



**TOWNSHIP
OF WILMOT**

AD HOC BUDGET ADVISORY COMMITTEE AGENDA

**Monday, February 1, 2021
Regular Committee Meeting
Virtual Meeting
5:30 P.M.**

This meeting is open to the public and is available through an online platform. Please subscribe to the [Township of Wilmot You Tube Channel](#) to watch the live stream or view after the meeting.

- 1. LAND ACKNOWLEDGEMENT**
- 2. DISCLOSURE OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**
- 3. REPORT NO. COR 2021-007
2021 Proposed Operating Budget**

Recommendation

That the 2021 Operating Budget, as prepared by the Director of Corporate Services / Treasurer and Manager of Finance / Deputy Treasurer, be endorsed in principle.

- 4. REPORT NO. COR 2021-008
2021 Municipal Budget Package**

Recommendation

That the 2021 Municipal Budget, as prepared by the Director of Corporate Service / Treasurer be endorsed and recommended to Council on February 8, 2021.

ADJOURNMENT



AD HOC BUDGET ADVISORY COMMITTEE ACTION ITEMS
Monday, January 18, 2021
Virtual Meeting
5:30 P.M

1. REPORT NO. COR 2021-005
2021 Capital Budget

THAT the 2021 Capital Budget, as prepared by the Director of Corporate Services / Treasurer, be endorsed in principle.

THAT the project description for the Prime Ministers Path Consultation be amended to include:

The Prime Ministers Path Stakeholder Consultation will include a comprehensive, holistic, and inclusive stakeholder engagement with broad community involvement, that is respectful of the traditions, culture, rights and freedoms of all stakeholders taking part, and will prioritize the inclusion of Indigenous voices within this process. Recommendations from the consultations will come forward as a report to Council.

2. REPORT NO. COR 2021-006
Ten Year Capital Forecast (2021-2030)

THAT the 10-Year Capital Forecast, as prepared by the Director of Corporate Services / Treasurer, be endorsed in principle.



TOWNSHIP OF WILMOT

CORPORATE SERVICES *Budget Committee Report*

REPORT NO: COR 2021-007

TO: Ad Hoc Budget Advisory Committee

SUBMITTED BY: Patrick Kelly CPA, CMA Director of Corporate Services

PREPARED BY: Patrick Kelly CPA, CMA Director of Corporate Services
Ashton Romany CPA, Manager of Finance / Deputy Treasurer

REVIEWED BY: Grant Whittington, Chief Administrative Officer

DATE: February 1, 2021

SUBJECT: 2021 Proposed Operating Budget

RECOMMENDATION:

That the 2021 Operating Budget, as prepared by the Director of Corporate Services / Treasurer and Manager of Finance / Deputy Treasurer, be endorsed in principle.

SUMMARY:

The 2021 Operating Budget is being presented for committee approval, based upon the direction provided from the first meeting of the ad hoc Budget Advisory Committee. The proposed budget is inclusive of an inflationary levy increase of 1.90%, and a dedicated infrastructure levy of 2.00%.

The target levy adjustment of 1.90% was endorsed at the committee meeting held in mid-December. The continuation of levy adjustments limited to inflation represented a significant challenge, given the on-going impacts of COVID-19. Through a continued commitment to a variety of cost containment strategies and carry-over of Provincial Safe Restart Funding, staff were able to meet the guideline without drawing on additional reserve funding or cutting back existing levels of services.

Attached to this report is the operating budget detail, with supporting commentary to justify the allocations for the 2021 fiscal year.

BACKGROUND:

In preparing the annual operating budget, staff apply consistent methodologies across departments and divisions. Budget estimates incorporate any new legislative requirements and initiatives from senior levels of government.

Staff look to historical trends in projecting costs and revenues, recognizing any economic impacts for the current year (i.e. COVID-19). Unit rates are adjusted based upon economist predictions for commodity items such as fuel, natural gas and hydro.

Finally, priorities are weighed to determine which minor capital items are of immediate need, in order to meet the target levy increase established by the committee.

REPORT:**Target Inflationary Levy Increase**

As per direction from the committee, an inflationary levy increase of 1.90% has been achieved through the proposed operating budget. This target is based upon the Bank of Canada Core Inflation rate, and when coupled with modest assessment growth, provides necessary funding levels to ensure consistent service is provided to the community.

COVID-19 Impacts

The near-term impacts of COVID-19 are becoming somewhat clearer for the 2021 budget; however, the length and severity of impacts continue to be relatively unknown.

The proposed budget is based upon a full closure of in-person services until March 1, 2021, with a gradual re-opening under significant restrictions from March through June 2021. Staff are optimistic that activities in outdoor spaces and amenities will pick up on the summer, with increased activity levels in the fall of 2021.

Budget provisions and estimates throughout the proposed operating budget are based on these timing expectations and have been adjusted accordingly.

Service Level Increases

The proposed budget is inclusive of the annualized impact level of service increases, endorsed as part of the 2020 Municipal Budget.

By the end of fiscal 2020, all levels of service had been recruited and on-boarded, except for the Park and Facilities Technician, revised under Report PFRS 2020-019, and the Museum Assistant. Recruitment for these two (2) positions will occur in Q1 2021, with start dates anticipated in April and May 2021 respectively.

Ontario Municipal Partnership Fund (OMPF)

In the fall of 2017, Township staff were notified of a significant change in the level of funding from the Province via the OMPF transfer. Transitional assistance is provided annually under the OMPF program, to ensure the direct impact to municipalities is spread over a longer term. This limits claw backs of funding to a maximum of 15% from the previous years' allocation. Accordingly, the OMPF funding provided to Wilmot in 2021 will be \$712,300, representing a reduction of \$125,630.

Staff continue to advocate for a review of the on-going reductions in OMPF funding support of operations in rural farming communities across Ontario. The coupling of this loss with COVID-19 has reduced the Township's ability to grow internal funding support of long-term infrastructure needs.

Transfer to Infrastructure Reserve Funds

The proposed budget includes a levy funded transfer to Infrastructure Reserve Funds of approximately \$336,530. This transfer reflects the 2020 dedicated infrastructure levy (\$161,605), and the recently approved 2021 dedicated infrastructure levy (\$174,925)

Infrastructure Reserve allocations, and their continued growth are critical to ensuring the sustainability of the Township's long-term infrastructure planning and 10-year Capital program. Staff will continue to review future capital requirements and Infrastructure Reserve Fund balances to determine infrastructure levy requirements going forward.

Level of Service Adjustments

In addition to staffing Level of Service adjustments, the operating budget includes new operating requirements for: Artificial Turf Field Maintenance Program, HVAC System Maintenance Program, Lift Station Maintenance Program, Watermain Pressure Zone Testing, Municipal Drain Activity, and most notably the P-25 Voice Radio System. Lift Station and Watermain works are funded under the User Pay Division, while other requirements are funded through the general levy.

The Artificial Turf Field Maintenance requirements have been estimated at \$10,000 for 2021 and will be monitored with budget adjustments expected in 2022 after a full year of operations. HVAC System Maintenance and Lift Station Maintenance Programs were identified through continue Asset Management Roadmap works and recent Building Condition Assessments.

The Watermain Pressure Zone Testing Program is a new operating requirement that will identify and monitor operating pressures for domestic water supply and firefighting purposes.

Municipal Drain Maintenance continues to see increased activity levels in rural farming communities across Southwestern Ontario. The 2021 Budget includes a provision to initiate a joint-service agreement for shared consulting services with the Township of Woolwich, who are

seeing similar growth in activity to what Wilmot has experienced recently. These shared services are funded from the Municipal Modernization Fund in 2021 and will be reviewed further ahead of the 2022 Operating Budget.

The new P-25 Voice Radio System requires the Township to remit annual maintenance fees to the Region of Waterloo. These maintenance fees are established at a rate of approximately \$1,000 per radio, totaling \$84,000 in annual fees for the Township. In addition, dispatch fees continue to escalate and are projected at \$82,000 for 2021. Both, largely uncontrollable costs, will continue to be discussed with the Region of Waterloo and City of Kitchener staff at Area Fire Chiefs, Area Treasurers and Area CAO's meetings.

Operating Budget Highlights

The following is a brief summary of other key elements of the proposed operating budget. Notes to the attached operating statement provide further detail on a line-by-line basis.

Operating Revenue Losses

- Revenue estimates have incorporated the Council approved fees and charges (Report COR 2020-042), and utilized analysis of projected reductions in activity levels to arrive at current year projections
- Overall operating revenues from rental activities and admissions are anticipated to decrease by 42.0% in 2021, due to COVID-19 regulations and limitations on in-person gatherings
- Programming and Events are projected at approximately 25% of the previous budget estimates, with an optimistic view of gradual re-introduction in Q4 2021
- Fees for development applications and activities have been incorporated based on subdivision activity expectations for 2021.
- Overall Operating Revenue losses are projected to nearly \$1 million below 2020 budget estimates

COLA, Grid Movement and Part-Time Staffing

- Budget reflects implementation of the final transitions to a consolidated Grid structure for full-time and part-time staff, resulting from the Internal Equity Review undertaken from 2018 to 2020.
- A cost-of-living adjustment of 1.60% and grid movements have been included within budget estimates across all departments
- Part-time staffing requirements, most notably within Parks, Facilities and Recreation Services (PFRS) have been reduced due to extended COVID-19 closures in the months of January and February

Payroll Remittances, and Benefits

- All payroll remittance rates for OMERS, CPP, EI, EHT, WSIB and Group Benefits have been updated, and are reflected within the proposed budget

- Overall payroll related costs, or Mandatory Employee Remittance Costs (MERCs) are projected to grow by \$58,580 in 2021. This is driven by the annualized benefits of new levels of service introduced in 2020, and increased premiums and source deductions for CPP and Group Benefits

Minor Capital Initiatives

- Several initiatives that are one-time/minor capital in nature are included within the proposed budget, as referenced in accompanying notes. These one-time projects are below the capitalization threshold of \$10,000
- The aggregate sum of Minor Capital items within the proposed operating budget is \$139,900 with many initiatives coming from Wilmot Fire Service (\$21,200), IT Services (\$27,450) and the Wilmot Recreation Complex (\$29,200)
- Community Parks and Facilities have over \$43,000 in combined initiatives planned for 2021, including the installation of new park benches in a number of communities

Joint Service Delivery Review

- Future shared service opportunities may result from the on-going joint service delivery review amongst the four (4) Townships. Any impact would be incorporated within the proposed operating budget for 2022
- Any other recommendations resulting from the Joint Service Delivery Review (i.e. Procurement, Training, etc.) will also be incorporated within the 2022 Operating Budget

Commodity Pricing Adjustments

- Staff worked with consultants and reviewed various economic forecasts to generate estimates for commodity pricing including hydro, natural gas and fuel
- Overall commodity rates are anticipated to remain flat in 2021, with modest increases to fuel prices under the co-operative purchasing contract
- With decreased consumption in facilities under COVID-19 overall commodity budgets are projected at 13.2% below 2020 estimates. This would see approximately \$112,000 in savings

Health, Safety and Security

- Additional provisions have been incorporated within the budget proposal for additional PPE across Township operations, and adjustments have been made for health and safety related training, JHSC certifications, etc. The overall health and safety budget has increased by 5.0% to \$90,095, with additional funding under Minor Capital and the 2021 Capital Program to promote a healthy and safe work environment

Cost Containment Measures

- Cost containment strategies deployed in 2020 due to the economic impacts of COVID-19 have been carried forward into budget estimates in 2021

- Overall Training and Development allocations have decreased by nearly \$30,000 or 16.9% as a result of many course and conferences moving to a virtual environment
- Material and Supplies have decreased by \$67,000 or 13.1% year-over-year with the shift of several staff to working-from-home and online processing of service requests. Indirect staffing costs for mileage and other expenses are also decreased by over \$11,000 or 28.1%
- Building/Grounds Maintenance budgets are down 8.6% with less activity in municipal facilities under COVID-19. Most general maintenance activities at municipal parks and facilities continue to be required from an operations and safety perspective, regardless of community utilization

Asset Management Data Collection

- In 2018, the Township committed to growing the breadth of knowledge related to municipally-owned infrastructure with the hiring of the Asset Management Coordinator role
- The 2019/2020 Building Condition Assessment program identified general maintenance programs for municipal facilities which have been incorporated within departmental operations (ex. HVAC Maintenance Program, Lift Station Maintenance Program)

User Pay Operations

Cemetery Operations

- The proposed budget projects a balanced budget for Cemetery Operations
- A three (3) year average was used to project revenues from burials and sale of plots, which offset the projected loss in investment income
- A net transfer to/from Reserve Funds will occur at the conclusion of 2021
- The accumulated deficit within the Cemetery Infrastructure Reserve Fund as of December 31, 2020 was just over \$66,000

Building Services

- The proposed budget for the Building Division of Development Services will require a draw from reserves of \$62,080 to balance operating requirements
- The Building Reserve Fund was established as per Bill 124 legislation which requires the Building Division to be separated from the general levy
- Though permit fees are projected to increase over the 2020 budget estimates, operating expenses exceed these projected fees
- The accumulated deficit within the Building (Bill 124) Reserve Fund as of December 31, 2020 was just over \$998,000. As noted in Report COR 2021-003, the building industry is cyclical in nature, and future growth projections including industrial and residential subdivisions, and annual fee updates will help to eliminate the existing deficit and bring this reserve fund back into a positive status

Water and Sanitary

- The proposed 2021 Water & Sanitary Operating Budget was established based on the legislative requirements under the *Sustainable Water and Sewage Systems Act, 2002* (SWSS), and the *Safe Drinking Water Act, 2002* (SDWA)
- Water loss and Inflow/Infiltration (I&I) rates are two (2) projections that are utilized in determining budget estimates annually for the utility
- Water conservation continues to be a major consideration for municipalities when reviewing system operations and usage rates. The proposed operating budget considers a slight reduction in billable flows from the Region and billable consumption to residents based on a 5-year historical trend. As a reference, in the Township of Wilmot, the average consumption per account, including Residential, Commercial and Industrial accounts, was 261 cubic meters per year in 2007 and was 207 cubic meters in 2020. It is projected that average consumption will continue this decreasing trend over the long term.
- Taking into consideration the legislative, capital and operating requirements placed upon the Township's water and sanitary systems, the committee endorsed an increase of 1.9% to the Township's sanitary rate under Report COR 2020-042
- The proposed operating budget, in conjunction with the proposed rate changes, is projected to generate a combined transfer to reserve funds of \$1,258,779. These funds will be distributed across the Utilities three (3) infrastructure reserve funds: Water (\$492,219), Water Meter (\$126,040) and Sanitary (\$636,520) and are critical to the continuing efforts of ensuring the long-term financial sustainability of the Township owned water and sanitary systems.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This report is aligned with several of the goals and strategies within the Township Strategic Plan.

The proposed budget will help the community to further enjoy quality of life through active transportation (Maintaining Trails, Safe and Efficient Roads), arts, culture and heritage (Castle Kilbride), health and wellbeing (PPE, Health and Safety Training), and recreation and leisure opportunities (Parks and Facilities Minor Capital).

This budget also promotes community engagement through adapting community events to new COVID-19 protocols (Canada Day, National Indigenous Peoples Day), and supporting Community Groups / Volunteers and Youth (Municipal Grants and Youth Action Council).

Furthermore, this budget will help maintain economic prosperity through supporting the Waterloo Region Economic Development Corporation (WREDC), and working with Regional and local stakeholders on economic recovery planning and resiliency based on lessons learned from COVID-19.

Finally, the budget will promote responsible governance through active communications, fiscal responsibility and investments in on-going infrastructure maintenance.

FINANCIAL CONSIDERATIONS:

The summary page outlines how net operating expenditures, combined with previously endorsed capital expenditures and dedicated transfers to infrastructure reserve funds, will be funded through Provincial Grants, Investment Income, Assessment growth of 1.15%, an inflationary levy increase of 1.90%, and a dedicated Infrastructure Levy of 2.00%, to reach a balanced budget for fiscal 2021.

Provincial Grant Funding towards 2021 is anticipated to exceed \$1.12M, due to the carry forward of remaining Safe Restart Funding. In reconciling 2020 Operating and Capital, the update of remaining funding from Safe Restart is \$409,315. This funding when coupled with reductions in OMPF were instrumental in allowing the Township to maintain service levels, while limiting levy increases to an inflationary adjustment of 1.90%.

Investment Income is projected below 2020, due to lower yields in a COVID-19 environment. This investment income is inclusive of dividends and interest on investment in Kitchener-Wilmot Hydro.

Staff are pleased to present this fiscally responsible budget for approval. The proposed budget will allow Wilmot to maintain existing service levels to the community throughout COVID-19, while continuing our focus on Strategic priorities, which were reinforced under our updated Strategic Plan.

The 2021 budget meets the target levy guideline provided by the ad hoc Budget Advisory Committee under Report COR 2020-040.

ATTACHMENTS:

- 2021 Operating Budget Detail

**TOWNSHIP OF WILMOT
2021 PROPOSED OPERATING BUDGET SUMMARY**

		2020 Budget	2020 Actual	2021 Proposed Budget
<u>EXPENDITURES</u>				
OPERATING (EXCLUDING USER-PAY DIVISIONS)		11,394,990	10,339,800	11,385,255
TRANSFER TO CAPITAL PROGRAM ¹		1,777,500	1,777,484	1,513,500
TRANSFER TO INFRASTRUCTURE RESERVE FUNDS ²		362,750	161,605	336,530
<u>TOTAL EXPENDITURES FROM GENERAL LEVY</u>		13,535,240	12,278,889	13,235,285
<u>REVENUES</u>				
TAXATION	2020 GENERAL LEVY	7,976,555	7,976,555	8,646,811
	ASSESSMENT GROWTH (1.15%)	106,088	106,088	99,438
	TAX INCREASE (COLA) (1.90%)	177,818	177,818	166,176
	INFRASTRUCTURE LEVY (2.00%)	161,653	161,653	174,925
	SPECIAL LEVEL OF SERVICE LEVY (0%)	224,697	224,697	-
		8,646,811	8,646,811	9,087,350
OPERATING (EXCLUDING USER-PAY DIVISIONS)		2,972,700	1,725,303	2,044,420
PAYMENTS IN LIEU OF TAXES		199,599	198,890	199,200
SUPPLEMENTARY TAXES (NET OF WRITE-OFFS) ³		80,000	27,822	80,000
GRANTS ⁴		837,930	1,002,880	1,121,615
INVESTMENT INCOME ⁵		798,200	677,184	702,700
<u>TOTAL REVENUES TO GENERAL LEVY</u>		13,535,240	12,278,889	13,235,285

NOTES:

1 Represents the portion of Capital Program funded from General Levy, as per Report COR 2021-005.

2 Represents the 2020 dedicated infrastructure Levy approved under FIN 2019-41 (\$161,605), and 2021 dedicated infrastructure levy approved under COR 2021-041 (\$174,925).

3 Represents anticipated supplementary taxes, net of tax write-offs in 2021.

4 Includes 15% decrease in OMPF Funding (\$712,300), and remaining allocation of Safe Restart Funding (\$409,315) to mitigate the overall loss in operating funding due to COVID-19.

5 Represents dividends (\$370,000) and investment income (\$192,700) from Kitchener-Wilmot Hydro, and general bank investment income (\$140,000). General bank investment income lower than anticipated due to the reduction in interest rates through COVID-19.

**TOWNSHIP OF WILMOT
2021 PROPOSED OPERATING BUDGET**

	2020 Budget	2020 Actual	2021 Proposed Budget
<u>GENERAL GOVERNMENT</u>			
<u>REVENUE</u>			
Administration Fees / Sale of Surplus Assets ¹	(93,200)	(77,337)	(87,000)
Grant Funding - General Government ²	(35,000)	(38,600)	(48,000)
Licenses and Fines ³	(94,650)	(68,491)	(77,250)
Penalties & Interest Revenue ⁴	(258,600)	(209,474)	(246,500)
	<u>(481,450)</u>	<u>(393,902)</u>	<u>(458,750)</u>
<u>EXPENSES</u>			
Council ⁵	166,080	134,234	176,310
Municipal Grants Program ⁶	55,400	52,976	58,245
Office of the CAO, Information and Legislative Services ⁷	627,550	602,100	636,760
Insurance & Legal Expenses ⁸	297,040	289,212	278,050
Municipal Law Enforcement/Animal Control ⁹	166,600	153,729	170,745
Crossing Guards Operating Expenses ¹⁰	59,570	39,502	48,340
Municipal Election ¹¹	22,500	22,500	22,500
Corporate Services ¹²	712,510	703,848	767,875
IT Services ¹³	354,500	308,476	370,880
	<u>2,461,750</u>	<u>2,306,576</u>	<u>2,529,705</u>
<u>FIRE SERVICES</u>			
<u>REVENUE</u>			
Fire Services Revenues ¹⁴	(56,770)	(26,301)	(43,870)
	<u>(56,770)</u>	<u>(26,301)</u>	<u>(43,870)</u>
<u>EXPENSES</u>			
Fire Services Administration ¹⁵	998,360	905,581	1,037,980
Fire Services Operating Expenses ¹⁶	368,035	390,111	392,690
	<u>1,366,395</u>	<u>1,295,692</u>	<u>1,430,670</u>

**TOWNSHIP OF WILMOT
2021 PROPOSED OPERATING BUDGET**

	2020 Budget	2020 Actual	2021 Proposed Budget
<u>PUBLIC WORKS</u>			
<u>REVENUE</u>			
Roads/Engineering Service Charges ¹⁷	(266,870)	(192,087)	(118,000)
Aggregate Resource Fees ¹⁸	(171,000)	(179,725)	(174,000)
Grant Funding - Public Works ¹⁹	(47,500)	(20,000)	(30,000)
	<u>(485,370)</u>	<u>(391,812)</u>	<u>(322,000)</u>
<u>EXPENSES</u>			
Engineering Administration ²⁰	269,200	135,569	296,430
Roads Administration ²¹	652,390	652,804	674,850
Roads Operating Expenses ²²	564,050	603,874	607,450
Winter Control Expenses ²³	797,970	797,970	795,640
Municipal Drainage Operating Expenses ²⁴	60,000	67,152	58,250
Street Lighting Operating Expenses ²⁵	145,000	145,000	145,000
	<u>2,488,610</u>	<u>2,402,369</u>	<u>2,577,620</u>
<u>RECREATION AND FACILITIES</u>			
<u>REVENUE</u>			
Wilmot Recreation Complex Revenues ²⁶	(1,485,250)	(734,919)	(833,590)
Park, Facility and Community Centre Rental Revenue ²⁷	(181,600)	(28,466)	(101,150)
	<u>(1,666,850)</u>	<u>(763,385)</u>	<u>(934,740)</u>
<u>EXPENSES</u>			
Recreation Administration ²⁸	811,875	732,431	766,455
Wilmot Recreation Complex Administration ²⁹	1,570,690	1,311,597	1,456,920
Wilmot Recreation Complex Operating Expenses ³⁰	965,920	745,188	790,560
Parks & Facilities Administration ³¹	666,930	596,980	820,470
Parks and Community Centre Operating Expenses ³²	312,290	257,368	271,310
Municipal Facilities Operating Expenses ³³	133,140	153,546	123,080
Abandoned Cemetery Operating Expenses	3,500	3,500	3,570
	<u>4,464,345</u>	<u>3,800,611</u>	<u>4,232,365</u>

**TOWNSHIP OF WILMOT
2021 PROPOSED OPERATING BUDGET**

	2020 Budget	2020 Actual	2021 Proposed Budget
<u>CULTURAL SERVICES</u>			
<u>REVENUE</u>			
Castle Kilbride Admissions & Events ³⁴	(51,080)	(5,907)	(20,000)
Grant Funding - Castle Kilbride ³⁵	(27,030)	(31,910)	(23,910)
	<u>(78,110)</u>	<u>(37,816)</u>	<u>(43,910)</u>
<u>EXPENSES</u>			
Castle Kilbride Administration ³⁶	266,180	223,154	269,440
Castle Kilbride Operating Expenses ³⁷	48,400	32,651	34,605
Archives Operating Expenses	1,530	963	1,600
Heritage Wilmot Operating Expenses ³⁷	9,220	6,187	6,540
	<u>325,330</u>	<u>262,955</u>	<u>312,185</u>
<u>DEVELOPMENT SERVICES</u>			
<u>REVENUE</u>			
Planning Application Fees ³⁸	(200,150)	(110,463)	(238,650)
Business Licensing	(4,000)	(1,625)	(2,500)
	<u>(204,150)</u>	<u>(112,088)</u>	<u>(241,150)</u>
<u>EXPENSES</u>			
Planning ³⁹	233,560	221,098	247,710
Economic Development ⁴⁰	55,000	50,500	55,000
	<u>288,560</u>	<u>271,598</u>	<u>302,710</u>
<u>TOTAL OPERATING</u>			
<u>REVENUES</u>	<u>(2,972,700)</u>	<u>(1,725,303)</u>	<u>(2,044,420)</u>
<u>EXPENSES</u>	<u>11,394,990</u>	<u>10,339,800</u>	<u>11,385,255</u>
<u>NET GENERAL LEVY EXPENDITURE</u>	<u>8,422,290</u>	<u>8,614,497</u>	<u>9,340,835</u>

NOTES:

- 1 Includes administrative fees associated with tax certificates; NSF payments; account balance transfer fees; tax sale and sale of surplus assets.
- 2 Reflects OCIF formula funding towards the Asset Management Coordinator role (\$35,000); Celebrate Canada Funding towards Canada Day in Wilmot and National Indigenous People's Day (\$8,000); and KWCF funding towards Discover Your Wilmot Program (\$5,000).
- 3 Includes Dog and Kennel Licences (\$55,000); Parking Fines (\$8,000); Marriage Licences (\$8,000); Property Standards Fees (\$1,500); Lottery Licences (\$2,750); Provincial Offences (\$2,000). Overall budget reflects a significant reduction in marriage and lottery license activity levels in 2021 due to COVID-19 gathering restrictions.
- 4 Includes penalty and interest on overdue water accounts (\$16,500) and taxes receivable (\$230,000). Penalty on outstanding water accounts has been decreased from 5.0% to 2.5% to better align with area municipalities, as approved under Report COR 2020-042.
- 5 Incorporates year 2 of staged increases in Council remuneration, as approved under Report FIN 2019-25. Special events budget increase is associated with planned events for Canada Day in Wilmot and National Indigenous People's Day (\$8,000) which will be funded through the Celebrate Canada Fund.
- 6 Municipal Grant Program allocations were approved under Report COR 2020-043.
- 7 Expenditures includes direct and indirect staffing costs associated with the Office of the CAO, Information and Legislative Services. Minor Capital provision for Branding Roll-out (\$4,250).
- 8 Estimated 5% increase in annual Insurance Premiums (\$200,150); Provision for Self-Insured Claims (\$60,000), and estimated external Legal Expenses (\$45,000). 2021 Legal Expenses include additional funds for anticipated LPAT hearings.
- 9 Includes direct and indirect staffing costs associated with Municipal Law Enforcement Officers and contracted services for Animal
- 10 Includes direct and indirect staffing costs associated with crossing guards. Budget requirement reduced due to extended closure of schools under COVID-19 restrictions. 2020 Budget included one-time provision for new LED signs (\$3,000).
- 11 Includes annual transfer to the Election Reserve Fund, in preparing for the 2022 municipal election, and in-year expenditures on training and maintenance of the voters list.
- 12 Includes direct and indirect staffing costs for Corporate Services net of cost allocations from user-pay divisions.
- 13 Includes direct and indirect staffing costs for IT Services, support contracts and web service charges. Additional support contract fees have been included for new building permit software, fire services records management software and full implementation of Office 365.
- 14 Includes revenue from Fire Permits (\$3,900); billable calls/activities (\$34,500) and Boundary Service Agreement with Blandford-Blenheim (\$5,470). Billable calls have had a noticeable reduction under the current COVID-19 environment.
- 15 Includes direct and indirect staffing costs for Fire Services, including Practices, Fire Calls and other VFF activities.
- 16 Includes non-staffing related costs to maintain an effective Fire Services. Includes annualized cost of maintenance contract on P25 Radios (\$84,000). Minor Capital: Swivel Chute P615 (\$3,000), Hydra Assist Valve (\$5,000), Portable Scene Lighting (\$4,000), Holley Tubes (\$2,000), Replace Glass in Front Roll-up doors Station 1 (\$1,200), Replace tires P621 (\$6,000).

- 17 Engineering Service Fees are based upon anticipated development activity in 2021, as per adjusted rates approved under COR 2020-42. Service fees pertaining to development are staged over the course of development. As such, additional engineering fees are anticipated to be realized in 2022 for 2021 subdivision activities.
- 18 Ontario Aggregate Resources Corporation (OARC) fees budget is based upon average tonnage extracted from private pits with the Township at a rate of \$0.12 per tonne.
- 19 Represents OMAFRA funding towards anticipated Drainage Superintendent Services (\$20,000), and Municipal Modernization Funding to support shared services project for Municipal Drainage Consulting with Township of Woolwich (\$10,000).
- 20 Includes direct and indirect staffing costs for Engineering Administration net of cost allocation to Water/Sanitary. Budget includes annualized salaries and payroll related costs for two (2) new levels of service on-boarded in late 2020.
- 21 Includes direct and indirect staffing costs for Roads Operations excluding Winter Control. Includes provision for Gravel Pit Loader Training and Certifications as per legislative requirements (\$6,000).
- 22 Includes maintenance of Hardtop and Loose top Roads, Boundary Roads, Roadside, and Safety (Signage, Line Painting, etc.). Budget reflects transfer of OSIM Inspection Program from Capital Program to annual operating (\$20,000); Minor Capital provision for Fairview Street Culvert Repair (\$9,500) and increased hardtop expenses to meet O. Reg 239/02 maintenance standards (\$20,000).
- 23 Includes works required to meeting winter maintenance standards (\$552,640); billing associated with winter maintenance on boundary roads (\$93,000); contracted services at municipal facilities / parking lots (\$150,000).
- 24 Includes estimated Drainage Superintendent Consulting Fees (\$40,000); provision for shared service agreement with Woolwich (\$10,000) and completion of drainage GIS mapping project (\$8,250). Annual consulting fees are funded with 50% from OMAFRA, and drainage superintendent shared service is funded from Municipal Modernization Funding.
- 25 Reflects anticipated costs for hydro service and on-going maintenance/repairs on Wilmot's Street Lighting network. Budget includes estimated transfer of \$60,000 to Street Lighting Infrastructure Reserve Fund. Current deficit in the Reserve Fund is (\$100,900).
- 26 Revenues include: Aquatics (\$220,590); Ice Pads/Arena Floor (\$488,000); Concession (\$36,000); Programming (\$20,000); Room/Field Rentals (\$25,000); Rink Board Advertising (\$35,000); Other (\$9,000). Revenues at the WRC are projected to be approximately 45% below 2020 budget, due to extended closures of recreation facilities and cancellation/reduced programming/events under COVID-19.
- 27 Revenues include: NH Arena/CC (\$15,000); Baden (\$15,000); Haysville (\$11,000); Mannheim (\$11,000); New Dundee (\$15,000); New Hamburg Parks (\$16,000); Petersburg (\$7,000); St Agatha (\$9,000); Other (\$2,150). Community Center and Field Rentals are projected to reduce by 40% from 2020 Budget, due to extended closures under COVID-19.
- 28 Includes direct and indirect staffing costs for Recreation Administration, Scheduling and Customer Service personnel. Cost savings associated with part-time staffing adjustments under COVID-19 extended closure.
- 29 Includes direct and indirect, full-time and part-time, staffing costs for the Wilmot Recreation Complex. Cost savings associated with part-time staffing reductions under COVID-19 extended closure.

- 30 Costs include Building/Grounds Maintenance, Utility Costs, Equipment Repairs and Maintenance at the WRC. Cost savings are the result of reductions in hydro consumption and contracted services during extended closures under COVID-19. Minor Capital includes: Accessible Parking Signs (\$2,500); Changeroom Handrails (\$3,500); Front Entrance Bench Replacements (\$4,500); Aquatics Wireless Microphone Replacement (\$5,000); Replace Manual Pool Vacuum (\$2,500); Brine Pump Soft start (\$3,700); Highwater Alarm (\$7,500).
- 31 Includes direct and indirect staffing costs for all Parks and Facilities staff excluding the WRC. Includes annualized costs for new level of service approved under Report PFRS 2020-019, and re-alignment of all custodial maintenance for Township Facilities (excluding WRC) under this operating line. Minor Capital includes Keying of Community Centres (\$3,500); Chainsaw (\$1,100); Backpack Blower (\$800).
- 32 Overall cost reduction is the result of lower hydro consumption and contracted services during extended closures under COVID-19. Budget includes provision for maintenance/repairs on new artificial turf field (\$10,000). Includes Minor Capital: **Baden:** New Park Bench (\$2,000); **Haysville:** New Main Facility Sign (\$4,500); **Mannheim:** Replace Flag Pole (\$3,000); Parking Lot Line Painting (\$700); **New Dundee:** Pickleball Line Painting (\$1,000); Demo Women's Institute Structure / Replace with Replica Electrical Shed (\$9,500); Re-Shingle Storage Shed (\$1,500); **New Hamburg:** Floating Dock Scott Park (\$3,500); Bike Rack Install @ Arboretum (\$1,300); **Petersburg:** New Ball Diamond Bases (\$700); New Park Bench (\$2,000); Ball Diamond Storage Container (\$1,700); **St. Agatha:** New Ball Diamond Bases (\$700); New Park Bench (\$2,000).
- 33 Budget reflects a reduction in hydro consumption and contracted services during extended closures under COVID-19. Includes Minor Capital: Administration Complex CPTED Landscaping (\$4,000).
- 34 Revenue includes: Admission (\$12,000); Giftshop (\$400); Programs & Workshops (\$450); Special Events (\$7,050) and Other (\$100). Significant revenue reduction associated with closures and reduced capacity under COVID-19.
- 35 Includes CMOG Grant (\$16,600); YCW Grant (\$4,700); and CSJ (\$2,610).
- 36 Costs reflect direct and indirect staffing costs for Castle Kilbride Administration. Deferral of hiring level of service for Museum Assistant approved under Report CK 2019-05 until May 2021, and part-time staffing reductions under COVID-19.
- 37 Budget reductions associated with facility closures and reduced programming due to COVID-19. Minor Capital includes Front Gate Repair (\$4,800).
- 38 Reflects anticipated applications to occur in 2021, including fee adjustments approved under Report COR 2020-42.
- 39 Costs reflect direct and indirect staffing costs for Planning, net of cost allocations from Building Services.
- 40 Expenditures include Waterloo Region Economic Development Corporation (WREDC) membership (\$50,000), and provision for community economic development supports (\$5,000).

TOWNSHIP OF WILMOT
2021 PROPOSED OPERATING BUDGET (USER-PAY)

	2020 Budget	2020 Actual	2021 Proposed Budget
<u>WATER/SANITARY</u>			
<u>REVENUE</u>			
Utility User Fees ¹	(6,031,958)	(6,263,760)	(6,338,000)
Utilities Sales, Service Charges ²	(77,350)	(40,893)	(59,390)
	<u>(6,109,308)</u>	<u>(6,304,653)</u>	<u>(6,397,390)</u>
<u>EXPENSES</u>			
Water/Sanitary Administration ³	523,430	520,541	582,830
Water/Sanitary Operating Expenses ⁴	1,096,642	1,057,024	1,167,910
Water Regional Charges ⁵	1,446,000	1,500,005	1,465,000
Sanitary Regional Charges ⁵	2,058,802	1,880,726	1,926,871
	<u>5,124,874</u>	<u>4,958,295</u>	<u>5,142,611</u>
<u>TRANSFER (TO)/FROM RESERVE FUNDS ⁶</u>	<u>(984,434)</u>	<u>(1,346,358)</u>	<u>(1,254,779)</u>
<u>CEMETERY</u>			
<u>REVENUE</u>			
Cemetery User Fees ⁷	(75,150)	(76,632)	(73,440)
Cemetery Investment Income ⁸	(8,000)	(4,023)	(4,000)
	<u>(83,150)</u>	<u>(80,655)</u>	<u>(77,440)</u>
<u>EXPENSES</u>			
Cemetery Administration ⁹	21,750	16,019	21,890
Cemetery Operating Expenses ¹⁰	59,100	51,668	55,550
	<u>80,850</u>	<u>67,686</u>	<u>77,440</u>
<u>TRANSFER (TO)/FROM RESERVE FUNDS ⁵</u>	<u>(2,300)</u>	<u>(12,969)</u>	<u>-</u>

TOWNSHIP OF WILMOT (USER-PAY)
2021 PROPOSED OPERATING BUDGET (USER-PAY)

	2020 Budget	2020 Actual	2021 Proposed Budget
<u>BUILDING</u>			
<u>REVENUE</u>			
Building Permit Fees ¹¹	(657,130)	(569,721)	(669,750)
	(657,130)	(569,721)	(669,750)
<u>EXPENSES</u>			
Building Administration ¹²	419,720	419,421	453,150
Building Operating Expenses ¹³	237,410	230,872	278,680
	657,130	650,292	731,830
<u>TRANSFER (TO)/FROM RESERVE FUNDS</u> ⁶	-	80,571	62,080

NOTES:

- 1 Represents anticipated billing for water/sanitary services, including Council approved 1.9% increase for sanitary consumption rate.
- 2 Budget includes sales of water meters based on anticipated building activity and average bill-out for other water/sanitary services.
- 3 Includes direct and indirect staffing costs for Water and Sanitary system operators. Budget includes provision for two (2) part-time summer students to assist with hydrant painting and other minor operational requirements. WSIB premiums were adjusted resulting in additional annual fees of \$10,000.
- 4 Includes allocation to General Levy for services provided, as well as Contracted Services, Minor Capital, Fuel, Equipment/Vehicle Repairs and Maintenance, etc. Minor Capital includes Valve Repair Tool Kit (\$9,900). Annual operating requirements now include annual water main pressure zone testing (\$15,000) and annual Lift Station Maintenance Program (\$10,000).
- 5 Reflects flows to/from the Region of Waterloo. Regional sanitary charges are showing a decreasing trend which is reflective of continued capital investments towards sanitary inflow and infiltration works.
- 6 Transfer to Reserve Funds is directed towards the Township three (3) Utility Reserve Funds Water (\$492,219); Water Meter (\$126,040); Sanitary (\$636,520). These transfers continue to work towards full system sustainability for both water and sanitary system (as required by Provincial Legislation).
- 7 Cemetery User Fees include Sale of Plots (\$38,840); Grave Openings (\$23,200); Superintendent Charges (\$4,000); and Foundations
- 8 Investment income expected to be lower in 2021 due to yields on investments under COVID-19 economy.
- 9 Costs reflect direct and indirect staffing costs for Cemetery Operations.

- 10 Cemetery Operating expenses include Grave Opening, Foundations, Buildings/Grounds Maintenance, Allocation to General Levy for administrative support.
- 11 Reflects anticipated Building Permit Fees (\$598,000); Plumbing Permit Fees (\$43,000); and Septic Fees (\$28,750)
- 12 Costs reflect direct and indirect staffing costs for Building Operations.
- 13 Building Operating Expenses include Allocation to General Levy for admin/planning supports, Contracted Services, Vehicle Repairs/Maintenance, etc.



TOWNSHIP OF WILMOT

CORPORATE SERVICES *Budget Committee Report*

REPORT NO: COR 2021-008

TO: Ad Hoc Budget Advisory Committee

SUBMITTED BY: Patrick Kelly CPA, CMA Director of Corporate Services

PREPARED BY: Patrick Kelly CPA, CMA Director of Corporate Services
Ashton Romany CPA, Manager of Finance / Deputy Treasurer

REVIEWED BY: Grant Whittington, Chief Administrative Officer

DATE: February 1, 2021

SUBJECT: 2021 Municipal Budget Package

RECOMMENDATION:

That the 2021 Municipal Budget, as prepared by the Director of Corporate Service / Treasurer be endorsed and recommended to Council on February 8, 2021.

SUMMARY:

The 2021 Municipal Budget has been prepared in accordance with the historical practice of establishing a target levy adjustment in mid-December and building a Capital and Operating program that meet or exceed that target.

The budget guideline, endorsed at the committee meeting held in mid-December noted an inflationary levy increase of 1.90%, and a Dedicated Infrastructure Levy of 2.00%. Through the 2021 Capital Program and 2021 Operating Budget, and external funding assistance under the Safe Restart Agreement, staff were able to achieve the target levy increase of 1.90%.

This budget is indicative of the collaborative efforts of staff and Members of Council in meeting the needs of this community in 2021, adapting to COVID-19 regulations and restriction, while continuing our commitment to fiscal responsibility.

BACKGROUND:

The ad hoc Budget Advisory Committee commenced the 2021 Municipal Budget process in December 2020. The Budget process included a review/update of fees and charges, consideration of 2021 Municipal Grants, a review of 2020 fiscal results, endorsement of the 2021 Capital Program and updated 10-year capital forecast, approval of Level of Service adjustments, and endorsement of the proposed operating budgets for general levy and user-pay funded departments.

REPORT:

Overall, Township Council and staff have achieved the target inflationary levy increase of 1.90%, in the absence of any draws from discretionary reserve funds or debt financing.

The proposed 2021 budget includes \$11.4M in operating expenditures, a \$8.8M capital program (\$1.5M in levy funding) and levy supported allocations to Infrastructure Reserve Funds of \$336,530 (2020 - \$362,750). This transfer is inclusive of the additional dedicated infrastructure levy of \$174,925.

All of the highlights above were achieved amidst a year of relatively low assessment growth (1.15%), a 15% reduction in funding under the Ontario Municipal Partnership Fund (OMPF), and non-staff service levels enhancements to several service areas, including voice radio systems.

In addition, the program budgets for Building Services Division, the Water and Sanitary Division and Cemetery Services total \$5.95M, with a net combined allocation of \$1.20M to dedicated user pay reserve funds.

ALIGNMENT WITH THE TOWNSHIP OF WILMOT STRATEGIC PLAN:

This report is aligned in many ways with each of the five (5) main goal areas, and corresponding strategies within the Township Strategic Plan. The strategic alignment was outlined in detail throughout each of the preceding budget reports.

FINANCIAL CONSIDERATIONS:

The proposed increase will generate a total levy of \$9,087,350, or an increase of approximately \$440,539 over the 2020 levy, factoring in assessment growth.

Assessment growth of 1.15% represents \$99,438 of the additional levy funds.

The inflationary adjustment to the general levy of 1.90% will generate \$166,176 of the additional levy funding. This adjustment will add \$18.63 in annual Township taxes to the average residential property owner.

The Dedicated Infrastructure Levy of 2.00% will generate \$174,925 of the additional levy funding. This adjustment will add \$19.60 in Township taxes to the average residential property owners.

In 2020, \$980.36 of the average residential property taxes were remitted for Township of Wilmot services, with the remainder allocated to the Region of Waterloo (\$2,067.14) and area school boards (\$625.16). The combined impact of inflationary adjustments, and the dedicated infrastructure levy, will add \$38.23 to the Township portion of taxes for the average residential property owner.

A review of general levy increases across Region of Waterloo municipalities indicates a range of 0.00% to 2.73%, excluding dedicated infrastructure levies.

For every 1.0% increase in the general levy, an additional \$87,462 in funding is generated for Township services in 2021.

ATTACHMENTS:

- None