
**TOWNSHIP OF WEST LINCOLN
ADMINISTRATION/FINANCE/FIRE
COMMITTEE AGENDA**

MEETING NO. THREE HELD: Monday, March 17, 2014, Township Administration Building, 318 Canborough Street, Smithville - 6:30 p.m.

1. **CHAIR:** Councillor Eric Leith

2. **CHANGE IN ORDER OF ITEMS ON AGENDA:**

3. **DISCLOSURE OF PECUNIARY INTEREST AND/OR CONFLICT OF INTEREST:**

4. **APPOINTMENTS:**
There are no appointments.

5. **REQUEST TO ADDRESS ITEMS ON THE AGENDA:**

NOTE: Procedural By-law Section 10.14(5) – General Rules

One (1) hour in total shall be allocated for this section of the agenda and each individual person shall only be provided with **five (5) minutes** to address their issue. A response may not be provided and the matter may be referred to staff.

Chair to inquire if there are any members of the public present who wish to address any items on the Administration/Finance/Fire Committee agenda.

6. **FIRE DEPARTMENT UPDATE:**

(a) **ITEM A26-14**
Fire Chief (Dennis Fisher)
Re: Fire Department Monthly Update – February 2014

Page 1

7. **CONSENT AGENDA ITEMS:**

There are no consent agenda items.

8. **COMMUNICATIONS:**

There are no communications

9. **STAFF REPORTS:**

(a) **ITEM A27-14**
Fire Chief (Dennis Fisher)
Re: WLFD-05-14 – Superior Tanker Shuttle Accreditation

Page 2-3

RECOMMENDATION:

1. That, report WLFD-05-14 regarding “Superior Tanker Shuttle Accreditation”, dated March 17, 2014 be received for information and,

2. That a Request for Decision report will be presented at the April 22, 2014 Administration/Finance/ Fire Committee Meeting

(b) ITEM A28-14

Director of Public Works & Engineering

Re: Report RFD PW-07-2014 - Shared Drainage Service Agreement **Page 4-9**

RECOMMENDATION:

1. That, Report RFD PW-07-2014, re: Shared Drainage Service Agreement, dated March 17th, 2014 be received; and,
2. That, Staff recommends continued service under the current agreement with the Town of Wainfleet for Drainage Superintendent Services, and that the current agreement is renewed for 2015.

(c) ITEM A29-14

Treasurer/Director of Finance (Donna DeFilippis)

Re: Purpose of Meeting, Comments and Power Point Presentation

Page 10-35

(d) ITEM A30-14

Treasurer/Director of Finance (Donna DeFilippis)

Re: Report No. RFD-T-04-14 – 2014 Budget

NOTE: 2014 DRAFT OPERATING & CAPITAL BUDGET BOOK PREVIOUSLY DISTRIBUTED (PLEASE BRING COPY OF BUDGET BOOK TO MEETING**)**

ITEM A30-14(A) - RECOMMENDATION # A:

1. That, the Treasurer/ Director of Finance Report RFD-T-04-14, regarding the "2014 Budget", dated March 17, 2014 be received; and,
2. That, the tax levy increase for general purposes be approved at *2.19%; and,
3. That the 2014 Capital Program, attached as **Schedule A** to this report, be approved; and,
4. That the 2014 projects proposed in the Five Year Capital Plans be approved and the balance of projects for the years 2015 to 2018, be approved in principle; and,
5. That, the Treasury Department be authorized to submit the 2014 Capital Roads and Bridges Projects to AMO as required under **Schedule C** of the Federal Gas Tax Revenue Program; and,
6. That staff be given direction to proceed with an Engineering Study estimated to cost \$40,000 which will determine the structural integrity of our existing arena, to be funded from _____

(Capital Reserve, Operating Fund or 2013 Surplus.)

- * **NOTE 1:** Percentage amount under Section 2 will vary/alter based on any budget adjustments.
NOTE 2: Extractions will be required for projects/items for which there are conflicts of interest

REQUIRED AMENDMENT TO EXTRACT CONFLICT ITEMS:

That the following identified items/projects be extracted from the proposed 2014 Budget and voted on separately due to conflicts:

1. Fire Department Budget (as contained on Pages 37 through 42)
2. _____ (add any other items to be extracted)

ITEM A30-14(B) - RECOMMENDATION B (Fire Department Budget Section - Mayor Joyner's Conflict Item):

That, the Fire Department Budget as contained in the 2014 Draft Operating & Capital Budget (Pages 37 to 42), be approved.

10. NEXT MEETING TO DEAL WITH THE 2014 BUDGET:

The next Administration/Finance/Fire Committee meeting to continue deliberations on the 2014 Budget as well as the balance of the items on this agenda will be held, if required, on Tuesday, March 18, 2014.

11. OTHER BUSINESS:

(a) ITEM A31-14

Fire Chief (Dennis Fisher)

Re: Fire/Emergency Plan and Fire Detection and Suppression System Requirements for Industrial Wind Turbines (IWT)

VERBAL UPDATE

(b) ITEM A32-14

Councillor Eric Leith

Re: Establishment of Economic Development Committee

REFERRED FROM MARCH 3, 2014 PLANNING COMMITTEE MEETING

(c) ITEM A33-14

Members of Committee

Re: Verbal Updates from Members of Boards and Committees - If required

(d) ITEM A34-14

Members of Committee

Re: Referred Matters List

NOTE: Due to the nature of the meeting, no Referred Matters have been submitted. Item referred to the April 2014 Administration/Finance/Fire Comm. Mtg.

(e) ITEM A35-14

Members of the Committee

Re: Other Business Items of an Informative Nature

12. NEW BUSINESS:

NOTE: Only for items that require immediate attention/direction and must first approve a motion to introduce a new item of business. (Motion Required)

13. CONFIDENTIAL MATTERS:

There are no confidential matters.

14. ADJOURNMENT:

That, this Committee does now adjourn at the hour of _____.

Information Report

To: Chair and Members of Finance, Administration and Fire Committee
From: Fire Chief, Dennis Fisher
Date: March 17, 2014
Report: WLFD 04-14
Subject: Monthly Update – February 2014

The following are the fire calls for the month of February 2014

Station # 1 had 21 calls

Motor Vehicle Accidents –6
Medical – 7
Chimney Fire – 1
Vehicle Fire -3
Remote Alarm - 4

Station # 2 had 3 calls

Motor Vehicle Accident -2
Hydro Lines Arching – 1

Pelham had 3 calls

Medical -1
Chimney fire -1
Motor vehicle Accidents -1

1- Mutual aid call to Grimsby as per our Automatic Aid Agreement

New Recruits – 0

New Retirees - 0

Fire Department Activities:

1. Firefighters will be playing in the annual Haldimand Firefighters hockey tournament starting Thursday March 20th.

Prepared by:

Dennis Fisher, Fire Chief

DATE: March 17, 2014
REPORT NO: WLFD – 05-14
SUBJECT: **Superior Tanker Shuttle Accreditation**
CONTACT: Dennis Fisher – Fire Chief

OVERVIEW:

- **To inform members of Council that the Fire Service is researching the testing and documentation requirements to receiving the Superior Tanker Shuttle Accreditation for the Township of West Lincoln**
- **Fire Service staff will bring a Request for Decision Report to the April 22, 2014 Administration/Finance/ Fire Committee meeting.**

RECOMMENDATION:

1. That, report WLFD – 05-14 regarding “Superior Tanker Shuttle Accreditation”, dated March 17, 2014 be received for information and,
2. That a Request for Decision report will be presented at the April 22, 2014 Administration/Finance/ Fire Committee Meeting

ALIGNMENT TO STRATEGIC PLAN

- In reference to the Township’s Strategic Plan values, Fire Service’s is striving to provide a safe, caring and friendly community.

BACKGROUND:

Accredited Superior Tanker Shuttle Service is a recognized equivalency to hydrant protection. To be accredited, fire departments must commit to maintaining a high standard of organization, and practice delivering the service regularly. The fire department must be able to show through testing and documentation that it can continuously provide water supplies in excess of the minimum required hydranted Municipal - type water supplies.

To be recognized for the Accredited Superior Tanker Shuttle Service, the system of delivery of water supplies must be well design and well documented. The system of delivery must meet all of the requirements specified for Standard Tanker Shuttle Service.

Fire service staff are researching all the testing and documentation requirements to receive the Superior Tanker Shuttle Accreditation. Residential / Commercial properties in West Lincoln that fall within the specific requirements maybe be subject to a discount/ rebate on their property insurance.

FINANCIAL IMPLICATIONS

There will be financial implications in regards to the cost of the testing and fire-fighter wages for the testing part of the requirements. Fire Service staff will have the total financial implications in the report to be presented at the April Committee Meeting.

INTER-DEPARTMENTAL COMMENTS

None at this time.

CONCLUSION

Fire Service staff will be bringing a Request for Decision report to the April 22, 2014 Administration/Finance/Fire Committee meeting

Prepared by:

**Dennis Fisher
Fire Chief / CEMC**

DATE: March 17th, 2014

REPORT NO: RFD-PW-07-2014

SUBJECT: Shared Drainage Service Agreement

CONTACT: Brent Julian, C.Tech., rcji, Director of Public Works & Engineering,

OVERVIEW:

As part of Report PD-151-13, Shared Service Agreement Council approved a renewed agreement between the Towns of Wainfleet and Pelham. Council also directed Staff to report back with options for the 2015 year

- Staff have reviewed various options as provided below in this report
- The available options include the current shared agreement, use of a Drainage Consultant, and use of an in-house Drainage Superintendent with existing Staff
- Staffs find that considering the requirements involved as a Drainage Superintendent, the current shared agreement is the most cost effective solution
- Staff recommends continued service under the current agreement with the Township of Wainfleet for Drainage Superintendent Services, and that the current agreement is renewed for 2015.

RECOMMENDATION:

1. That, Report RFD PW-07-2014, re: Shared Drainage Service Agreement, dated March 17th, 2014 be received; and,
2. That, Staff recommends continued service under the current agreement with the Township of Wainfleet for Drainage Superintendent Services, and that the current agreement is renewed for 2015.

ALIGNMENT TO STRATEGIC PLAN

Key Actions (reference page 29):

3. Increase the vigilance required by the Township with respect to working in partnership and on behalf of farmers with the Niagara Peninsula Conservation Authority (NPCA) to ensure consistent application of regulations, which directly impact the ability of farmers to provide appropriate drainage for their farms.
4. Work in collaboration with neighbouring municipalities to advocate for application of consistent policies and practices from these bodies to support collective agricultural sectors.

BACKGROUND:

The Township of West Lincoln has historically had a shared Drainage Superintendent agreement with the Township of Wainfleet and the Town of Pelham. The previous agreement expired on December 31st, 2013. As part of Report PD-151-13, Shared Service Agreement, dated December 16th, 2013, Council approved a renewed agreement for the 2014 year which includes an automatic renewal for 2015, and would require a six (6) month written notice to opt-out of the renewal. As part of the same report, Council directed Staff to report back various options for consideration for the 2015 year.

CURRENT SITUATION:

Staff, have reviewed various options for consideration as provided below:

Option One:

Option One is to bring the Drainage Superintendent in-house using current Staff. In 2013, it was estimated that the current Drainage Superintendent was utilized by the Township for approximately 15 weeks of full time work.

A brief review of the position and duties of a Drainage Superintendent include the following:

- Field investigations of complaints and concerns
- Provide advice to landowners of drainage issues
- Provide review and comments on engineering reports
- Project administration, and construction inspection for new and existing municipal drains
- Reports to Council
- Aid landowners in the preparation of a municipal drainage petition
- Attend meetings with landowners, and the Engineer
- Assessments for works for new and existing drainage works
- Provide comment to the Court of Revision as required
- Testify before the Drainage Tribunal
- Call tenders for work
- Prepare a maintenance budget and the Drainage Superintendent's budget for submission to the Ministry
- Actively participate in the Drainage Superintendent's Association of Ontario

(A more complete list of the duties of the Drainage Superintendent, as per the Drainage Act of Ontario is provided in Appendix A of this report).

Use of an in-house Superintendent would most likely be through the Roads, Water and Wastewater Manager, or the Coordinator of Engineering. Appointing and utilizing current

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Staff will require sending Staff to the annual Superintendent Course in March. The Manager of Roads, Water and Wastewater has recently completed this course. However, both departments are very busy with current projects and administration duties, and overtime hours were well exceeded in 2013. Using an in-house option would likely decrease levels of service currently provided in either of these departments, as well as decreased levels of service provided under the current Drainage Superintendent arrangement. Based on the estimated number of weeks utilized in 2013, current Staff levels would therefore need to increase. Using a recent posting for a similar position with a rural Ontario community, full time staff would not be cost effective. The estimated salary for that position was between \$70,000 and \$80,000 annually, plus benefits.

Option Two:

Option Two is to use a Drainage Consultant for the Township's Drainage Superintendent. This model is used by some smaller / rural municipalities. Most of the Drainage Consultants are located in south-western Ontario, with the closest being Brantford or Kitchener. Availability and costs are concerns due to the extensive travelling distances required. Staff did consult with the Consultant currently used for Township drains, Spriet and Associates. The estimated cost to appoint and use a Consultant as the Drainage Superintendent is approximately \$3000.00 per month, or \$36,000 per year, plus expenses such as mileage.

As most of the Consultants are from further distances, mileage and other costs could be significant using this option. Some of the costs may be offset by a grant received from the Ontario Ministry of Agriculture and Food, Ministry of Rural Affairs (OMAFRA), however, this exceeds costs incurred under the current cost-share arrangement. A decrease in the level of service may be experienced due to the distances involved to and from West Lincoln.

Option Three:

Option Three is to remain with the current cost-shared arrangement. The total cost to the Township under this agreement for the 2014 – 2015 fiscal year is \$33,800.00. This includes labour and benefits, and also includes other expenses such as mileage. A subsidy of \$15,000.00 from the Ontario Ministry of Agriculture and Food, Ministry of Rural Affairs (OMAFRA) is then applied for a net cost to the Township of 18,800.00.

The current agreement is for the 2014 year, and will automatically renew for the 2015 year, unless the Township of Wainfleet is gives written notice to opt out of the subsequent year at least six (6) months prior to December 31st, 2014.

The Township of Wainfleet has recently hired Mr. Brett Jackson to be the new Drainage Superintendent. Mr. Jackson has been working well under the current Superintendent, Mr. Wray Ramsay, and has successfully completed the Drainage Superintendent Course. Staff has found that Mr. Jackson is currently providing good service, and has demonstrated good

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management under the current reconstruction of the Haws Drain project.

Considering the amount of time required for various complaint investigations, Tribunal time, and other field work and construction, Staff believes continuing under this arrangement is the most cost effective option.

FINANCIAL IMPLICATIONS

Financial implications vary as outlined within the three provided options.

INTER-DEPARTMENTAL COMMENTS

N/A

CONCLUSION

In summary, Staff recommends continued service under the current agreement with the Township of Wainfleet for Drainage Superintendent Services, and that the current agreement is renewed for 2015.

Prepared and Submitted by:

Brent Julian, C. Tech., rcji
Director of Public Works & Engineering

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Appendix A

Duties of the Drainage Superintendent (Drainage Act of Ontario)

The following is a list of duties that a Superintendent may be requested to perform. Although not all Superintendents will be required to perform all of these duties, most will be required to perform many of these tasks.

1. To initiate and supervise the maintenance and repair of any drainage works in accordance with the current by-law.
2. To assist in the construction or improvement of any drainage works.
3. To report to council and to keep council informed on drainage matters.
4. To inspect and report to council on a regular basis the condition of each drainage works in the municipality.
5. As directed by council, remove any minor obstruction from any drainage works from time to time in accordance with Section 81 of the *Drainage Act*, costs are charged to the drain.
6. Advise landowners of approaches that they might take to solve their drainage problems.
7. Aid a person in drawing up a petition but should not circulate the petition.
8. Advise council on matters dealing with petitions being received.
9. Attend on-site meetings held by the engineer to provide assistance to all parties.
10. Review and comment on engineering reports received by council; attend meeting to consider report to advise council and affected ratepayers at the time of consideration of the report.
11. Provide comment to the Court of Revision, as required.
12. Advise the council and landowners of the procedures and appeal rights under the Act.
13. Call tenders for work and advise council on tenders.
14. Testify before Drainage Tribunal, as required.
15. Act as liaison between council, engineer, contractor, and landowner, during drain construction.
16. Visit site during drain construction, report progress to council, and check compliance with specifications.
17. Attend final inspection of drain construction, as required.
18. Inspect new drains for deficiencies and advise landowners of appeal rights on quality of construction prior to the end of the one-year period (Section 64), as required.
19. Investigate drainage concerns from landowners.
20. Investigate and report to council where council is notified that a drain is out of repair or has been placed on notice under Section 79.
21. Prepare a maintenance budget and Drainage Superintendent's budget for submission to the Ministry.

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22. Keep an accurate log of all activities.
23. Verify application for maintenance grant and Drainage Superintendent's employment grant.
24. Familiarize oneself with the drainage works within the municipality.
25. To be aware of special assistance programs for landowners and municipalities, relating to soil and water management.
26. To be aware of Ministry requirements affecting the Drainage Superintendent work.
27. To be aware of the best methods of repairing and maintaining drainage works in accordance with the Act and good construction practice.
28. Be prepared to comment on drainage matters relating to severances and subdivision.
29. Actively participate in the Drainage Superintendent's Association of Ontario.

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REPORT TO: Chair and Members of the Administration/Finance/Fire Committee
FROM: Donna DeFilippis, Treasurer/ Director of Finance
DATE: March 17, 2014
REPORT NO: RFD-T-04-14
SUBJECT: **2014 BUDGET**

OVERVIEW:

- Council received the 2014 Draft Operating and Capital budget for review on Friday, February 28, 2014
- General tax levy increase in draft budget – 2.19%
- Budget discussions were set for Monday, March 17, 2014 (and March 18, 2014, if needed)

RECOMMENDATION:

1. That, the Treasurer/ Director of Finance Report RFD-T-04-14, regarding the “2014 Budget”, dated March 17, 2014 be received; and,
2. That, the tax levy increase for general purposes be approved at *2.19%; and,
3. That the 2014 Capital Program, attached as **Schedule A** to this report, be approved; and,
4. That the 2014 projects proposed in the Five Year Capital Plans be approved and the balance of projects for the years 2015 to 2018, be approved in principle; and,
5. That, the Treasury Department be authorized to submit the 2014 Capital Roads and Bridges Projects to AMO as required under **Schedule C** of the Federal Gas Tax Revenue Program; and,
6. That staff be given direction to proceed with an Engineering Study estimated to cost \$40,000 which will determine the structural integrity of our existing arena, to be funded from _____
(Capital Reserve, Operating Fund or 2013 Surplus.)

* **NOTE:** Percentage amount will vary/alter based on any budget adjustments.

This report contains the following schedules as attachments:

- **Schedule A** Summary of 2014 Capital and Special Projects
- **Schedule B** Arena/Recreation Complex Financial Plan
- **Schedule C** Summary of Reserve Transfers
- **Schedule D** Summary of Reserves and Development Charges as at December 31, 2013
- **Schedule E** Summary of Items Referred to 2014 Budget

ALIGNMENT TO STRATEGIC PLAN:

The budget document is a key tool to guide municipal spending and allow for governance of tax and other revenues. Under the pillar of “Quality of Life”, this review of the 2014 Draft Operating and Capital Budgets fits into Strategic Objective #3 – Increase civic engagement and community involvement through good governance and leadership. The Finance Department has made it easier for the community to feel engaged in the budget process by enhancing the information provided on the Township website and allowing for on-line comments in order to reach a larger public audience and better use the technology we have available. The budget discussion meetings were advertised in the local paper on February 26th and March 5th, as well as on our website.

Communication of long-term financial strategies and goals to support sustainability is strategic goal #2 under the pillar of “Economic Prosperity & Tourism”. Providing five year capital plans for most of the major capital areas allows for Council, staff and the public to better understand and prepare for both the current and future needs of the Township.

BACKGROUND:

On January 20, 2014, the Administration/Finance/Fire Committee accepted report RFD-T-01-14 “2014 Budget Process and Schedule”. Two days have been set aside to deal with the 2014 Budget, being Monday, March 17, 2014 and Tuesday, March 18, 2014, if required. Departmental staff will be available to respond to questions regarding their budget requirements. It is important for Council to realize that every \$45,900 increase or decrease in the tax funded budget equates to a 1% general tax levy adjustment. The increase in the amount needed from the tax base does not directly relate to an increase in taxes on a residential home, but rather it is the increase in the overall tax levy required year over year.

Council has seen budget to actual amounts for 2013 (prior to finalization) at the February 18, 2014 Admin. Meeting, where RFD-T-03-14 was presented, which reflected the financial position to that date. There are still some outstanding invoices and adjusting entries to be made for 2013. Council will see the final 2013 results when they approve the draft financial statements later in the year, after completion of the year- end audit. If Members of Council have questions on actual results in the interim please contact the Treasurer.

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The 2014 draft budget document has been prepared to provide a variance-based budget. Summary sheets are found at the front of each department's detailed operating budget. The summary page shows the variance year over year and highlights sources of change and categorizes these into legislative, commitments, growth or inflationary adjustments. This also shows areas of mitigation and any deferred projects. The summary of variances **will not** always match to the exact dollar difference year over year, as the summary of variances by department is only meant to highlight key changes within the department's operating budget.

SCHEDULE B – ARENA AND FAIRGROUNDS SCENARIOS

Schedule B to this report is a summary of various scenarios that deal with the Arena and Fairgrounds Project. At the October 28, 2013 Council Meeting, staff were directed to prepare a Financial Plan for the Preferred Concept as detailed in the Fairgrounds Master Plan and Arena Feasibility Study. Staff has completed a financial plan for this project, and has outlined other options that are available to Council. **Schedule B** presents Council with four options that are available. Each of the scenarios has an element of debt issuance involved. The impact on the tax base would first occur in the 2015 budget year, as that would be the first year of debt re-payment. Staff is recommending that an engineering report on the structural soundness of the current arena be completed prior to committing to any of these scenarios. The result of this report would indicate if the current arena can be repaired, and if it is cost-effective to do so. The cost of this study, which is estimated to be \$40,000, could be funded through the Capital Reserve, or through 2014 surplus, with no impact on the tax base. Alternatively, it could be funded through the operating fund. If the \$40,000 study were to be funded through the operating fund, the 2014 tax levy increase would be 3.07% and the impact on an average assessed home would be \$17.11 in 2014. The 2014 draft budget **does not** currently include this cost.

SCHEDULE E – ITEMS REFERRED TO THE BUDGET

Schedule E to this report provides a summary of items that have been referred to the 2014 budget and their treatment in the draft 2014 budget as presented to Council.

CURRENT SITUATION:

This section of the report will highlight key differences or general information as it relates to the operations of the Township and items funded from operating revenues (including the general tax levy).

Municipal Tax Bill:

The municipal tax bill has three portions which need to be explained. The municipality collects taxes for themselves, the Niagara Region, and the School Boards. The Township

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has no control over the Region or School Board rates. Administration will bill, collect and then remit their portions to them. In 2013, the portion of the total tax billing related to the Township's budget was approximately 28%, the Regional portion was 55% and Education was 17%. The Region's 2014 budget was passed on December 13, 2013 and represented a 1.89% levy increase. This increase is estimated to have an impact of approximately \$35 on the average residential household with an assessed value of \$231,756 (Niagara-wide average). The effect on the average home in West Lincoln will be higher given our higher assessed values (see below). Staff is estimating that the impact to an average homeowner in West Lincoln to be approximately \$46.00. Only an estimate can be made at the present time as actual tax rates are not yet available.

The draft budget presented to Council proposes a municipal tax levy increase of 2.19% which is an increase in net tax revenue requirements of \$100,796 year over year (see budget summary page 4). This equates to an estimated annual increase of approximately \$9.11 for an average assessed home (not including the urban service area charges for sidewalk and streetlights). In 2013, the average home in the urban area paid \$77.80 for streetlight and sidewalk services. In 2014, this amount is suggested to decrease by \$1.00 to \$76.80. Any changes to the urban sidewalk or urban streetlight budgets will alter this amount.

West Lincoln's average assessed value for a residential property for 2014 is \$294,488 versus the 2013 amount of \$286,060. As such, calculations for 2014 will reflect the new assessed values to keep the comparisons consistent. For such a home in 2013, the Township general taxes would have been \$958.46. The same home with the new average assessed value would see municipal taxes of \$967.57 in 2014 with the current proposed levy increase.

Given that reassessments occur across the tax classes and that the general levy is charged to all classes, it should be noted that a 1.22% increase or the first \$56,100 in increase to the general tax levied amount has no net effect on the average **residential** tax bill. The increase in levy above \$56,100 equates to approximately a \$2 increase in taxes required by the average assessed home per \$10,000 increase in the amount levied. This information should assist Council in understanding the estimated effects of the draft budget as presented and alternatively how adjustments to the amount needed from the tax base impacts the average residence.

General Fund Implications:

The following section highlights some specific items and departmental operations for your review. Department changes discussed below reflect the variance analysis summaries. A review of capital items is contained in a further section of this report, following the operations review.

- **LABOUR COSTS/OMERS/BENEFITS:**

There is no change in **OMERS** contribution rates for 2014. **Group Benefits** costs

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are projected to increase by 10% on renewal later in 2014. The dollar value of this increase is approximately \$22,700. The union contract indicates a 2% increase to **wages** that takes effect on April 1, 2014. The total impact of this increase is approximately \$64,000. This salary increase has an additional impact to group benefits as certain benefits, such as LIFE and LTD are tied to salary.

- HYDRO/INSURANCE/NATURAL GAS:

Insurance premiums are expected to rise by 6% over the 2013 rates. Compared to the 2013 budget, the increase is only \$3,400, since the 2013 actual premiums paid were less than the 2013 budgeted amount. **Hydro** costs are anticipated to rise by approximately 10%, equating to an additional \$17,100 in the annual expense. We have also budgeted for a 10% increase in **natural gas** rates. This equates to a modest increase of only \$200, as 2013 budgeted amounts were not as high as 2013 actual results. Increases to utilities are based on prior year actual values, not budgeted values.

- ONTARIO MUNICIPAL PARTNERSHIP FUND (OMPF):

The Township's allocation from the Ontario Municipal Partnership Fund (OMPF) was reduced by \$230,800 in 2010. In 2011, the Township's allocation was reduced by an additional \$92,300. For 2012, the transitional portion of OMPF funding was completely eliminated with a further reduction in the amount of \$76,300. For 2013, the grant was further reduced by \$75,400 (an additional 10% reduction). In 2014, the OMPF for our Township has increased by \$42,300. This increase is the result of a new component to the funding – the Northern and Rural Fiscal Circumstances Grant. This portion of the funding equated to \$53,500 of the total grant. This is shown on page 5 under the heading Support Grants – Municipal Support.

- PRIOR YEAR SURPLUS:

As part of the 2014 budget process, all revenue sources were reviewed. A detailed analysis of prior year surpluses was conducted, and it was determined that \$713,000 in prior year surpluses have yet to be allocated. The following surpluses are being brought into the 2014 budget:

2010	\$	27, 800
2009	\$	415, 500
2008	\$	17,000
2007	\$	247,000
2006	\$	<u>5,700</u>
Total	\$	<u>713,000</u>

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The 2014 budget is suggesting that the \$713,000 be used to fund the following items:

1. The contract planner position which is part of the Planning Operating Budget, \$62,000.
2. Corporate Projects totalling \$148,000 (see page 9 of the budget book). These are one-time projects as follows:

• Downtown Smithville Urban Design Manual	\$20,000
• Places to Grow- Amendment 2	\$25,000
• Property in Tax Arrears	\$25,000
• Library Operational, Organizational & Service Level Review	\$40,000
• Establishment of Economic Dev. Strategy	\$30,000
• Development Charge Study	\$ 8,000

3. Transfers to Reserves totalling \$503,000 (see page 9 of the budget book).

The 2013 budget included the use of the 2011 surplus, which totalled \$360,026. The 2012 surplus was discussed at the September 16, 2013 Admin. Meeting, under report RFD-T-18-13 which approved the transfer of \$702,200 into reserves.

- CHANGES TO TAX AND INTEREST REVENUE:

In addition to the proposed average general tax rate increase of 2.19%, the Township will benefit from more tax revenues as a result of actual growth (not related to reassessments). The estimate of this additional tax revenue is \$102,900 which equates to about a 2.24% growth factor.

Penalties and Interest on taxes are hard to predict; however, using averages and recent penalty runs, we can assume that this will remain consistent at around \$350,000. Treasury staff plans to begin the tax registration process on several properties in 2014. The tax sale process often prompts payment of large amounts, which will reduce outstanding balances. Interest and penalties are collected on the entire amount owing which may include Region and School Board balances, as the Township must pay both the Region and Education amounts on specified dates whether we've received payment or not.

We are projecting a decrease in investment income of \$10,000. This results from the continued trend in low interest rates that are earned on investments. Many of the Township's investments that were earning higher rates of interest have become due and renewal rates are not as high. The Township does not include dividend income in its annual budget, as the amount is not guaranteed and is difficult to estimate.

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- OTHER REVENUES

We are not projecting any significant changes in other revenue streams that the Township collects. Rents and Concession revenue will be lower in 2014 as a result of a reduction in the Ministry of Environment (MOE) rental lands.

- CONTRIBUTIONS TO RESERVES:

Contributions to Reserves are listed on page 9 under General Expenditures. The \$503,000 total contribution to reserve is funded through prior year surplus. We are proposing the creation of a new reserve that would ensure that funds are available for any Capital needs that are required to ensure adherence to Accessibility policies and legislation. An example would be the retro-fitting of a work station for an employee. The 2014 budget suggests that \$30,000 be transferred into this new reserve. The 2014 budget also recommends a contribution to the Contingency Reserve of \$132,000. This amount attempts to replenish the reserve for items charged to it throughout 2013 in addition to providing ample funds to offset 2014 OMB costs. The budget is also suggesting a transfer to the Winter Reserve in anticipation that the current reserve may have to be drawn on in 2014 if severe winter weather conditions continue. Finally, \$291,000 is being transferred into the Capital Reserve. The 2014 budget is drawing down \$316,500 from the Capital Reserve, so it would be prudent to transfer funds into this same reserve.

Attached as **Schedule C** to this report is a summary of Transfers To and From Reserves as presented in the 2014 draft budget. Overall, this budget includes a net draw-down in reserves totalling \$282,050. **Schedule D** provides Council with a summary of estimated reserves as of December 31, 2013. This was previously presented to Council at the February 18th, 2014 Administrative Committee meeting.

- LIBRARY BOARD

The draft 2014 budget is projecting a contribution to the West Lincoln Public Library of \$307,800 (see pages 16-19). In general, the Library receives a small amount of funding in provincial grants and the remainder is a municipal contribution. Library accounting, IT services and facilities maintenance are provided through the Township and no allocations are made in the Library budget for these costs. In 2013, a Job Class Evaluation Study was completed for Library Staff. The 2014 draft budget reflects year one of the three year implementation plan outlined in that study that was presented to Council in October 2013. The resulting increase to salary and benefits totalling \$31,900 has been mitigated by a reduction to the Transfer to the Library Reserve by \$25,000 and a reduction in total staffing hours, resulting in a \$9,600 savings.

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- MAYOR/COUNCIL:
No significant changes (pg. 20-21).
- CORPORATE SERVICES/FINANCE:
This area is proposing a 3% increase (see page 22). The 10% anticipated increase in Group Benefit Premiums has resulted in a \$12,000 additional expense within the corporate services budget.

A significant increase of \$27,000 has been made to the legal budget, as a result of reviewing actual legal bills paid in 2013. Also, an anticipated increase to postage rates has resulted in a \$6,000 increase to this budget line.

An amount of \$10,000 is included towards funding for a future Ward Boundary Review which had its first \$10,000 allocation made within the 2013 budget. Also included in this budget is a continued commitment of \$5,000 towards Records Management.

The Information Technology Budget includes funds allocated for two large projects for 2014:

- A GIS Software solution which will be used by almost all departments within the Township. The budget is set at \$35,000, to be funded through Information Technology Reserve Fund.
- The Server Room Relocation with a budget of \$100,000 to be funded from the Capital Reserve. This is a crucial project which will ensure the safety and reliability of our data. This plan also includes the provision for a back-up generator, which will ensure the server does not stop working in the event of a power outage. The generator will also be able to provide back-up power to the Township Offices.
- CORPORATE SPONSORSHIPS:
The Corporate Sponsorship allocation is set by Council and is used for Community Groups based on applications for funding. This line item is found within the Finance budget on page 24. Notice of the program and requests for applications were advertised in the local paper in February 2014, and prior year recipients received reminder letters. In addition, our website has a Quick Link - 2014 Corporate Sponsorship Grant, which contains the policy and application. The application deadline is February 28th, 2014. A date will be set in the near future for a meeting with the Review Committee to discuss and evaluate the submissions, as per policy guidelines. A recommendation report will come back to Council after this review of requests. The 2013 budget was \$12,500 and has been maintained in the 2014 draft budget at this same amount.

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- CEMETERY:

There is no change to the Cemetery Operating Budget for 2014. The department is requesting the purchase of cemetery management software and field laptop. These purchases will be funded through the Cemetery Reserve.

- FIRE:

The Fire Department budget is increasing by 6%. Fire operating budgets are found on pages 37-39. The main contributing factor to this increase is an additional \$36,600 contribution to the Fire Reserve over the 2013 budget. This amount is required in order to ensure that there are sufficient funds in the Fire Reserve for future capital purchases.

The Fire Department has started the required payback to Reserves relating to the internal borrowing required to build the new Fire Headquarters (see bottom of page 38). The Fire Hall construction costs are to be paid back over three years starting in 2012; whereas, the land purchase is a ten year payback as approved by Council in prior years. 2014 is the final year for the payback for the construction costs (\$132,800). We are in the 3rd year of the 10 year payback for the land purchase. Once the construction costs have been paid back, a portion of the annual allocation may be directed to an annual payment to the YMCA for the commitment to the construction of the West Niagara Building. At the June 21, 2010 Administrative meeting, Item A58-10 was received and supported which indicated that a capital contribution of \$420,000 to the YMCA will be paid over a five-year period in equal instalments commencing on a date which is to be established by the municipality.

- BUILDING DEPARTMENT:

Council is reminded that Building Department revenues can only be used to cover the direct and indirect costs of the Building Department as the department is to be self-funded. The Building Department is responsible for their own capital needs and department surpluses are transferred to the Building Revenues reserve for future use. The budget status report for Building indicates that revenues for 2013 have exceeded the budget and the department is expected to have a surplus of approximately \$85,000 as of February 18, 2014. The final surplus transferred to the reserve may vary slightly due to 2013 year end entries. The Building Department has no effect on the operating budget as long as revenues match expenses or the building reserve covers the differences. The Building Department is projecting a slight transfer to reserves of \$2,250, which is an improvement from the 2013 budget where a transfer from reserves was anticipated. The Director of Planning has reviewed staff time spent on building and property standard issues and adjustments have been made to staff allocations. The most significant change is that a portion of the Planning Technician salary is being allocated to the Building Department.

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This has resulted in an increase to Building Department salaries and a decrease to Planning Department salaries. The total of that adjustment is approximately \$17,000.

The Septic, Property Standards and By-law Enforcement budget line has decreased by \$10,000 as a result of the review of the allocation of staff time between building and property inspection. This review has resulted in a decrease in salaries charged to property standard inspection of approximately \$7,000.

Both the Building and Property Standards legal accounts have had their budgets increased, for a total of \$10,500 as a result of historical results.

- PLANNING DEPARTMENT:

Included in the Planning Department budget is the contract Planner position which is shown in Labour and offset from a prior year surplus which was brought into this department's revenue. As discussed under the Building Department above, a transfer of salary costs has been made from Planning to Building of approximately \$17,000 to reflect staff time allocation. OMB Defence costs have been increased, and will be funded from the Contingency Reserve. OMB defence costs will be monitored throughout the year and the Director of Planning and Building will report back to Council periodically.

Planning Department revenues are projected to increase by approximately \$22,800. This is as a result of an anticipated increase in development, as well as an increase in Planning Department fees. The Director of Planning will be bringing a report to Council in April providing for a new fee schedule to be effective June 1, 2014.

- CIDB:

The Commercial/Industrial Development Board budget has been set to zero for 2014 (page 49-50). This budget has traditionally been set at \$6,500. However, the funds are often unspent. Staff has set this budget at zero for 2014 as there are no plans on spending in this area.

- RECREATION AND ARENA:

The Recreation Department has increased its budget by 5% as outlined on pages 51-52. There is a projected decrease in Recreational Program Revenue and Field Rental Revenue totalling \$4,500. This loss in revenue has been mitigated by a decrease in the budget for recreation program staffing. The budget for the Township's Canada Day tent at Poultryfest has been transferred to the Recreation Operating Budget. In the past, it was funded as a transfer to the Recreation Reserve. This transfer has no impact on the budget from 2013 to 2014; it is just a

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change in presentation. The Music in the Park program will require a larger contribution from the Township (\$4,400 as indicated on page 51). This is the result of an increase in the operating costs in order to have funds available for professional sound services. In addition, the level of sponsorship has been budgeted to decrease. Recreation staff has found it difficult to obtain sponsorship for this event due to other events occurring at the same time (hanging basket program and Poultryfest.)

Hall Board Grants in the amount of \$4,900 are also contained within this budget. The Hall Board's applications for funding will be reviewed and brought forward by the Director of Public Works at a later date.

The Arena operating budget is increasing by 12%. The main contributing factor is the anticipated decrease in arena revenues totalling \$27,900. Both Minor Hockey rental revenue and Other Hockey rental revenue are budgeted to decrease in 2014 as compared to the 2013 budget. The anticipated 2014 rental revenues are more in line with the actual 2013 results.

On page 54, we are now showing the \$5 portion of arena rental that is transferred to reserve on its own, as "Contribution to Arena Building Fund", with a budget of \$9,200. The offsetting transfer to reserve is also in this budget. The net impact on the budget is zero, but it gives Council an idea of the projected collection and transfer to reserve. Also, we have budgeted for a new line item, Arena Sign Rental of \$3,000. A new electronic sign at the Arena has now been installed, and staff is anticipating that there will be an increase in the demand for its use. Public Works will be bringing a future report to Council with planned fees. All funds collected have been budgeted to be transferred to the Facility Reserve, to assist in funding any future repairs or maintenance necessary for all of the Township's new signs.

- ROADS ADMINISTRATION & MAINTENANCE:

These budgets are found on pages 55-58. The \$10,800 increase in salaries for Roads Administration is the result of both salary commitments, as well as a decrease in the anticipated Recovery Billed to Others. This amount reflects cost recovery of the Public Work Engineers' time as it relates to his or her review of development plans, where the service is chargeable. The Material budget for Roads Maintenance (page 57) has been increased from 2013 by \$23,500. During the 2013 budget process, this budget was reduced by \$136,100. In reviewing the detailed items that will be required in 2014 in order to maintain the roads in an acceptable state, an increase has deemed to be necessary. The overall material budget still reflects a reduction of \$111,000 from the 2012 amount.

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- WINTER CONTROL:

This budget is found on pages 59-60. The labour costs in Winter Control are based on estimates of the portion of staff's time that will be spent in a year on this area (winter events). The annual labour costs are split between Roads Maintenance, Winter Control and Sidewalks, based on prior years' experience. Therefore, an overage that might occur in labour in one area should be offset by a decrease in the other areas. This budget and the corresponding actual charges are dependent on the number of snow events in a given year. In recent years, a reserve was re-established to help offset costs if the Township should experience a year with significant snowfalls. This Winter Control reserve now has a balance of \$125,000. The first two months of 2014 have seen a larger amount of snow and severe winter conditions than have taken place over the past few years. It is too early in 2014 to determine if the budget will be exceeded. This 2014 budget has suggested that the Winter Control Reserve have an additional \$50,000 allocation (see page 9). This would be funded through prior year surplus.

- FACILITIES:

The Facilities budget is outlined on pages 70-85. This budget includes the cost of both the on-going maintenance of Township Facilities, as well as Capital Improvements related to the Facilities. The line Transfer to Capital of \$111,000 on page 70 represents the Capital Improvements that are being funded through the operating fund. The Facilities Maintenance account has been reduced by \$5,000 which represents the cost related to installing and dismantling the Christmas lights. This cost is now included as part of the \$28,000 annual light rental cost.

The Facilities 5 Year Capital Plan is found on page 71. The following amounts are funded through the Operating Fund:

Caistor Fire Hall Roof Repair	\$40,000
Public Works Operation Centre Roof Repair	\$26,000
Abingdon Park dugout repair	\$ 4,000 (total cost \$8,000)
Abingdon Park food booth upgrades	\$ 4,000
Ball Diamond Drainage Upgrades	\$ 5,000
Public Works Operation Centre Lights	\$ 1,000 (total cost \$5,000)
Energy Management Plan	\$ 3,000
Christmas Decor Rental Program	<u>\$28,000</u>
Total	<u>\$111,000</u>

Other Significant Capital items included in the 2014 Facilities Budget include a new Playground Structure at the Wellandport Park, the demolition of the Vaughan Road former Public Works Building and the Completion of the South Creek Trail.

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- WATER/SEWER RATES:

The water and sewer budgets are draft and based on new 2014 Regional costs and the Township Water and Sewer department's projected expenditures. The Treasurer will be reviewing the current rates and the anticipated consumption to determine both the fixed and variable rates required to cover expenditure needs and contribution to reserves to reflect capital replacement needs. The last Water and Sewer rate changes approved by Council were effective April 1, 2011. Those rates have been in effect for the past three years. The Treasurer needs to conduct an extensive review of where rates need to be, especially in light of unanticipated capital projects (Canborough Street). It is anticipated that rates will be set in April, with the new rates being effective for the September 2014 water bills. . At that time, these budgets may be amended slightly to reflect actual funding through the revenue streams both fixed and variable. There will be no change to the tax base, as Water/Sewer is funded through user rates

Urban Service Area (USA) Implications:

Urban Service Area tax levies are paid for by ratepayers within the Smithville Urban area only. This is reflected in the summary on page 4 of the draft budget book. The cost of providing street lighting and sidewalks in the urban are for 2013 and 2014 is as follows:

	2013	2014
<u>Street Lights</u>		
Street Light Requirement	<u>74,800</u>	<u>72,200</u>
<u>Sidewalks</u>		
Sidewalks Requirement	<u>77,100</u>	<u>82,700</u>
Total Net Urban Service Budget	<u>151,900</u>	<u>154,900</u>

Expenditures for the urban service area (USA) are higher by \$3,000. If we equate these charges to a property with an average assessed value of \$294,488 (as discussed earlier in report); the charge for USA tax increases from \$77.80 (2013) to \$76.80(2014) which equates to a \$1.00 decrease.

Capital Program (Schedule A):

The 2014 Capital Program has been summarized in Schedule "A" which is attached to this report. All funding sources have been outlined in this schedule. Detailed five year plans are included in the draft budget book under the relevant sections (page numbers indicated in parentheses): Fire (40), Roads (62-63), Bridges (65), Facilities (71), Sidewalks (90), Equipment (94), Storm Sewers budget (104), Sewers (117), and Water (123). In accepting this 2014 budget, Council is approving the 2014 expenditures and the balance of projects for 2015-2018 are approved in principle, but subject to final approval in later budgets.

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Corporate Expenditure/Projects:

There are six projects in this category which can be found in the summary section on page 9 and in detail sheets on pages 10-15. These projects represent a net funding requirement of \$148,000 to be funded through prior year surpluses.

Corporate Services:

Within Corporate Services is an amount of \$5,000 for the Clerks Records Management project which was initiated in 2011 with a \$20,000 budget contribution and an additional \$5,000 in 2012 and 2013 (pg. 30). Another project from the Clerks Department is the "Ward Boundary Review" which was first funded in 2013, with another \$10,000 planned in 2014 and 2015 (pg. 31).

Information Technology:

The Corporate Services budget on page 23 includes \$190,000 for information technology within the Township. Two of the 2014 projects requested (GIS and Server Room Relocation) in the amount of \$135,000 are to be funded from reserves and are summarized on pages (28-29). The remaining portion of the \$190,000 is \$55,000 which will be used to cover the costs of all required hardware replacements/upgrades and software licensing; as well as, anti-spam and other protective measures (pg 26 & 27). The impact on operating after Reserve funding is a \$17,000 decrease.

Cemetery:

See pages 34-36 for the three Capital projects requested by the Cemetery Department. The project at Heaslip Cemetery is funded through the operating fund. The cemetery management system and field laptop will be funded through the Cemetery Reserve.

Fire Department:

The Five Year Capital Plan for Fire is found on page 40. Capital projects within the Fire Department are mostly funded through the Fire Reserve. These projects have no effect on the 2014 operating budget. There is \$13,000 for capital equipment funded through operations (Fire Station 1- \$8,000) and Fire Station 2- \$5,000) - this amount is the same for 2014 as it was in 2013.

In order to ensure that adequate funding is available in the Fire Reserve for future capital expenditures, a contribution of \$100,000 is included in the 2014 budget. For the years 2015 to 2019, the planned contribution to the Fire Reserve is \$183,900. This will be possible as the commitment to pay off the internal borrowing that was necessary to build the fire hall, which was \$132,800 for three years, will be completed in 2014.

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Roads and Bridge Construction:

Roads Construction projects are outlined on pages 61-64. The Single Surface Treatment program that commenced in 2013 will continue in 2014, and is funded using Gas Tax Revenue. Also included in the Roads budget is \$135,000 for a Roads Needs Study, funded from the Capital Reserve. At the time the Asset Management Plan was presented to Council in December, 2013, it was recommended that a Roads Needs Study be completed to determine the actual condition of the Township roads. The Asset Management Plan currently bases replacement dates on Road Age, which is not the best indicator of road condition. The Roads Needs Study will assess the condition of all Township roads and will provide staff with more accurate data that will be used to determine the scheduling of road work.

Bridge Construction is detailed on pages 65-68. Bridge #12 on South Grimsby Road 6 is due to be replaced; however the project has been **deferred** at this time. The total anticipated cost of this Bridge Replacement is \$850,000. This bridge will continue to have load restrictions in place until the funds are in place to replace this bridge. Staff is hopeful that Provincial or Federal Grants may be available to assist with the completion of this project.

A major source of funding for roads and bridges is the Provincial Gas Tax Fund. The Township currently receives approximately \$400,000 per year through Gas Tax to fund roads and bridges capital projects. For the past several years, Roads and Bridges capital work has been funded through gas tax and other grants with no real municipal tax impact. Given that grant opportunities are not as prevalent for these large projects in the current economic climate, Council must recognize that funding for these projects will be a challenge in the future and could result in tax impacts.

Northridge Drive Project:

Northridge Drive is located in one of the older subdivisions in the urban area. It has had considerably high maintenance requirements, including four water main repairs in the past two years. The total estimated cost of this project is \$1,199,000 which will include Road, Water, Sanitary Sewer and Storm Sewer replacement. The details sheets are found at pages 110 to 114. Funding for this project includes internal borrowing from the Capital Reserve of \$504,000. The reserve will be paid back from tax/operating revenue at a rate of \$56,000 a year, with the first payment in 2015. Part of the 2014 funding also includes \$56,000 funding from Operations. The balance of the financing will be from the Sewer Reserve and Gas Tax.

Sidewalks:

The five year capital program for Sidewalks can be found on page 90. The only project slated for 2014 is the reconstruction of a portion of the Station Street sidewalk.

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Equipment:

The budget for equipment repair and replacement is provided on page 93 and the Five Year Capital Plan follows on page 94. The total cost for equipment in the public works operating section includes an amount \$207,900 to offset future capital replacements and an amount of \$446,300 for current year operating costs. This total equipment cost of \$654,200 is charged through an allocation back across the corporation and indicated within departmental budgets as Equipment expenses. The \$215,000 for the 2014 Capital Equipment Program will be funded mainly from the Equipment Reserve. A portion of the Field Top Dresser will be financed through Development Charges.

The funding to the Equipment Reserve may need to be increased in future years as it is currently based on equipment depreciation values versus future replacement costs. Also, newer and more advanced equipment may be required with future growth. Any future increase to the Equipment Reserve contribution will have to be funded through taxes.

Storm Sewer:

The five year capital plan for Storm Sewers can be found on page 104. The operating commitment for 2014 is \$62,500. The largest project in this area is the installation of a fence around the Station Meadows, Phase 1 storm pond.

Wastewater/Water:

The Five Year Capital Plan for Wastewater is found on page 117 and shows one project to be funded by the Sewer Reserve (pg. 118). The Five Year Capital Plan for Water is found on page 123. It should be noted that Northridge Road rebuild includes Wastewater and Water upgrades as well.

The Facilities capital plans were discussed earlier in the operating section of this report on pages 11 and 12 due to the link in funding from the operating fund.

FINANCIAL IMPLICATIONS:

The Budget is the guiding financial management tool for the year 2014. It sets departmental spending and revenue guidelines; additionally, budget status is reported back to Council to convey financial results. The 2014 proposed Draft budget reflects a 2.19% general tax levy increase which equates to an approximate increase in municipal property taxes to the average residential homeowner of \$9.11.

INTER-DEPARTMENTAL COMMENTS:

Department Heads have all been involved in the creation of their own budget documents. Department heads worked with their staff to send in initial budget plans which have undergone some change through meetings with the Treasurer and CAO to get to the final draft document as presented to council.

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CONCLUSION:

It is concluded that the 2014 Budget be approved as presented.

Prepared by:

**Donna DeFilippis, CPA CA
Treasurer/Director of Finance**

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SCHEDULE "A"
Township of West Lincoln
2014
Capital and Special Projects

	<u>Gross Cost</u>	<u>Revenue Fund</u>	<u>Reserves</u>	<u>Gas Tax</u>	<u>DCA/Cash in Lieu</u>	<u>Other Grants</u>
Corporate Expenditures	148,000	148,000				
Corporate Services	211,000	76,000	135,000			
Cemetery	13,000	5,000	8,000			
Fire	84,000	13,000	71,000			
Roads Construction	339,250		135,000	204,250		
Bridge Construction	135,000	20,000	115,000			
Capital Facilities	346,700	111,000	93,700		67,000	75,000
Sidewalks	60,000	20,000	26,100		13,900	
Equipment	215,000		206,900		8,100	
Storm Sewer	84,000	62,500	21,500			
Northridge Drive	1,199,000	56,000	604,000	539,000		
Sewers	15,000		15,000			
Waterworks	-		-			
TOTAL CAPITAL	2,849,950	511,500	1,431,200	743,250	89,000	75,000

SCHEDULE "B"
ARENA/RECREATION COMPLEX FINANCIAL PLAN

Assumptions:

In calculating the impact on taxes, an average assessed home of \$294,488 is used. Comparison in dollar amount is to the 2013 base.

Scenario #1	Estimated Costs as indicated in Monteith Brown Planning Report	Available Development Charges	Available Reserves	Amount to be Financed	Term of Debt	Est. Rate of Interest	Annual Repayment	Estimated Additional Operating Costs	Estimated Increase in Taxes
Construction of a Multi-Purpose Recreational Center, along with construction of a skateboard facility and splash pad facility, as outlined in the Report presented to Council on October 21, 2013									
Arena/Community Centre	\$ 12,696,000.00	\$ 1,070,100.00	\$ 110,900.00	\$ 11,515,000.00					
Skateboard Facility	\$ 350,000.00	\$ 69,660.00	\$	\$ 280,340.00					
Splash pad Facility	\$ 150,000.00	\$ 69,660.00	\$ 10,595.00	\$ 69,745.00					
Total	\$ 13,196,000.00	\$ 1,209,420.00	\$ 121,495.00	\$ 11,865,085.00	30 years	4.00%	\$ 690,400.00	\$ 187,000.00	\$ 189.00

Scenario#2	Estimated Costs	Contribution from Developer for Compressor	Available Reserves	Amount to be Financed	Term of Debt	Est. Rate of Interest	Annual Repayment	Estimated Additional Operating Costs	Estimated Increase in Taxes
Repair of Existing Arena. Total Estimated Costs for following works: New Floor/Brine, new stand heaters, roof repairs, accessibility upgrades (including elevator) and new compressor									
	\$ 1,530,000.00	\$ 50,000.00	\$ 110,900.00	\$ 1,369,100.00	10 years	3.00%	\$ 160,400.00	\$ -	\$ 32.00

Scenario#3 and #4	Estimated Costs	Contribution from Developer for Compressor	Available Reserves	Amount to be Financed	Term of Debt	Est. Rate of Interest	Annual Repayment	Estimated Additional Operating Costs	Estimated Increase in Taxes
Repair of Existing Arena and Additional Upgrades to Outer Façade. Total Estimated Costs for all upgrades listed in Scenario #2, as well as upgrading the outside façade of existing arena, lobby improvements and new roof.									
Scenario #3 - 10 year debenture	\$ 5,000,000.00	\$ 50,000.00	\$ 110,900.00	\$ 4,839,100.00	10 years	3.00%	\$ 582,500.00	\$ -	\$ 118.00
Scenario #4 - 30 year debenture					30 years	4.00%	\$ 287,700.00	\$ -	\$ 58.00

Impact of Three Scenario's on Tax Base:

	Estimated Increase in Taxes	
Scenario #1 Multi Purpose Recreational Center	\$ 189.00	will continue for 30 years
Scenario #2 Repair Existing Arena	\$ 32.00	will continue for 10 years
Scenario #3 Repair and Enhance Existing Arena - 10 year debenture	\$ 118.00	will continue for 10 years
Scenario #4 Repair and Enhance Existing Arena - 30 year debenture	\$ 58.00	will continue for 30 years

Staff is recommending that Council give direction to have an engineering study conducted to determine the structural integrity of the current arena. This Study will provide information as to the current state of the arena and whether or not it is feasible to repair or retrofit the current facility. The cost of such a study has been estimated at \$40,000. This **\$40,000 has not been included in the 2014 budget.** If Council approves this study there are different funding options available:

- 1) Operating Fund - The tax levy increase would change from 2.19% to 3.07%. Impact on average assessed home would change from \$9.11 to \$17.11
- 2) Capital Reserve - No impact on tax levy
- 3) 2013 Surplus - No impact on tax levy

The amount to be financed for the splash/pad and skateboard park are currently estimated at approximately \$350,000. If this amount were funded through the operating fund the increase in taxes for one year would be approximately \$70.00.

SCHEDULE "C"
TOWNSHIP OF WEST LINCOLN
2014 BUDGET
SUMMARY OF RESERVE TRANSFERS

RFD-T-04-14
SCHEDULE C

2014 Summary of Reserve Transfers

	Transfer to (from)	PAGE #
	Reserve	
Contribution to Capital Reserve	\$ 291,000	9
Contribution to Contingency Reserve	\$ 132,000	9
Contribution to Winter Control Reserve	\$ 50,000	9
Contribution to New Reserve_Accessibility	\$ 30,000	9
Contribution to Library Reserve	\$ 25,000	18
Transfer from Technology Reserve	\$ (35,000)	23 GIS System
Transfer from Capital Reserve	\$ (100,000)	23 New Server Room
Contribution to Election Reserve	\$ 10,000	24
Provision for Cemetery Reserve	\$ 2,000	33
Transfer from Cemetery Reserve	\$ (6,000)	34 Cemetery Software
Transfer from Cemetery Reserve	\$ (2,000)	35 Cemetery Laptop
Transfer to Fire Reserve	\$ 100,000	38
Payback to Industrial Park Reserve	\$ 132,800	38 Fire Hall
Payback to Industrial Park Reserve	\$ 18,600	38 Land Purchase
Transfer from Fire Reserve	\$ (16,000)	41 10 sets of bunker gear
Transfer from Fire Reserve	\$ (55,000)	42 Self-Contained Breathing Apparatus Replacement
Contribution to Building Reserve	\$ 2,250	44
Transfer from Contingency Reserve	\$ (33,800)	48 OMB Defense
Transfer to Facility Reserve	\$ 3,000	54
Transfer to Arena Building Fund	\$ 9,200	54
Transfer from Capital Reserve	\$ (135,000)	64 Road Needs Study
Transfer from Bridge Reserve	\$ (55,000)	68 Guard Rail Replacements
Transfer from Capital Reserve	\$ (60,000)	68 Guard Rail Replacements
Transfer from Contingency Reserve	\$ (50,000)	83 Ice House Demolition
Transfer from Facility Reserve	\$ (25,000)	82 South Creek Trail
Transfer from Facility Reserve	\$ (18,700)	71 Various Facilities
Contribution to Urban Street Light Reserve	\$ 2,000	87
Transfer from Sidewalk Reserve	\$ (26,100)	90 Station Street
Contribution to Equipment Reserve	\$ 207,900	93
Transfer from Equipment Reserve	\$ (30,000)	95 Pick-up Truck Replacement
Transfer from Equipment Reserve	\$ (30,000)	95 Pick-up Truck Replacement
Transfer from Equipment Reserve	\$ (30,000)	96 Jeep Liberty Replacement
Transfer from Equipment Reserve	\$ (40,000)	97 Van for Water Department Replacement
Transfer from Equipment Reserve	\$ (60,000)	98 One-Ton Replacement
Transfer from Equipment Reserve	\$ (6,900)	99 Field Top Dresser
Transfer from Equipment Reserve	\$ (5,000)	100 Misc. Rec. Equipment
Transfer from Equipment Reserve	\$ (5,000)	101 Misc. PW Equipment
Transfer from Capital Reserve	\$ (21,500)	107 Station Meadows Storm Pond Fence
Contribution to Industrial Park Reserve	\$ 91,100	109 Canborough Street Payback
Transfer from Capital Reserve	\$ (504,000)	110 Northridge Drive Project- internal borrowing
Transfer from Sewer Reserve	\$ (100,000)	110 Northridge Drive Project
Transfer to Sewer Reserve	\$ 46,300	116 Estimated
Transfer from Sewer Reserve	\$ (15,000)	118 Morgan Street
Transfer to Water Reserve	\$ 29,800	121 Estimated
Total Transfer (from) to Reserve	\$ (282,050)	

		<u>2013 Comparitor</u>
Total Transfer from Reserve	\$ (1,465,000)	\$ (2,085,750.00)
Total Transfer to Reserve	\$ 1,182,950	\$ 908,600.00
		<u>\$ (1,177,150.00) Total Transfer from Reserve</u>

TOWNSHIP OF WEST LINCOLN
 SUMMARY OF RESERVES AND DEVELOPMENT CHARGES
 AS AT DECEMBER 31, 2013

RESERVES

	December 31, 2013	Committed Funds	Uncommitted Funds	Receivable/(Payable) to Reserves
Working Funds	\$ 363,159	\$ -	\$ 363,159	
Rate Stabilization	\$ 59,000	\$ -	\$ 59,000	
Contingencies	\$ 694,322	\$ (164,735)	\$ 529,587	\$ 98,775
Insurance	\$ 154,655	\$ -	\$ 154,655	
Election Exp	\$ 42,310	\$ -	\$ 42,310	
Recreation	\$ 11,598	\$ (10,595)	\$ 1,003	
Winter Control	\$ 125,000	\$ -	\$ 125,000	
Hospital	\$ 1,250,000	\$ (1,250,000)	\$ -	
Capital	\$ 1,330,702	\$ (444,574)	\$ 886,128	
Fire Trucks	\$ 193,545	\$ -	\$ 193,545	\$ (281,799)
Road Equipment	\$ 561,173	\$ -	\$ 561,173	
Industrial Park	\$ 1,313,836	\$ (751,558)	\$ 562,278	\$ 911,824
Bridges	\$ 112,622	\$ (68,546)	\$ 44,076	
Planning	\$ 55,852	\$ (55,852)	\$ -	
Cemeteries	\$ 25,675		\$ 25,675	
Technology	\$ 212,847	\$ (206,199)	\$ 6,648	
Facilities Reserve	\$ 239,999	\$ (235,437)	\$ 4,562	
Arena Building	\$ 106,381		\$ 106,381	
Building Revenues	\$ 258,318		\$ 258,318	
Sidewalks	\$ 214,388	\$ (126,000)	\$ 88,388	
Street Lights	\$ 9,740	\$ -	\$ 9,740	
Sewer Projects	\$ 827,499	\$ (373,001)	\$ 454,498	
Water Department	\$ 866,149	\$ (585,457)	\$ 280,692	
Library	\$ 690,610	\$ (416,000)	\$ 274,610	
Total	\$ 9,719,380	\$ (4,687,954)	\$ 5,031,426	\$ 728,800

DEVELOPMENT CHARGES

	December 31, 2013	Committed Funds	Uncommitted Funds
Protection	\$ 118,979		118,979
Roads	\$ 453,540		453,540
Parks & Recreation	\$ 1,439,491		1,439,491
Libraries	\$ 179,546		179,546
Administration	\$ 108,578		108,578
Water	\$ 60,670		60,670
Storm Water Mgmt.	\$ 33,322		33,322
Sewers	\$ 328,052		328,052
In Lieu of Parkland	\$ 271,405		271,405
Total	\$ 2,993,583	\$ -	\$ 2,993,583

SCHEDULE "E"

SUMMARY OF ITEMS REFERRED TO 2014 BUDGET

Date (Council Mtg.)	Motion	Action
<p>October 28, 2013 (From Oct.15 Planning)</p>	<p>ITEM P113-13 (1) That, report PD-111-13, dated October 15, 2013 relating to "Staffing of Contract Planner (Planner II) Position and One (1) Year Contract Extension" be received; and, (2) That, the existing contract for the Planner II position be extended to December 31, 2014 with the cost included into the 2014 budget deliberations.</p>	<p>Cost for 1 year contract – Planner II position INCLUDED in 2014 budget and is funded from the prior year's surplus (page 47)</p>
<p>October 28, 2013 (From Oct. 21 Admin)</p>	<p>ITEM A93-13 That, the report entitled "West Lincoln Public Library - Job Evaluation of Roles and Market Review – September 2013" as prepared by the Region of Niagara, be received and considered during the 2014 budget deliberations. That, staff be directed to seek pricing and consultant estimates to conduct an operational, organizational and service level review of the West Lincoln Public Library system, in conjunction with the Library Board; and, That the review be concluded prior to the conclusion of the 2014 Budget deliberations.</p>	<p>Cost for review INCLUDED in 2014 budget under Corporate Expenditures (page 13)</p>
<p>October 28, 2013 (From Oct. 21 Admin)</p>	<p>ITEM A81-13 That, the petition received on October 11, 2013 from Xandinn Barkhouse for a skateboard park at the Lindan Street Location be received; and referred to staff for consideration during the process relating to the Fairgrounds Master Plan & Arena Feasibility Study review.</p>	<p>Information for costs regarding skateboard park at Fairgrounds provided but NOT INCLUDED in 2014 budget</p>

SCHEDULE "E"

Date (Council Mtg.)	Motion	Action
<p>October 28, 2013 (From Oct. 21 Admin)</p>	<p>ITEM PW53-13</p> <ol style="list-style-type: none"> 1. That, Report RFD PW-37-2013, re: Arena and Fairground Feasibility Advisory Committee's Fairgrounds Master Plan and Arena Feasibility Study, dated October 16, 2013 be received, and, 2. That, Council authorize the preparation of a Financial Plan for the Preferred Concept as detailed in the Fairgrounds Master Plan and Arena Feasibility Study and recommended by the Arena and Fairground Feasibility Advisory Committee. 	<p>Information for costs regarding preferred concept for Arena/Fairgrounds provided but NOT INCLUDED in 2014 budget (see Schedule B of report)</p>
<p>December 16, 2013</p>	<ol style="list-style-type: none"> 1. That, report PD-151-13, regarding "Shared Service Drainage Agreement", dated December 16, 2013 be received; and, 2. That, the Clerk and Mayor be authorized to sign a Shared Service Agreement that extends from January 1, 2014 to December 31, 2014 which includes an automatic renewal clause unless we opt out by June, 2014; and, 3. That, Council approve a by-law that appoints Wray Ramsay as the Drainage Superintendent for the Township of West Lincoln commencing immediately; and, 4. That, Staff report back with drainage service options for the consideration of Township Council no later than April, 2014 such that an alternate option can be evaluated, considered, approved and implemented in time for 2015; and, 5. That, Wainfleet be notified of the fact that a servicing options review is underway by the Township of West Lincoln. 	<p>Information for costs regarding provision of drainage superintendent services in house NOT INCLUDED in 2014 budget</p> <p>NEED REPORT</p>

SCHEDULE "E"

Date (Council Mtg.)	Motion	Action
December 16, 2013	<ol style="list-style-type: none"> 1. That, report RFD-T-21-13, regarding "2013 Asset Management Plan" dated December 16, 2013 be received; and, 2. That, <u>The Asset Management Plan for the Township of West Lincoln, 2013</u>, prepared by Public Sector Digest, attached as Appendix A of this report be accepted, and, 3. That, as a first step, a Roads Condition Study be included for consideration in the 2014 budget; and 4. That, the funding of asset replacements, in particular as it relates to the Roads Network, be included for consideration in the 2014 budget. 	<ol style="list-style-type: none"> 1. Amount of \$135,000 for Roads Condition Study is INCLUDED in 2014 budget (page 61) 2. Amount of \$291,000 is INCLUDED as a contribution to the Capital Reserve (page 9)
January 27, 2014 (from Jan. 20 Admin)	<p>ITEM A04-14</p> <ol style="list-style-type: none"> 1. That, the Clerk's Report RFD-C-01-14, regarding "Revision to Refreshment Vehicles, Cycles and Carts Regulating and Licensing By-law- Revised", dated January 20, 2014 be received; and, 2. That, "Option 1" (Maintain Status Quo - \$400.00 License Fee) be approved and staff take the required steps to implement this option; and, 3. That this licensing issue be reviewed in one year. 4. That the issue of a refund mechanism be referred to the 2014 Budget deliberations. 	<p>It is anticipated that the financial impact would be minimal and therefore a specific amount is NOT INCLUDED in the 2014 budget</p> <p>NOTE: A policy to address this issue will be addressed in April.</p>
February 24, 2014 (from Feb. 10 Planning)	<p>ITEM P16-14</p> <p>That, the correspondence from Mr. Ed Engel, on behalf of WLGWAG, dated January 10, 2014, requesting a financial contribution to cover WLGWAG's legal expense in their efforts to oppose the construction of Industrial Wind Turbines in the Township of West Lincoln; be received and referred to the 2014 Budget deliberations.</p>	<p>An amount relating to this request was NOT INCLUDED in 2014 budget</p>

SCHEDULE "E"

Date (Council Mtg.)	Motion	Action
<p>March 3 & 5, 2014 (Planning Committee Mtg)</p>	<p>ITEM P41-14 (not yet ratified by Council)</p> <ol style="list-style-type: none"> 1. That, report PD-034-14, regarding "Designated Business Area for Commercial Garbage Pickup", dated March 14, 2014 be received; and, 2. That, this report and related service level increase for an amended Designated Business Area be referred to 2014 Budget for consideration. <p>AMENDED AND ADDED NEW SECTION 3:</p> <ol style="list-style-type: none"> 3. That, the Designated Business Area for Commercial Garbage Pickup, as shown on Attachment 4 of Report No. PD-034-14, be amended by increasing the potential waste collection area to include Station Street, from Griffin Street to the CP Rail railway tracks. 	<p>An amount relating to this request was NOT INCLUDED in 2014 budget</p>