
- ▶ Two conservation authorities
- ▶ Ausable Bayfield Conservation Authority
 - Total levy: \$33,055 (2.8% increase over 2023)
 - Includes category 3 programming
- ▶ St. Clair Region Conservation Authority
 - Total levy: \$31,457 (4.8% increase over 2023)
 - Does not include category 3 programming



Departmental Highlights

Protection to Persons and Property: Building Services

- ▶ No Increase/Decrease in net operating costs
 - Revenue-neutral department
 - Department surplus transferred to the Building Department Stabilization Reserve Fund
- ▶ Projecting a 19% increase in permits, per Chief Building Official \$95,000
 - To align with trend
- ▶ Contracted service with the Municipality of Middlesex Centre
 - Total cost \$75,000
- ▶ Cloud permit annual fee of \$9,616



Cloudpermit

Departmental Highlights

Protection to Persons and Property: By-Law Enforcement

- ▶ Increase in net operating costs by 2.7% or \$354
- ▶ Contracted service with the Municipality of Middlesex Centre
 - Pending agreement
 - Projection based on previous provider \$11,466
- ▶ Education first mindset
- ▶ Used to address various by-law complaints



Departmental Highlights

Protection to Persons and Property: Animal Control

- ▶ Increase in net operating costs by 33.1% or \$1,350
- ▶ Slight decrease in dog tags
 - Will advertise on socials
 - To be billed in April
- ▶ Report to come forward in early 2024
 - Permanent tags
- ▶ Animal control services provided by Humane Society London & Middlesex \$17,025
 - 2% annual increase per contract



Departmental Highlights

Parks & Recreation

- ▶ Decrease in net operating costs by 23.6% or \$12,158
- ▶ Decrease in rental fees to align with actuals
- ▶ Grounds maintenance to be completed by the Township
 - Labour allocation realigned with 2023 actuals
 - Decrease related to overallocated labour budget in 2023
- ▶ EV charging station available
- ▶ Increase to insurance
 - Due to assessment of new structure
- ▶ Continue with the Richardson Tree Program - \$6,000



Departmental Highlights

Public Works – Roads

- ▶ Decrease in net operating costs by 1.0% or \$13,030
- ▶ 4 employees eligible for step increases
 - Performance based
- ▶ Cost of living applied at 3%
- ▶ Overtime budget set at 7.5%
- ▶ Delivery of sustainable transportation infrastructure
- ▶ Maintenance of roadway network, including winter operations
 - 214 Centre line km of roadway
 - 3.6 km of sidewalks
 - 13 Bridges
 - 36 Structural culverts



Departmental Highlights

Public Works – Roads

- ▶ Dust control increase of 10%
 - Inflationary increase
- ▶ Hard top and loose top maintenance consistent to 2023
- ▶ Sand and salt decrease (winter maintenance) 14%
 - Aligned with county fees and usage
- ▶ Fleet fuel increase of 12%
 - Based on fuel cost and usage
- ▶ Proceeds of disposition \$50,000
 - 2006 Mack tandem
 - 2002 John Deere motor grader



Departmental Highlights

Public Works – Roads

- ▶ New road patrol application annual fee \$7,000
 - Implemented in 2023
- ▶ Sidewalk winter maintenance decrease \$16,790
 - Aligned with trend
- ▶ Roads needs study
 - Funded by modernization reserve fund
- ▶ Road's by-law development
- ▶ Increased roadside tree removal of failing trees
- ▶ Focus on staff training
 - Road school & grader training



2023 Capital Project: Langan Drive Resurfacing



Departmental Highlights

Public Works – Waste Management: Waste & Recycling

- ▶ Decrease in net operating costs by 67.0% or \$64,255
- ▶ Wheelie bin fees have increased for 2024
 - Small: \$124.56 Medium: \$176.46 Large: \$233.55
- ▶ BRA Increasing waste management disposal and automated fees
 - 3.6% increase over 2023
- ▶ Recycling moving to producer pay, effective April 2024
 - Total reduction \$60,647
- ▶ Wheelie bin program summary
 - Projected wheelie bin revenue \$161,809
 - Cost of program \$193,417
 - Total shortfall \$31,609



Departmental Highlights

Public Works – Waste Management: Landfill

- ▶ Decrease in net operating costs by 7.9% or \$6,526
- ▶ Landfill revenue \$28,000
 - Decrease from 2023 to align with current trend
- ▶ 3.5 Years remaining of landfill capacity
 - Switch to wheelie bin program has increased the landfill life as waste is diverted away from the Township
 - Room to expand the landfill at the current location
 - Ministry approval required
- ▶ Reserve transfer for future landfill closure and liability \$25,000
- ▶ Decrease in landfill covering fees \$10,000
 - Due to new operating efficiencies
- ▶ Projecting a landfill operating loss of \$75,241



Departmental Highlights

Environmental Services – Wastewater: Kerwood

- ▶ Decrease in net operating costs by 4.2% or \$4,027
- ▶ System operating revenue, billed on final taxes \$42,895
 - Annual fee increased by 3.8% from \$725.00 to \$752.55
- ▶ Connection fees not budgeted to be conservative
- ▶ Rate study \$7,000 (2022 & 2023 Carryforward)
- ▶ Contracted service with OCWA to maintain and operate system \$50,000
- ▶ Lifecycle management reserve fund contribution \$64,335
 - Per the asset management plan and financing strategy
- ▶ Overall department deficit \$92,001



Departmental Highlights

Environmental Services – Water/Wastewater: Centre Rd/Hwy 81

- ▶ Decrease in net operating costs by 48.1% or \$86,929
- ▶ System operating revenue, billed through Strathroy-Caradoc \$85,000
- ▶ Potential infrastructure and capacity study - \$30,000 (2022 and 2023 Carryforward)
- ▶ MECP water license \$18,000 (2023 Carryforward)
- ▶ Rate study \$7,000 (2022 and 2023 Carryforward)
- ▶ Contracted service with OCWA \$50,000 (2022 and 2023 Carryforward)
- ▶ Lifecycle management reserve fund contribution \$33,870
 - Per the asset management plan and financing strategy
- ▶ Servicing agreement dispute \$120,000
- ▶ Overall department deficit \$93,870



Departmental Highlights

Drainage Services

- ▶ Decrease in net operating costs by 9.9% or \$3,752
- ▶ Drainage superintendent grant of 50% on eligible hours \$33,696
 - Grant through OMAFRA (Ontario Ministry of Agriculture, Food and Rural Affairs)
- ▶ Contracted service with the Municipality of Southwest Middlesex \$67,392
 - Drainage superintendent in the office 2 days per week



Operating Budget Breakdown

- ▶ Top 95% of the operating expenses are within 8 categories

Expenditures	%	\$
Transfer To Reserves/Reserve Funds	32.3%	\$2,284,983
Wages & Benefits	23.2%	\$1,640,927
Subcontracted services	21.2%	\$1,499,601
Repairs, Maintenance & Equipment Rental	11.6%	\$ 822,224
Insurance	2.2%	\$ 154,723
IT	1.5%	\$ 106,703
Fuel	1.4%	\$ 101,677
Utilities	1.1%	\$ 78,605

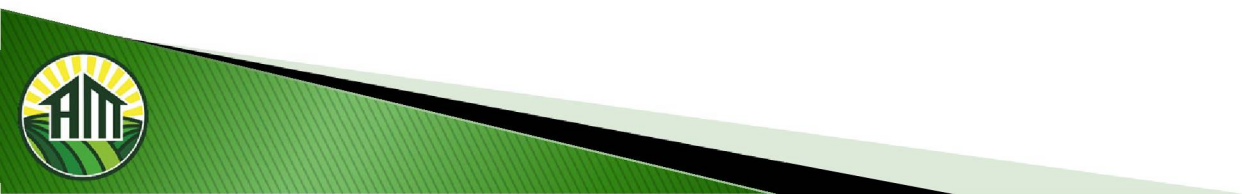


2024 Reserve & Reserve Funds HIGHLIGHTS

Reserve & Reserve Funds

Reserve Projections

Description	Projected 2024 Opening Balance	In Year Change	Projected 2024 End Balance
Capital Project Carryforward	400,000	(400,000)	-
Operating Project Carryforward	122,605	(122,605)	-
Total Reserves	522,605	(522,605)	-



Reserve & Reserve Funds

Reserve Fund Projections

Description	Projected 2024 Opening Balance	Total Contributions	Total Withdrawals	In Year Change	Projected 2024 End Balance
Richardson Trees Reserve Fund	22,277	1,002	(6,000)	(4,998)	17,280
Canada Community Benefit Fund (CCBF)	10,080	99,405	(100,000)	(595)	9,484
Ontario Community Infrastructure Fund (OCIF)	128,548	145,300	(270,000)	(124,700)	3,849
Neighbourhood Watch Reserve Fund	2,219	100	0	100	2,319
Building Department Stabilization Reserve Fund	489,429	38,308	0	38,308	527,738
Mar for Mayors Reserve Fund	9,092	409	0	409	9,501
West Williams Water Capital Reserve Fund	5,297	238	0	238	5,535
Water/Wastewater Reserve Fund	1,359,894	95,066	0	95,066	1,454,959
Kerwood Wastewater Capital Reserve Fund	677,667	94,830	0	94,830	772,496
Fleet Management Reserve Fund	15,700	707	0	707	16,407
Modernization Reserve Funds	174,195	7,839	(37,000)	(29,161)	145,033
Community Improvement Plan Reserve Fund	14,967	40,674	0	40,674	55,640
Employee Benefits Reserve Fund	0	0	0	0	0
Tax Rate Stabilization Reserve Fund	99,202	54,464	(45,000)	9,464	108,666
Municipal Drainage Reserve Fund	10,467	471	0	471	10,938
New Capital asset Projects	0	0	0	0	0
Lifecycle Management Reserve Fund	5,734,432	1,441,089	(2,751,000)	(1,309,911)	4,424,520
Landfill Reserve Fund	400,050	46,802	0	46,802	446,852
IT Replacement Reserve Fund	21,619	973	(6,335)	(5,362)	16,257
Winter Maintenance Reserve Fund	37,956	1,708	0	1,708	39,665
Election Reserve Fund	6,795	2,806	0	2,806	9,601
Legal Reserve Fund	52,334	2,355	(50,000)	(47,645)	4,689
Program Review & Implementation Reserve Fund	0	75,407	0	75,407	75,407
COVID19/Safe Restart Reserve Fund	37,467	1,686	(35,676)	(33,990)	3,477
Total Reserve Funds	9,309,686	2,151,638	(3,301,011)	(1,149,373)	8,160,313

Note: These are estimated and includes projected year-end 2023 surplus figures (still pending Council approval) for the 2024 opening balance.

Excludes: DC's, cemeteries and cash-in-lieu of parkland



Investment Strategy

Taking advantage of high interest rates

- ▶ Renew 1-year GIC on Lifecycle Management Reserve Fund (Current GIC matures on Dec 29, 2023)
 - \$4,000,000 at 5.95%
 - \$238,000 of interest earnings
- ▶ Enter 5-year GIC on Landfill Reserve Fund
 - \$400,000 at 5.45%
 - \$21,800 of annual interest earnings
- ▶ Cemetery 6-year GIC (entered on Dec 29, 2022)
 - \$56,000 at 5.47%
 - \$3,035 of annual interest
- ▶ Interest rates at our financial institution
 - Earning prime less 1.50%



GIC's are still to be entered into. Rates are estimates based on recent quotes.



Summary

- ▶ 3.72% Tax Rate Increase
- ▶ 3.44% Tax Levy Increase
- ▶ \$7,081,657 in Operating Costs
- ▶ \$4,147,000 in Capital Projects
- ▶ \$11,228,657 Total Municipal Budget



Impact

- ▶ Municipal Tax Rate Increase

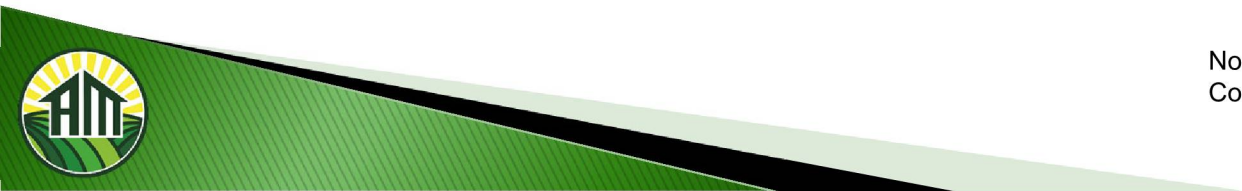
Residential

2023 Taxes: \$2,070 Assessment: \$290,000	 \$77 (or \$6.42/month)	2024 Taxes: \$2,147 Assessment: \$290,000
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Farm

2023 Taxes: \$1,428 Assessment: \$800,000	 \$53 (or \$4.43/month)	2024 Taxes: \$1,481 Assessment: \$800,000
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Note: Excludes the education levy set by the Province and the County levy set by Middlesex County.



Stay in Touch!



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