

# West Lincoln

Your Future Naturally

2016

Township of West Lincoln



## **Draft 2016 Operating & Capital Budget COUNCIL PRESENTATION**

**Monday, March 21, 2016**

# 2016 Draft Operating and Capital Budget

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## Overview

- **Complimentary:**

- Increase in OMPF Grant \$80,000
- Assessment Growth \$136,255
- Savings on Corporate Insurance Renewal \$ 75,000

- **Commitments:**

- Utilities \$ 38,900
- Salaries & Benefits \$137,500

- **Challenges:**

- 2016 Unfunded Capital \$1,257,980

# 2016 Draft Operating and Capital Budget

## 2016 Service Enhancements

	2016 Budget Impact
<b>No Library Staff Shall Work Alone</b>	
In 2015 the Library Board passed a policy that would see that no staff would work alone. This policy has resulted in the need to increase staff hours at the branches.	\$ 9,100
<b>Additional Crossing Guard Hours</b>	
There has been a requirement to increase Crossing Guard hours in order to ensure the safety of West Lincoln children. College Street school modified its school hours which resulted in the requirement for our Crossing Guards to work longer hours on St. Catherines St.	\$ 11,900
<b>New Committees</b>	
In April 2016, Senior Management will be presenting to Council the Terms of References for the following committees:	\$ 6,000
Sustainable Economic Development Advisory Committee	
Recreation, Leisure and Library Development Advisory Committee	
Youth Council	
Active Transportation Working Committee	
Industrial Wind Turbine Public Advisory Committee	
Industrial Wind Turbine Technical Advisory Committee	
Canada Day 150 Celebrations - tasked to Heritage Committee	
The 2016 Budget has included an increased budget for meetings in anticipation of the costs associated with operating these committees.	
<b>Assumption of Three Additional Cemeteries</b>	
Increased costs to maintain the three additional cemeteries have impacted the 2016 budget. In addition, there has been a one-time increase to legal cost to recognize the work that has to be completed to officially transfer ownership.	\$ 16,300
<b>Expansion of Recreational Programming</b>	
The Township Recreational Department has applied for a grant to offer a new program called <b>Skate/Swim/Gym</b> . The program is designed for children ages six to twelve to give them an opportunity to participate in skating, swimming and gym sports. The total program cost is estimated at \$24,000 with the Township portion being \$4,300.	\$ 4,300
<b>Total</b>	<b>\$ 47,600</b>

# 2016 Draft Operating and Capital Budget

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## Budget Summary - 2016 Revenues

	Column A	Column B	Recommended Budget	Column D	Column E
	2015 Budget	2016 Budget 2.42% Tax Increase	2016 Budget 5.00% Tax Increase	Difference \$ ( Column C-A)	% Increase / Decrease
<b>General Revenues</b>					
-					
Taxation Revenues	5,362,650	5,635,630	<b>5,769,830</b>	407,180	7.59%
Payment in Lieu of Taxes	353,900	353,900	<b>353,900</b>	-	0.00%
Support Grants	741,600	818,200	<b>818,200</b>	76,600	10.33%
Grants	5,000	5,000	<b>5,000</b>	-	0.00%
Fees, Service Charges, Donations	4,500	7,600	<b>7,600</b>	3,100	68.89%
Licenses & Permits	5,700	4,700	<b>4,700</b>	(1,000)	-17.54%
Rents & Concessions	61,100	61,700	<b>61,700</b>	600	0.98%
Fines	33,500	30,000	<b>30,000</b>	(3,500)	-10.45%
Other Revenues	16,500	12,500	<b>12,500</b>	(4,000)	-24.24%
Penalties	380,000	380,000	<b>380,000</b>	-	0.00%
Income from Investments	170,000	155,000	<b>155,000</b>	(15,000)	-8.82%
Prior Year Surplus	217,000	200,000	<b>200,000</b>	(17,000)	-7.83%
Transfer from Reserve	48,000	45,000	<b>45,000</b>	(3,000)	-6.25%
<b>Total Revenues</b>	<b>7,399,450</b>	<b>7,709,230</b>	<b>7,843,430</b>	<b>443,980</b>	<b>6.00%</b>

# 2016 Draft Operating and Capital Budget

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## Budget Summary - 2016 Expenditures

	Column A	Column B	Recommended Budget	Column D	Column E
	2015 Budget	2016 Budget	2016 Budget	Difference \$ (Column C-A)	% Increase / Decrease
		2.42% Tax Increase	5.00% Tax Increase		
<b>General Expenditures</b>					
Contributions to Reserves	199,000	207,000	341,200	142,200	71.46%
Corporate Expenditures	77,500	52,500	52,500	(25,000)	-32.26%
<b>Departments</b>					
Library	386,950	417,600	417,600	30,650	7.92%
Mayor & Council	172,300	176,900	176,900	4,600	2.67%
Corporate Services	1,503,400	1,544,100	1,544,100	40,700	2.71%
Cemetery	59,900	82,300	82,300	22,400	37.40%
Fire	980,500	1,026,300	1,026,300	45,800	4.67%
Building/Property Standards & By-law/Septic	87,100	91,700	91,700	4,600	5.28%
Planning	168,100	172,700	172,700	4,600	2.74%
<b>Public Works</b>					
Recreation/Arena	769,100	783,400	783,400	14,300	1.86%
Roads Administration	273,600	269,800	269,800	(3,800)	-1.39%
Roads Maintenance	1,741,800	1,775,200	1,775,200	33,400	1.92%
Winter Control	513,500	544,900	544,900	31,400	6.11%
Canborough St. Project- Payback to Industrial Park Reserve	91,100	91,100	91,100	-	0.00%
Northridge Rd. Project-Payback to Capital Reserve	56,000	56,000	56,000	-	0.00%
2015 Capital Projects - Payback to Industrial Park Reserve	-	65,530	65,530	65,530	
Roads Construction	-	-	-	-	
Bridges	27,500	27,500	27,500	-	0.00%
Facilities	52,600	70,900	70,900	18,300	34.79%
Street Lights	113,000	127,800	127,800	14,800	13.10%
Sidewalks	70,500	71,800	71,800	1,300	1.84%
Fuel and Equipment	-	-	-	-	
Drainage	56,000	54,200	54,200	(1,800)	-3.21%
Storm Sewers	-	-	-	-	
Sanitary Sewers	-	-	-	-	
Water	-	-	-	-	
<b>Total Expenditures</b>	<b>7,399,450</b>	<b>7,709,230</b>	<b>7,843,430</b>	<b>443,980</b>	<b>6.00%</b>

# 2016 Draft Operating and Capital Budget

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## Average Assessment for Single Family Home:

2016 - \$309,532

2015 - \$303,103

If Township Tax Levy remained at 2015 level of \$5,156,650 and your property assessment increased by less than 2.12% your property taxes in 2016 would actually decrease

# 2016 Draft Operating and Capital Budget

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- An expenditure increase of \$51,567 equates to a 1% increase in the total tax levy
- Due to assessment growth, the first \$136,255 of increase to the overall tax levy has no impact to property owners
- After the first \$136,225 increase, every \$10,000 in tax levy increase has a \$2.00 impact on the average property owner

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The Chart below illustrates the impact of the 2016 Draft Operating and Capital Budget on Commercial and Industrial Property Owners.

## Impact on Township Taxes - Commercial and Industrial Properties

	2015	2016	\$ Change	
Assessed Value	\$200,000.00	\$204,240.00		
Township Taxes - Commercial	\$ 1,201.00	\$ 1,261.00	\$ 60.00	5.00%
Township Taxes - Industrial	\$ 1,796.00	\$ 1,885.00	\$ 89.00	4.96%

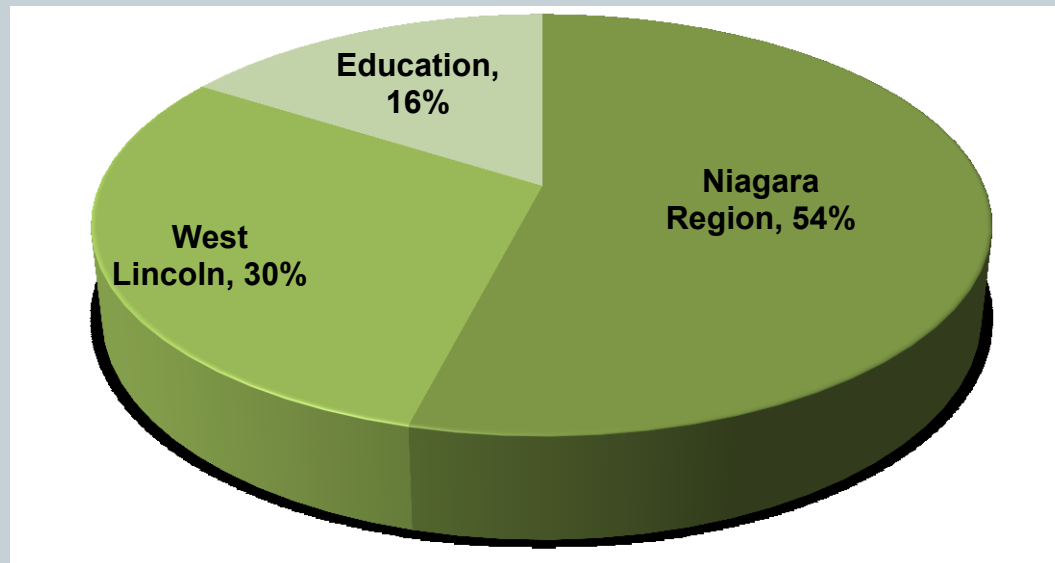


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- Tax bill collects for three entities: Niagara Region, West Lincoln (WL) and School Board/Education

## 2015 Property Tax Distribution



# 2016 Draft Operating and Capital Budget

## Impact on the total tax bill resulting from a 5% Increase to Township Taxes

	2015 Taxes Paid	2016 Proposed Taxes Paid	\$ Change	% Change
Average Assessed Value *	\$ 303,103.00	\$ 309,532.00		
Township Taxes	\$ 1,034.94	\$ 1,086.20	\$ 51.25	5.00%
Region Taxes	\$ 1,967.48	\$ 1,963.03	-\$ 4.45	-0.23%
School Board Taxes **	\$ 591.08	\$ 591.08	\$ -	0.00%
<b>Total Taxes - 2.42%</b>	<b>\$ 3,593.50</b>	<b>\$ 3,640.31</b>	<b>\$ 46.81</b>	<b>1.30%</b>

\* Average Assessment of a Residential Home

\*\* School board Rates have not been announced, assume 0% increase in Education Taxes

# 2016 Draft Operating and Capital Budget

The Township also has an urban service area levy for Streetlights and Sidewalks. This levy is charged on properties in the urban area of Smithville. The Chart below indicates that the impact of the urban service area levy on an average home.

	2015	2016	\$ Change
Average Assessed Value	\$ 303,103.00	\$309,532.00	
Township Taxes - Rural	\$ 1,034.94	\$ 1,086.20	\$ 51.25
<b>Township Taxes - Urban</b>	<b>\$ 1,104.31</b>	<b>\$ 1,156.37</b>	<b>\$ 52.06</b>
Urban Service Charge Included Above	\$ 69.37	\$ 70.17	\$ 0.80

# 2016 Draft Operating and Capital Budget

## EXPENDITURE

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Grand Total
Administration	412,000	215,000	200,500	240,000	155,000	105,000	50,000	35,000	120,000	50,000	40,000	1,622,500
Bridge	1,050,000	335,720	1,158,435	298,600	1,203,400	693,100	1,086,700	261,250	467,000	153,500		6,707,705
Cemetery	6,000										22,000	28,000
Fire	416,900	442,000	542,000	17,000	2,173,000	18,000	18,000	19,000	319,000		1,000,000	4,964,900
Library		916,800	8,000				1,250,000			27,000		2,201,800
Public_Works	13,500		40,000	22,000				572,500				648,000
Recreation	178,500	901,000	151,000	118,900	14,159,000	121,620	182,300	256,800	100,100	1,454,200		17,623,420
Roads	1,561,560	2,208,000	1,712,060	1,792,000	1,243,950	1,432,360	1,697,000	1,407,200	1,188,600	921,500		15,164,230
Sidewalk	180,000	355,000	143,000	340,000	368,000	83,400	187,000	98,000	379,500	188,000	267,800	2,589,700
Storm_Sewer	135,000		40,000	28,000	382,000	20,000	21,000	21,500	22,000			669,500
Wastewater	366,000	1,121,500	735,000	265,000	312,850	74,200	515,000	267,000	988,000	185,000		4,829,550
Water	50,000	81,000	525,000	540,000	125,000	110,000	110,000	182,000	120,000	233,500	75,000	2,151,500
<b>TOTAL EXPENDITURE</b>	<b>4,369,460</b>	<b>6,576,020</b>	<b>5,254,995</b>	<b>3,661,500</b>	<b>20,122,200</b>	<b>2,657,680</b>	<b>5,117,000</b>	<b>3,120,250</b>	<b>3,704,200</b>	<b>3,212,700</b>	<b>1,404,800</b>	<b>59,200,805</b>

# 2016 Draft Operating and Capital Budget

## FINANCING

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Grand Total
Development Charges	- 357,920	- 572,995	- 592,553	- 453,450	- 2,917,261	- 108,960	- 566,202	- 315,300	- 554,245	- 53,598		- 6,492,484
In Lieu of Parkland	- 29,500	- 62,000	- 32,160	- 30,000	- 52,000							- 205,660
Gas Tax	- 617,600	- 420,700	- 421,000	- 420,000	- 421,000	- 421,000	- 421,000	- 420,000	- 420,000	- 420,000		- 4,402,300
OCIF Funding	- 64,000	- 64,000										- 128,000
Other Grants	- 50,000											- 50,000
Fire Reserve	- 329,900	- 442,000	- 542,000	- 17,000	- 293,000	- 18,000	- 18,000	- 19,000	- 319,000		- 1,000,000	- 2,997,900
Equipment Reserve	- 461,200	- 452,000	- 244,560	- 491,500	- 310,650	- 257,980	- 465,300	- 319,700	- 367,100	- 517,700		- 3,887,690
Sewer Reserve	- 311,000	- 833,500	- 647,250	- 248,350	- 276,850	- 70,000	- 357,950	- 203,250	- 633,400	- 175,750		- 3,757,300
Water Reserve	- 50,000	- 62,400	- 240,000	- 246,000	- 125,000	- 110,000	- 110,000	- 131,750	- 120,000	- 195,000	- 75,000	- 1,465,150
Other Reserves					- 133,900							- 133,900
Unfunded	- 1,253,980	- 2,772,925	- 2,408,372	- 1,676,600	- 15,522,539	- 1,628,740	- 3,166,048	- 1,665,250	- 1,268,455	- 1,784,152	- 307,800	- 33,454,861
Operating Fund	- 38,000	- 29,000	- 6,500	- 34,600	- 6,500	- 32,000	- 6,500	- 33,000	- 11,000	- 33,500		- 230,600
Capital Reserve	- 150,000	- 197,000	- 95,600	- 25,000	- 25,000							- 492,600
Library Reserve		- 621,000	- 8,000							- 27,000		- 656,000
Facilities Reserve		- 35,000	- 17,000	- 18,000	- 26,000	- 11,000	- 6,000	- 13,000	- 11,000	- 6,000		- 143,000
Planning Reserve	- 20,000	- 1,000										- 21,000
Recreation Reserve		- 10,500										- 10,500
Cemetery Reserve											- 22,000	- 22,000
Technology Reserve	- 150,000											- 150,000
Sidewalk Reserve				- 1,000	- 12,500							- 13,500
Developer Contribution	- 315,000											- 315,000
Cost Sharing	- 171,360											- 171,360
<b>TOTAL FINANCING</b>	<b>- 4,369,460</b>	<b>- 6,576,020</b>	<b>- 5,254,995</b>	<b>- 3,661,500</b>	<b>- 20,122,200</b>	<b>- 2,657,680</b>	<b>- 5,117,000</b>	<b>- 3,120,250</b>	<b>- 3,704,200</b>	<b>- 3,212,700</b>	<b>- 1,404,800</b>	<b>- 59,200,805</b>

# 2016 Draft Operating and Capital Budget

## 2016 Budget Highlights

Project	Gross Cost	Department
Bridge 12 Replacement (S.G. Rd #6)	\$ 920,000	Public Works
Tandem Truck Replacement	\$ 251,000	Public Works
Sidewalk Tractor and Attachments ( Trackless) Replacement	\$ 128,200	Public Works
Fleet GPS Units	\$ 15,000	Public Works
Pressure Washer Replacement	\$ 11,000	Public Works
Bunker Gear Replacement	\$ 16,000	Fire
Aerial - waterway and cabling	\$ 25,000	Fire
Fire Protection Master Plan	\$ 40,000	Fire
Fire Pumper Rescue Truck	\$ 275,900	Fire
Ice Edger	\$ 6,000	Recreation
Tractor Replacement	\$ 40,000	Recreation
Wellandport Tennis Courts - nets and posts	\$ 6,500	Recreation
Picnic Tables - All Parks	\$ 8,000	Recreation
Tree Planting - all parks	\$ 5,000	Recreation
Community Centre - Campaign/Fundraising Readiness	\$ 85,000	Recreation
Leisureplex - Irrigation repairs	\$ 10,000	Recreation
Traffic Count Study	\$ 10,000	Public Works
Ash Tree Replacement - Boulevard Trees	\$ 25,000	Public Works
*New Sidewalk - South Side of West Street, from SG Rd. 5 to Streamside Dr.	\$ 180,000	Public Works
*New Storm Sewer - West Street	\$ 135,000	Public Works
Sanitary Sewer Replacement- Station Street	\$ 266,000	Public Works
Extraneous Flow Reduction Program	\$ 100,000	Public Works
Water Loss Prevention Program	\$ 50,000	Public Works
Cemeteries - new signage	\$ 6,000	Cemetery
Municipal Comprehensive Review	\$ 20,000	Planning
Township - Front Counter Service and Health & Safety Improvements	\$ 30,000	Administration
Information Technology - server for storage expansion	\$ 32,000	Administration
Financial Management Software Replacement	\$ 150,000	Administration
<b>Total</b>	<b>\$ 2,846,600</b>	

\* Note: These projects are financed through contributions from developers ( School Board)

# 2016 Draft Operating and Capital Budget

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## 2016 UNFUNDED CAPITAL

<b>Administration</b>	
911 Pers Compliance	- 60,000
CIP Implementation Program	- 25,000
Eagenda Solution	- 20,000
Energy Management Implementation Plan - All Facilities	- 5,000
Property in Tax Arrears	- 20,000
Upgrades to audio visual in Council Chambers	- 50,000
<b>Bridge</b>	
Various Bridges – Guard Rails	- 92,400
<b>Fire</b>	
Caistor Fire Hall _ Additional Bathroom with Showers	- 60,000
<b>Public_Works</b>	
Restore town clock at Murgatroyd park	- 3,500
Tube heaters add to cold bay	- 10,000
<b>Recreation</b>	
Entrance gates for existing trails	- 13,000
<b>Roads</b>	
Abingdon Road : Pulverize & DST - From: Concession 3 Road To: Concession 2 Road	- 218,880
Railway Crossing Assessment Study	- 60,000
Westbrook Road-shared road with City of Hamilton : Pulverize & DST - From: Concession 2 Road To: Concession 1 Road	- 100,000
Westbrook Road-shared road with City of Hamilton : Pulverize & DST - From: Concession 3 Road To: Concession 2 Road	- 85,000
Young Street : Pulverize & DST - From: Regional Road 12 (Grimsby Rd) To: South Grimsby Road 10	- 110,400
Young Street : Pulverize & DST - From: South Grimsby Road 10 To: Grassie Road	- 220,800
Urban Design Implementation_Public Realm Improvements	- 100,000
<b>Grand Total</b>	<b>- 1,253,980</b>

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## **Addressing \$1,253,980 of 2016 Unfunded Capital**

### Issue a Debenture to Finance Portion of Bridge 12

This would free up \$580,000 of Gas Tax Funds that can be allocated to other Capital Works. Current debenture rate is 3.14% based on a 20 year serial debenture. First annual repayment is approximately \$47,000.

### Refrain from Internal Borrowing Repayment

This would free up an additional \$231,230 that could be reallocated to the unfunded Capital.

### Use of Prior Year Surplus

An additional \$389,000 of prior year surplus funds are available to finance the unfunded Capital projects.

### Transfer from the Capital Reserve

The remaining \$53,750 to be funded through a transfer from the Capital Reserve



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The following chart represents the annual payments for the next five years if a **\$580,000** serial debenture were to be issued through Infrastructure Ontario at the posted rate of **3.14% \*** for twenty years .

\* rate posted as of March 8, 2016

Year	2017	2018	2019	2020	2021
Annual Repayment	\$46,936	\$46,076	\$45,165	\$44,422	\$43,301

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- The Water and Sewer budgets as presented within this draft budget are based on the current user rates.
- A Special Council Meeting is planned for Monday, April 11<sup>th</sup>, 2016 at 6pm to discuss and approve new rates that would be effective July 1, 2016.
- Any changes in rates will impact the transfer to reserves within both the Water and Sewer Budgets