

DATE: February 5, 2024

REPORT NO: T-03-2024

SUBJECT: **2024 Draft Operating and Capital Budget**

CONTACT: **Donna DeFilippis CPA CA, Interim CAO & Treasurer
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Treasurer**

OVERVIEW:

- The Draft 2024 Operating Budget supports \$22 million in operating expenditures, funded through property taxes, user fees, grants and reserve transfers.
- The Draft 2024 Budget includes \$10.8 million in Capital and Special Projects, with the largest investment being in Environmental Infrastructure totaling \$5.4 million and Transportation Infrastructure totaling \$4 million.
- The Draft 2024 Operating and Capital Budget includes a general base tax levy of \$9,943,950 which represents a 9.14% levy increase over 2023, after factoring in assessment growth. Assessment Growth is 0.36% for 2024.
- The hospital levy is \$226,500, which is an increase of \$50,200 over 2023. This results in an \$8.43 increase to the amount of taxes paid.
- The average increase in the West Lincoln portion of the total tax bill is estimated at \$149.45. The total urban service levy for an average residential home in the urban area of Smithville is \$72.26, a decrease of \$1.88 from 2023.
- **The total tax bill, which includes all taxing authorities, is expected to increase by 6.34%**
- Every \$90,800 of additional expenditure added to this draft budget equates to a 1% general tax levy adjustment which represents a \$15 increase in taxes to the average homeowner. Alternatively, every reduction of \$90,800 would result in an approximate decrease of \$15 to the average homeowner.
- For budget purposes, a value of \$388,600 represents the average assessment for a single family detached home. MPAC (Municipal Property Assessment Corporation) bases assessment on 2016 market values.
- The final budget presentation and discussion will take place at the Administrative/Finance/Fire Committee meeting scheduled for Tuesday, February 20, 2024 at 6:30 pm, with an additional date set for Wednesday, February 21, 2024 at 6:30 pm, if required.
- The 2024 Budget would be ratified at the Council meeting scheduled for Monday, February 26, 2024 at 6:30 pm.

RECOMMENDATION:

That, Information Report T-03-2024, regarding the “2024 Draft Operating and Capital Budget” dated February 5, 2024, be received.

ATTACHMENTS:

- **Schedule A** 2024 Draft Operating Budget Summary
- **Schedule B** 2024 Draft Operating Budget by Department
- **Schedule C** Recreation Report REC-05-2023
- **Schedule D** Staffing Request Details
- **Schedule E** 2024 Capital and Special Projects-Summary
- **Schedule F** 2024 Capital and Special Projects-Detail
- **Schedule G** 2024 Ten Year Capital Plan- Funding Detail
- **Schedule H** 2024 Ten Year Capital Plan- by Department
- **Schedule I** 2024 Budget Survey Results

ALIGNMENT TO STRATEGIC PLAN:

The 2024 Draft Operating and Capital Budget supports the following Strategic Plan Themes:

- Build a safe, connected, caring and active community
- Champion strategic and responsible growth
- Enrich our strong agricultural legacy
- Advance organizational capacity and effectiveness

BACKGROUND:

Approval of the 2024 Operating and Capital Budget is scheduled to take place on Tuesday, February 20, 2024. If necessary, Wednesday, February 21, 2024 has also been set aside as a budget meeting. The purpose of this report is to give Council an opportunity to review and discuss the draft budget prior to the final budget meeting.

A Budget Survey was launched in the fall of 2023, with the detailed findings found in **Schedule I** to this report. We received 48 responses to the Budget Survey and all details, including comments, are included in **Schedule I**. Those that responded to the survey have provided observations on various services provided by the Township. 72% of the respondents rated the overall value they are receiving from their tax dollars as fair or better.

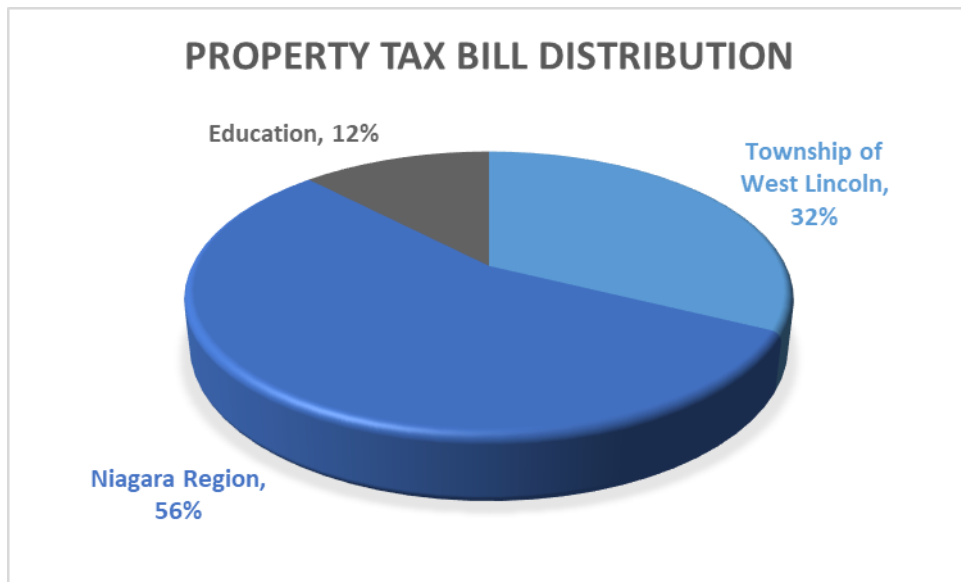
At the January 15th, 2024 Council meeting, staff presented two reports to Council:

- T-01-2024 2024 Draft Capital Budget
- T-02-2024 2024 Budget Staffing Review

This report will also include discussion regarding Capital and Staffing.

Council is asked each year to approve an Operating and Capital budget which is developed and presented by staff. The 2024 budget includes approximately \$22 million of operating expenditures and approximately \$10.8 million in Capital and Special Project expenditures. These expenditure items are funded through user fees, grants, reserve transfers and the tax levy. One of the key outcomes of the budget process is the establishment of the required tax levy and ultimately the tax rate which will be levied on properties in West Lincoln.

Property owners in West Lincoln receive a tax bill from the Township that includes taxes levied by the Township, Niagara Region and Education. In 2023, the allocation between these three authorities is reflected below:



The Township of West Lincoln retains approximately 32% of the total taxes paid by rate payers. This percentage has not significantly changed over the years.

Every \$90,800 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. Every \$90,800 of expenditure added to this budget will result in approximately a \$15 increase in taxes paid for an average residential home assessed at \$388,600. 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 levy impacts the average residence. The average value of \$388,600 is based on MPAC (Municipal Property Assessment Corporation) data and is reflective of 2016 market values. At the time of writing this report, there has been no announcement from the Minister of Finance as to when a new assessment date may be introduced and what that date may be.

At the January 30, 2023 Council Meeting the following resolution was adopted:

That, the McNally House Hospice Presentation which provided an update on the expansion of their facility and financial needs be received; and

That, McNally House Hospice request for financial assistance from the Township of West Lincoln in the amount of \$70,000, which can be allocated in four (4) annual instalments of \$17.5K, in order to facilitate expansion of their facility, be referred for consideration as part of the Township's 2023 Budget.

Staff have continued to address this request by including \$17,500 under 'Transfer to Not for Profit' under the Corporate Services budget, offset by a transfer from the contingency reserve.

The Township's 2023 budget included 62 Full-time Permanent Staff, broken down as follows:

- 31 Non Union Staff, including 5 working for the Library
- 31 Union Positions

In addition, there are 3 permanent part-time positions in the base budget, with a total FTE (Full Time Equivalent) of 1.96. **The 2024 Draft Budget includes 2 new full-time positions in addition to the above: an additional Library Public Service Assistant and a Community Engagement and Events Coordinator.**

The Township budget also includes part-time staff that work as Crossing Guards, Cleaners and Library Public Service Assistants. The Parks/Facilities and Recreation Programming departments employ both part-time and seasonal staff throughout the year. Finally, the approved volunteer fire fighter complement is 55.

OPERATING FUND ANALYSIS:

The base 2024 levy of \$9,943,950 represents an increase of \$862,400 over the 2023 base levy of \$9,081,550. The operating budget provides funding for the Township's day-to-day costs of delivering services, such as fire protection, maintenance of transportation networks, library services and recreational programming. In addition, the operating levy provides funding for Capital and Special Projects through reserve transfers and debt repayment.

The impact of the levy increase on taxpayers is lessened by assessment growth. In 2023, assessment growth was 1.88% which meant that the first \$187,000 of the tax levy increase did not impact taxes paid. To put this in perspective, in 2023, the levy increased \$729,880, or 8.74%, however, due to growth of 1.88% or \$187,000 the net increase was 6.50%. The Township has seen assessment increases of 1.70% in 2022, 1.29% in 2021 and 1.85% in 2020. Unfortunately, in 2024, assessment growth is **only 0.36%**, which means that only the first \$32,800 of the increase in the tax levy has no impact to taxes paid. This means that the overall tax levy will have a greater impact on taxes paid than in previous years. Assessment Growth represents new assessment that is brought on the tax roll from new builds, improvements or additions.

The major factors contributing to the 2024 levy increase are reviewed below:

Investment in Infrastructure and Funding of Special Projects

\$190,980 or 2.1% of the levy increase is attributable to increased transfers to reserves. These increases are necessary in order to ensure funding will be available to complete the projects in the ten-year capital plan. The impact of the Capital Budget on the operating budget was outlined in report *T-01-2024 2024 Draft Capital Budget*. In that report, staff indicated that the Capital Budget would have a 2.71% impact on the levy, after transferring \$500,000 of the estimated 2023 operating surplus to the Capital Reserve. Staff have worked diligently to lower that impact, and this has resulted in a 2.1% increase to the levy for Capital purposes. Included in the \$190,980 increase to reserve transfers is a \$70,000 transfer to the Capital reserve related to the hard-topping of Vaughan Road from Wellandport Road to Heaslip Road. This project totals \$700,000 and is partially funded through a transfer from the Capital Reserve. In the past, the hard-topping projects were funded through debentures, however, given the current market, staff have opted to fund this project internally, with a payback to the Capital Reserve over the years 2024 to 2033.

Cost of Living Adjustments to Wages and Salaries

The 2023 Base Budget included a 2% cost of living adjustment to wages. The actual approved 2023 adjustment resulting from contract negotiations was 3%. Included in the 2024 budget is a cost of living adjustment of 2.75%. In total, wages and salaries are seeing a 3.75% increase over the 2023 budget. For the two largest employee groups, the amounts of these adjustments are as follows:

Non Union Full Time and Permanent Part-Time Staff: **\$100,700** increase
Unionized Staff: **\$ 62,800** increase

The Cost of Living adjustments for the two largest employee groups results in a 1.8% increase to the levy.

As wages and salaries increase, there is a corresponding increase in many of the mandatory benefit costs that the Township must pay; CPP, EI, EHT, WSIB and OMERS are all based on a percentage of wages. Staff have been successful in securing group benefit premiums at a rate actually lower than was budgeted in 2023. Overall, all benefit costs are increasing by **\$62,130** which represents a 3.34% increase over 2023.

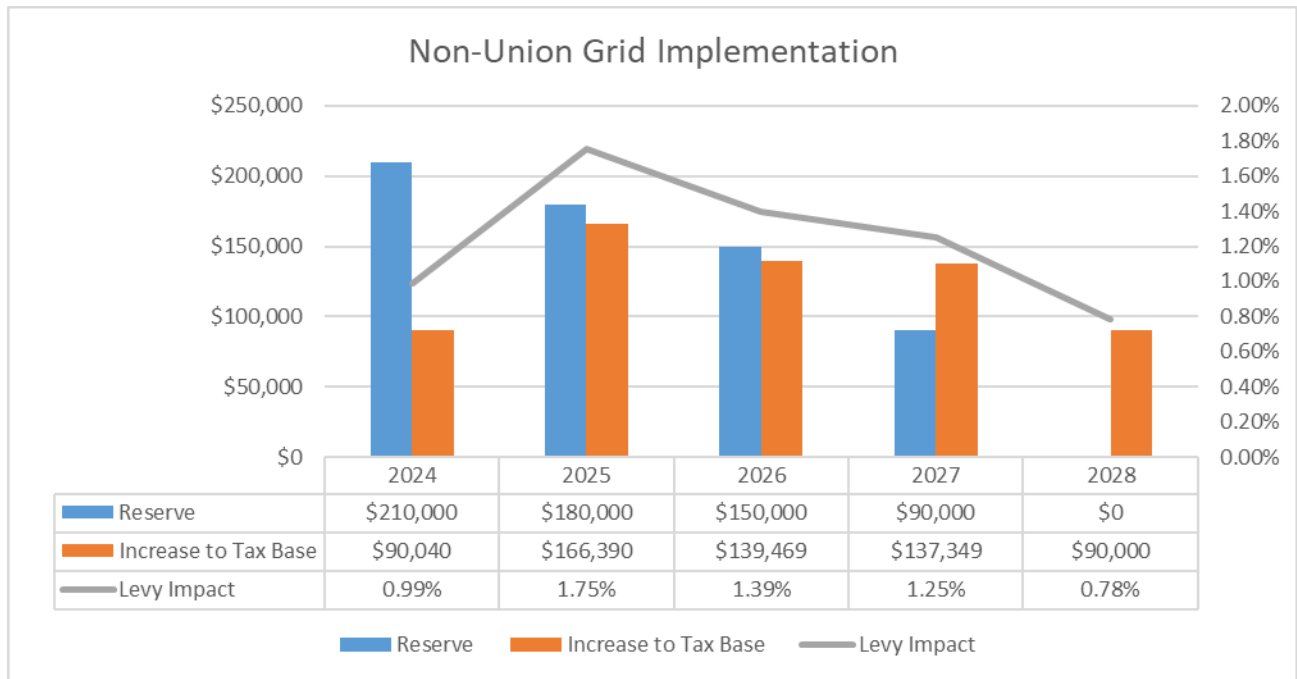
Non-Union Grid Implementation

In 2020, Council approved a project to conduct a Pay Equity/Market Equity Non-Union Compensation Review. The final results of this review were presented to Council at a Special Council meeting held on November 17, 2021.

The following resolution was passed:

That, Confidential Report No.CAO-03-2021, dated November 17, 2021, regarding “Non-Union Salary Review” be received; and, 2. That, Council endorse and approve the 2021 Non-Union Salary Grid (Attachment A) and that the implementation be deferred to the 2022 Budget process.

The 2022 budget included the first step of implementation of the approved Non-Union Salary Grid with a transfer from the Contingency Reserve of \$168,690 to fund the costs, with an impact of \$9,300 on the tax levy. The 2023 budget included the second year of implementation, with a tax impact of \$52,000. The third year of implementation will see the positions move to the next step on the six step grid. The increase to the tax levy in this third year of implementation is **\$90,040**, or 0.99% of the tax levy increase. Step six represents “job rate” or what the target rate of the position is based on the 2021 study. The regular cost of living adjustment given to staff is not part of this calculation. The chart below summarizes the implementation plan, including the estimated transfer from reserves and the impact to the tax levy up to 2028, at which point all costs will be on the tax levy.



The chart above indicates that tax levy increases of 1.75%, 1.39%, 1.25% and 0.78% over the years 2025, 2026, 2027 and 2028 respectively will be required in order to bring the total cost of the non-union grid implementation onto the tax levy. This implementation plan requires significant transfers from the contingency reserve of \$630,000 over the years 2024 to 2027.

Staffing Level Enhancements

Although approved in 2023, the addition of a new position in the Planning Department has impacted the 2024 budget as the funding source is no longer available. The Manager of Planning position was outlined in *Planning Report PD-76-2022* dated August 11, 2022, which included the following two resolutions:

That, Council approve an additional Full Time Equivalent (FTE) in the Planning and Building Department and that a Manager of Planning position be created and the Planner I and Planner II positions be renamed Planner and Senior Planner respectively; and,

That, one of the Planner II positions be funded by the Land Owners Group for up to the next four years to help accommodate for planning approval pressures.

Unfortunately, the Land Owners Group will not be providing any funding towards this position. The loss of funds total \$121,200, which staff have mitigated through a transfer from the Planning Reserve of \$60,000, for a net 2024 impact of **\$61,200**. This is only a temporary measure to provide relief to the 2024 levy. The full impact of this position, with the remaining \$60,000, will be included in the 2025 levy.

Crossing Guard Wages have increased by **\$45,720** as a result of the revised compensation structure approved through report *C-07-2023 School Crossing Guard Operational Staffing Update*.

The Library Board has approved an additional full-time Public Service Assistant and have reduced the part-time staffing budget in order to partially mitigate the increased costs. The net impact to the budget as a result of this additional full-time position is **\$12,300**.

The Parks, Facilities and Recreation departments' part-time wages budget has increased by **\$41,260**. Approximately \$12,460 of this increase is attributable to cost of living adjustments, however there have been some increases in staffing hours resulting in the following:

- Summer and Winter Season staffing changes has resulted in an increase of \$8,000
- Extended Season staffing which represents an increased service level providing an extended ice season with a cost of \$12,500. This additional staffing cost has been mitigated with user fee revenue, **with a net impact of \$6,400 for this service level improvement**
- Recreation Programming staffing has increased by 470 hours, with 32 of those hours related to the Santa Claus parade. The impact of these increased hours is \$8,300.

The Recreation Department has requested an additional position, which was introduced to Council in Report *REC-05-2023 Recreation Staffing and Resources Recommendation for Upcoming Programming and Events (Schedule C* to this report). The projected cost for this new position, including all benefits, is \$83,100. This cost is mitigated by the fact that a Part-Time Farmer's Market Coordinator would no longer be required, removing \$20,800 from the budget. This results in a net impact to the operating budget of **\$62,300** in 2024.

Grant Reductions

The 2023 budget included the final amount of Provincial Covid-19 funding which was used within the Corporate Services department to partially offset the costs of WeeStream and ZOOM. The removal of this funding source has an impact to the tax levy of **\$26,900**.

The OMPF (Ontario Municipal Partnership Fund) allocation is \$1,046,200 in 2024, a decrease of **\$39,700** compared to the 2023 grant allocation. The grant program supports northern and rural municipalities across the province.

Its objectives are to recognize the challenges of northern and rural municipalities, while targeting funding to those with more challenging fiscal circumstances and to support areas with limited property assessment. The Township receives funding under fiscal circumstances component and the rural circumstances component.

Fire Station 2 Debenture

As part of report *WLFD-07-2022* the tender of the replacement of Fire Station #2 was approved, as was the revised budget of \$3,950,000, with financing as follows:

Fire Reserve	\$ 40,000
Contingency Reserve	\$ 400,000
Canada Community-Building Fund (CCBF)	\$ 540,000
Community Fund Reserve	\$ 663,000
Development Charges	\$ 714,400
Debenture Issuance	<u>\$1,592,600</u>
Total	<u>\$3,950,000</u>

The 2024 debenture payment, including interest is \$158,830. The tax base has slowly been increased in anticipation of this payment, with increases of \$57,000 and \$50,000 in the years 2022 and 2023 respectively. The final increase required in 2024 is **\$51,830**.

Corporate Insurance

The Township, like other municipalities, is once again facing increases in its corporate insurance. The Township does use a broker that goes to “market” to ensure the best possible rates. The impact to the 2024 budget is **\$49,500**, which represents a 10% increase over 2023 actual premiums. This is the net increase after using the insurance reserve to assist in managing the large insurance increases over the past few years. Ontario municipal insurance premiums are increasing due to several factors, including the impact of inflation on replacement cost values, an increase in weather-related disasters and a rise in cyber-attacks. The Township is fortunate that it has been able to secure cyber insurance as part of its overall coverage; many municipalities do not qualify for this.

Utilities

Utilities are increasing by **\$45,200** or 8.53%, with the most significant increase attributable to Natural Gas. Also included under Utilities is Hydro, Water and Telecommunications.

Inflation

The cost of goods and services have increased as a result of inflation. Staff have worked very hard to keep as many expenditure lines within a 2% increase over 2023 and in some cases there have been no increases made. The budgets related to the Repair and Maintenance of Facilities have increased at a rate higher than inflation. The total increase in the 2024 budget is **\$52,180**. A portion of this increase is related to the new Station 2 Building which will require different levels of maintenance compared to the old structure.

In particular, there will now be a generator that needs monitoring and there will now be regular cleaning taking place. In addition, 2023 represented the first full year that the WLCC was being used at its capacity. This past year has provided staff with the necessary data and history to properly plan for 2024. The traffic and usage at the facility has necessitated an increase to cleaning materials and other maintenance and repair items.

Significant Mitigating Factors

The items above total \$994,740 and are increasing the tax levy. There are some significant mitigating items that help reduce this increase. The allocation of operating costs to fee based departments has increased by \$65,900. Facility User Fees have increased by \$29,500 and Planning Department User Fees have increased by \$59,540.

The above summary presents to Council the significant items that are impacting the 2024 levy increase. The next section of the report will review additional budget items.

Santa Claus Parade:

The following resolution was adopted at the April 24, 2023 Council meeting:

- 1) *That, the Director of Finance/Treasurer's Recommendation Report No. T-09-2023 be amended to increase the West Lincoln Santa Claus Parade's Community Grant from \$5,000 to \$7,500.00; and,*
- 2) *That, staff be directed to report back in the Fall of 2023 on a plan for further involvement of staff and resources as part of the 2024 budget for the planning and execution of the West Lincoln Santa Claus Parade event commencing in 2024 while continuing to work with the volunteer committee members of the Parade Committee.*

Report REC-05-2023 Recreation Staffing and Resources Recommendation for Upcoming Programming and Events outlined to Council the approach staff were recommending. This report is attached as **Schedule B** to this report for Council's information. That report indicated to Council that a request would be part of the 2024 budget for one additional full-time staff position. One of the recommendations of this report was to extend the Recreation and Wellness Programmer contract from January 1, 2024 to March 1, 2024 funded through a transfer from the Contingency Reserve in the amount of \$14,000. If Council were to approve the additional full-time staffing position, this transfer would not be necessary.

The projected cost for this new position, including all benefits, is \$83,100. This cost is mitigated by the fact that a Part-Time Farmer's Market Coordinator would no longer be required, removing \$20,800 from the budget. This results in a net impact to the operating budget of \$62,300 in 2024.

In addition to the staffing request, the operating budget is impacted with costs related to the implementation of the event, such as payment for entertainment and music.

Staff have also budgeted for some of these costs to be offset through sponsorship revenue. The net cost is estimated at approximately \$12,600. This increase has been mitigated by reducing the allocation to Community Grants by \$5,000, which represents the amount of funding that the Santa Claus Parade Committee would typically receive. This results in a net impact to the budget of \$7,600.

The two items above total \$69,900 and are included in the 2024 budget.

Additional Staffing Needs:

At the January 15, 2024 Council Meeting staff presented report *T-02-2024 2024 Budget Staffing Review*. This report presented to Council additional staffing needs that Senior Management have brought forward as part of the 2024 budget process. The positions below **are not** included in the 2024 budget being presented tonight.

Title	Budget Impact	Levy Impact
Construction Supervisor	\$125,000	1.38%
Arena/Parks Operator	\$ 72,000	0.79%
Climate Change Coordinator – Shared Position	\$ 20,000	0.22%
Accounting Supervisor	\$125,000	1.38%
Fire Administrative Assistant- Part-time to Full-time	\$ 38,000	0.42%
Fire Prevention Officer	\$ 92,000	1.00%
IT Help Desk Analyst- Part-time to Full-time	\$ 12,300	0.14%
Total	\$484,300	5.33%

Details regarding each of the above staffing requests can be found on **Schedule D**. The Santa Claus parade is also included in this attachment.

WATER AND WASTEWATER (SANITARY SEWER):

The Township’s Water and Wastewater expenditures are funded 100% through user fees. The expenditure budget for these two service areas in 2024 is \$2,131,660 for Water and \$2,433,240 for Wastewater for a total of \$4,564,900 being funded through Water and Wastewater fees. The expenditures include transfers totalling \$549,560 to the Water and Wastewater reserves in order to ensure adequate funding for infrastructure repairs and replacements.

The 2024 budget includes a 5% increase to the water and wastewater rates effective July 1, 2024, except for the wastewater consumptive rate, which would increase by 2%. This increase is based on the Water and Wastewater Rate Study and Financial Plan presented and approved by Council in report T-25-2020. The July 1st rates were approved as part of report T-28-2023, Consolidated User Fees and Charges By-Law and 2024 User Fees and Charges, dated December 4, 2023. As this rate change would be effective July 1, 2024 the impact would be on the September 2024 and December 2024 billings. The water consumptive rate would increase to \$1.71 from \$1.63 and the fixed quarterly rate for a ¾” service would increase to \$47.99 from \$45.70. The Bulk Water per cubic meter rate change will be \$2.32 from \$2.21. The wastewater consumptive rate would increase to \$1.97 from \$1.93 and the fixed quarterly rate for a ¾” service would increase to \$110.62 from \$105.36.

To put the consumptive rates in perspective, a 500ml bottle of water is often purchased for \$1.00, based on the new proposed consumptive rates, that same 500ml bottle of water could be filled up from the tap 543 times for the same price. The impact to an average quarterly water bill is outlined below:

Impact of Proposed Water & Wastewater Rates			
Based on an average consumption of 45 cubic meters per quarter, or 180 cubic meters annually			
Quarterly Charge			
	July 2024	Current	
Water Consumptive	\$ 76.95	\$	73.35
Sewer Consumptive	\$ 88.65	\$	86.85
Water Base	\$ 47.99	\$	45.70
Sewer Base	\$ 110.62	\$	105.36
Total	\$ 324.21	\$	311.26

The quarterly utility bill for an average consumption of 45 cubic meters will increase by \$12.95 or 4.16%.

IMPACT TO PROPERTY TAXES:

Levy for the new West Lincoln Memorial Hospital:

A new levy was introduced in 2021 to provide funding for the Township’s share of the West Lincoln Memorial Hospital new build. The total cost of the project is estimated at \$200 million, with the local municipalities (West Lincoln, Lincoln and Grimsby) responsible for \$21,650,000. Based on 2021 Household data, West Lincoln’s total share is estimated at \$4,524,850 and will most likely be required to make this contribution in late 2024 or early 2025. West Lincoln should have \$1,857,097 available in its Hospital Reserve at the end of 2024 which will require the issuance of a debenture to make up the shortfall of \$2,667,753. Staff is assuming that a 20-year serial debenture will be required. The following chart outlines the required hospital levy over the years of 2021 to 2025, with 2025 being the year that staff anticipate the first debenture payment would be due.

WLMH Levy Requirement			
Year	Total Levy		Levy Change
2021	\$	75,300	\$ 75,300
2022	\$	125,800	\$ 50,500
2023	\$	176,300	\$ 50,500
2024	\$	226,800	\$ 50,200
2025	\$	252,000	\$ 25,200

The Hospital Levy increase in 2024 is \$50,200 which will result in an \$8.43 increase to the tax bill for an average single family home.

Urban Service Area Special Charge:

The 2024 Draft Budget includes an Urban Service Area levy of \$186,320 (\$188,300 in 2023). The Urban Service Area levy is a special levy collected in the Urban Serviced Area of Smithville and funds the cost of streetlights and sidewalks (including sidewalk snow removal) within this designated area. The overall levy is decreasing by \$1,980. The average homeowner will pay \$74.14, a decrease of \$1.88 (2.54% decrease) over the amount paid in 2023 of \$72.26.

2024 Tax Levy and Estimated Impact on Property Taxes:

The 2024 draft base budget requires an overall tax levy of \$9,943,950, which represents a 9.14% levy increase, after factoring in growth. Assessment growth results in a portion of the tax levy increase not impacting the actual taxes paid by property owners. For the 2024 budget, residential assessment growth is estimated at \$32,800 (0.36%). This means that of the \$862,400 increase in the required tax levy, the first \$32,800 of that increase does not increase the taxes paid by property owners.

The **estimated** impact to the total tax bill based on an average assessment of \$388,600 is as follows:

	2023 Total Taxes	2024 Total Taxes	\$ Change	% Change
Assessment	\$ 388,600.00	\$ 388,600.00	\$ -	0.00%
Municipal	\$ 1,549.25	\$ 1,690.27	\$ 141.02	9.10%
Hospital	\$ 30.07	\$ 38.50	\$ 8.43	28.03%
Total Township	\$ 1,579.32	\$ 1,728.77	\$ 149.45	9.46%
Total Region	\$ 2,712.33	\$ 2,878.60	\$ 166.27	6.13%
Education	\$ 594.56	\$ 595.00	\$ 0.44	0.07%
TOTAL	\$ 4,886.21	\$ 5,202.37	\$ 316.16	6.47%
Urban Service Area	\$ 74.14	\$ 72.26	-\$ 1.88	-2.54%
TOTAL WITH URBAN SERVICE AREA	\$ 4,960.35	\$ 5,274.63	\$ 314.28	6.34%

The increase of 6.34% represents the impact that the average detached single-family property would see in their total tax bill, with all three taxing authorities included. The Region amount includes the levy for waste collection and transit. If Council wanted to lower the overall increase on the tax bill by 1% it would require a decrease of \$298,732 on the Township Levy, as that is the only item that is under the Township jurisdiction.

The Township portion of the tax bill will see a monthly increase of \$12.54 on the average single detached home in the rural area and a monthly increase of \$12.30 on the average single detached home in the urban area of Smithville.

2024 CAPITAL BUDGET

The Capital Plan totals \$104,419,700 and covers the years 2024 to 2033. The funding for the Capital Plan is provided from the following sources:

- Reserve Transfers of \$29,937,850
- Grants of \$14,398,800
- Debt Financing of \$23,994,800
- Development Charges of \$35,606,700
- In Lieu of Parkland of \$480,000

And a small amount from donations of \$1,550. These funding sources have a heavy reliance on the tax levy, namely the Reserve Transfers and Debt Financing. **Schedule G** to this report provides the funding source for each project in the Capital Plan. **Schedule H** lists each Capital Project by Department.

In terms of Asset Classifications, the Capital Plan is broken down as follows:

- Environmental Infrastructure \$27,904,500
- Equipment \$ 2,977,400
- Facilities \$11,592,000
- Land Improvements \$ 1,588,000
- Road Infrastructure, including bridges \$47,238,500
- Rolling Stock \$ 9,311,000
- Special Projects \$ 3,808,300

The 2024 projects within the Capital Plan total \$10,832,100, which represents a significant increase over 2023 Capital spending, which had an approved budget of \$5,125,000. The financing of the 2024 projects requires a 2.1% increase to the Operating Levy, which equates to just over \$190,980 in additional revenue. **Schedule E** to this report provides a summary of each project and **Schedule F** provides a detailed listing of the 2024 projects, including funding source.

The following is a summary of **2024** projects by Department. **Schedule E** provides additional details for each project.

Planning/Building/By-law total of \$80,000

Project	2024
1211 - By-Law Tracking Software	\$ 30,000
1213 - Affordable Housing Community Improvement Plan	\$ 50,000

The two projects above have been included in the 2024 Capital Budget as a result of discussions that took place with Council in 2023. These were not in the prior year Capital Plan.

Fire total of \$155,200

Project	2024
1062 - Portable Pumps (2)	\$ 25,000
1088 - Miscellaneous Fire Equipment	\$ 10,000
1120 - Station 2 SBCA Cylinder Compressor and Filling Station	\$ 90,000
1214 - Tablets for Fire Vehicles	\$ 5,200
56 - Fire Bunker Gear	\$ 25,000

Project 1214 is a new item that Fire included in their Capital Budget in 2024. The tablets will be used to perform provincially required compliance tasks, allow access to fire plans and will tie in with the other modules within the fire department administrative software.

Corporate Services/Governance total of \$336,600

Project	2024
400 - Rehabilitation of Town Hall Parking Lot	\$ 170,000
1145 - Record Management System Implementation	\$ 68,200
1041 - Town Hall Window Replacement	\$ 36,000
564 - Replacement Computers - Corporate Services	\$ 26,900
1208 - Joint Job Evaluation (JJE) Union Employees	\$ 15,000
573 - Network Hardware - Corporate Management	\$ 15,000
833 - Miscellaneous Corporate Management Equipment and Furniture	\$ 5,500

Project 1145- Record Management System Implementation is a project that was introduced in 2023 and is a 3 year project, with additional funds allocated in 2025.

Parks and Recreation total of \$715,500

Project	2024
516 - Murgatroyd Trail - Reconstruction	\$ 200,000
152 - Leisureplex Playground Replacement	\$ 160,000
148 - Wide Area Mower - Replacement	\$ 140,000
1089 - Silverdale Hall Siding Replacement	\$ 47,000
154 - Gator Replacement	\$ 32,000
160 - Zero Turn Mower Replacement	\$ 31,000
1218 - Seasonal Lighting Hydro Pole Safety Improvements	\$ 20,000
1147 - Wellandport Tennis Court Resealing	\$ 18,000
1101 - Leisureplex Electric Panel Upgrades	\$ 17,000
1150 - Abingdon Baseball Park Bleachers	\$ 15,000
1149 - Hank MacDonald Park Building Roof Shingles	\$ 12,000
1048 - Parks Furniture	\$ 10,000
138 - Miscellaneous Parks Equipment	\$ 8,500
1159 - Miscellaneous Recreation Program Equipment	\$ 5,000

The projects under Parks and Recreation are all rehabilitation and maintenance projects.

Environmental Services total of \$5,445,800

Project	2024
1163 - RR20 (West St) & Wade Rd North Sanitary Replacement	\$ 2,350,000
941 - RR 20 (West St) & Wade Rd N Water Main Replacement	\$ 2,000,000
1110 - Killins St, Barbara St, Brooks Cir Watermain Replacement	\$ 800,000
1182 - Stormwater Pond Rehabilitation - Riverview Estates	\$ 200,000
420 - Water Meter Replacement Program	\$ 50,000
743 - Water Meters - New Installation	\$ 35,800
733 - Miscellaneous Wastewater Equipment	\$ 5,000
723 - Miscellaneous Water Equipment	\$ 5,000

Projects 1163 and 941 totalling \$4,350,000 are being undertaken as part of the Niagara Region's Phase 4 of RR20 reconstruction project. These projects are funded through a combination of reserve transfers, debenture funding and Development Charges.

Transportation Services total of \$3,968,500

Project	2024
251 - Killins St, Barbara St, Brooks Cir Road Resurfacing	\$ 1,100,000
1025 - Vaughan Rd - Hardtop Gravel Rd From Wellandport Rd to Heaslip Rd	\$ 700,000
26 - Campbell Bridge Rehabilitation	\$ 600,000
1184 - Concession 3 Rd Resurfacing; from RR14 to Caistor Gainsborough Townline Rd	\$ 380,000
40 - Guard Rail Replacement (Various)	\$ 300,000
1183 - Abingdon Rd Resurfacing; From North Chippawa Rd to Concession 2 Rd	\$ 200,000
168 - Tractor/ Brusher/ Articulating Mower Replacement	\$ 195,000
1166 - South Grimsby Rd 5 - Reconstruction/Urbanization From: RR20 To: Spring Creek Rd.	\$ 150,000
271 - Sidewalk Tractor Replacement	\$ 125,000
1201 - West St/RR20 Sidewalk - Between South Grimsby Rd 5 and Wade Rd	\$ 120,000
1039 - Pick Up Truck 10017 - Replacement	\$ 45,000
713 - Signs - New & Replacement	\$ 17,500
1179 - New Sweeper Attachment for Backhoe	\$ 15,000
853 - Traffic Radar Speed Board Replacement	\$ 15,000
237 - Miscellaneous Road Equipment	\$ 6,000

The overall planned spending in Transportation Services is an increase of \$769,500 or 24% over the 2023 approved budget. Included in the Capital Plan for 2024 is the Hard-topping of Vaughan Road from Wellandport Road to Heaslip Road with a budget of \$700,000. The Township has completed two earlier hard-topping projects, a portion of Concession Road 5 in 2021 and a portion of Vaughan Road in 2023. These projects relied on debenture financing. Given the current rate of interest, staff are funding a portion of the 2024 project through an internal borrowing from the Capital Reserve. The Capital Reserve will be reimbursed through the tax levy within the Unpaved Roads sub-function of the operating budget. The repayment amount in 2024 is \$70,000.

Library Services total of \$130,500

Project	2024
1153 - Smithville Library Garden/Sun Shade	\$ 40,000
776 - Addition to Printed Collection - Smithville Library Branch	\$ 17,300
775 - Addition to Audio Visual Collection - All Library Branches	\$ 15,300
1152 - Library Camera Additions	\$ 12,000
780 - Addition to Printed Collection - Wellandport Library Branch	\$ 11,500
1118 - Logo and Branding	\$ 10,000
779 - Addition to Printed Collection - Caistorville Library Branch	\$ 9,200
1004 - Non Network Replacement Computers - Library Branches	\$ 7,700
1171 - Library Furniture Replacement	\$ 6,000
777 - Replacement Computers - Library Branches	\$ 1,500

The Capital Budget for the Library has been approved by the Library Board. An increase to the transfer to the Library Reserve of \$43,250 is required to fund the Library’s Capital Plan.

INTER-DEPARTMENTAL COMMENTS:

Department Heads worked with their staff to send in initial budget plans which are then reviewed and discussed with the Treasurer and CAO resulting in the final draft document as presented to Council. The Library Board approves the budget submitted for the Library.

CONCLUSION:

The 2024 Draft Operating and Capital Budget presented to Council is a collaboration between all Township departments. This has been a challenging budget as staff have attempted to balance the pressure of rising costs and the need to address the infrastructure funding gap while managing the impact of levy increases to the property tax bill. This is an information report as the request for Final Budget approval will take place at the February 20th Administration/Finance/Fire meeting.

Prepared, Submitted and Approved by:



**Donna DeFilippis,
Interim CAO and Treasurer**