



## The Corporation of the Township of Malahide

### BUDGET COMMITTEE

March 29, 2022 – 7:00 p.m.

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**Springfield & Area Community Services Building  
51221 Ron McNeil Line, Springfield**

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**\*\* Note: Due to COVID-19 restrictions, this meeting will have limited seating capacity for Council and Municipal Staff only. The meeting will also be streamed live on YouTube.\*\***

- (A) Call to Order
- (B) Disclosure of Pecuniary Interest
- (C) Approval of Previous Minutes -March 15, 2022 **(Pages 3-8)**
- (D) Delegations
- (E) Presentations
  - (i) Presentation of Draft 2022 Budget – Operating Budget **(Pages 9-23)**
  - (ii) 2022 Grant Requests **(Pages 24-26)**
  - (iii) 2022 Draft Operating Budget **(Pages 27-33)**
- (F) Correspondence
- (G) Next Budget Committee Meeting  
- Tuesday, April 5, 2022 at 7:00 p.m.
- (H) Open Question Period - *See attached guidelines.* **(Page 34)**
- (I) Adjournment

## **\*\*VIDEOCONFERENCE MEETING**

### **Note for Members of the Public:**

Please note that the Budget Committee Meeting scheduled to be held on March 29, 2022 will be via videoconference only for presenters, the press and the public.

Please note the procedures for asking a question during the open question period regarding the content presented at the meeting:

On the [committee agenda](#) page of our website there is a meeting link option. If you only want to watch the meeting use the Meeting Link. If you want to ask a question during open question period follow the Meeting Invitation instructions and when open question period occurs do the following:

Call in:

\*6 - Toggle mute/unmute

\*9 - Raise Hand

Online Viewing with microphone:

Raise hand and you will be given permission to ask your question by the administrator.

Written comments regarding the Agenda items are welcome – please forward such to the Clerk at [aadams@malahide.ca](mailto:aadams@malahide.ca).

The Corporation of the Township of Malahide

**BUDGET COMMITTEE MEETING**

March 15, 2022 – 7:00 p.m.

Virtual Meeting - <https://youtu.be/rPOVAtvfLsU>

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Due to COVID 19 and Public Health concerns, the Malahide Budget Committee met at the Malahide Community Place, at 12105 Whittaker Road, Springfield, at 7:00 p.m. in order to allow for physical distancing. No public attendance was permitted. The following were present:

**Council:** Mayor D. Mennill, Deputy Mayor D. Giguère, Councillor M. Widner, Councillor M. Moore, Councillor S. Lewis, and Councillor C. Glinski.

**Staff:** Chief Administrative Officer A. Betteridge, Clerk A. Adams, Director of Public Works M. Sweetland, Director of Fire and Emergency Services J. Spoor, Director of Finance A. Boylan and IT Manager C. Coxen

**Council/Staff via Zoom:** Councillor R. Cerna

**CALL TO ORDER:**

Mayor Mennill took the Chair and called the meeting to order at 7:00 p.m.

**DISCLOSURE OF PECUNIARY INTEREST and the General Nature thereof:**

No disclosures of pecuniary interests were declared.

**MINUTES:**

**No. B22-01**

**Moved by: Max Moore**

**Seconded by: Mark Widner**

**THAT the Minutes of the Regular Meeting of the Budget Committee held on December 10, 2020 be adopted as printed and circulated.**

**Carried**

**PRESENTATIONS:**

No delegations or presentations were received

**DRAFT 2022 BUDGET PRESENTATION:**

- 2022 Draft Capital Budget

Director Boylan presented a presentation that provided an overview of the components of a capital budget and how these compose the 2022 draft capital budget being presented tonight. Director Boylan provided an update on the proposed amount to be spent from the original draft budget provided to Council and explaining why the Vienna Line culvert project was being eliminated. The most substantial parts of the capital budget are the Road network and Fleet and Equipment. He noted some recommendations to enhance Malahide's financial sustainability in future years. Director Boylan asked if there were any questions of what was presented so far.

Mayor Mennill asked about the cancellation of the skate tile. Director Boylan noted that removing it was done in error as he thought it had been deferred but it was not.

Councillor Lewis inquired if doing the study now but delaying the work for the Vienna Line Culvert Construction project is a good idea. Director of Public Works Sweetland noted that an approved design from a study could lead to additional funding opportunities for the project. The project was identified as priority from the last set of inspections and was intended for 2022 but with the construction industry the way it is right now we can defer it to next year and continue to do the extra inspections to ensure its compliancy.

Councillor Widner inquired about the ice resurfacer. Director Boylan noted that there would be an opportunity to discuss EECC items later in the meeting.

Director Boylan went on to discuss unfinished business items including the EECC capital budget. Council was not supportive of the current capital budget for the EECC and a discussion of how Malahide would like to proceed was needed. Director Boylan had his own recommendations and read the recommendation to Council for discussion. Director Boylan opened the meeting for discussion noting that items to be reviewed were for the 2022 capital budget and at this point not to focus on items for the 2023 capital projects as part of his recommendation is for both Aylmer and Malahide management teams to work together on future capital plans.

Ice Resurfacer

Councillor Widner inquired about the change in the ice resurfacer cost. Director Boylan confirmed it was down to \$7,500. Councillor Widner stated the ice resurfacer is sent out every year and the inspection would have been done and the review would have noted issues if any already. Mayor Mennill believed having a third party look at this machine would provide the information that we are lacking to make this decision. Councillor Widner reiterated that

the machine is shipped out every year for this information. Mayor Mennill stated that if it's past its life span they needed to know what that means and maybe it's biased depending on who is doing the review. Director Boylan stated that this recommendation was essentially a soft yes to the ice surfacer depending on what the third party found.

### Parking Lot

Councillor Cerna inquired about the parking lot costs and what that amount was for. Deputy Mayor Giguère also wondered what the engineering costs of the parking lot included. Councillor Moore noted that the grant wasn't received for the parking lot and were these the costs of the unsuccessful grant. If Aylmer wasn't fortunate enough to get the grant were they going to reapply and try again. Mayor Mennill wondered if engineering was necessary at all. Councillor Widner asked if Director Sweetland could provide any clarity on what the costs of the engineering could be for. Director Sweetland noted that he was not involved with this project but his assumption would be for the design of the project that includes sub base design, pavement design, lot grading, inspections etc. Typically, this fee is a percentage of the project cost. Councillor Moore noted the drainage problems in the parking lot over the years and hopefully that issue is being addressed before repaving this again. CAO Betteridge noted he had pulled up the EECC reports and stated that the engineering costs were apart of the 2022 capital budget, that the total \$55,000 didn't have specifics and that the total parking lot replacement was budgeted for \$595,000. He noted that this can be clarified and a follow up be provided to Council. Councillor Glinski noted his concerns with the \$55,000 for engineering and the cost for this is substantial for just that part. He inquired if when roads are redone if there are engineers that are present on the site or if its municipal staff that are on site monitoring the work.

Director Boylan noted that if Council has concerns with the parking lot perhaps more information could be acquired of what it references but that Council needed to define what we are approving, what we are rejecting and what we are seeking more information on.

Discussion amongst Council occurred on to what they would approve, reject and needed clarification on.

### Skate Tile

Councillor Lewis noted that he had heard discussion on the skate tile costs from the public and he was not supportive of this cost.

### Parking Lot

In terms of the parking lot support, CAO Betteridge noted that having a plan in place for any potential grant funding was important and typically receiving funding was contingent on engineering and being shovel ready. Councillor Cerna inquired if it's for the entire lot as a lot of good spots in that parking lot and Mayor Mennill believed the recommendation was for the entire lot. Deputy Mayor Giguère inquired if the engineer report would help access and make recommendations of what could be done including perhaps a replacement plan. Director Sweetland noted that this plan would be a detailed engineering design for all the problems of that parking lot. Councillor Widner agreed that grants were contingent on having engineering

done and that the parking lot isn't that old and hopefully that it is done properly and not only completed due to a timeline of a grant this time.

### Hot Water Heaters

Mayor Mennill noted he would trust staff in their recommendations of these replacements. Councillor Glinski inquired what was wrong with them and if they were just due to be replaced or if they were still working. CAO Betteridge reviewed the reports and it didn't specify. Mayor Mennill said he would put his trust in staff that if they are listed that they are in need of replacement. Council Glinski noted that there should have been some detail to these items and why they were included.

### Concrete floor repairs

Councillor Widner noted there may be cheaper alternatives like mats instead of concrete floor repairs.

### Security Cameras

Mayor Mennill noted he wasn't sure the status of the cameras. Were they not working or did they need upgrading. Director Boylan noted that given technology's lifespan and the age of the building they likely needed replacing.

Director Boylan stated that Council can approve these items with contingencies if they want considerations of alternatives. Mayor Mennill agreed that this may be what is needed. Councillor Widner thought a tour may be needed of the facility to see for themselves. Director Boylan noted that the Town's position on these items are that they need to be replaced. Our processes aren't that we are doing facility tours to see items that require replacement but this process may be asked in the future. For now, most of the replacement items aren't big ticket items they are reasonable requests.

Deputy Mayor Giguère noted this could be frustrating for staff as there was an opportunity at the committee board meeting to discuss this. However, given it was over zoom was not ideal and reviewing the reports now provided minimal details as to the explanations for these items and we are left with heresay. She noted that a recommendation moving forward is to seek a better process, with better documentation and reports with more discussion leading up to the budget process. She noted that Council has to take some responsibility in what happened and for the value of these items that they should proceed.

CAO Betteridge noted an additional component to the proposed resolution could be added. Further discussion followed to add an extra component based on the outcome of the discussions.

Councillor Glinski asked what is happening with the equipment surcharge that is being collected. Director Boylan noted that this money wasn't proposed to be used in the 2022 budget but could be used in future projects.

**No. B22-02**

**Moved by: Dominique Giguère**

**Seconded by: Scott Lewis**

**That Council approve the 2022 EECC Budget as proposed under the condition that the ice resurfer undergoes a third-party condition assessment which is to be reported to the Board.**

**AND THAT Replacement of the ice resurfer will be entirely contingent upon both receipt of the third party condition assessment and the satisfaction of the majority of the Board that replacement should occur.**

**AND THAT Staff be directed to consult with Aylmer on developing the long-term capital budget for the East Elgin Community Complex in a manner that can be financially supported by the Township of Malahide.**

**AND THAT COUNCIL defer the skate tile and pass the other capital recommendations.**

**Carried**

Director Boylan opened it up to questions on the 2022 draft capital budget.

Deputy Mayor Giguère thanked Director Boylan for the budget and how it was presented and explained and noted it was one of the better budget documents with both explanation of the numbers and the narrative. She noted that the lack of discussions on this compared to other meetings is a testament of how well the document is laid out as well as the presentation.

**No. B22-03**

**Moved by: Scott Lewis**

**Seconded by: Max Moore**

**THAT Report No. FIN 22-05 titled "2022 Draft Capital Budget" be received;**

**AND THAT, Municipal Council approve those Capital Projects identified for 2022, in the total amount of \$2,302,500.00.**

**Carried**

**NEXT BUDGET COMMITTEE MEETING:**

The next Budget Committee Meeting will be on March 29, 2022 at 7:00 p.m..

Director Boylan noted that at this next meeting he would have a presentation similar to the one for the capital budget. He noted that it would outline some of the items in the operating budget that have changed since providing the draft budget in February.

Deputy Mayor Giguère asked if these changes would be provided to them prior to the next meeting. Director Boylan stated his intent would be to share them at the meeting but he could prepare an amended version is preferable.

Mayor Mennill noted that the presentation would be useful to have beforehand. Director Boylan apologized for this not being initially included as updates were still being made but that it would be uploaded to the website.

**OPEN QUESTION PERIOD:**

The Committee received no comments/questions from the public concerning the 2022 Draft Capital Budget.

**ADJOURNMENT:**

**No. B22-04**

**Moved by: Chester Glinski**

**Seconded by: Mark Widner**

**THAT the Budget Committee adjourn its meeting at 8:05 p.m..**

**Carried.**

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**Mayor – D. Mennill**

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**Clerk – A. Adams**

# Township of Malahide 2022 Draft Budget

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# Budget Committee Schedule

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Tuesday, March 15, 2022 @ 7:00pm	Capital Budget
<b>Tuesday, March 29, 2022 @ 7:00pm</b>	<b>Operating Budget</b>
Tuesday, April 5, 2022 @ 7:00pm	Deliberation of Any Outstanding Items & Presentation of Draft Budget Amendments

# Financial Update: Port Bruce Flooding

Program	Purpose	Status
Disaster Recovery Assistance for Ontarians	Application-based program which provides financial aid <u>directly to eligible property owners</u>	<p>All required documentation was promptly submitted to the Province.</p> <p>A decision from the Province on program activation is expected soon.</p>
Municipal Disaster Recovery Assistance	Grant <u>provided to municipalities</u> to help cover the costs of natural disasters	<p>Open for application but the Township is <u>likely ineligible</u>.</p> <p>Potential financial exposure: \$75,000 to \$100,000.</p>

# Financial Update: Tax Write-Offs

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The Township is receiving regular legal updates for an ongoing appeal with the Assessment Review Board that should be considered as part of the 2022 Budget Strategy. Details have been provided to Council in closed session in the past. Once the matter is resolved, Council will receive another closed-session update.

## **Quick Points:**

- Tax write-offs are a regular part of a municipality's financial operations. Regardless of the outcome of the appeal, there is no fault on the Township's part as the dispute is a matter of assessment which is determined by MPAC.
- The Township has a potential financial liability of \$283,000.
- Further information can be made public once legal proceedings clear.

# Crossley Hunter Signage

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At Council's March 17<sup>th</sup> meeting, staff were directed to include Crossley Hunter signage into the 2022 Budget. The estimated cost of this work is valued at \$2,500 plus HST which is recommended to be funded by the Roads Reserve.

# Recommendations

Budget Item	Financial Impact	Recommended Strategy	Impact on 2022 Property Taxes
Port Bruce Flooding	\$75,000 to \$100,000	Fund through Contingency Reserve	\$0
Tax Write-Offs	\$283,000	Fund through Contingency Reserve	\$0
Crossley Hunter Signage	\$2,500	Fund through Roads Reserve	\$0
Transfer to Contingency Reserve	\$34,200	Reverse 2022 Draft Budget cut to annual contingency funding to allow for gradual repayment of Contingency Reserve uses mentioned above	Tax Levy: + 34,200 Rate Increase: +0.44% Impact to Household: +\$8/year

# Impact on Property Owners – Residential

<b>Consolidated Rate Impact – Residential</b>				
	<b>2021</b>	<b>2022</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Township	\$1,691	\$1,741	\$50	2.94%
County	\$1,562	\$1,588	\$26	1.68%
Education	\$383	\$383	0	0%
	<b>\$3,636</b>	<b>\$3,712</b>	<b>\$76</b>	<b>2.09%</b>
Add: Garbage Levy	\$45	\$50	\$5	11.11%
	<b>\$3,681</b>	<b>\$3,762</b>	<b>\$81</b>	<b>2.20%</b>

*Figures are rounded*

Original Values

2.50%

1.88%

<b>Impact For Different Levels of Assessment – Residential</b>				
<b>Assessment</b>	<b>Taxes</b>	<b>Garbage</b>	<b>Annual Increase</b>	<b>Monthly Increase</b>
\$250,000	\$76	\$5	\$81	\$6.75
\$500,000	\$152	\$5	\$157	\$13.50
\$750,000	\$228	\$5	\$233	\$20.25
\$1,000,000	\$304	\$5	\$309	\$27.00
\$1,250,000	\$380	\$5	\$385	\$33.75

*Figures are rounded*

# Impact on Property Owners – Farmland

<b>Consolidated Rate Impact – Farmland</b>				
	<b>2021</b>	<b>2022</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Township	\$1,279	\$1,317	\$38	2.94%
County	\$1,182	\$1,202	\$20	1.68%
Education	\$314	\$314	\$0	0%
	<b>\$2,775</b>	<b>\$2,833</b>	<b>\$58</b>	<b>2.09%</b>

*Figures are rounded*

Original Values  
 → 2.50%  
 → 1.88%

<b>Impact For Different Levels of Assessment – Farmland</b>		
<b>Assessment</b>	<b>Annual Increase</b>	<b>Monthly Increase</b>
\$500,000	\$35	\$2.92
\$822,200	\$58	\$4.83
\$1,000,000	\$70	\$5.83
\$1,500,000	\$105	\$8.75
\$2,000,000	\$140	\$11.67

*Figures are rounded*

# Median Property Assessments

Malahide Township ▼ OK

User Parameters Close Export to Excel

Rollnum	RTC	RTQ	Description	Prop Code	Prop Count	2021 CVA	2022 CVA	% CVA Change	2021 Total CVA Taxes
3408014020099000000	R	T	Single Family Home	301	1,939	250,000	250,000	0.00%	3,635.95
3408000001262000000	R	T	Seasonal Recreational Dwelling	391	77	154,000	154,000	0.00%	2,239.75
3408000060003009803	R	T	Farm House	211	485	178,900	178,900	0.00%	2,601.89
3408000020105009801	F	T	Farmland	211	443	822,200	822,200	0.00%	2,775.49
3408000020005019801	T	T	Managed Forest	244	24	109,500	109,500	0.00%	398.14
3408000020053009801	C	T	Small Office Building	400	4	123,000	123,000	0.00%	3,703.71
3408012001138009801	C	T	Small Retail Commercial Property	410	12	189,000	189,000	0.00%	5,691.06
3408000060027009807	J	T	Standard Industrial Property	520	2	341,100	341,100	0.00%	12,878.93

Source: Ontario Property Tax Analysis (Ministry of Finance)

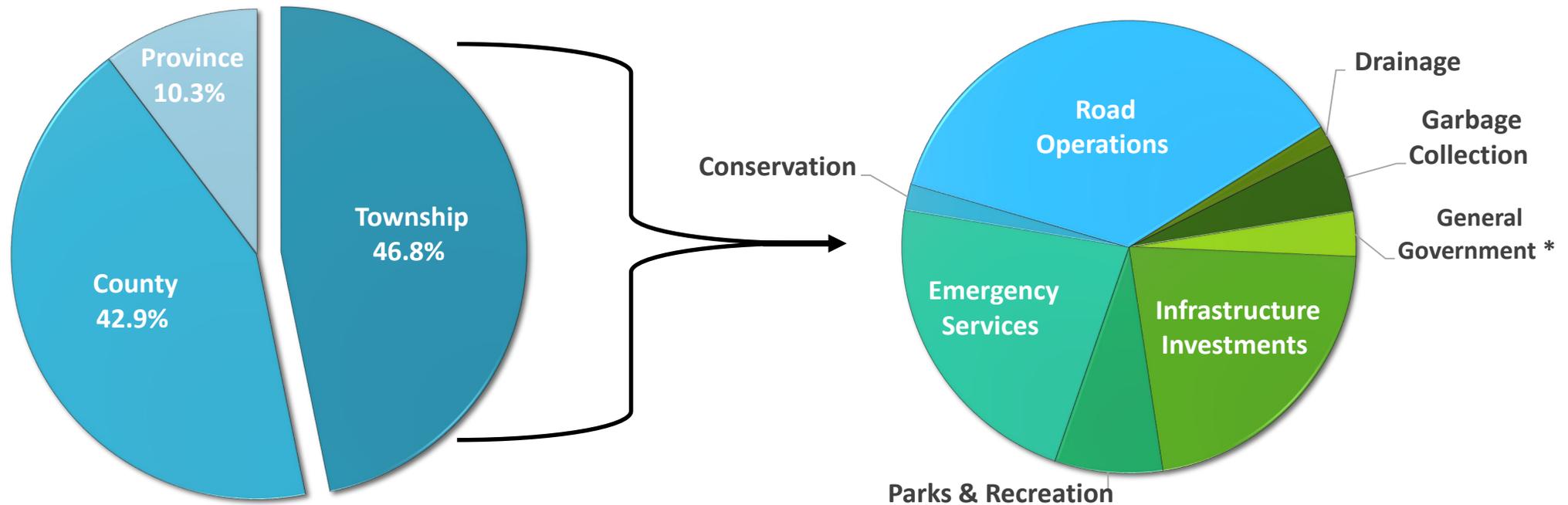
# What Happens When Assessments Are Brought in Line with Market Value?

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	<u>Assessment</u>	<u>Tax Rate</u>	<u>Taxes Paid</u>
<p><u>Scenario A – Current</u></p> 	\$250,000	1.48%	\$3,700
<p><u>Scenario B – Reassessed</u></p> 	 \$500,000	 <del>1.48%</del> 0.074%	 \$3,700

# Where Do Your Taxes Go?

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\*Net OMPF funding (\$837,200)

# Summary of Budget Changes

Funding Requirements		Funding Sources	
Wages & Benefits	\$134,493	OMPF Grant	\$43,900
Waste Collection & Disposal	119,656	Blue Box Grant	45,724
Vehicle & Equipment Repairs	54,147	Garbage Levy	9,970
Building Code Act Compliance	52,926	Budget Cuts	<u>106,284</u>
Pier Debt Payments	22,867		<b>\$205,878</b>
EECC Operations	19,017	Property Taxes (Levy Increase)	336,111
Insurance	15,331	<b>Total Funding Sources</b>	<b>\$541,989</b>
Capital Funding	107,955		
Various (Other)	15,597		
<b>Total Funding Requirements</b>	<b>\$541,989</b>		

# Financial Position

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Many different ways to assess the financial health of a municipality. Two areas of particular interest: Debt and Reserves

## Quick Facts

**Debt:** The Township has used 10.2% of its available debt limit set by the Province according to its 2020 Financial Information Return. County Elgin average excluding Malahide: 25.2%.

**Reserves:** Vastly different reserve strategies have been employed by County municipalities. Reserve per capita range from \$377.75 to \$3,324.07, with an average excluding Malahide of \$1,608.83. Malahide retained \$1,057.01 by comparison.

# In Summary

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## **2022 Draft Budget accomplishments during difficult economic circumstances:**

- Offer reasonable increase to taxpayers (\$6.75/month on average if approved)
- Improve capital funding to keep pace with infrastructure demands
- Plan for current and future financial threats
- Correct areas of legislative non-compliance
- Save taxpayer dollars through cutting budgets without affecting service levels
- Alter budget documents to improve transparency
- Partially reallocate Township reserves to maximize funding available for use

# Questions?

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## Report to Council

**REPORT NO.:** FIN-22-08  
**DATE:** March 29, 2022  
**ATTACHMENT:** 2022 Requests for Grant  
**SUBJECT:** **2022 Council Grants**

### Background

Each year, the Township receives requests for grants from community groups.

Below is the list of requests that have been received for 2022; as well as, the annually recurring donations typically provided by the Township.

### Recurring Donations – Service Clubs

Amount Requested	Description
\$ 1,500.00	<p><b>Springfield Santa Claus Parade</b> – 2021 approved \$1,500.00.</p> <ul style="list-style-type: none"> <li>Funding required for candy bags, band costs, and any other parade expenses. Springfield Parade is the 1st Saturday in December.</li> </ul>
<p><b>\$ 325.00</b>  <b>+</b>  <b>insurance</b>  <b>cost</b>  <b>\$175.00</b></p>	<p><b>Springfield Family Fun Day</b> – 2021 approved \$325 + insurance costs.</p> <p>The Township also finances the insurance cost for this event, (approximately \$175.00)</p> <ul style="list-style-type: none"> <li>This event in June is family oriented and designed to strengthen the community. Involves a variety of games, activities and entertainment for all ages.</li> </ul>
\$8,000.00	<p><b>Aylmer-Malahide Museum</b> – 2021 approved \$5,000.00</p> <ul style="list-style-type: none"> <li>Asking for an additional \$3,000.00 due to being unable to fund raise locally due to Covid.</li> <li>To ensure the continued preservation of artifacts of the Museum collection. To preserve local history, as many artifacts are donated by Malahide residents.</li> </ul>
\$2,000.00	<p><b>Malahide Community Policing Committee</b> – 2021 received \$1,500.00</p>

<b>Amount Requested</b>	<b>Description</b>
	<ul style="list-style-type: none"> <li>To provide safety information for community and area. Participate in Springfield Family fun day. Create brochures, signage to help make Community policing more visible. Provide community with information regarding elder abuse, fraud, identity theft and lock it/lose it.</li> </ul>
<b>\$1,250.00</b>	<p><b>Knights of Columbus – 2021 approved \$1,200.00</b></p> <ul style="list-style-type: none"> <li>To offset the cost of maintaining the soccer fields, this cost includes property taxes in the amount of \$2,100.00 per year.</li> <li>Have approximately 800 youth playing soccer 5 nights per week.</li> </ul>
<b>\$ 500.00</b>	<p><b>Elgin County Plowmen’s Association – 2021 approved \$500.00.</b></p> <ul style="list-style-type: none"> <li>Requesting grant to assist with the Elgin County Plowing Match to be held in September 2022. Farm location not yet selected but considering a farm in Malahide. Event promotes agriculture to youth.</li> </ul>
<b>\$1,500.00</b>	<p><b>Kinsmen Club of Aylmer – did not apply in 2021.</b></p> <ul style="list-style-type: none"> <li>Requesting grant to assist with Canada Day fireworks display at EECC. Club has been unable to do regular fundraising due to Covid. Would like provide a great fireworks show for the community.</li> </ul>
<b>\$5,000.00</b>	<p><b>Springfield Cemetery Board – 2021 approved \$5,000.00</b></p> <ul style="list-style-type: none"> <li>Tree trimming, removal of over grown trees and shrubs, grass cutting and document trimming, repair of tombstones.</li> </ul>
<b>\$18,000.00</b>	<p><b>Aylmer Cemetery – 2021 approved \$18,000.00</b></p> <ul style="list-style-type: none"> <li>For upkeep of the cemetery. Costs of equipment, buildings and any improvements required. Grounds maintenance.</li> </ul>
<b>\$3,000.00</b>	<p><b>Luton Cemetery Board – 2021 approved \$2,250.00</b></p> <ul style="list-style-type: none"> <li>General maintenance of the cemetery. Includes grass cutting, tree maintenance and stone repair to keep it safe and looking respectable.</li> <li>Unable to sell any further plots to raise funds.</li> </ul>

**Requests for Grants at MCP and SDCH**

<b>Amount</b>	<b>Description</b>
<b>\$1,350.00</b>	<p><b>Springfield Family Fun Day</b> – (40% \$550.00, 60% \$800.00) – 2021 approved \$1,350.00.</p> <ul style="list-style-type: none"> <li>• Requesting free use of Community Rooms A,B &amp; C, the kitchen &amp; green space and pavilion in June for the annual Springfield Family Fun Day.</li> </ul>
<b>\$ 3,000.00</b>	<p><b>South Dorchester Optimists</b> – (40% \$1,200, 60% \$1,800) – 2021 approved for \$3,800.00</p> <ul style="list-style-type: none"> <li>• Use of SDCH – for 19 seniors community euchres, 2 community breakfasts, 1 ham supper, 19 organization meetings.</li> <li>• Use of MCP community room for 3 bingo events.</li> </ul>
<b>\$2,000.00</b>	<p><b>Springfield Swans</b> – (40% \$800.00, 60% \$1,200.00) – 2021 approved \$1,675.00.</p> <ul style="list-style-type: none"> <li>• Holding 6 events this year – March, June, July and October: take-out meals, April: Community supper, November: Swans meeting</li> </ul>
<b>\$1,600.00</b>	<p><b>Springfield Brewers Softball Association</b> – (30% \$400.00, 70% \$1,200.00) - 2021 approved \$2,100.00.</p> <ul style="list-style-type: none"> <li>• Requesting grant for 2022 kids' baseball season</li> <li>• Free use of MCP Community Room ABC and kitchen in August for their annual baseball banquet.</li> </ul>

**Action Required**

Confirmation is required for the groups that the Council wishes to support, as well as, the specific amounts. Any further requests should also be noted.

Total requests noted above amount to \$23,200.00 for service clubs and \$26,000.00 for cemeteries. Total of all donations requested is \$49,200.00.

The Draft 2022 Budget includes a total of \$49,200 for the above requests.

<b>Submitted by:</b>	<b>Approved by:</b>	<b>Approved by:</b>
Tanya Hoover Assistant Treasurer/Tax Collector	Adam Boylan Director of Finance	Adam Betteridge Chief Administrative Officer



## Report to Budget Committee

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**REPORT NO.:** FIN-22-07  
**DATE:** March 29, 2022  
**ATTACHMENTS:** None  
**SUBJECT:** 2022 Draft Operating Budget

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### Recommendation:

**THAT Report No. FIN 22-07 titled “2022 Draft Operating Budget” be received;**

**AND THAT, Municipal Council approve the amended 2022 Operating Budget as presented;**

**AND THAT, Municipal Council approve the User Fee Schedules for 2022 as presented in the 2022 Draft Budget.**

### 2022 Budget Committee Schedule:

Tuesday, March 15, 2022 @ 7:00 pm	Capital Budget
<b>Tuesday, March 29, 2022 @ 7:00 pm</b>	<b>Operating Budget (including community grants)</b>
Tuesday, April 5, 2022 @ 7:00 pm	Deliberation of Any Outstanding Items & Presentation of Draft Budget Amendments

### Background

The 2022 Draft Operating Budget is presented from pages 1 to 47 of the Township’s 2022 Draft Budget which was provided for review and commentary on February 14, 2022. A copy of the Draft Budget is available on the Township’s website.

### Emergent Issues

There exists the potential for events to occur or new information to be discovered between the publish date of the budget and committee deliberations that could or

should affect the decision-making process. The following has been identified in 2022 for consideration:

### Port Bruce Flooding

The flooding event which took place in the Village of Port Bruce on February 17<sup>th</sup> and 18<sup>th</sup> financially impacted property owners as well as the Township itself. The Township has been pursuing two separate grants with the Province to assist both affected parties.

- 1) The Disaster Recovery Assistance for Ontarians (DRAO) grant which helps property owners directly recover costs after a natural disaster
- 2) The Municipal Disaster Recovery Assistance (MDRA) grant which helps a municipality recover from extraordinary costs after a natural disaster

Working with the Province on the Disaster Recovery Assistance for Ontarians (DRAO) grant for property owners has been aggressively pursued by the Township. DRAO program representatives were contacted immediately and were given a tour of Port Bruce to see the impact of the flood first-hand. The Township has strongly advocated for the activation of this program and has provided all information requested of it, but the decision is being deliberated at the Provincial level.

The Municipal Disaster Recovery Assistance (MDRA) grant is available to municipalities for capital costs to repair public infrastructure or operating costs that go above regular budgets and are needed to protect public health and safety or access essential services. In order to be eligible to receive the grant, costs incurred as a result of a natural disaster must exceed 3% of a municipality's own purpose taxation levy based on their most recent financial information return filed with the Province. This figure for the Township is \$226,555. When accounting for the incremental costs of staff time, destroyed material collection (e.g. carpeting, furniture, etc. by Miller Waste disposal), clean-up and excavation and equipment damage, the cost of the flood will likely be in the \$75,000 to \$100,000 range. This means the Township would not be eligible to receive the MDRA grant and would have to fund these costs through its 2022 Operating Budget. The Township can apply for this grant until July 20<sup>th</sup> if circumstances were to change.

There has been some discussion about how to invest in the Township's infrastructure and/or services to mitigate future flooding. The Township's desired direction in this regard is still being considered. It is recommended that no additional funds be raised from taxpayers unless financially viable options for flood mitigation can be developed.

### Tax Write-Offs

Due to its complexity, the financial risk associated with property tax write-offs does not typically receive much attention throughout budget deliberations, though it represents

one of, if not the most significant potential use of contingency funds for the Township. Property owners' discontent with their property's assessment details have the ability to file a "Request For Reconsideration" with MPAC and, if unsatisfied with the results of this request, may later pursue a formal appeal. Since the budget publish date, update meetings were held with legal counsel representing the Township to discuss ongoing appeals. While there's no formal outcome from the appeals to share with Council as of yet, the Township has a potential one-time liability of \$283,000. As this is a matter of assessment dispute, it is not something that can be controlled by the Township.

### Crossley Hunter Signage

At Council's March 17<sup>th</sup> meeting, staff were directed to include Crossley Hunter signage into the 2022 Budget. The estimated cost of this work is valued at \$2,500 plus HST which is recommended to be funded by the Roads Reserve.

### Recommended Strategy to Council

The importance and benefit of maintaining adequate reserves may never be as apparent as it is for the 2022 budget year for the Township. At the time of budget preparation, annual contributions to contingency reserves of \$34,176 were cut as it was believed the balance in reserves would be adequate to fund potential financial risks. While this remains true, there is a concern that a significant amount of the Township's contingency reserves will be spent over the next couple years leaving the Township vulnerable to events that may occur in future periods. With this in mind, it is recommended this budget cut be reversed by adding back a \$34,200 annual transfer to the working funds/contingency reserve in order to slowly replenish these funds. The financial impact on ratepayers of this recommended is provided below. Staff will be closely monitoring its contingency reserves and will not hesitate to make future budget cuts if the opportunity once again presents itself.

Summary of Amendments	2022 Tax Levy	Rate Increase (Township Portion)	Impact on \$250,00 Household
2022 Draft Budget Levy	\$7,551,837	2.50%	\$42/year
Add: Transfer to Contingency Reserve	\$34,200	0.44%	\$8/year
<b>Amended 2022 Draft Levy</b>	<b>\$7,586,837</b>	<b>2.94%</b>	<b>\$50/year</b>

Other Adjustments	Cost	Funding Source
Port Bruce Flood Mitigation	To Be Determined	Reserves
Crossley Hunter Signage	\$2,500 plus HST	Roads Reserve

## **Budget Impact to Property Owners**

Property owners do not only pay property taxes for Township services. The County of Elgin and Provincial education levies are also collected on the Township's property tax bills. Provided below is the financial impact of the 2022 Budget on property owners in the Township's residential and farmland tax classes.

### **Residential**

The table below provides the estimated impact on a typical residential property in the Township. A \$250,000 assessment has been used for these calculations as this is the statistical median residential assessed value in the Township according to the Ontario Property Tax Analysis tool from the Ministry of Finance. Note that the Township's garbage levy is being included as this represents an unavoidable cost that residents must absorb in addition to property taxes.

<b>Consolidated Rate Impact – Residential</b>				
	<b>2021</b>	<b>2022</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Township	\$1,691	\$1,741	\$50	2.94%
County	\$1,562	\$1,588	\$26	1.68%
Education	\$383	\$383	0	0%
	<b>\$3,636</b>	<b>\$3,712</b>	<b>\$76</b>	<b>2.09%</b>
Add: Garbage Levy	\$45	\$50	\$5	11.11%
	<b>\$3,681</b>	<b>\$3,762</b>	<b>\$81</b>	<b>2.20%</b>

*Figures are rounded*

Due to the COVID-19 pandemic, property reassessment has been significantly delayed. For this reason, property assessments are still based on 2016 values which lag well behind the market value of homes. When determining a property's potential property tax liability, it is recommended owners refer to their property tax bill's assessed value and not what they think the property could sell for. In the interest of full transparency, guidance has been provided below for the financial impact to properties of different assessment ranges.

<b>Impact For Different Levels of Assessment – Residential</b>				
<b>Assessment</b>	<b>Taxes</b>	<b>Garbage</b>	<b>Annual Increase</b>	<b>Monthly Increase</b>
\$250,000	\$76	\$5	\$81	\$6.75
\$500,000	\$152	\$5	\$157	\$13.50
\$750,000	\$228	\$5	\$233	\$20.25
\$1,000,000	\$304	\$5	\$309	\$27.00
\$1,250,000	\$380	\$5	\$385	\$33.75

*Figures are rounded*

### **Farmland**

The assessed value of farmland properties can differ vastly depending on the size of the property, but the Township's statistical median property assessed value of \$822,200

has been used to represent the budget impact to a typical farmland property.

<b>Consolidated Rate Impact – Farmland</b>				
	<b>2021</b>	<b>2022</b>	<b>Change (\$)</b>	<b>Change (%)</b>
Township	\$1,279	\$1,317	\$38	2.94%
County	\$1,182	\$1,202	\$20	1.68%
Education	\$314	\$314	\$0	0%
	<b>\$2,775</b>	<b>\$2,833</b>	<b>\$58</b>	<b>2.09%</b>

*Figures are rounded*

Similar to residential properties, a range of potential financial impacts has been presented for a range of property assessments.

<b>Impact For Different Levels of Assessment – Farmland</b>		
<b>Assessment</b>	<b>Annual Increase</b>	<b>Monthly Increase</b>
\$500,000	\$35	\$2.92
\$822,200	\$58	\$4.83
\$1,000,000	\$70	\$5.83
\$1,500,000	\$105	\$8.75
\$2,000,000	\$140	\$11.67

*Figures are rounded*

### **Budget Summary**

Pages 3 to 6 of the 2022 Draft Budget serve as a thorough summary of the issues affecting the Township's Operating Budget this year.

A summary of the new levy increase is at right:

<b>Summary of Levy Increase</b>	
<b>Add: Funding Requirements</b>	
Wages & Benefits	134,493
Waste Collection & Disposal	119,656
Vehicle & Equipment Repairs	54,147
Building Code Act Compliance	52,926
Pier Debt Payments	22,867
EECC Operations	19,017
Insurance	15,331
Capital Funding	107,955
	<b>\$526,392</b>
<b>Less: Additional Revenues</b>	
OMPF Funding	(43,900)
Blue Box Grant	(45,724)
Garbage Levy	(9,970)
	<b>(\$99,594)</b>
<b>Less: Net Budget Cuts</b>	
	<b>(\$124,887)</b>
<b>2022 Draft Increase in Levy</b>	<b>\$301,911</b>
<b>Amendment: Contingency Funding</b>	<b>34,200</b>
<b>2022 Amended Draft Increase in Levy</b>	<b>\$336,111</b>

## Capital Funding

While the increase to the Township's 2022 capital funding of \$107,955 is explained in the 2022 Draft Budget, further commentary may be helpful as Council has since deliberated the 2022 Capital Budget and the 2021 Roads Needs Study has been completed. The \$107,955 in capital funding pertains to three areas of funding:

- Transfer to Roads Reserve: + \$80,430 (see Roads Needs Study commentary below)
- Transfer to Vehicles Reserve: + \$23,825 (driven by need to replace Fire Fleet)
- Transfer to Land Improvements Reserve: +3,700 (inflationary for Parks & Recreation)

As explained on the March 15<sup>th</sup> Budget Committee meeting, although the cost of capital workplans vary year-to-year, the Township sets a fixed capital funding level through its mix of property tax transfers to reserves, grants, user fees and development charges to avoid rate spikes that would otherwise coincide with the magnitude of the Capital Budget. What's being recommended in 2022's Budget is an increase to this fixed capital funding level, not because of the current set of projects, but because of what capital costs the Township needs to prepare for over the next several years.

## Roads Needs Study

The takeaway from the March 17<sup>th</sup> Roads Needs Study presentation was the Township has done a good job funding its roads but needs to keep its foot on the gas pedal to keep up with demand. While staff agree with this analysis, there are some potential financial threats to the stability of the Township's road program funding which are being addressed in this year's budget.

A recommendation made a few times throughout the presentation was for the Township to develop a specific funding source for Bridge & Culvert structures. This eludes to the fact that the Township mixes its funding for roads, bridges, culverts and drainage funding into a single reserve called the "Roads Reserve". As part of an upcoming reserve policy document, this split will be made as recommended. For the time being, it is important to understand that the \$80,430 being raised for the Roads Reserve is not just for road structures, but for bridges, culverts and drainage as well. In fact, bridges and culverts are the primary driver of this budget recommendation as there are a few significant bridge projects required in the near future, evidenced by bi-annual Ontario Structure Inspection Manual reviews (see page 54 of the 2022 Draft Budget). 2022's Draft Budget recommendations address this funding bottleneck so that roads funding will not have to be reallocated to a degree that would affect the roads capital program.

## **Conclusion**

The 2022 Draft Budget balances the Township's desire to provide reasonable tax rates with the numerous financial challenges it has recently experienced as well as some items of significance still yet to occur. While the Township will always desire lower tax burdens for its residents, the proposed 2.20% consolidated increase is a great outcome given current financial circumstances. With the rising costs of goods and services, the financial effects of the COVID-19 pandemic, the Port Bruce flood, the threat of significant tax write-offs and a number of bridge and culvert structures requiring costly repairs, the 2022 Budget accounts for all of these while still providing a reasonable rate increase for residents.

While the Township continues to look for opportunities to reorganize its financial position for the betterment of residents, the Draft Budget for 2022 represents a good step in the right direction.

Submitted by:	Approved for Council:
Adam Boylan Director of Finance / Treasurer	Adam Betteridge Chief Administrative Officer

### **OPEN QUESTION PERIOD**

The Open Question Period provides the public access to the Budget Committee in order to obtain information regarding the Township budget, the budgetary process, or other financial business of the Township.

The following guidelines apply for the Open Question Period which is held at the end of regular Budget Committee meetings:

1. The Open Question Period will commence immediately prior to the adjournment of the regular Budget Committee meeting.
2. A maximum time of 10 minutes for questions from the public will be permitted; subject to curtailment at the discretion of the Chair if other business necessitates.
3. Questioners must respect the need for the Open Question Period to proceed in a timely fashion and must proceed according to these guidelines:
  - a. address the Chair when speaking;
  - b. state their name and residential address, prior to presenting their question to the Committee;
  - c. speak clearly and concisely and only ask questions about items on the agenda at that meeting; and
  - d. agree to speak for not more than two minutes (unless invited by the Committee to extend the discussion).
4. Questions must be truly questions and not statements or opinions by the questioner. Questioners are not permitted to make a speech, although a brief statement of no longer than one minute is permitted before the question is put.
5. Not more than 2 separate questions per questioner will be allowed.
6. A questioner will be ruled out of order if speaking to matters of current litigation or legal action against the Township. A questioner making political statements, using rude and/or obscene language, or making defamatory comments will also be ruled out of order.
7. The Chair will recognize the questioner and will direct questions to the Committee Member or Staff Member whom they feel is best able to reply. More than one Committee Member or Staff Member may reply if they feel that they have something to contribute.
8. The Committee reserves the right to defer responding to a question in order to obtain the information required to provide a complete and accurate response.